

WeedMD Inc

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North American cannabis market could be worth US\$47.3bn annually by 2024

New findings from a research report predict North America's legal cannabis industry could be worth more than \$47.3 billion annually by 2024.

The North American Cannabis report, published by consultancy group Prohibition Partners, finds that despite Canada becoming the first G7 country to legalize adult-use cannabis, cannabis growth south of the border will greatly outstrip Canada. According to the report, the US is expected to post triple-digit growth in the industry by 2024, despite not having legalized cannabis federally.

"Although North America's legal cannabis industry could be worth more than US\$47.3 billion within the next five years, the true value of the market is likely to be much larger than current estimates," noted Daragh Anglim, Managing Director at Prohibition Partners. "This is because, contrary to the hopes of regulators, legalization is unlikely to eradicate black market sales, particularly in Canada."

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The report predicts the Canadian cannabis market will be worth US\$3.4 billion by 2024, however, the growth in Canada - estimated at 33% annually - will likely be much slower than in the US, where it is predicting triple-digit growth.

Medicinal cannabis is legal in 33 US states, and adult-use cannabis is legal in 11 states plus Washington DC. The report suggests sales of medicinal cannabis will dwarf the recreational market.

"We expect the total cannabis market to be worth US\$47.3 billion by 2024. By then, we believe medicinal cannabis, as well as recreational cannabis, will be legal across the region, integrated across a number of industry verticals from pharma to food."

Eyes on CBD, edibles

The report pointed to the potential of CBD lifestyle products in the upcoming year.

"CBD has existed for quite some time in a legally grey area, and, as such, it has retained its underground status, based on word-of-mouth 'marketing'. However, this is changing and a new industry is growing, virtually out of nowhere," noted the report's authors. "Pivotal to industry change was the passing of the 2018 Farm Bill in December 2018."

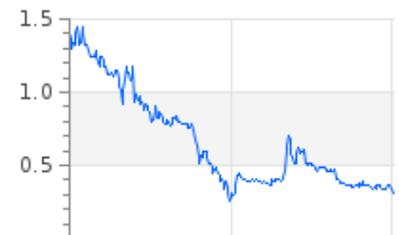
According to the report, as western countries experience a decline in smoking rates and alcohol consumption remains flat, tobacco and beverage companies are looking to boost growth by investing in the sector - examples including deals from Constellation Brands and Altria.

The report also pointed to the beauty market, which is seeing strong activity with a "growing number of high-end

Price: 0.315

Market Cap: \$66.23 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: WMD

Listing: TSX-V

52 week High Low
1.46 0.26

Sector: Cannabis

Website: www.weedmd.com

Company Synopsis:

WeedMD Inc. is the publicly-traded parent company of WeedMD Rx Inc. , a federally-licensed producer of cannabis products for both the medical and adult-use markets. The Company owns and operates a 158-acre state-of-the-art greenhouse, outdoor and processing facility located in Strathroy, Ontario. WeedMD also operates CX Industries Inc. , a wholly-owned subsidiary of WeedMD Inc.

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retailers adding cannabis products to their stock."

The report pointed to the fact that cannabis edibles are currently not legal across all of North America - expected to shift in October 2019 in Canada - which could signify a further expansion of the industry.

Looking beyond North America

The report made note that the North American market plays a significant role in the wider industry.

"From an international perspective, the regulatory frameworks across Europe mirror the patchwork of legislation across the US," wrote the authors, noting that countries considering reform will likely look to learnings from Canada. "As the industry continues to develop, Europe, and indeed the international market, will continue to monitor developments in North America closely."

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