



# FINANCIAL SERVICES AND CANNABIS: THE FUTURE OF CANNABIS INVESTING

Rick Maturo – Professional Services Director

# **BDSA PROVIDES A COMPLETE VIEW OF THE GLOBAL CANNABINOID MARKET OF TODAY AND TOMORROW**



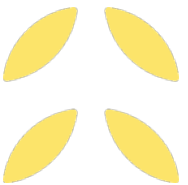
## **RETAIL SALES TRACKING**

Know exactly what is selling where, when, and at what price point



## **MARKET FORECASTS**

Gain a comprehensive understanding of market size and future opportunity



## **CONSUMER INSIGHTS**

Understand consumer (and non-consumer) segments, sizing, behavior, consumption patterns, purchase habits, and more



**Micah Tapman**  
CEO, BDSA

# LET'S MEET OUR PANEL



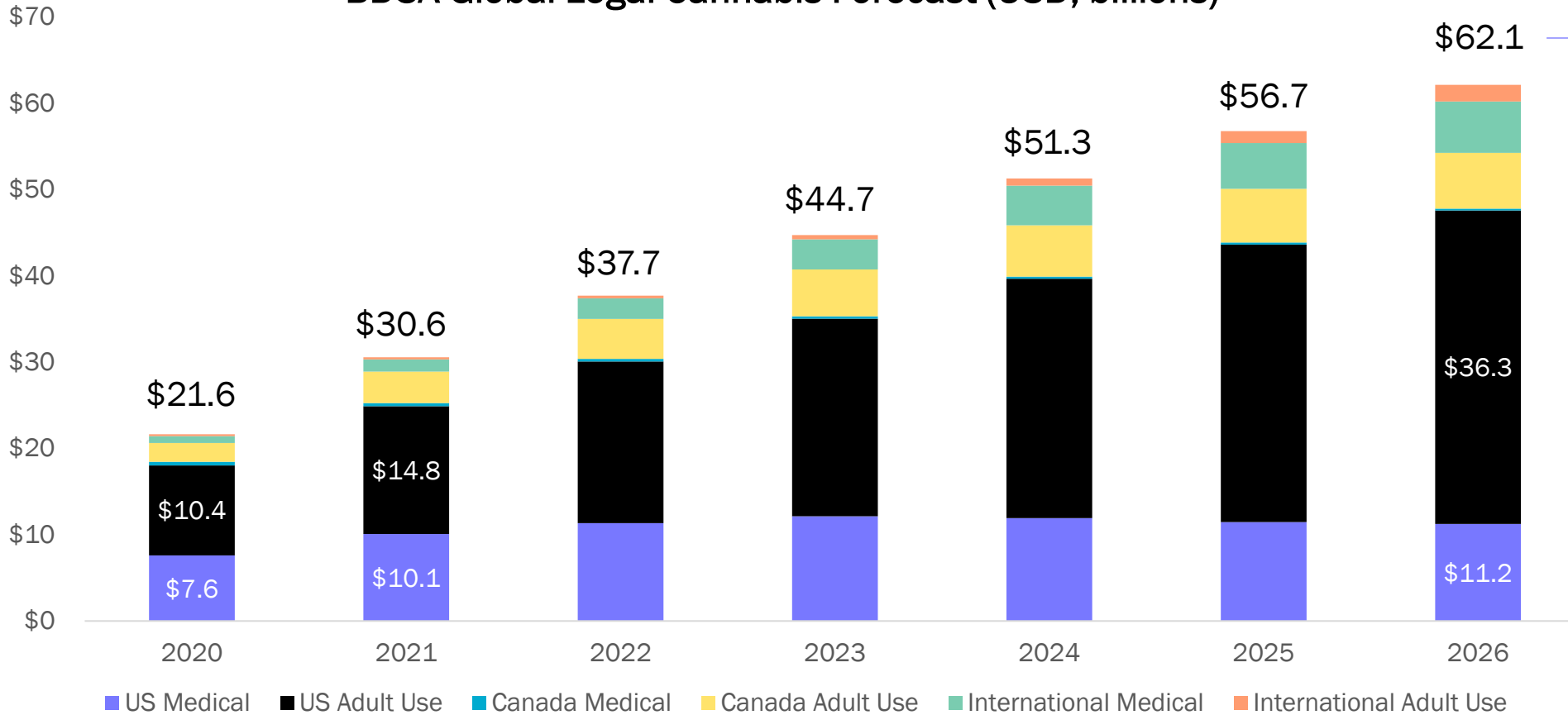
**Matt Singer**  
Managing Director | Investment Banking  
Food, Consumer, Retail



