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Defining a new chapter for growing cannabis market

SPOT ON | HORTICULTURE | FEBRUARY 2020

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“The global cannabis market is growing quickly and has all the ingredients to be large and sustainable in the long run. However, excessive growth processes generally don’t come without hurdles. We can see this in the cannabis market, where several companies and sub-segments are in the middle of a reality check.

In recent years euphoria in the sector resulted in increased M&A activity and extraordinary valuations. During the second half of 2019 a drastic change occurred. With listed companies lagging behind on budgets, stock prices tumbled, which negatively impacted the number of fundraisings, acquisitions and valuations.

When the dust settles, we expect a more educated M&A wave geared at, among other factors, clearer positioning in the value chain, obtaining intellectual property, getting skills of traditional companies in-house and increasing profitability.”

FRANK DE HEK

HORTICULTURE SPECIALIST
OAKLINS, NETHERLANDS



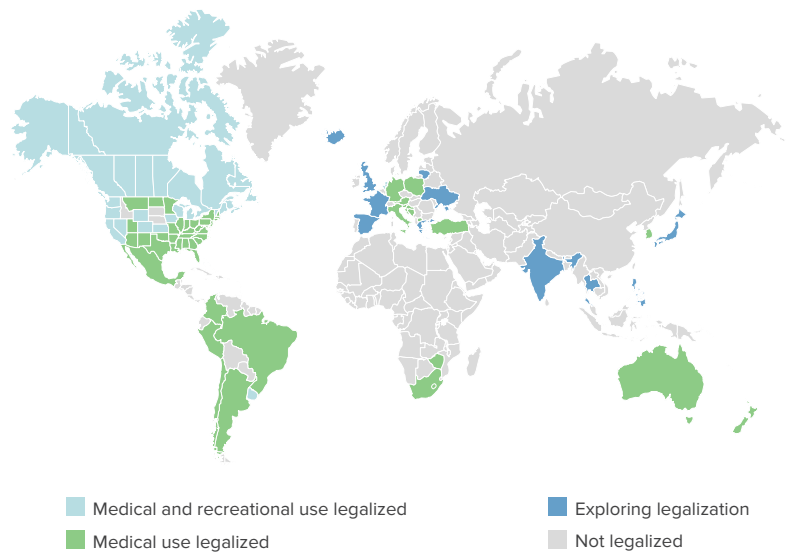
Market developments

MARKET GROWTH IS DRIVEN BY THE GLOBAL TREND OF LEGALIZING (MEDICAL) CANNABIS

The global legal cannabis market is rapidly developing and increasing in size as a result of the legalization of cannabis. The proliferation in legalization is mainly driven by the increased amount of academic proof that recognizes the usefulness and versatility of the cannabis plant.

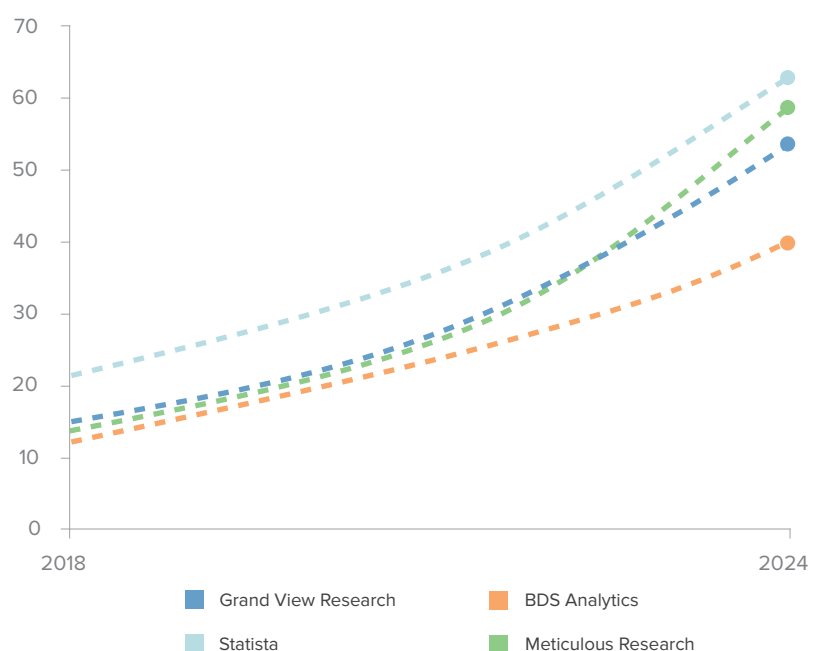
As a result of the ever-increasing list of documented benefits of cannabis, global cannabis legalization is gaining momentum. Many countries are in the process of legalizing, or have already legalized, the use of (medical) cannabis.

On the back of legalization and increased social acceptance, we predict the global legal cannabis market will develop and grow extensively in the coming years. Although market forecasts from research companies differ quite strikingly from each other, enormous market growth is expected until 2024. According to Statista, for example, the CAGR of global legal cannabis spending between 2018 and 2024 is expected to reach 21.4%, resulting in a market size of more than US\$60 billion in four years.



Source: CGC Investor Presentation – October 2019

Global legal cannabis spending forecast (in US\$bn)

