

# New Frontier<sup>®</sup> data



**CANNABIS**  
CAPITAL CONFERENCE

## 2018 INDUSTRY UPDATE: GLOBAL MARKETS

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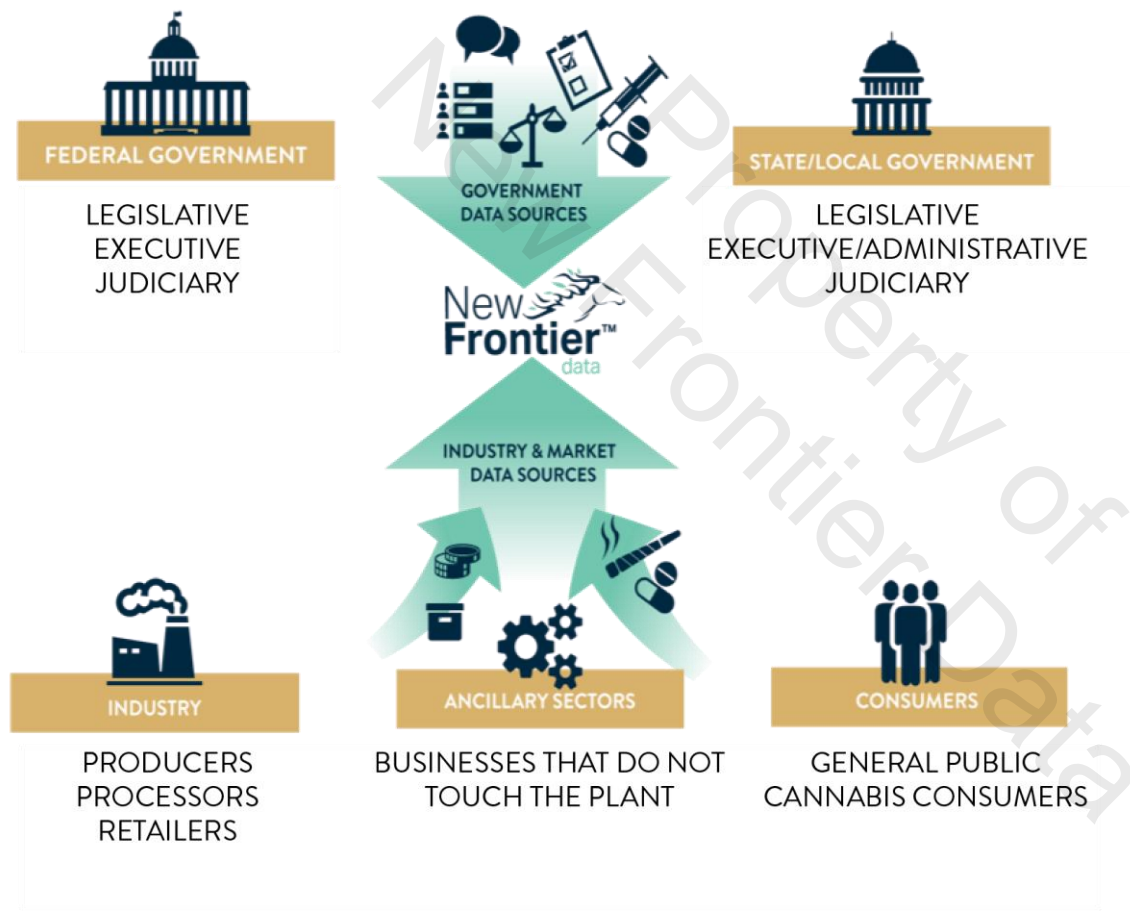
## MISSION

New Frontier Data strives to be the cannabis data analysis and industry reporting authority by collecting reliable data, applying rigorous analysis, and producing actionable intelligence. We are committed to the highest level of objectivity and transparency as we endeavor to equip our customers with the knowledge necessary to increase profits, identify opportunities, and navigate this nascent and still underserved market space.

## VISION

To be the World's Big Data Authority for the Cannabis Industry.

