

# the business | year

**MEDICAL CANNABIS LATIN AMERICA 2022**  
SPECIAL REPORT







# THE BUSINESS YEAR

## MEDICAL CANNABIS LATIN AMERICA 2022 SPECIAL REPORT

If the goal of transforming medicinal practices through the use of cannabis can be equated to building a tower to reach the heavens, the myriad regulations surrounding the industry mirrors the confusion of tongues.

It is not by chance, then, that Latin American cannabis entrepreneurs exhibit exceptional levels of sophistication in their approach to compliance. Navigating protocols cross border has made cannabis companies agile, resourceful, and accountable. Take Colombian exporters—the national decree that legalized the export of dried cannabis flower for medical and scientific use has opened a floodgate of opportunities. Yet, while Israel and Australia permit the import of the flower, Brazil only allows imports in extract form. Mexico, on the other hand, only allows the imports of non-THC cannabis. Indeed, each market has a unique set of import requirements.

That said, the global tendency is pointing overwhelmingly toward legalization. And now that the market conditions are beginning to look favorable, the companies that grew amidst challenges are ready to reap the rewards.

Companies that based their revenue models on CBD topicals are tapping into more robust sale streams, such as dry flowers, which account for more than 50% of the global market. This past year was one of breaking even for cannabis producers, yet the projections at board meetings are as bullish as they were in 2018.

The way laws are developing is encouraging for Latin

America, a region poised to become the uncontested global supplier of cannabis. The product offers opportunities for territorial development, employment generation, and scientific spillover that are unmatched by other industries. Latin American governments are waking up to the great opportunity for economic growth that is available through cannabis. For a region where agriculture is strategic, it is easy to envision the boost that the industry could receive from cannabis. The sector in Latin America could be worth USD840 million by 2024.

In order to tap into this potential, Latin American cannabis entrepreneurs from all verticals and countries must be open to work collaboratively. Fortunately, this was a willingness expressed by the entirety of the interviewees we met for *Special Report: Medical Cannabis Latin America 2022*.

Medical professionals spoke about how differing access to research worldwide inspired knowledge transfer between countries, while legislators across Latin America mentioned how they are taking in the experiences of neighboring countries to maximize efficiencies. Cannabis entrepreneurs understand the value of supporting one another, and common roadblocks have encouraged solidarity and a sense of partnership.

The cannabis industry is being hailed as an industry of the future. Thankfully, the principles exhibited by industry leaders suggest that the industry is driving toward that future sustainably. ✖

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Flowering buds pictured in this cannabis plant closeup. The flowers, which are later harvested and dried, contain the cannabinoids and terpenes, which are used in a variety of medical applications.





## THE RIGHT DIRECTION

Steve DeAngelo  
INDUSTRY EXPERT & CO-FOUNDER,  
HARBORSIDE INC.

**In addition to focusing on the distribution of medical cannabis, Harborside Inc. is also concerned with raising greater awareness of its benefits and dispelling outdated misinformation.**

### BIO

Steve DeAngelo is a pioneering cannabis entrepreneur, activist, author, and on-screen personality. He co-founded several iconic cannabis businesses and organizations: Harborside, one of the first six dispensaries licensed in the US; Steep Hill Laboratory, the first dedicated cannabis lab; the Arc View Group, the first cannabis investment firm; and the National Cannabis Industry Association, the industry's first trade association. He currently serves as Chairman Emeritus of Harborside Inc., a vertically integrated California cannabis company. In recognition of these pioneering accomplishments, in 2015, former Speaker of the California Assembly and Mayor of San Francisco the Hon. Willie L. Brown called DeAngelo the "Father of the legal cannabis industry."