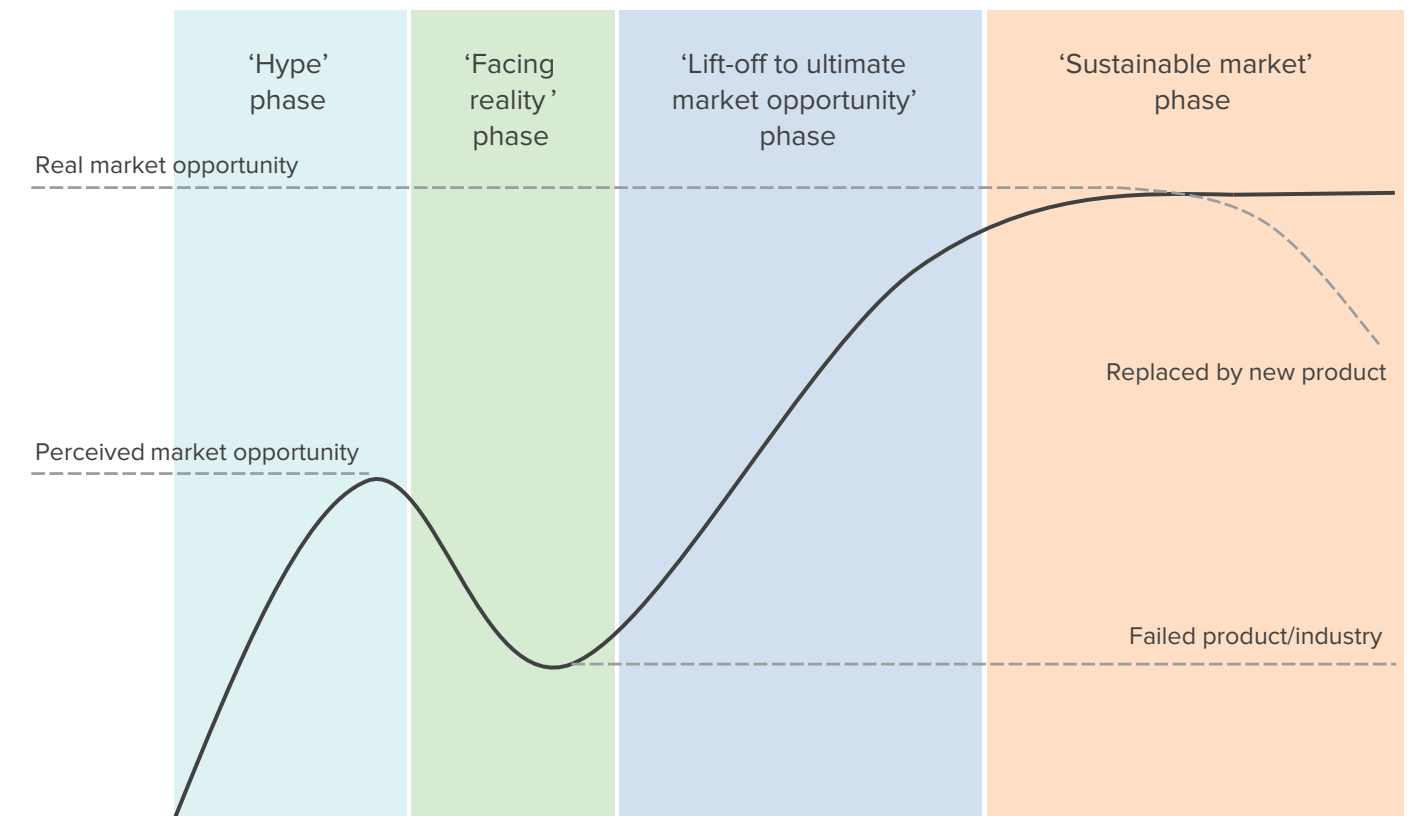


Source: CGC Investor Presentation – October 2019

However, such a sizeable growth process generally doesn't come without its difficulties. Most revolutionary products and markets follow a certain pattern when becoming mature and

sustainable (or not), as depicted below. With the cannabis market being a disruptive and fast-growing market, it's very likely that this pattern will apply to the cannabis sector.

Market development curve



Source: Oaklins; Techcrunch.com




Another challenge in developing markets is triggered by the lag between the decision to expand production capacity and new production capacity actually creating output. In the cannabis market, this lag can last up to three years.

This means that companies active in different parts of the value chain can be in distinct phases of the market development curve.

This lag leads to a temporary imbalance between supply and demand, resulting in price fluctuations.

The current global legal cannabis market can be divided into three main segments: medical cannabis, recreational cannabis and industrial hemp.

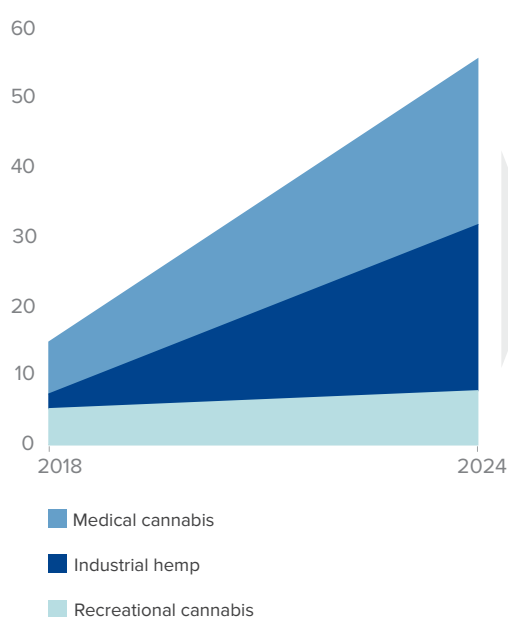
Global legal cannabis market, by application (2018)

		
MEDICAL CANNABIS (50%)	RECREATIONAL CANNABIS (36%)	INDUSTRIAL HEMP (14%)
Description <ul style="list-style-type: none"> Medical cannabis refers to cannabis products containing either Tetrahydrocannabinol (THC) or cannabidiol (CBD), which have been prescribed by a medical practitioner Part of the plant <ul style="list-style-type: none"> Leaves and flowers Roots Stalks and stems Typical end markets <ul style="list-style-type: none"> Medicines or pharmaceutical products to treat pain, nausea, anxiety, epilepsy and multiple other conditions 	Description <ul style="list-style-type: none"> Recreational cannabis refers to any THC cannabis used for non-medical purposes Part of the plant <ul style="list-style-type: none"> Leaves and flowers Seeds Typical end markets <ul style="list-style-type: none"> Recreational smoking and cannabis edibles 	Description <ul style="list-style-type: none"> Industrial hemp refers to the cannabis that mainly contains CBD and which is used for a variety of consumer products Part of the plant <ul style="list-style-type: none"> Stalks and stems Typical end markets <ul style="list-style-type: none"> A variety of consumer products including textiles, paper, paint, animal feed and CBD-infused products like beverages and cosmetics

Source: Oaklins; The European Cannabis Report 4th Edition; Fortune Business Insights

As the medical cannabis and industrial hemp segments are expected to grow significantly more than the recreational segment, the market shares of the three main segments are expected to change noticeably in the coming years.