# FIVE DIMENSIONS OF CANNABIS DATA



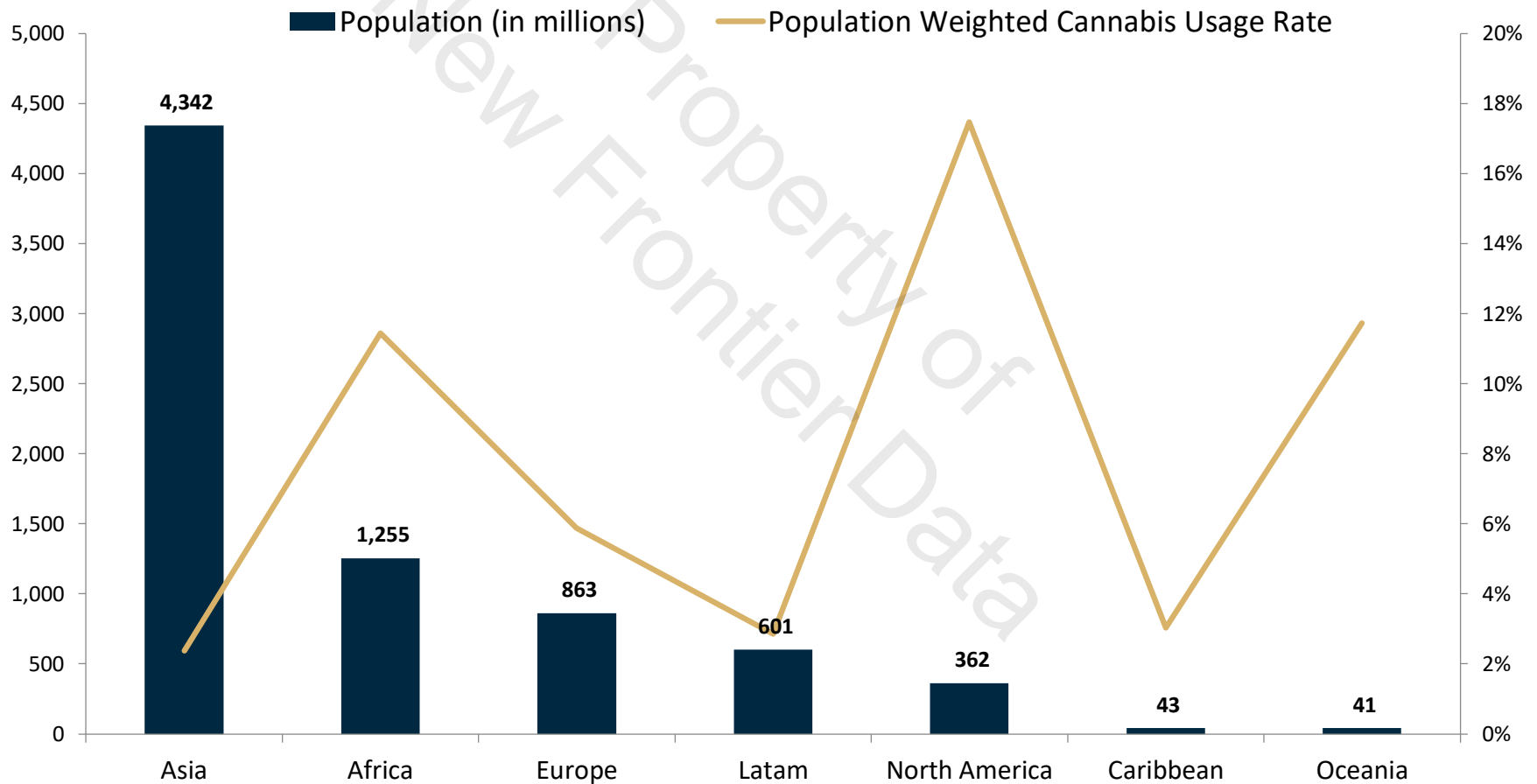
DATA ACROSS ALL FIVE DIMENSIONS IS CRITICAL TO UNDERSTAND AND EVALUATE THIS NEW SECTOR.





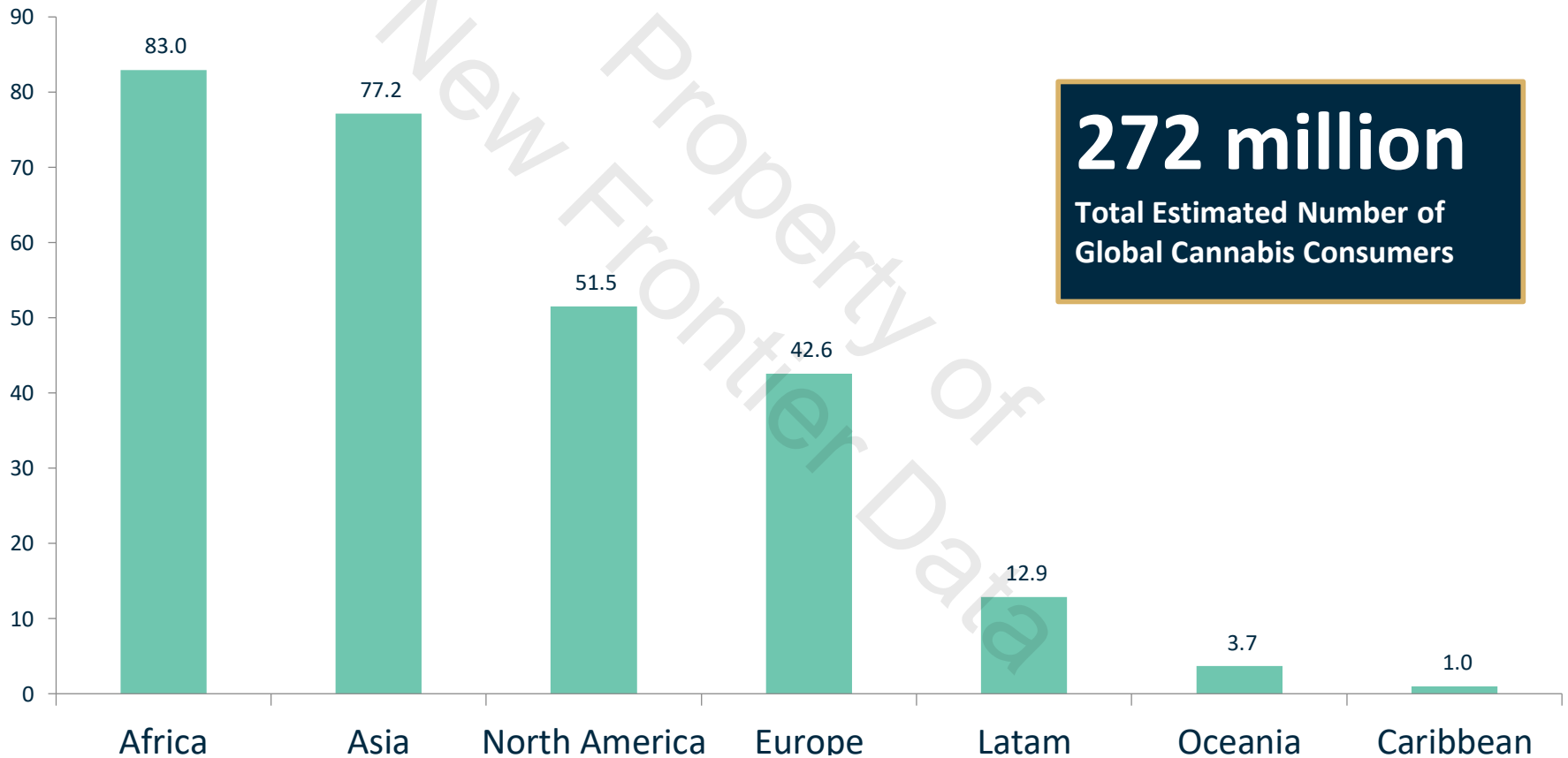
# A GROWING NUMBER OF GLOBAL CANNABIS CONSUMERS