### How do you evaluate Latin America in terms of its potential for cannabis production?

The potential is huge; whether or not it will be realized is largely a matter of regulation, especially in Colombia and Mexico. Mexico has a huge role to play in the Spanish-speaking world; unfortunately, it was not able to claim that role because of the senate and the congress in Mexico were unable to come to agreement on a set of regulations for medical cannabis. There are literally hundreds of companies that have made large investments trying to position themselves in Mexico only to find out they were unable to go into operation and recoup their investments. Hopefully, we will see a breakthrough there soon. The same is true in Colombia. It has the ability to grow some of the very best cannabis in the world because of its microclimates. However, local regulations seem to follow a traditional, neocolonialist model. Early on in the industry, the idea was to extract large volumes and send that extract to Europe to be then turned into value-added products. What needs to happen in Colombia and throughout the region is for cannabis to be viewed as more than just as an export product. Cannabis can help Latin Americans the same way it has helped people all around the world and develop a country's economy. I would like to see more of a domestic market in Colombia and the creation of value-added brands. Given the incredible global reputation of Colombian cannabis, there could be a whole variety of consumer-packaged goods made locally so that the additional value is retained within the country. My wish is for the regulations in Colombia to move more in that direction.

### What should companies do to encourage change at a regulatory level in their countries?

The most important thing to encourage change in Latin America is to have a more broad-based, popular conversation about cannabis. Both in Colombia and Mexico, the conversation about cannabis has largely been top down. In Mexico, the law changed because of the result of a supreme court order to the legislative branch. In contrast, in the US where the movement began, the only way we were able to affect change was with the initiative process. I have done work with Initiative 59 and 64, and they are processes whereby citizens can collect petitions, put a law directly on the ballot at elections, and vote for that law. The only way we were able to gather signatures for our petitions was to stand in front of grocery stores and gas stations and talk to people, explaining the uses of medical cannabis and changing their attitudes. It took many years of such broad-based popular conversation to get to the point where we had politicians willing to take a chance to work with us. The key is to have this broad-based popular conversation.

### How should efforts to educate and overcome misinformation be coordinated?

The starting point is an understanding about the size and magnitude of the educational challenge. For years, people everywhere have been lied to about cannabis by the people they should be able to trust the most: their health departments, governments, and universities. The misinformation about cannabis is deeply ingrained. In addition to that is the fact that the issue is extremely controversial. It is extremely important to develop trusted messengers for the educational message for cannabis. We added to our team a wellness practitioner who was extremely enthusiastic about cannabis. She has met with the administrators of nursing homes and started serving on the aging commission of the local county that we are in and developed trusted relationships. Once those relationships were established, we were able to get the truth about cannabis out. It is a process that takes some time, and it is important to develop trusted messengers. ✕



## JOINT EFFORT

Juan Manuel Galán  
FORMER SENATOR,  
COLOMBIA

**Given the immense potential for many regions in Colombia to benefit from medical cannabis exports, the country must move quickly to develop well-regulated and defined policies.**

### BIO

Juan Manuel Galán was Senator of the Republic of Colombia for three periods (2006-2018). He studied political science at Institut d'Études Politiques de Paris and also holds a master's in international politics from the School of International Studies. He was the author and rapporteur of the law that regulates the use of medical cannabis in Colombia and currently seeks to revive New Liberalism, a party founded by his father in the 1980s.

### What advantages does the Colombian cannabis ecosystem have from its first-mover advantage?

It is a great achievement to be able to export dry flowers. The industry was hit hard during the pandemic, and the possibility of exporting raw flowers was eagerly anticipated by everyone in this ecosystem. New medical cannabis companies appeared in Colombia after the regulations. However, the industrial cannabis regulation will also be a great advantage. The main problem is finding the right seed that can be developed in Colombia for industrial cannabis. Still, the outlook for the sector and its development are extremely optimistic.

### What is the strategy to support medical cannabis and alternative medicine through policy?

The main objective is to develop medical cannabis for the provision of medicines for Colombia's public-private healthcare system. Access is key, as well as price regulation. Colombia has a large domestic market, with more than 50 million inhabitants that can benefit from this regulation; however, the National Food and Drug Surveillance Institute (INVIMA) and regulatory institutions need to move forward more quickly on food and many other processes. There is a need to bring cannabis more into academia and university curricula, so that it will be destigmatized and doctors will choose it as an alternative to opiates.

### In what ways can Colombian communities benefit from a blossoming cannabis industry?

Rural areas of Colombia lack many possibilities for developing economic growth. The cannabis industry has a significant opportunity to increase the value of exports of technological transfer capacities, science, and innovation, providing greater added value to exports from rural areas. The medical cannabis industry

has opened that window of opportunity for Colombia and many other similar countries.