**Kaumil Gajrawala**  
Managing Director  
Beverages, HPC, Wellness

# EVEN IN THE 2026, \$62.1B GLOBAL MARKET THE US WILL REMAIN THE LARGEST LEGAL MARKET—DRIVEN BY GROWING ADULT-USE SALES

BDSA Global Legal Cannabis Forecast (USD, billions)



California and Colorado alone will make up ~16% of 2026 global cannabis sales

**BDSA Top 2026 US Markets:**

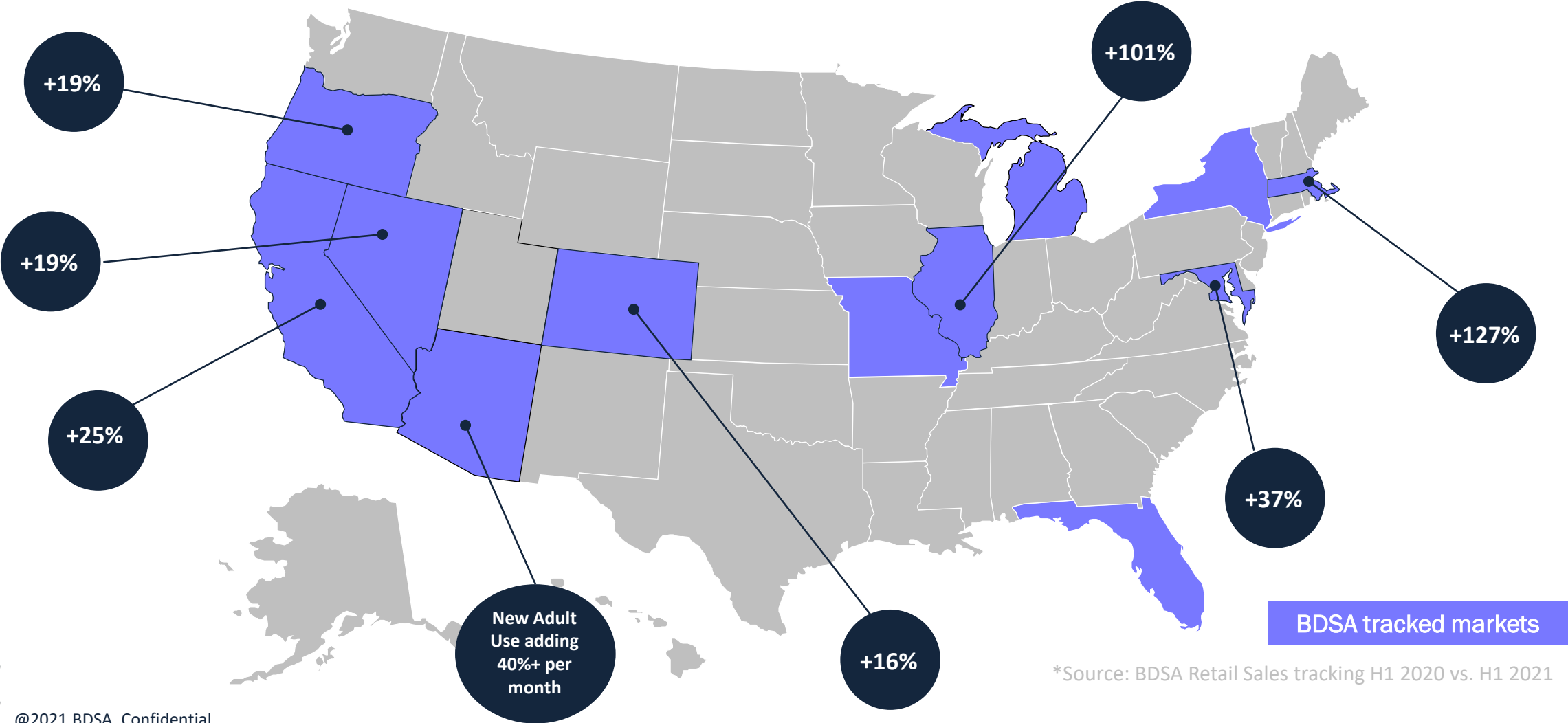
- California**
- Colorado**
- Florida**
- New York**
- Michigan**

With top 5 markets making up 39% of revenue by 2026

Source: BDSA Forecast, as of September 2021

# 2021 IS SHOWING SUBSTANTIAL GROWTH – EVEN IN MATURE MARKETS

There has been substantial growth the first 6 months of the year in all BDSA tracked markets with year-over-year comparison; especially new Adult-Use markets such as Illinois, Massachusetts, Michigan, and Arizona.