## Population and Percentage of Cannabis Consumers



# A GROWING NUMBER OF GLOBAL CANNABIS CONSUMERS

Estimated Number of Cannabis Consumers by Region  
(in millions)



# NORTH AMERICA IS LAYING THE FOUNDATION FOR A GLOBAL INDUSTRY

## CANADA

Population: 36.3 million  
Cannabis Consumers: 4.2 million  
2018 Legal Market: USD \$1.3 billion

## U.S.

Population: 325.7 million  
Cannabis Consumers: 22.4 million  
2018 Legal Market: USD \$ 10.3 billion

## TOTAL LEGAL MARKET 2018-2025

Canada: \$36 Billion

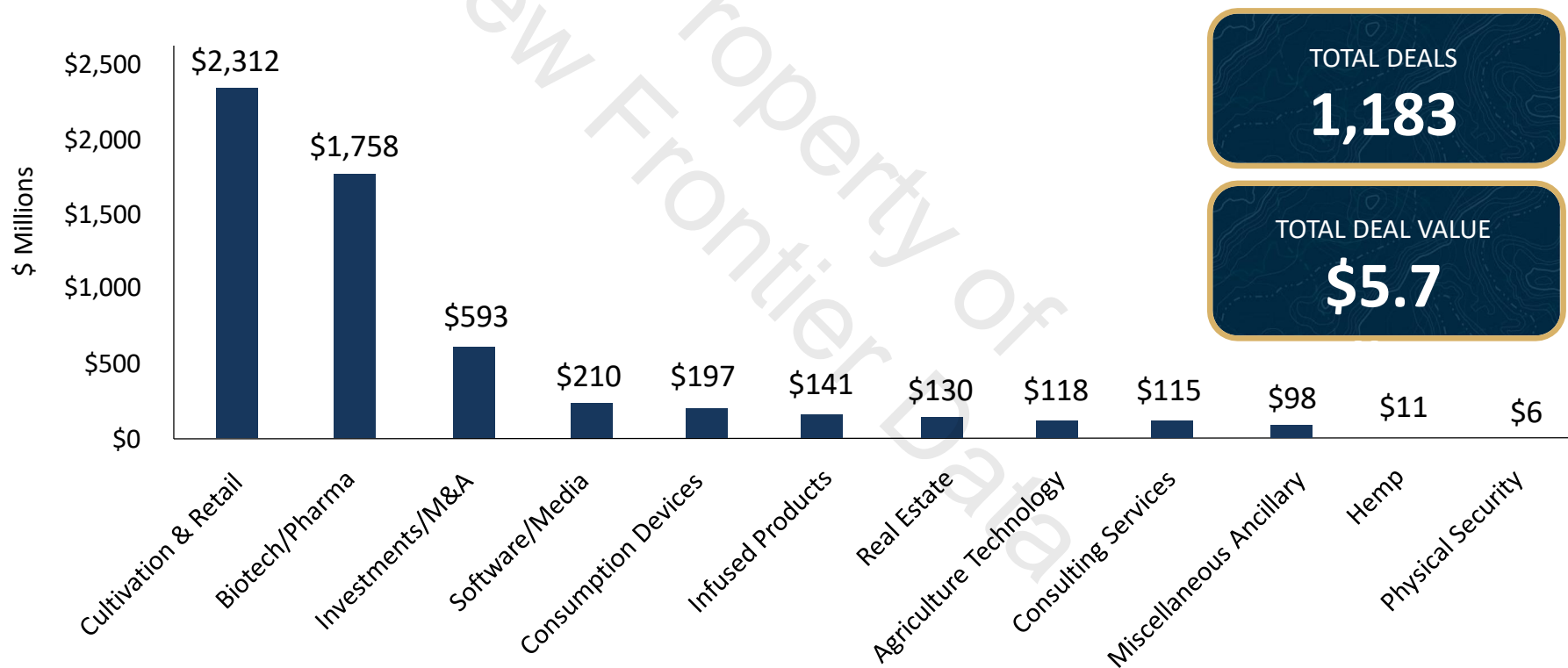
US: \$136 Billion

**Total: \$173 Billion**



# SURGING INVESTMENT IS FUNDING EXPANSION & SCALE

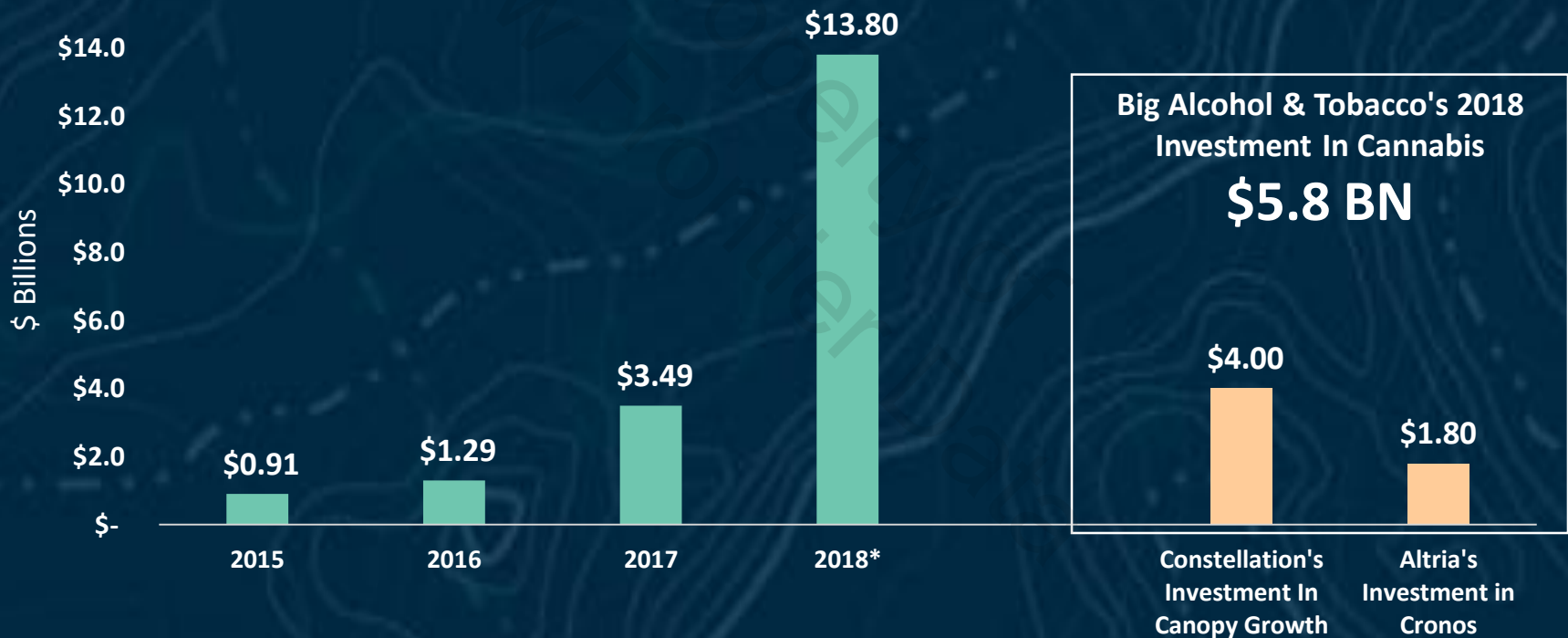
**Cannabis Business Capital Raises by Market Sector**  
**2015-2017**





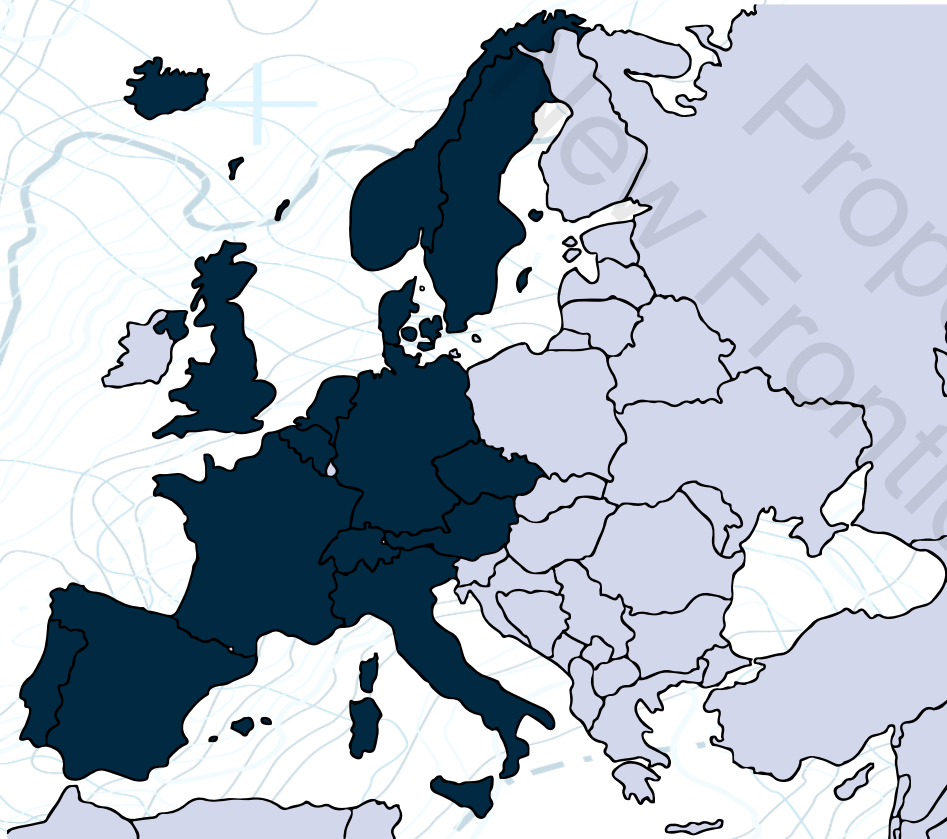
# SURGING INVESTMENT IS FUNDING EXPANSION & SCALE