Expected global legal cannabis market growth, by application (in US\$bn)



Growth in the medical cannabis market is especially driven by deregulation and technological and scientific developments. Due to effective investments in cannabis R&D, the list of conditions that cannabis is able to treat is growing steadily. This results in an expansion of the potential patient base, which in turn leads to an acceleration of investments in the industry and eventually boosts growth in the medical cannabis market



Industrial hemp has traditionally been used to produce fibers and food, but nowadays a vast amount of new products that could be produced from hemp has been identified. A growing amount of academic research suggests that Cannabidiol (CBD), a product which can be derived from hemp, can be used in many types of consumer products, ranging from sports drinks to cosmetic products. These CBD products are considered to have tremendous market potential and will therefore be the main contributor to growth in the industrial hemp market

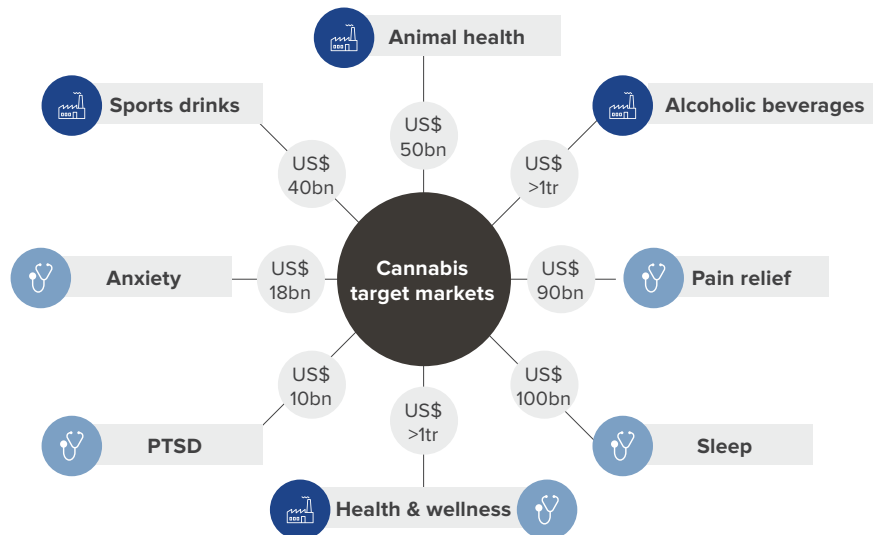


Growth in the recreational cannabis market is expected to be driven by new products and enhanced distribution and supply channels. Most countries are, however, largely focusing on the legislation of medical cannabis and industrial hemp instead of the legislation of recreational cannabis, which will relatively limit the growth of this market segment

Source: Oaklins; The European Cannabis Report 4th Edition; Fortune Business Insights

Most new target markets are either related to the medical cannabis segment or to the industrial hemp segment. The range and size of new potential cannabis target markets, as shown below, justifies the significant market growth expectations.

New potential cannabis target markets



Source: Oaklins; Canopy growth company filings

The significant market potential of medical cannabis and industrial hemp has not gone unnoticed by many large companies. Numerous multinationals have already launched cannabis-based products or publicly announced that they are aiming to launch products in due time. This may be beneficial for conquering a strong position in the highly promising cannabis market. Some companies are doing this in cooperation with leading pure play cannabis players. For example, AB Inbev, the world's largest brewery, has started a partnership with Tilray, a Canadian cannabis producer, on the development of CBD-infused 'alcoholic' drinks.

Selection of multinationals with cannabis ambitions

Medical cannabis	Medical and recreational cannabis	Industrial hemp (CBD products)			
Pharmaceuticals 	Retail 	Tobacco 	Alcohol 	Food & Beverages 	General consumer products

Source: Oaklins; Tilray company filings

Players' landscape

NORTH AMERICA

In recent years, the Canadian cannabis market has been growing explosively, fueled by progressive legislative changes, innovation, favorable export policies and a flourishing commercial market.

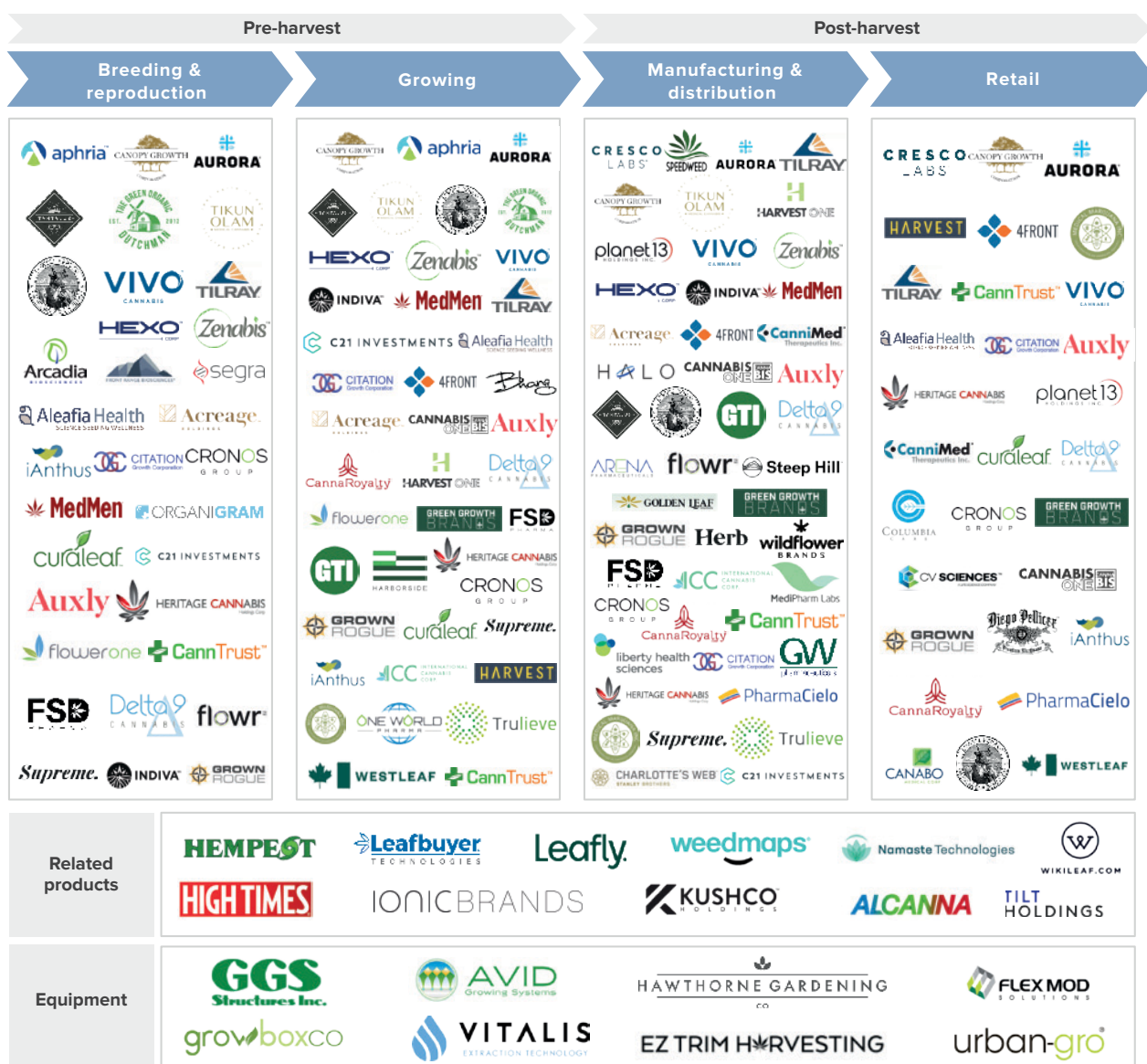
The use of medical cannabis has been legal since 2001, and recreational cannabis use was legalized in October 2018. More recently, in October 2019, edible cannabis was also legalized.

