

Investment Opportunity – CBD Nutraceuticals

The legalization of cannabis in Canada presents an opportunity to capitalize on significant market growth and the Edmonton Metropolitan region is quickly becoming Canada's cannabis/ CBD hub.

\$22 BILLION
GLOBAL MARKET
for CBD by 2026

18% PROJECTED GLOBAL
DEMAND GROWTH FOR
CBD NUTRACEUTICALS

PROGRESSIVE POLICY &
LEGAL ENVIRONMENT

LARGE
CONCENTRATION OF
GLOBAL PRODUCERS

CANADA'S LOWEST
TAX RATES

\$16.4B *existing Canadian market
for nutraceuticals*

\$2.5B *of cannabis produced
in Alberta*

OPPORTUNITY

Nutraceuticals - defined as food products which are eaten for health benefits beyond eating - are part of a large and growing market in natural health products accounting for \$16.4 billion annually in Canada alone. Globally, the sector has seen a compounded 10% year over year growth from 2010 to 2018. 75% of consumers are 'frequent users' of these products.

Cannabidiol (CBD) nutraceuticals involve the addition of CBD oil, distillate or extract to food and beverage products.

Globally the market for CBD nutraceuticals is expected to be valued at \$22 billion by 2026 with an annual compound growth of 18.8%.

EDMONTON METROPOLITAN REGION VALUE PROPOSITION

CANNABIS FRIENDLY

- Canada is one of the most cannabis friendly countries in the world; Alberta is the most cannabis friendly province in Canada.
- The Province of Alberta has supported and encouraged the growth of this industry.

STRONG MARKET

- Alberta's licensed producers sold more than \$2.5 billion in cannabis products in 2018-2019.
- When compared nationally, this amount is almost identical to Quebec and only 20% less than Ontario – both of whom have populations significantly larger than Alberta.

MARKET DRIVEN INNOVATION

- Alberta's free market structure for cannabis products and nationally leading network of licensed producers has translated into a greater push towards innovation and product development.

EXISTING INDUSTRY INFRASTRUCTURE

- The Edmonton region has the complete value chain including:
 - access to agricultural products,
 - world-class agricultural and nutritional research,
 - industrial processing capabilities. Nutraceuticals can be evaluated for health benefits, rendered for nutritional value and then marketed to consumers for their health benefits.

ECOSYSTEM SNAPSHOT

CAPACITY AS A CANNABIS/CBD HUB

- Aurora Cannabis – one of the biggest cannabis companies by revenue worldwide - is headquartered in the Edmonton region.
- Other notable growers include Atlas Cannabis and Aphria Inc – both among Canada's top 20 cannabis producers by volume.

R&D CAPACITY

- PBG BioPharma includes a C1D2 manufacturing facility licensed for cannabis and a full suite of facilities and expertise - a resource for international partners.
- Token Naturals' extraction facility can process 65,000 kg of cannabis flowers each year into extractive and derivative products.

Contact Edmonton Global's Robert Sikora to receive a detailed business case and competitiveness scan for nutraceutical investment opportunities in the Edmonton Metropolitan Region.

Robert Sikora | +1.780.720-3537 | rsikora@edmontonglobal.ca