## Big Alcohol & Tobacco's Accounted for Nearly Half of 2018's Total Cannabis Investments



SOURCE: VIRIDIAN CAPITAL ADVISORS

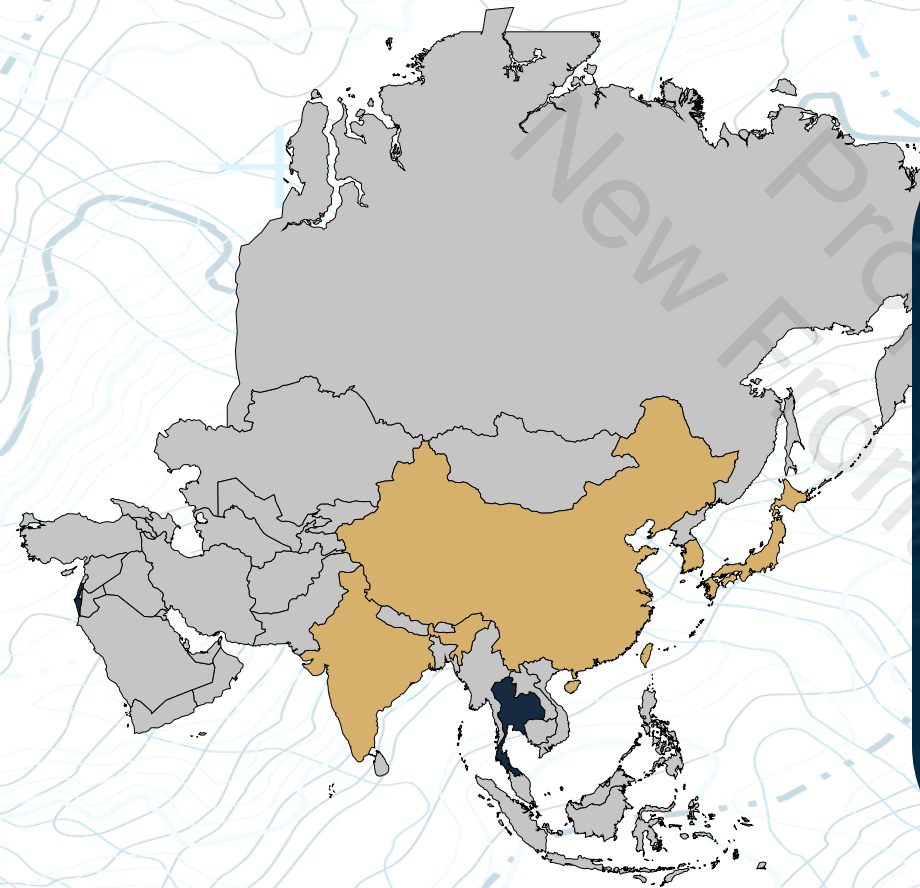
# EUROPE: LEADING THE WAVE OF CANNABIS REFORM



■ Medical Use

- Largest wave of cannabis reform & legalization in the world.
- 29 countries allow some form of medical cannabis use, but rules vary widely
- Products allowed range from flower to Sativex & Epidiolex
- Pharmacies (not dispensaries) are the primary distribution channel

# ASIA: THE EPICENTER OF GLOBAL HEMP PRODUCTION



- The world's most populous nations, India and China, are major hemp producers
- Thailand is developing a medical cannabis program; aims to be a leading low-cost high quality cannabis exporter
- The CBD markets in Japan in Korea will represent significant opportunity for nutraceuticals and cosmetics