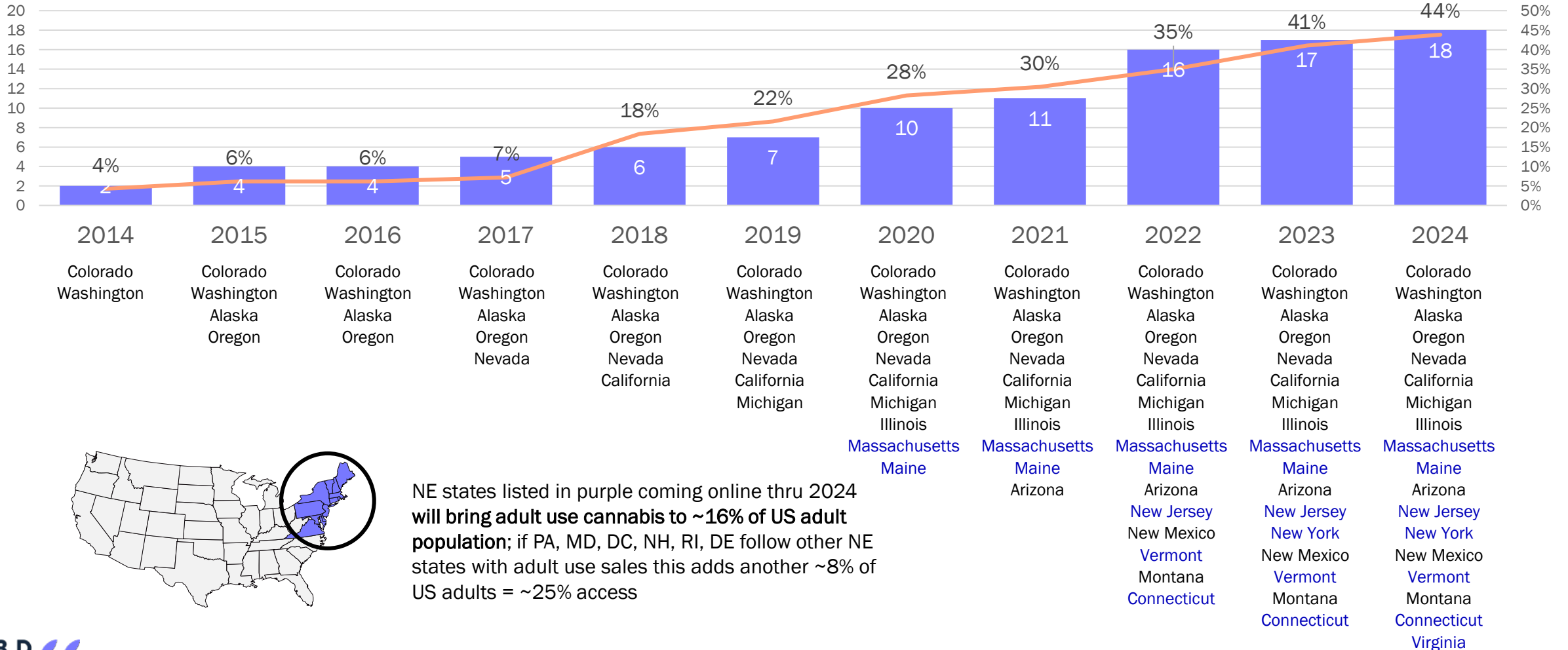


\*Source: BDSA Retail Sales tracking H1 2020 vs. H1 2021

# BY 2024 NEARLY HALF OF US ADULTS WILL HAVE ACCESS TO ADULT USE

## US States with Adult-Use Cannabis Sales - Overtime

States with operational Adult-Use Retail      % of 21 or older US population



# MARKET TRAJECTORY SIGNALS THAT THE BIG WILL CONTINUE TO GET BIGGER

Number & size of transactions continue to increase in 2021 YTD - exceeding values in 2020 & 2019