### Based on your experience, how would you advise jurisdictions in the region to approach cannabis regulation?

The key aspect is to think about the patients. The center of the legislation we moved forward in Colombia is access for patients who are in pain, suffer that feel chronic disease, and ensuring a fair price and quality control also for small growers. Scientific research is also a main component of our legislation, namely stimulating scientific research, innovation, and development. Establishing cooperation for knowledge transfer and building on the experience of partner countries is also crucial. We want to send the message that Latin American countries want to cooperate and develop the cannabis industry jointly.

### What are the benefits in terms of reducing violence and corruption, which are linked to the formalization and regulation of controlled substances?

Criminal and illegal structures in Colombia are created and supported logistically by the criminal business of drug trafficking. Therefore, if we move forward with regulating drugs, we will eradicate the main support of these violent groups in the territory and invest more financial resources there. It will be a challenge, both diplomatically in terms of relationships with other countries and domestically with politics, to make it a reality. We need a strategy so Colombia can have talks at least bilaterally and multilaterally and have a discussion about these issues so we can move forward. We are paying the price of violence and corruption in Colombia.

### How would you advise business leaders to approach the industry?

For the cannabis industry, in the long haul, we need to focus on quality, scientific research, supporting small growers, focus on patients as the most important thing, and ensuring their access to a fair price cannabis of good quality. We want the industry to use water, electricity, and the environment responsibly and have social responsibility, such as employing the youth and women, which are the two main populations most affected by the pandemic and unemployment. These are some things that we have a vision for in the cannabis industry in the future. ✖



# SETTING THE STAGE FOR SUCCESS

Rodrigo Arcila Gómez  
PRESIDENT,  
COLOMBIAN ASSOCIATION OF CANNABIS  
INDUSTRIES (ASOCOLCANNA)

**Asocolcanna is working to ensure the best environment for companies to succeed further and encourage investment in medical cannabis in Colombia.**

## BIO

Rodrigo Arcila Gómez is an industrial economist with postgraduate degrees in marketing, financial management, and development economics. He is a doctoral candidate at the faculty of economics of the University of Belgrade. He has acted as a consultant for both the private and public sector for over 13 years and is currently chairman of the board of the pharmaceutical chamber, ANDI. He has served as executive president of Asocolcanna since 2018.

**What characteristics place Colombia as a leader in industrial and medicinal cannabis?**

Colombia is working hard to be a leader in the cannabis industry, and the companies in Asocolcanna are committed to making the country one of the best players in the international markets. We have 31 companies that are part of our association, and the future of these companies looks extremely promising given their commitment to growth, the market conditions, and the regulatory framework. The fact these companies have international ambitions is encouraging for the development of the industry.

**What does the association do to bring together the public and private sectors in order to boost the development of the sector?**

Over the last year, we worked closely with many government ministries to coordinate requirements and establish local regulations for cannabis growth and commercialization. In July, President Duque signed Decree 811, which enables the development of the cannabis industry. The ministries passed the regulation to implement the decree, and those ministerial regulations were ready by the end of the year.

**What are the most pressing needs for Colombian cannabis companies?**

Asocolcanna has to continue working to develop the industry. We have positive expectations with Decree 811, though there are more targets to reach. One of the most important things that companies must accomplish is becoming certified for good quality processes, which is essential to sell to other regions. We have to continue to work to facilitate financing and access to the banking system for companies. We need more companies to start working in R&D. The main priorities right now are investing in R&D, reach-

ing global quality standards, and accessing financing.

**Asocolcanna was founded in 2017. How has the association evolved since then?**

We have developed in a positive way. We are working hard with the government to create a cannabis cluster and have more than 120 strategic agreements with companies in each step along the chain. We have to create the best scenario for companies to develop in Colombia or continue to grow here. We want to encourage more businesses to invest in Colombia and are working hard to ensure every investor has an extremely positive environment to operate in.

**What other factors are needed in Colombia to increase access to the use of cannabis for treatment of chronic pain?**

This is evolving step by step. There are many institutions willing to research such treatments, and it is important for Colombia to advance in this area in order to become a leader in the use of these treatments. It is important to invest in research and development because we are at a nascent stage. We need to establish alliances with institutions to authorize the development of cannabis.