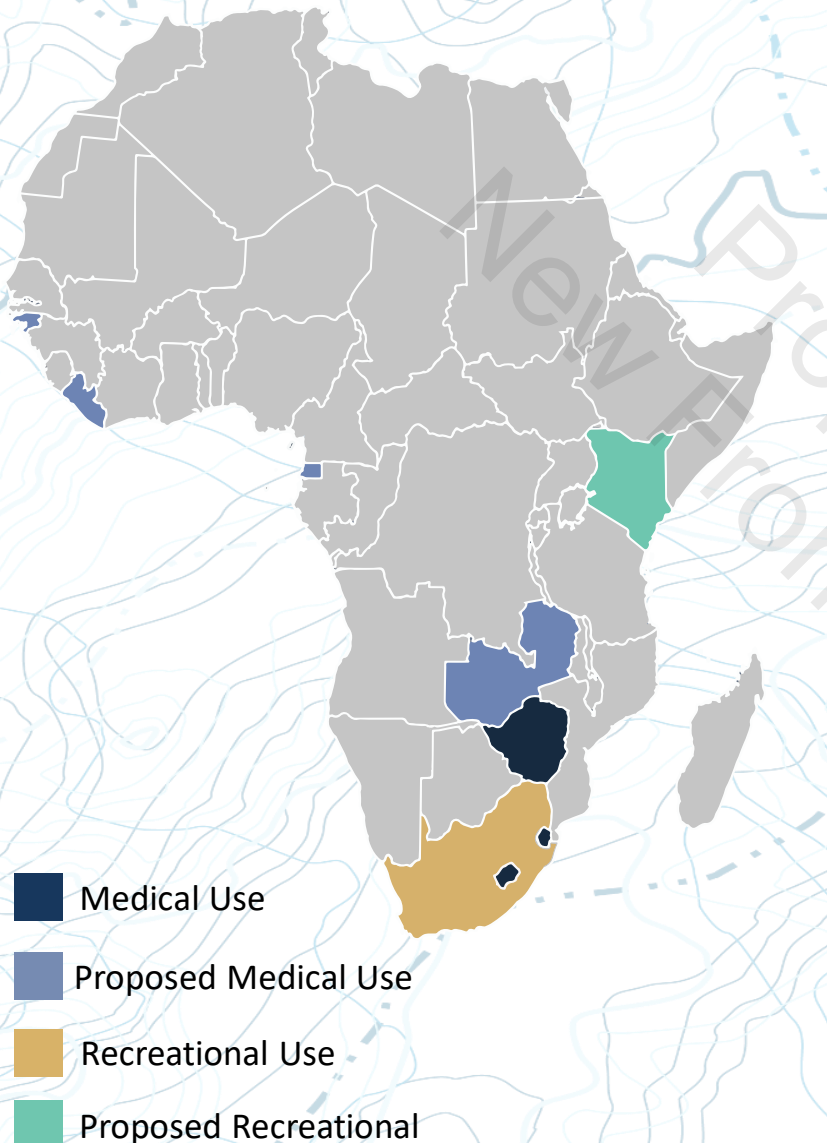
Medical Use



CBD/Hemp



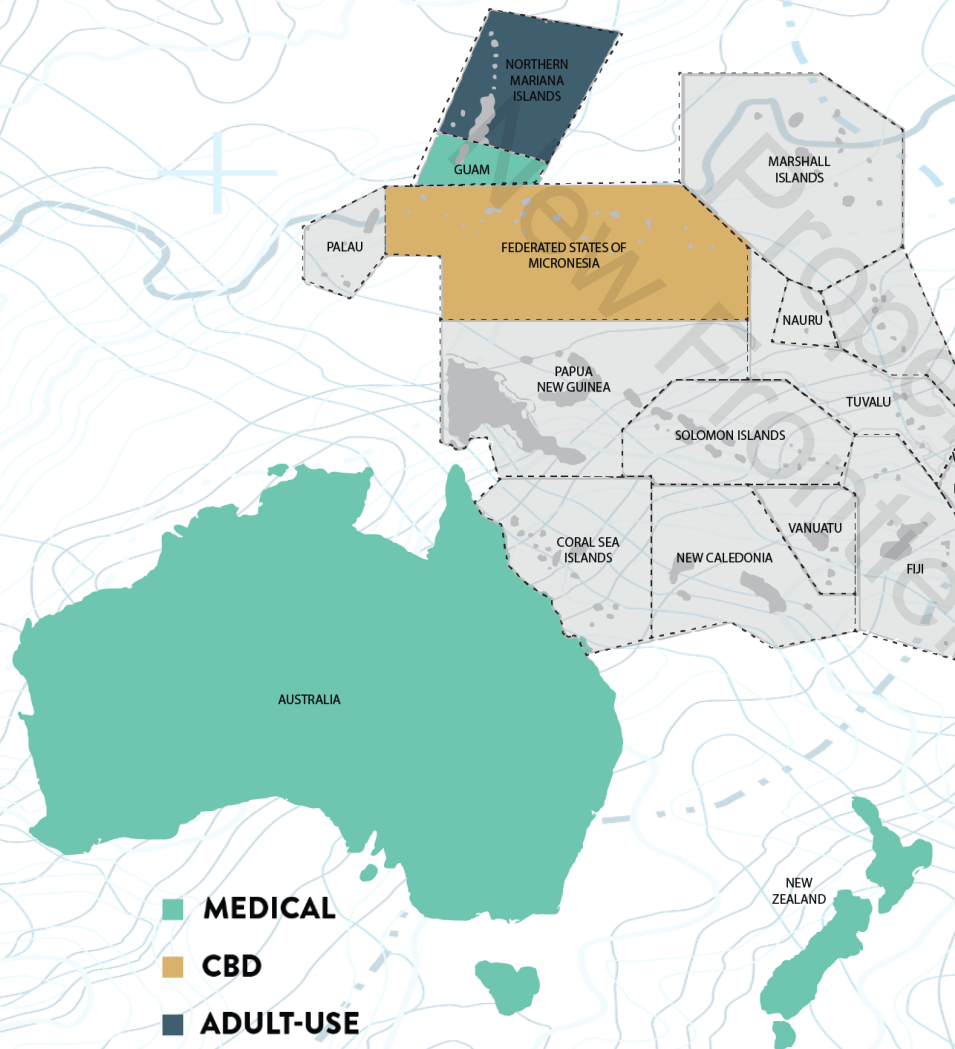
## AFRICA: BUILDING MOMENTUM FOR LOW COST PRODUCTION