**272**

**2021 M&A  
TRANSACTIONS YTD**

**189**

**2021 US M&A  
TRANSACTIONS YTD**

**VS.**



**74**

**2020 M&A  
TRANSACTIONS  
(SAME PERIOD)**

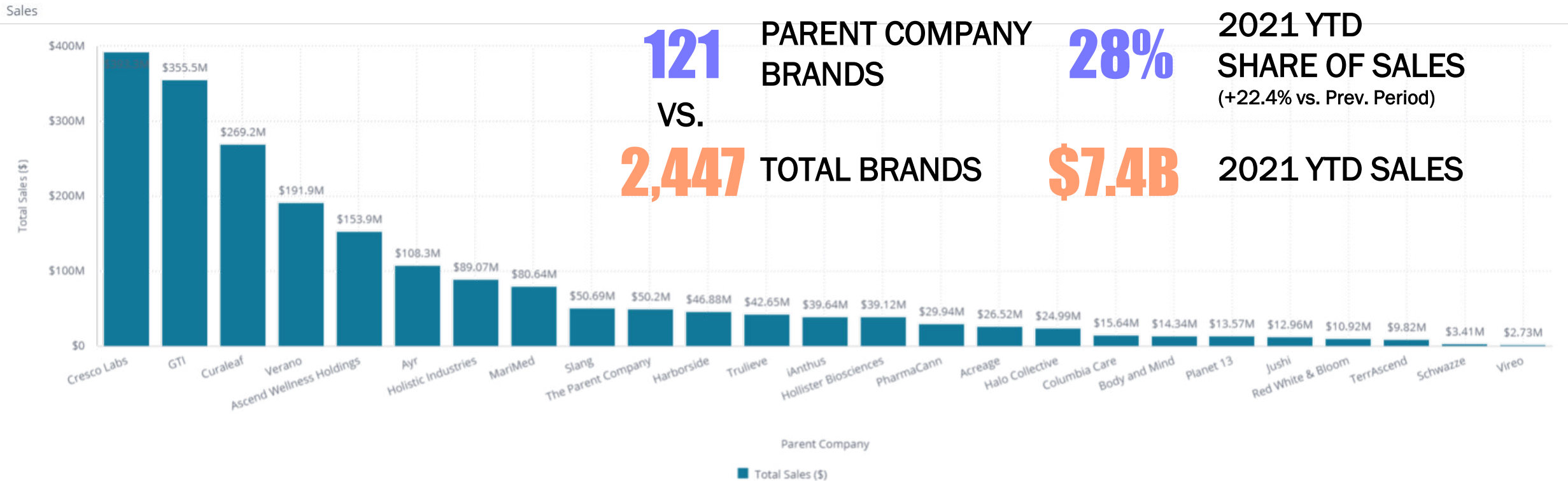
**\$8.4B**

**TOTAL US  
CONSIDERATION**

# THE LARGEST FIRMS CONTINUE TO TIGHTEN THEIR GRIP

And with inter-industry M&A consolidation continuing at rapid pace, fewer in the future will control majority share of US

## TOP 25 PARENT COMPANIES BY BDSA TRACKED RETAIL SALES (YTD 2021)





# CPG, LARGE INVESTMENT BANKS WILL BE SIDELINED IN US UNTIL FEDERAL REFORM

Strategic investments, joint ventures, and partnerships with beverage alcohol and tobacco subsidiaries by way Canada are notable exceptions offering these firms a way into the US market through M&A post-federal reform



# FEDERAL REFORM OF US CANNABIS LAWS WILL LIKELY USHER IN NEW INVESTORS

That said, once federal reform occurs “buying” one’s way into the market will come at a higher cost

- **SAFE Banking Act**

- Rep. Perlmutter (D-CO) “Confident” SAFE Banking will be signed into Law this year or 2022<sup>2</sup>
- Bill sitting in 2 places – Senate Banking Committee as a standalone piece of legislation and in House, in passed version of National Defense Authorization Act (NDAA) as an Amendment
- Belief that a combining the NDAA Amendment + Senate Banking Committee versions will be quicker path

- **CLAIM Act**

- Introduced and referred to the House Committee on Financial Services March '21<sup>3</sup>

- **States Reform Act<sup>6</sup>**

- New Republican-led Bill to Legalize and Tax Marijuana<sup>1</sup>
- Federal de-scheduling and treatment of marijuana like alcohol
- 3.75% federal excise tax imposed on cannabis sales
- Treasury Dept. Alcohol and Tobacco Tax and Trade Bureau (TTB) would regulate interstate commerce
- FDA can’t ban use of cannabis or derivatives in non-drug applications
- Mandatory 21+ age limit for adult use

- **Cannabis Administration and Opportunity Act (CAOA)<sup>5</sup>**

- Draft of the bill was introduced in the Senate in mid-July '21 by Majority Leader Schumer with public comment period passing Sept. 1<sup>st</sup>

- **MORE Act<sup>4</sup>**

- Re-introduced in the House in May '21
- In late Sept '21 Committee on the Judiciary ordered the bill to be reported in the “nature of a substitute” (i.e., an amendment intended to replace entire text of the bill to correct for a number of errors in the original text)



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# Q&A: LET'S OPEN IT UP TO THE EXPERTS!



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IT'S A NEW GAME

**WHAT DOES THAT MEAN FOR  
YOUR BUSINESS?**

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