**What is your outlook for the growth of the sector in the region?**

We are in talks with other countries in Latin America such as Ecuador, Chile, and Mexico, for example. We recently created a regional association of medical cannabis in Latin America in order to expand this industry across the continent. We will share experiences and better understand developments in other countries. There is an opportunity here to create a positive scenario for the entire continent.

**How does Asocolcanna support its members, and what are some of the actions that you take?**

We have an extremely specific way of working. We include all the technician workers of our members and bring them together to create a committee to share their knowledge with the government. We prepare the information to be presented to the government to make the industry more competitive. In 2022, we will place greater focus on education services for our members. We have training programs to better educate workers and companies. We also have networking events planned for 2022. We will have some online events, though we plan to return to in-person events as well. ✖



# OPPORTUNITIES ABOUND

Andrés Luque  
EXECUTIVE DIRECTOR,  
ASOCIACIÓN ECUATORIANA DEL CANNABIS (ASECANNA)

**Seeking for Ecuador to play a bigger role in the burgeoning medical cannabis sector, Asecanna is optimistic that the country has much to offer the world.**

## BIO

Andrés Luque is an agronomist from EARTH University with an MBA from Universidad Técnica Santa María de Valparaíso. He has extensive expertise in agricultural projects, having served as undersecretary of agriculture under Minister Xavier Lazo and in charge of writing the regulation for the novel hemp industry. Now, he serves as Executive Director of Asecanna.

### How can Ecuador achieve a significant slice of the global cannabis market?

Ecuador has many advantages. Many thought we were entering the industry late, though we came at the right moment seeing what Colombia and Uruguay had missed at the regulatory level. Another big advantage is that we are in the hemp industry, with less than 1% THC. We want to take a step away from marijuana for the first few years to see how that market develops. We first want to develop the hemp industry correctly, and that includes smokable flower for CBD, all CBD products or other cannabinoids such as CBG, and others that are coming. We are also looking closely at the development of the grain industry, such as hemp seeds for human consumption. In the mid to long term, this could be an industry that could substitute maize, for example, in the animal protein chain. One advantage that Ecuador has is that the Ministry of Agriculture is involved, and the country views it as an opportunity to change crops. Hemp is transversal in many uses, so we want to look into how those industries can develop with the regulatory advances that we have made.

### What is your assessment on the pros and cons for both medical cannabis and industrial hemp genetics?

Once you are in the medicinal market, you are more focused on serving those who are ill. We hope that CBD goes international, like a food supplement—that is what we are betting on. If Ecuador was able to offer its entire industry at this point—with 2,000ha and three to four harvests per year—it would easily be able to satisfy global CBD needs. However, if cannabis enters

the mainstream industry like Coca-Cola and other big players on that level as food supplements, we are talking about a potential 15,000ha, which is where Costa Rica, Paraguay, and many other countries come in with their own regulations. In that situation, there would be a market for us all to share. Industrial hemp genetics is a race that everyone is participating in. In Ecuador, the Ministry of Agriculture also has a license for genetics development, which makes things easier. Some interesting players, mainly from Spain and other countries where such activities cannot be done, are coming to Ecuador, so we are bound to see a significant development in the coming years. On top of this, government institutions such as INAP have to get involved in such developments.

### How can medical cannabis impact or improve the sector?

We expect to produce the highest quality cannabis with a smokable flower. The thing is determining how sustainable and large that market is. We have to look at the regulations and how much that market is actually worth. We have seen data from Uruguay, which is exporting it, and although the prices are competitive, the volumes are extremely small, so we hope the market will increase and that we can grow with it. We are fairly sure we have the best process in the world, which results in the best cannabis in the world. At an economic level, we have every advantage on our side.

### How would you compare Ecuador's framework to other countries in the region attempting to establish a medical cannabis industry?