The United States shows a similar trend in several states. At the moment, 11 states have legalized recreational cannabis and another 33 states have legalized medical cannabis. Nonetheless, US companies face a more complicated landscape

because cannabis is still illegal at federal level. Hemp was legalized at federal level in December 2018.

These developments have resulted in a lot of new companies entering the market, creating a very scattered landscape. Companies are aiming to secure a strong market position, and are still discovering how to best do this in terms of products/service portfolio, value chain position, partnerships, etc.

Selection of market players in North America



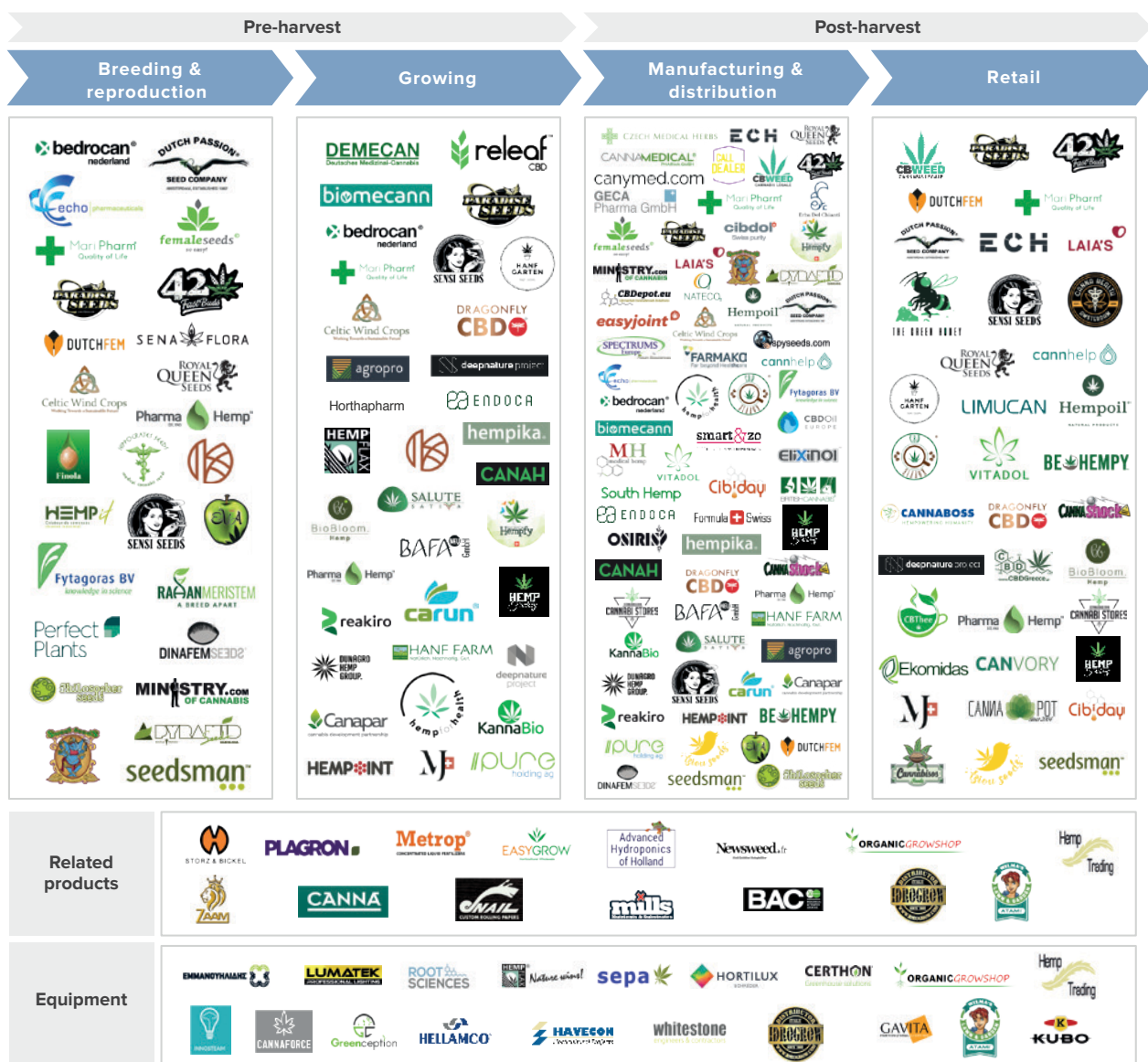
EUROPE

The European cannabis market has been around much longer than the North American one. However, the changes in legislation in Europe have not been as progressive as in Canada and the United States. Subsequently, the North American

market has surpassed the European one. On top of that, the European market is more complex than the one in North America, with different laws, norms and values in each country and a significant gray area.

While the European market consists of multiple players that have been around for a long time, the market is even more scattered than in North America, with only a few cross-border players.