- Southern Africa is leading cannabis legalization in Africa
- The South African Supreme Court ruled cannabis prohibition violates South Africans' human rights
- Lesotho and Zimbabwe have legalized medical use
- A bill to legalize adult use in Kenya was just introduced
- Zambia, Equatorial Guinea, Liberia, Guinea Bissau all exploring industrial hemp/medical use

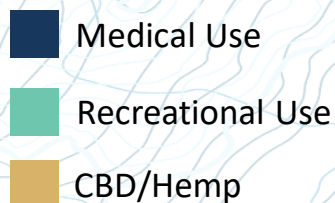


# OCEANIA: A REGIONAL HUB FOR LEGALIZATION IN THE PACIFIC



- Australia and New Zealand anchor Oceania's cannabis markets, with the highest usage rates in the region.
- Australia is a leading importer, but wants to become a global exporter
- New Zealand is on track to be the next developed nation to legalize adult use

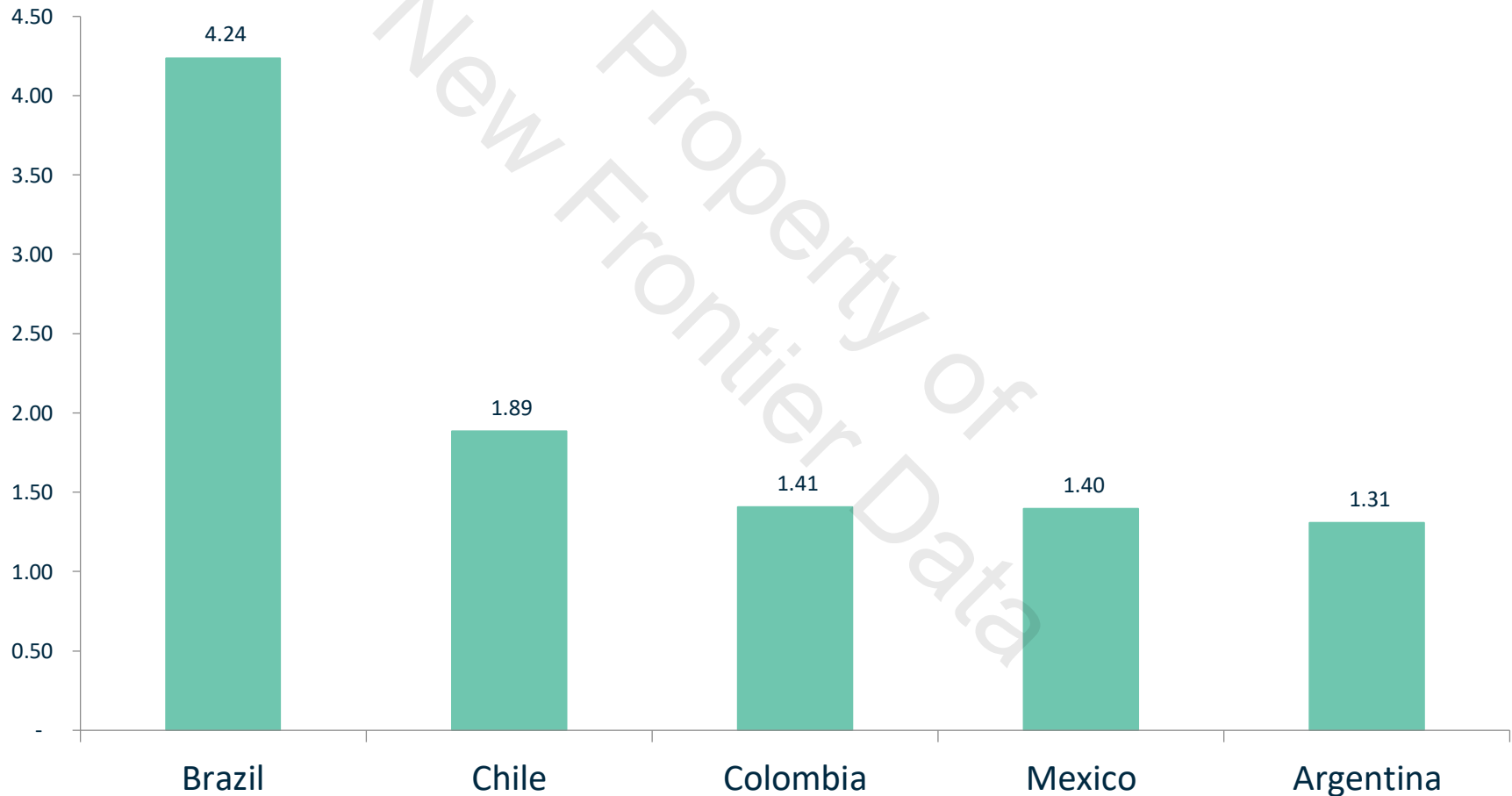
## LATIN AMERICA: CULTURAL AFFINITY IS DRIVING LEGALIZATION



- Latin American nations have quickly embraced medical cannabis
- Uruguay was the first nation to fully legalize recreational use
- Many countries in the region, including Columbia, Panama, and Uruguay are investing heavily in building export capacity
- Brazil, the regions largest country, remains a CBD-only market