It is an advantage that we were not the first to start. We have spoken to the players in Canada, Uruguay, and Colombia that said they over regulated initially. Colombia has made some significant amendments to its regulations. The advantage is that Ecuador is regulating with a ministerial agreement. We have already spoken to the authorities from the Ministry of Agriculture in terms of where small adjustments can be made to outline the rules more clearly. However, as they stand, even if no changes are made, it is still an advantageous framework. ✖



## 01

## Doing Business

OUTSIDE  
THE BOX

**D**on't try to reinvent the wheel—the old adage applies to any business or dealing universally, but its application to cannabis comes with a small asterisk. Cannabis entrepreneurs are designing best practices as they go along, and the industry rewards thinking outside the box. Cultivation techniques are drastically different from what they were only five years ago. Both procurement and prospecting are being revolutionized by technology. To top it off, the industry's international component means that entrepreneurs are having to lean even further on risk and creativity. Because the industry is so nascent, there is no blueprint available.

This means that industry collaboration, through consulting, partnerships, and advisory, is especially important to avoid pitfalls. Creativity must be anchored on sensible business principles so that strategy can be brought to fruition. After the big boom spurred by early industry enthusiasm, the dust is now settling. Only those players with robust business rationales are surviving through bearish waves. To prevent impulsiveness, industry dialogue and a sense of camaraderie can guide decision making. For this reason, the Latin American cannabis ecosystem is exceptional in terms of the quality of its associations and unions. Companies are active on industry forums, and associations conceive support beyond guidance and pedagogy,

offering a sense of having a shared mission.

A key aspect of collaboration is specialization, understanding that value propositions are distinct, that there is space for companies to operate in parallel, and they can serve different market needs. As the cannabis industry progresses and matures, companies are finding where they fit within the industry and playing to their strengths. Cannabis for API manufacturing must necessarily be different from cannabis destined for food and beverage, or for OTC brands. Given the vast number of uses for cannabis, it is an encouraging sign that producers are de-commoditizing the plant. Variety, in genetics and cultivation systems, is indicative of an industry that is sophisticated. More importantly, it is indicative of an inclusive industry, where every type of B2B necessity can be served.

Latin American cannabis producers are snowballing—with every year that passes technification fine tunes processes. Being a cannabis entrepreneur requires accepting change, and the true value of that openness is visible in cannabis in a way that is not easily seen elsewhere. The way cannabis business is done today will undoubtedly be different tomorrow. However, what is certain is that the industry, thanks to its commitment to innovation, is geared toward long-term efficiency and mutual goals. ✖



## SUCCESSFUL STRATEGY

Luis Merchán  
PRESIDENT & CEO,  
FLORA GROWTH CORP.

**To expand its reach and serve customers around the world, Flora Growth has grown its product portfolio and international reputation.**

### BIO

Luis Merchán is a New York & Miami-based executive with over a decade of proven experience in enterprise sales management, corporate strategy, merchandising and expense management, and customer experience. During his term as Flora CEO, the company has added over 10,000 new investors, went public on the NASDAQ in May 2021, and is now organized to support a portfolio of organic cannabis-based products rapidly growing through acquisitions and partnerships.

### What is Flora Growth's story, and what is the company's business rationale?

Flora Growth stands out as an exceptional cannabis production company, not only because of the size of its production but also for its international reach and strategy, having more than 600 products. Clearly, our growth strategy is different from other international players in the cannabis space. We built the company to be a market leader in the global cannabis industry, not simply one state or country. Our strategy is built on three fundamental growth pillars. The first is our commercial business, which represents several assets, including a 100-ha farm on the outskirts of Bucaramanga, as well as our GMP-built laboratories that not only extract and formulate for our diverse portfolio of brands but are also equipped with the ability to complete white labeling and formulation services for third parties. Our second growth pillar is our house-of-brands, which is anchored by a number of purpose-built consumer packaged goods (CPG) companies that meet the demand of critical growth markets. These CPG brands allow us to explore plant-based wellness and lifestyle products that deliver better consumer experiences, give us access to a broad base of potentially cannabis-friendly consumers, and create the opportunity to move quickly and assertively into markets that have varying levels of cannabis regulation. The third growth pillar is our life science research, which allows us to be at the vanguard of health and wellness by exploring formulations and modalities that demonstrate the most efficacy with scientific backing. This growth strategy provides unparalleled access to the needs of those consumers so we can build better, safer products for them.