Selection of market players in Europe



M&A activity and valuations – Retrospective

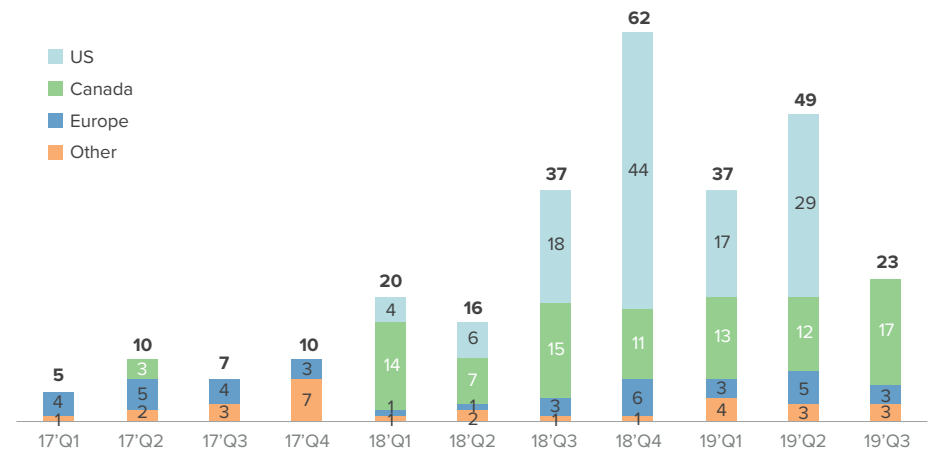
With the rapid development of the global cannabis market, M&A activity has also accelerated and reached an all-time high during the fourth quarter of 2018.

Canada and the United States are responsible for the largest part of market consolidation in the past years. This can be explained by the fact that the North American cannabis market is currently the fastest-growing market, which is mainly due to the head start in legalization it has in comparison to other regions.

Another observation is that most transactions took place in the industrial hemp or medical cannabis segments. These are expected to be the two fastest-growing market segments.

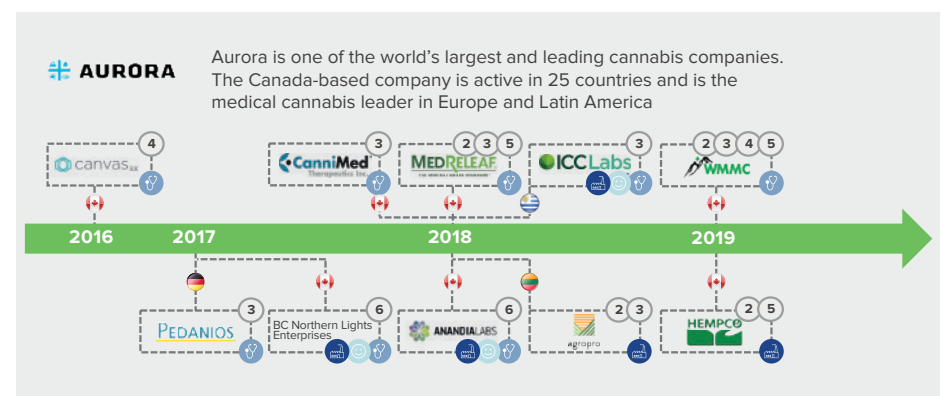
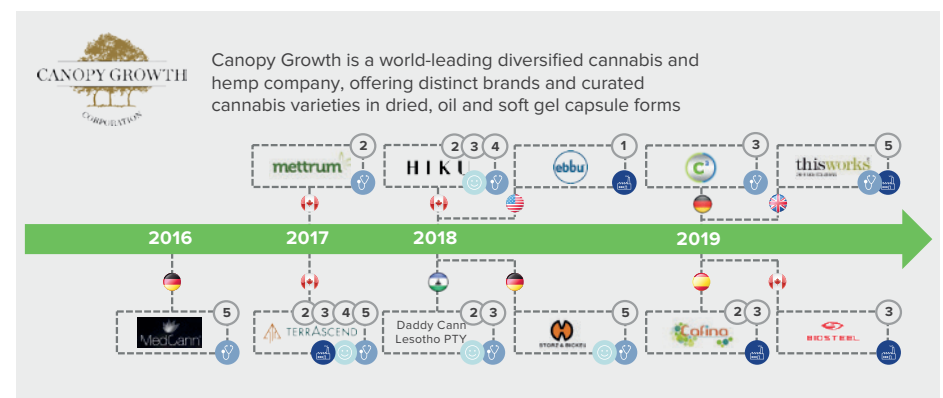
Contrary to many other industries, the rationales of M&A activity in this sector don't show a clear-cut picture. Companies making acquisitions in various end markets and other parts of the value chain are quite common, as on the right.

Global M&A activity in the cannabis industry (#)



Source: Mergermarket

Case studies of acquisitional cannabis companies



- 1 Medical cannabis
- 2 Recreational cannabis
- 3 Industrial hemp
- 4 Breeding & reproduction
- 5 Growing
- 6 Manufacturing & distribution
- 7 Retail
- 8 Related products

Source: Oaklins; Company filings






















M&A ACTIVITY

The valuations of acquired companies in comparison to their financial performance were very high, reflecting expected growth. As so often happens with an emerging industry. A selection of transactions is depicted below.

Comparable Transaction Analysis cannabis companies

Date	Target	Bidder	Rationale	Country	Value chain	End market	Valuation			
							EV (US\$m)	EV/ Sales	EV/ EBITDA	EV/ EBIT
16-Sep-19	 TRYKE	 CRESCO LABS	Strengthen market position, expand capacity and enlarge range of branded products		Growing, Manufacturing & Distribution, Retail		284	4.0x	11.5x	N/A
2-Aug-19	 ILERA	 TERRASCEND	Improve operating experience and scientific knowledge which will help to scale business in the US and beyond		Breeding & Reproduction, Growing, Manufacturing & Distribution, Retail		125	N/A	N/A	N/A
2-Aug-19	 REDWOOD HOLDING	 CRONOS GROUP	Expand CBD product portfolio		Manufacturing & Distribution		300	N/A	N/A	N/A
17-Jul-19	 GRASSROOTS	 curaleaf	Strengthen presence in the medical cannabis markets		Growing, Manufacturing & Distribution, Retail		866	31.3x	N/A	N/A
28-Jun-19	 HEMPCO (48.6% stake)	 AURORA	Access high volume raw materials (hemp) at low cost and enhance capacity, brands and distribution channels		Manufacturing & Distribution		52	32.0x	N/A	N/A
24-Jun-19	 HOLIGEN (80.2% stake)	 flowr	Gain economies of scale, improve global footprint, gain more expertise in GMP, and benefit from profound pharmaceutical experience		Growing, Manufacturing & Distribution		227	N/A	N/A	N/A
20-Jun-19	 BLAINE LABS	 alternate HEALTH	Enable access to the CBD-infused product market		Manufacturing & Distribution		19	1.4x	N/A	N/A
17-Jun-19	 American Cannabis Company	 CITATION	Enhance Citation's operations with ACC's seed genetics program and expand its production opportunities		Related Products, Equipment		18	2.3x	18.4x	N/A
2-May-19	 C ³	 CANOPY GROWTH	Strengthen presence in Europe and provide access to existing production of pharmaceutical grade API		Manufacturing & Distribution		251	8.3x	N/A	N/A
2-Apr-19	 IONIC BRANDS		Expand product portfolio and gain synergies by achieving economies of scale		Related Products		9	3.4x	11.1x	N/A

