



February 1, 2016

Media Contact: Gretchen Gailey
(202) 489-3821 | ggailey@frontierfinancials.com

NEW REPORT: U.S. Adult Use Marijuana Sales Up 184%

New Frontier & ArcView collaborate on most comprehensive report ever

Scottsdale, AZ – New Frontier, the cannabis Big Data and analytics authority in partnership with ArcView Market Research, the leading publisher of cannabis market projections and information, has released the executive summary of the 4th edition of the State of Legal Marijuana Markets, which shows that the legal cannabis industry is one of the fastest growing industries in America with a compound annual growth rate of 30%. The official 2015 ArcView market estimate is \$5.4 billion, up from the new estimate from 2014 of \$4.6 billion. This was fueled primarily by explosive growth in adult use market sales, which grew from \$351 million in 2014 to \$998 million, a 184% year over year increase. Additional analysis will be presented by New Frontier and ArcView at ArcView’s quarterly gathering of cannabis investors in Scottsdale, Arizona on February 1st.

“It is undeniable that cannabis is one of the fastest growing industry in the U.S. Twenty-three states already permit medical cannabis use, along with four states and the District of Columbia allowing full adult use. With nearly a dozen states debating changes to their cannabis laws in the coming year, 2016 will be the tipping point in which a majority of U.S. states transition from cannabis prohibition to some form of regulated legal market,” said New Frontier CEO and Founder Giadha DeCarcer.

“Many in the business and financial sector have taken a ‘wait and see’ approach to the legal cannabis industry. The new data confirms what pioneer investors and entrepreneurs suspected. Legalization of cannabis is one of greatest business opportunities of our time and it’s still early enough to see huge growth,” said ArcView Group CEO Troy Dayton.

Demand is expected to remain strong in 2016 with a 25% increase over 2015 to \$6.7 billion. By 2020, legal market sales will grow to \$21.8 billion, with adult use sales comprising more than half (53%) of the total market.

This report represents a historic team effort to raise the bar for market information in the cannabis industry by marrying ArcView’s years of experience and nuanced understanding of these markets with New Frontier’s big data and analytics capacity.

The State of Legal Marijuana Markets 4th Edition combines in-depth industry understanding with rigorous analytics and vetted data to provide the most comprehensive and authoritative report in the cannabis market today. The full report will explore in detail the evolving national perceptions of cannabis and how social and demographic changes in the U.S. are fueling the rapid increase in support for legalization. It will also explore ways in which the social and economic outcomes of legalization are being weighed against the costs and consequences of prohibition.

Sales, Growth & Forecasts:

- The industry's continued expansion is matched by equally strong growth in popular support for cannabis legalization nationally. According to Gallup, 58% of Americans now support legalization of cannabis for adult use, up from 36% in 2005; a separate poll by Harris found 81% of Americans support legalization for medical use.
- ArcView's Compound Annual Growth Rate between 2014 and 2020 for legal, medical and adult use sales is 30%.
- Legal sales have been a boon for state coffers in markets like Colorado, where the state was expected to generate \$135 million in cannabis taxes and licenses fees between in 2015, a 77% increase over the \$76 million the state raised in 2014.
- In Washington, the first year of legal sales generated \$70 million in tax revenue off sales of \$257 million, a significant windfall even after product shortages and pricing instability plagued the program during its early months.
- Seven states will be voting to allow adult use, including California, Nevada, and Arizona in the southwest, and Massachusetts, Maine, Rhode Island and Vermont in the north east. Importantly, Vermont is poised to be the first state to legalize cannabis through the legislature.
- Additionally, four states – Florida, Ohio, Missouri and Pennsylvania – are best positioned to advance medical laws in 2016, which would significantly expand medical marijuana access in the eastern half of the U.S.

Key Trends in the State of Legal Marijuana Market Report:

The report will explore key trends that will be critical in shaping the future of the industry in the years ahead, including:

Congressional Action – The United States Congress could impact the legal cannabis industry in a number of ways including; DEA funding for prohibition enforcement, medical research approval, and allowing banking and financial services for the industry.

Price Wars and Competition – As new growers have entered the market, competition on price in the both wholesale and retail markets has increased significantly; this trend is expected to continue in 2016.

Cannabis Unfriendly President Elected in 2016 – As a presidential election approaches, candidate stances on cannabis are poised to have a dramatic effect on the direction of the industry as a whole. Though public opinion is shifting toward embracing cannabis reform, presidential candidates are a bit more reticent to jump on the bandwagon.

Increased Emphasis on Compliance and Regulation – Almost no other industry has as much regulatory scrutiny sans federal support or recognition. Particularly for companies looking to expand across states, being fully compliant will be a perplexing task as state regulatory agencies differ wildly.

Energy Use – Cannabis is the most energy intensive agricultural crop produced in the U.S. Its production consumes one percent of the country's electrical output, using the equivalent electricity of 1.7 million homes at a cost of \$6 billion annually. The unrestrained used of energy to cultivate cannabis cannot be sustained in legal cannabis markets.

The executive summary of the report is downloadable for free at <https://frontierfinancials.com/amrpresale/> and www.ArcViewMarketResearch.com. The full report can be pre-ordered for \$495 and will be available in a few weeks.

About New Frontier:

New Frontier provides objective, sophisticated and comprehensive reporting for the nascent and underserved cannabis industry. New Frontier, is the premiere Big Data shop in the sector and looks beyond the plant cultivation and distribution, to raise the industry bar and provide visibility into what will inevitably soon be a mature and more complex industry. New Frontier is headquartered in Washington, D.C. For more information or media inquiries, please visit www.frontierfinancials.com or contact Gretchen Gailey at 202-489-3821 or ggailey@frontierfinancials.com.

About The ArcView Group:

Founded in 2010, The ArcView Group is responsible for a number of groundbreaking ventures in the cannabis industry. The ArcView Investor Network includes more than 500+ dues-paying accredited investors who have put more than \$64 million behind 103 companies. [ArcView Market Research](#) produces the State of Legal Marijuana Markets report, which is the most oft-cited market report. ArcView is a partner in [Canopy](#) Boulder, a seed-stage mentor-driven business accelerator. ArcView is also co-founder of [Cannasure Insurance Services](#), the leading provider of business insurance to the cannabis industry.

####