### How does Flora Growth intend to serve customers around the globe?

If you look at the cannabis market worldwide, the size of the pie is between USD200 and USD 300 billion. Less than 50% of the market is in what you call the “traditional” cannabis space, which includes dry flower and pre-rolls. The other 50% comprises emerging categories. In Colombia, the emerging categories are called industrial uses of cannabis, though worldwide, they have different names. Those industrial uses include edibles, food and beverage, vaping, and other delivery methods and devices, as well as other industries such as textiles. In order to reach the entire market and play on an international scale, we need to ensure we have assets, product categories, and offerings in each of those portions of the pie. We have been able to accomplish that with our diverse portfolio. The second part is that barriers to entry are incredibly different around the globe. By having a strategy with products that address different barriers of entry, we can expand our distribution at a rapid pace. Lastly, when it comes to distribution channels, having the appropriate mix between direct-to-consumer and distribution allows us to have the kind of intelligence that will help build meaningful revenue growth not only in the short term but also allow us to understand the products and experiences that consumers may be looking for in the future.

### What is the company's expansion plan and road-to-market strategy?

We intend to continue to grow Flora into the international-market leader in the cannabis trade. We certainly accomplished all of our goals to date, including expanding our product and brand portfolio with the acquisition of Vessel Brand Inc. in the cannabis consumption technology space and JustCBD, a leader in CBD consumables. In terms of geographies, we are already in some of the most sought-after markets globally, including the US, Mexico, Colombia, Germany, and Israel. We intend to further our entry into these markets while evaluating the regulatory framework of other geographies that have a tremendous amount of potential, such as Spain, Portugal, Italy, and France. We will continue to monitor new markets from a profitability and revenue generation perspective and from a product category perspective across each of our growth pillars to ensure we are maximizing our reach on a global scale. ✖



# A NEW PHASE OF GROWTH

Andrés Fajardo  
CEO,  
CLEVER LEAVES

**Clever Leaves' growth strategy has been to partner with other companies to grow in different markets and navigate obstacles together.**

## BIO

Andrés Fajardo is co-founder and CEO of Clever Leaves. He previously served as managing director, president, and chairman of the board. He has led the development of its first 18ha of GACP and EU-GMP certified cultivation and post-harvest facilities, the design and construction of a GMP certified extraction and formulation plant, and the development of a robust pipeline of clients and brands. Fajardo oversees the development, expansion, and marketing plans globally.

**What is your vision for the company going forward, and what will be the core tenets of your tenure as CEO?**

We are entering a phase in the company where we are focused on profitability, capital positivity, and leveraging all the assets and capabilities that we have built in the past. We are extremely focused on the international cannabis business in Israel, Australia, Germany, Brazil, and the US. We want to get our Colombian smokable flower product up to par with market demands in order to leverage the recently passed legislation in Colombia. We are pursuing a specific set of areas of focus that will allow us to enhance our ability to succeed in these countries. We will emphasize on our commercial focus, regulatory efforts, and product development in each of these markets. We will be all hands-on deck for key markets and enhance our ability to succeed and generate revenue. This also means we are entering 2022 with a refined strategic focus as we align our efforts across those key markets. It is somewhat of a different strategy now that the market is more consolidated and the company's capabilities and infrastructure are set up and running following a focused strategy; however, again, the name of the game is profitability and cash generation.

**What is the importance of partnerships within your vision of business development?**

We have defined a strategy in which we are a strong B2B partner of other companies around the globe. We strive to partner with companies that first and foremost have the same business principles, are leaders and innovators, and can significantly help us both grow in different markets. We have announced several agreements in different key geographies. Clever Leaves has a multidimensional approach in each of these geographies with

top-notch partners, and we definitely place great strategic value on partnerships. For us, it is not just about the client, supplier, or vendor; it is genuinely about partnerships, because this industry is fluid and always changing, and you need great partnerships to navigate the obstacles and issues that arise.