M&A activity and valuations – Retrospective

Date	Target	Bidder	Rationale	Country	Value chain	End market	Valuation			
							EV (US\$m)	EV/Sales	EV/EBITDA	EV/EBIT
13-Mar-19	 NEWSTRIKE	 HEXO CORP	Increase production capacity and distribution channels, and provide access to diversified growing techniques	 / 	Growing, Manufacturing & Distribution, Retail		109	16.9x	N/A	N/A
4-Mar-19	 delivra	 HARVEST ONE	Enhance brand portfolio in health, wellness and self-care, and benefit from formulation expertise	 / 	Manufacturing & Distribution, Retail		15	4.1x	N/A	N/A
7-Dec-18	 CRONOS GROUP (45% stake)	 Altria	Generate new growth opportunity in an adjacent category that is complementary to Altria's core tobacco businesses	 / 	Breeding & Reproduction, Growing, Manufacturing & Distribution, Retail		3,815	N/A	N/A	N/A
10-Sep-18	 ICCLabs Inc.	 AURORA	Gain synergies by achieving economies of scale and provide access to licenses and presale agreements	 / 	Manufacturing & Distribution		192	N/A	N/A	N/A
30-Jul-18	 CANNA FARM	 VIVO CANNABIS	Gain operational and financial synergies	 / 	Growing, Manufacturing & Distribution		97	14.2x	31.1x	N/A
14-May-18	 MedReleaf <small>THE MEDICAL GRADE STANDARD</small>	 AURORA	Enhance productivity and reduce costs across the combined entity's facilities, and increase capacity	 / 	Growing, Manufacturing & Distribution, Retail		1,966	N/A	N/A	N/A
11-May-18	 ABP	 SOL Global Investments	Expand product portfolio	 / 	Manufacturing & Distribution		18	1.8x	N/A	N/A
18-Apr-18	 FLORACAL FARMS	 CannaRoyalty	Expand product portfolio	 / 	Manufacturing & Distribution		9	3.4x	11.1x	N/A
8-Feb-17	 HEMIPHARMA	 newstrike	Benefit from experience in regulated pharmaceutical consumer products, the cultivation of cannabis at scale and building value in a highly regulated industry	 / 	Manufacturing & Distribution		27	N/A	N/A	N/A
Median							109	4.1x	11.5x	

Source: Mergermarket

M&A activity and valuations – Retrospective

For most transactions, the purchase price was paid in shares instead of cash. The high valuations of listed cannabis companies facilitated tremendous M&A activity and resulted in high prices (on paper).

However, publicly listed cannabis companies are struggling to meet investors' expectations. This is mainly due to:

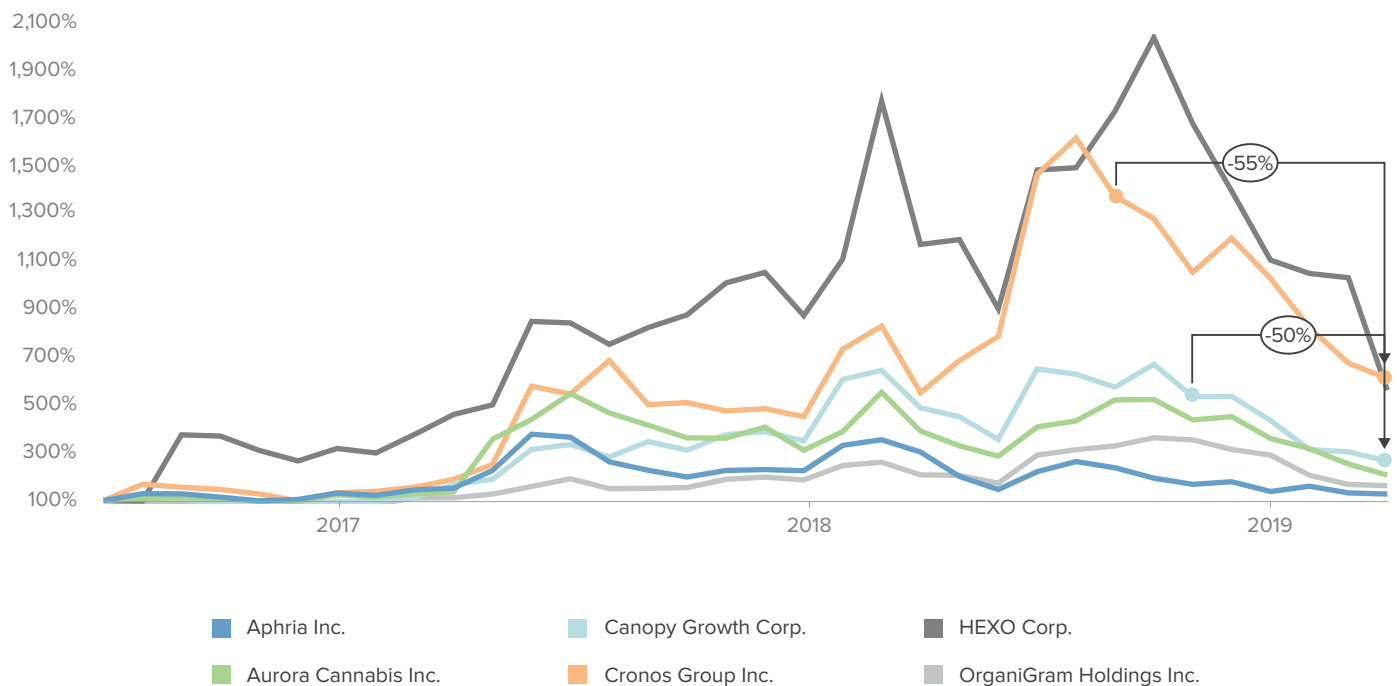
- time-consuming permit processes
- supply chain and quality challenges
- persistence of the illegal market in countries where legalization has been adopted
- slower-than-expected global cannabis legalization

Listed companies are now 'facing reality' as highlighted in the market development section. Therefore, valuations decreased drastically in the second half of 2019,

making it more difficult to make acquisitions by paying with shares.