# Latin America: Top 5 Largest Cannabis Consumer Nations

The total estimated number of cannabis consumers in Brazil, Chile, Colombia, Mexico, and Argentina account for roughly 80% of **all** cannabis consumers in Latin America





# BRAZIL



- Brazil has the highest concentration of cannabis consumers in Latin America (33%).
- Currently, the only legal way of accessing medical cannabis in Brazil is to import product individually, with approval on a case-by-case basis
- Brazil's Committee of Social Affairs (Comissao de Assuntos Sociais) of the Senate approved a bill in November 2018 that would legalize home growing of medical cannabis



# CHILE

- Chile has the most cannabis consumers per capita in Latam and the fifth biggest consumers in the world
- Chile was the first nation in Latin America to cultivate cannabis strictly for medical purposes back in 2014
- Chile is a world top producer of hemp behind China and France
- On July 7, 2018, the Chamber of deputies passed a bill to grant Chileans the right to possess 10 grams and grow up to six plants at home. The bill is currently awaiting approval from the Health department and Senate.

# COLOMBIA



- Colombia is on track to become a global leader in legal cannabis exports.
- Low cost production will make it very challenging for other markets to compete.
- Cannabis is increasingly viewed a substitution crop for transition of illicit coca leaf farms to legal operations.
- Colombia is implementing safeguards to protect small growers: 10% quota of raw materials to be purchased from small to medium sized growers.

# URUGUAY



- Uruguay was the first nation to legalize adult use cannabis in 2014.
- There are three ways to obtain recreational cannabis: pharmacies, cannabis clubs, home cultivation
- Adults may only purchase 10g per week/40g per month from pharmacies.
- Cannabis clubs are limited in membership, number of plants, and grams dispensed.
- The only medicinal product available in pharmacies is Epifractan, a 10 ml CBD oil extract with 2% CBD.



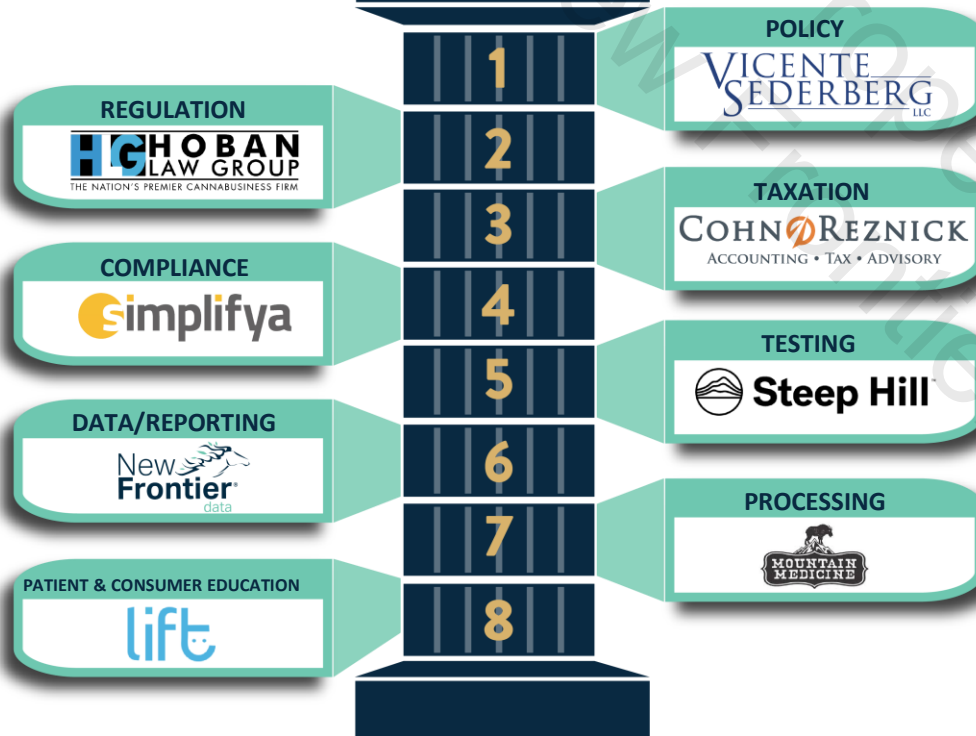
## KEY TAKEAWAYS

- The entrance of big pharma, alcohol and tobacco is funding expansion & scale
- Courts are now starting to define the rights of cannabis consumers, and laws are consequently evolving
- Countries like Georgia, Mexico and South Africa are some of the first examples where human rights helped shape cannabis policy
- The United Nations is set to release a report on THC at the end of Q1 2019
  - Whatever the outcome, the existence of the report will advance the conversation and shows significant progress





## CANNABIS MARKET FOUNDATION



New Frontier Data has launched the *InterCannAlliance* whose mission is to share best practices and lessons learned from recognized leaders across the *Foundational Pillars* of any new legal cannabis market.

### SPECIAL EVENTS & STUDIES

- **Europe:** Import & Exports in the Age of Cannabis Globalization
- **Latin America:** Regional Socio-economic impact of Cannabis Legalization
- **Africa:** Socio-economic Impact of Hemp Cultivation in Sub-Saharan Africa
- **APAC:** Hemp Advanced Industrial Applications

*Presented in exclusive partnership with:*





InterCannAlliance  
Led by New Frontier Data

FEB 11, 2019

# LATIN AMERICA SYMPOSIUM

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# THE GLOBAL REPORT

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