

A better way to invest in cannabis

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LONDON, UNITED KINGDOM, June 20, 2022 /EINPresswire.com/ -- The size of the medical cannabis market in Europe is valued at around \$5 billion and is expected to reach \$13,4 billion by 2027, this represents a CAGR of 22% from 2022 to 2022. Cannabis is gaining momentum around Europe with the increasing recognition of medical benefits and therapeutic applications of cannabinoids to treat chronic diseases such as cancer side effects, neurological conditions, pain, anxiety and depression. There has been a recent surge in publications and IP filing in the sector that is showing signs that the sector is evolving into a more IP-rich domain with a strong focus on innovative therapeutics targeting the endocannabinoid system.



Oskare Capital Founders

It is a market that is still in its early stages of development and is also fragmented. However, the fast growth is fuelled by market demand and a favourable legal and regulatory landscape resulting in legalisation for medicinal (and sometimes for recreational) use in a growing number of countries. The sector represents an exciting, but difficult-to-navigate, investment opportunity.

So far investors have turned to the public market to get exposed to the sector and especially in North America. However, since its high point in 2018, the Global Cannabis Stock Index has declined more than 80%. The vast majority of these public equities are concentrated in the US and Canada, whose entrepreneurs, investors, and political activists did much to generate the modern cannabis industry. But this was to be followed by a market bubble that would eventually burst once the reality of obstructive and slow-changing regulations as well as the inevitable occurrence of operational missteps kicked in.

Unlike other sectors of the investment industry, private equity has largely sat on the sidelines when it comes to investing in cannabis over the past decade – especially in Europe. However, as downward pressure on Cannabis stocks continues, private equity activity in the sector is gaining momentum. Private market placements in early-stage companies developing medical technology offer long-term investment horizons that align with future legalization prospects and maturation of consumer sentiment while facilitating scientific innovation. As such, these private companies appear protected from the growing pains of a young and emerging sector which continues to suffer from stock volatility.

However, one could make the case that all of this is to be expected from a totally new and disruptive industry segment that has revolutionized so many areas, not least, including medical and pharmaceutical products. And now that the grounds have been tested and critical lessons learned, there is a significant opportunity for quality-seeking investors and serious entrepreneurs and scientists to capture the great opportunities of the cannabis industry.

There are two ways to invest in the legal cannabis market through private equity. The first is to make direct investments, but this involves two main risks; one is related to the lack of diversification and the second is linked to the sourcing and the selection of your investment. The second is to invest through a private equity fund which leverages its extensive network to source deals, use professional technical/scientific skills to conduct due diligence and monitor and nurture its portfolio companies.

With 2 funds in the market, the MEDCAN Fund (the only EIS fund targeting the sector) and Oskare Fund I, Óskare Capital is the leading provider of investment solutions into the private medical cannabis markets. Based in France and in the UK, the team believes that this new and sustained wave of cannabis wealth creation is going to take place in Europe and in the medical and pharmaceutical private markets. Here investors will find a host of companies developing products, technologies, and services that are undergoing rigorous testing and adaptation to market preferences, which will be realized in the coming years. This wave of companies will form the basis of the vital infrastructure required to fully exploit the potential of medical cannabis and the health benefits achievable via the endocannabinoid system. European countries, despite being later to the table than the US and Canada with regards to recreational cannabis, are taking the lead in creating responsible medical cannabis regulations and the continent is expected to be the global leader in this space during the next decade.

« With the medical and pharmaceutical sector having a stronger emphasis on R&D and data-driven decision making, there is a huge amount of potential upside in terms of innovation, value creation, and accumulation of knowledge and expertise. The acquisition of GW Pharmaceuticals by Jazz Pharma for \$7.2bn and Pfizer's \$6.7bn acquisition of Arena Pharmaceuticals, in 2021 are just the start of this potential being realized », says Gaetano Insalaco Co-founder of [Oskare Capital](#).

Óskare Capital has also found that valuations in the private markets are much more grounded in

fundamentals such as good and protectable IP, mature management teams, and growing consumer bases, and much of this can be attributed to the fact that private capital is largely institutional and not prone to the same volatile patterns of retail investor money.

Find out more at <https://oskarecapital.com>

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