This has made investors more cautious and careful when investing in the volatile cannabis industry. As such, capital raises in the industry have been decreasing gradually since the last quarter of 2018. Nevertheless, valuations of listed cannabis companies remain strong. This is positive for M&A activity.

Stock performance of a selection of publicly listed cannabis companies



Source: Infront Analytics

Nevertheless, valuations of listed cannabis companies remain strong. This is positive for M&A activity.

Valuations of listed cannabis companies

Company	Description	Country	Value chain (target)	End market	Valuation			
					EV (US\$m)	EV/ Sales	EV/ EBITDA	EV/ EBIT
 aphria™	Producer, distributor and supplier of both medical and adult-use cannabis		Breeding & Reproduction, Growing		1,341	21.2x	4.5x	2.2x
 AURORA	Distributor and provider of cannabis products. Also produces and sells indoor cultivation systems and hemp-related food products		Breeding & Reproduction, Growing, Manufacturing & Distribution, Retail		4,992	N/A	12.9x	6.3x
 CANOPY GROWTH	Production and sale of medical cannabis. The company offers products including oils and concentrates, soft gel capsules and hemp		Breeding & Reproduction, Growing, Manufacturing & Distribution, Retail		6,961	N/A	17.4x	9.5x
 CRONOS GROUP	Producer of medical cannabis products and investor in companies either licensed or actively seeking a license to produce medical cannabis		Breeding & Reproduction, Growing, Manufacturing & Distribution, Retail		1,585	N/A	280.1x	20.7x
 flowr™	Producer and distributor of cannabis products. The company also engages in the operation and building of cannabis cultivation facilities		Breeding & Reproduction, Manufacturing & Distribution		199	29.6x	31.4x	1.5x
 THE GREEN ORGANIC DUTCHMAN	Producer and provider of organic cannabis products, including organic dried cannabis, cannabis oils and edibles, fresh cannabis, and seeds for medical applications		Breeding & Reproduction, Growing		380	7.6x	N/A	N/A
 GW pharmaceuticals	Biopharmaceutical company focused on discovering, developing and commercializing novel therapeutics from its proprietary cannabinoid product platform		Manufacturing & Distribution		3,230	N/A	13.5x	N/A
 HEXO™ CORP	Producer and distributor of medical cannabis. In addition, the company explores research and development opportunities for cannabinoid extracts, drugs and combinatory chemistry		Breeding & Reproduction, Growing, Manufacturing & Distribution		647	N/A	12.9x	4.1x
 iAnthus	Investor in companies engaged in cannabis cultivation, processing and dispensaries		Breeding & Reproduction, Growing, Retail		363	7.6x	3.9x	0.9x
 MediPharm Labs	Producer of cannabis oil products. The company focuses on the downstream secondary extraction methodology, distillation, and cannabinoid isolation and purification		Manufacturing & Distribution		297	7.0x	8.4x	2.0x
 ORGANIGRAM	Producer and provider of medical cannabis. The company also engages in the acquisition, exploration and development of natural resource properties		Breeding & Reproduction		558	11.6x	6.7x	3.2x
 TILRAY	Producer and distributor of cannabis-based medicines, drug drops and oil products		Breeding & Reproduction, Growing, Manufacturing & Distribution, Retail		2,391	N/A	10.8x	4.6x
Median					602	8.7x	9.6x	2.7x

Sector view

BY AFZAL HASAN, PRESIDENT AND GENERAL COUNSEL
AT ORIGIN HOUSE

After the foundation of CannaRoyalty (the former name of Origin House) in 2014, the company developed into a leading North American cannabis products and brands company. A significant part of Origin House's growth originates from acquisitions. In 2018/2019 alone, six companies were bought. In April 2019, Origin House received an acquisition offer from the US-based cannabis company Cresco Labs, which is considered to be the largest-ever public company acquisition in the US cannabis sector. We spoke to Afzal Hasan, who has been responsible for several of Origin House's acquisitions.

How important has M&A been for Origin House?

In the past years, acquisitions were core strategy for us. The six acquisitions we did in the past two years brought us size and growth, which are a key differentiators in the cannabis market. Being on top of the league tables boosted Origin House's relationships with consumers, strategic partners, regulatory institutions and investors.

In April 2019, Origin House received an acquisition offer from Cresco Labs, a listed US-based grower, processor, and retailer of premium cannabis operating across the US. Although the transaction has not officially been closed yet, it is considered to be the largest-ever public company acquisition in the US cannabis sector. It is a highly synergetic business combination. For example, Cresco Labs is active in different states than Origin House. Cresco Labs mainly focuses on the cultivation and retail segment of medical cannabis, while Origin House is mainly involved in the distribution segment of recreational cannabis. The vertical integration will lead to a more diversified and larger company, which enhances distribution power and increases access to resources. Furthermore, it would take Cresco many years to obtain the market position

Origin House has, so it tremendously accelerates their growth path.

What is your view on the current M&A and valuation dynamics in cannabis industry?

The market currently seems to be dominated by irrationality since there is a core misunderstanding of where economic surplus will be generated in the cannabis market. Companies and investors tend to be over ambitious. For example in terms of revenue expectations. Also, they often lack the ability to critically analyze their businesses and the underlying market. This is a very comparable as what happened during the dotcom bubble, where irrationality was fueling extreme expectations and valuations.

One can not necessarily assume that M&A transactions in the short to medium term would be done with more intelligence. There is still plenty of room for wrong acquisitions and it is wrong to assume that the current price rationalization of publicly listed cannabis companies will immediately improve the quality of M&A in the industry. But in the end, I expect that M&A activity and valuations will revert back to normal levels when the rationalization is finished.

Which segment of the value chain do you expect to become most attractive?

The future legal situation will be one of the most influential factor in cannabis M&A activity.

At the moment it is very difficult to say which part or parts of the value chain will benefit the most from these current market developments. In traditional product markets, brand equity is extremely valuable and probably the most interesting part of to value chain. However, in the cannabis industry it is very difficult to create brand equity at an



ABOUT AFZAL HASAN

Afzal Hasan started his professional career in 2012 as a lawyer in the Securities Group at Cassels Brock & Blackwell. As a lawyer, he has been involved in various transactions, including corporate financings, private placements and mergers and acquisitions. In 2017, Afzal decided to join Origin House.

international level, because regulations between countries and states still differ substantially. The ongoing international legalization will therefore be a key factor to determine which segment will become most attractive. Until the number of countries and states where cannabis is legalized remains limited, it is more likely that cannabis companies remain being focused on vertical integration.

What are your expectations of the cannabis industry going forward?

In the long term, I expect that more experienced and large CPG companies will play a more active role in the cannabis industry. This will likely happen in conjunction with the maturation of cannabis markets from the highly regulated and convoluted state they are in today, into value chains that function more like traditional CPG markets. A logical entry point for traditional CPG companies to enter the market will be by acquiring an existing cannabis company instead of starting a business from scratch.



M&A activity and valuations – Going forward

Just like the market development curve, as explained in the market developments section, M&A activity in a new industry follows a certain pattern. In the first phase, a small group of disruptive companies enter the market. To benefit from a first-mover advantage, these companies usually focus on building scale, enlarging distribution power and creating a global footprint. This creates higher entry barriers that will better defend a market position. First-movers focus more on revenue than profit, working towards to a mass market share.

The development of leading cannabis companies in the past few years perfectly matches this picture. First acquisitions were geared towards capacity expansion and obtaining positions in various parts of the value chain in the Canadian market, which is the main market. After a successful first phase, the second phase entailed obtaining positions in other geographical markets (United States, followed by Europe and South America respectively), thereby becoming present in the most relevant countries. At the time, this was

supported by the market as investors were valuing companies based on their production capacity.

As shown by the recent decline in stock prices of listed cannabis companies, the industry is now in the middle of a reality check. The dust needs to settle, which is likely to result in lower M&A activity for a short period. This period lays the foundation for a more educated M&A wave. We've selected 10 M&A trends we expect to see in the cannabis market going forward:

1. Improved M&A strategies:

Consolidators are perfecting their acquisition skills and instead of jumping on every opportunity, they become more focused and more selective in their M&A strategy. This trend will likely be accompanied by an increased focus on post-deal integration and synergy realization.

2. Clearer position in the value chain:

To increase distribution power, several cannabis companies have become integrated players as a result of acquisitions in various

parts of the value chain. In better developed markets, companies have a clearer and more focused position in the value chain, for instance, concentrated only on growing, product development or wholesale. Ultimately, this will also be the case in the cannabis market, although it may take a while.

3. More focus on profit:

Most heavy-loss-making targets have been acquired based on a good story. Although the market is still in a development phase and many companies will, understandably, be making start-up losses, there are several companies that have a proven track record of realizing profits. Those companies will become very attractive.

4. Valuations rationalize:

In the second half of 2019, some rationalization in valuations took place as market players did not meet expectations. In due course we expect more focus on actual profitability. In the mid to long term, valuations will become more profit-based.

5. More activity from traditional players: As became evident in the second half of 2019, becoming successful in a new market is harder than initially expected, due to reasons such as a lack of experience and professionalism. We therefore expect more cannabis companies to enter a partnership with traditional companies in order to benefit from their long-term experience and proven capabilities. At the same time traditional companies see that the cannabis market is a market that's here to stay. Together with the current ongoing reality check at most global cannabis companies, there is increasing momentum for traditional companies to step into the market. This will increase pressure on management teams to focus on profit, as can already be seen with the recent firing of Canopy Growth founder and CEO Bruce Linton by the company's major shareholder, US-based alcohol giant Constellation Brands. The main reason cited for Constellation's decision was that it was dissatisfied with financial results.

6. IP targets most appealing: Lots of M&A activity in the past few years has been in segments like cultivation and retail. In a typical value chain, in the medium to long term, the highest margins are made by the intellectual property (IP) and

brand owners. In the end, those are the most attractive segments to be active in. However, the development of IP and brands takes time, which has led to limited M&A activity in those areas as the market is relatively young. Several years from now, the most appealing valuations are likely to take place in segments such as cannabis plant genetics, patented products, companies with brand equity, etc.

7. North American players remain most acquisitional: North American companies will remain the most acquisitional parties, backed by the continuation of very favorable valuation parameters on the stock exchanges. Of those companies, the ones with a strong balance sheet will have the upper hand for the next phase of consolidation.

8. More inbound acquisitions in Europe: Following on from the previous point, most know-how about plants can be found in Europe. Acquiring IP-driven European companies is therefore considered to be the next logical step for North American cannabis companies, which can deploy this knowledge in North America. This not only applies to plant genetics and patented products, but also to equipment for cultivation, cultivation products and techniques, etc.

9. Failed processes: Due to a turbulent market, high price expectations, a large gray area in terms of the legal framework and poor information availability, many sale/acquisition processes will fail.


















10. Bankruptcies: The reality phase often leads to a shake-out of market players. Several players that were riding the euphoric wave with a good story will not be able to fund their losses with new capital raisings. The fact that many companies rely on debt to fund their growth will further complicate the picture. Market observers were predicting a flood of insolvency in the Canadian cannabis sector throughout 2019. In December 2019, two Canadian cannabis companies, Wayland Group and AgMedica Bioscience, started insolvency proceedings. We're waiting to see if these companies will be able to restart their operations, after reorganizing their debt, or if they will have to sell or liquidate the companies.



Deep local roots, global commitment

Horticulture is one of our focus areas. Combining comprehensive sector knowledge with global execution has led Oaklins to become the most experienced M&A and financial advisors in the horticulture sector, with a large network of relevant market players worldwide.

A selection of recent Oaklins M&A transactions

 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture/Private Equity</p>	 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture/Consumer & Retail/Private Equity</p>	 <p>management has participated in the company alongside Equistone</p>  <p>MANAGEMENT ADVICE (MBI/MBO) Agriculture/Construction & Engineering Services/Private Equity</p>	 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture</p>
 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture/Consumer & Retail</p>	 <p>has been acquired by</p>  <p>M&A SELL-SIDE Agriculture/Private Equity</p>	 <p>has been acquired by</p>  <p>M&A SELL-SIDE Consumer & Retail</p>	 <p>has sold</p>  <p>to</p>  <p>M&A SELL-SIDE Consumer & Retail/Private Equity</p>

ABOUT THE AUTHOR

Frank de Hek leads Oaklins' horticulture team. As part of his horticultural sector focus, Frank continuously follows developments, publishes newsletters, attends the major events and maintains regular contact with the key players. Consequently, he has a deep understanding of the market dynamics and value drivers in breeding, growing, distribution, retail, machinery, equipment and consumables in this sector. Globally, Frank is the most experienced M&A advisor in the horticulture sector. High profile transactions Frank has completed include Dümme Orange and Olij Rozen.

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