**Is Latin America set to be the key region in terms of cannabis production worldwide?**

It will be Colombia, specifically, for a variety of reasons. Number one, it has a specific set of environmental conditions that other tropical countries could match; however, as a company that has been operating here since 2018, Clever Leaves knows how to manage those conditions. Colombia has stable, long-standing regulations that has allowed companies to gain experience and develop their economic capabilities. Another key point is Colombia's painful history with drugs. Today, when talking about medical cannabis, the story of Colombia has improved for the better, featuring the health of patients and communities that are actually gaining the benefits of being able to produce cannabis.

**What is Clever Leaves' impact on the industry and the development of Colombia?**

Beyond what we do directly as a company, we have worked with other companies, associations, and the government to really shape regulation that makes Colombia competitive globally. That not only allows us as a company to thrive and grow, but also others as well. This is extremely important for the country and again the industry. That is why we view our Colombian peers as partners as opposed to competitors. Second, we have become a true Colombian-founded company, going all the way through to NASDAQ in cannabis and trying to changing people's perception about Colombia and the industry. This has been instrumental for the country and industry. In terms of our more direct impact, we have been a significant generator of direct employment, with a spillover effect on vendors and partners as well. Finally, we have company policies that contribute to social welfare. We employ over 70% women, and many of them are the heads of their households. We invest a significant amount of money and time to help people grow professionally. ✖



Image: Khiron Life Sciences Corp.



## STRONG NETWORK

Álvaro Torres  
CEO,  
KHIRON

**Focusing on demand for medical cannabis rather than supply, Khiron is working to build up greater credibility and educate more doctors in order to boost cannabis-integrated medicine.**

### BIO

Álvaro Torres has over 15 years of wide-ranging experience in the Latin American market. Torres was previously head of business development for SNC-Lavalin, Colombia, and was instrumental in growing the company from two people to more than 2,000 people over the course of three years. He has overseen the development of projects totaling over USD1 billion. He holds a bachelor's degree in engineering, a master's degree in engineering from Rensselaer Polytechnic Institute, and an MBA from Georgetown University.

### How would you evaluate 2021 in terms of company growth, and what is the current focus of business?

Sales grew 900%, and we have shown that our strategy works. We focused on the B2C aspect of cannabis. We are on the path of profitability for this year and the next. It is all about the approach of capturing patients one by one. Khiron is unique in Latin America because of its focus on delivering an integrated service to patients. With medical cannabis, the key is education. Every day we have more data on patients and outcomes, and we are able to take this data and educate doctors in Germany and the UK. Education is about bringing onboard more doctors that want to prescribe cannabis. We have the largest network in the world for cannabis today, which helps us build credibility. Medical cannabis is not a fad; it is here to stay for the long run. We will work to educate more doctors and then work backward and figure out the right supply chain strategy. In 2021, Europe made up 35% of our revenues. In 2022, it could be more than half.

### What are the benefits of having the largest network of health clinics around cannabis integrated medicine?

There is not enough demand today, so we have to build it so that the supply can follow. For us, we decided to go into clinics so that we could show doctors. Everyone keeps talking about research, and we combine that proof with our legal clinic in the UK and Peru. We are starting to build up significant evidence around the world. Khiron represents 1,400-2,200 patients, which is because of our network. This gets doctors to believe in

the brand and prescribe medical cannabis. From this, we can drive the supply. Cannabis medicine is like a snowball because every year that passes there is more data. Therefore, the treatments and knowledge increase as well.

### What aspects of your operations highlight Khiron's attention to quality?

Because Khiron is the most visible B2C company in cannabis, we have an important responsibility as cannabis ambassadors. Within that, we place great attention to quality. We have seven key principles and values. We are here to improve people's quality of lives; this is always on our mind to continue to improve. Second, we always have to exceed customers' expectations, which is an impossible thing to achieve. Third, is security, and we have to continue to think about how we can improve our services to clinics. Europe is extremely strict about quality. We have to find an excellent supply chain, because in Europe if you fail to deliver on your promise to patients, you will lose market share immediately. Khiron is the top brand in the UK right now because of the quality of our products. We also have to keep up with product launches. We do not want to fail and be punished for it. It is always on our minds.

### How can Khiron revolutionize medicine to make treatments less risky for patients?

Currently in the country, there are more than 6 million chronic pain sufferers. With cannabis, we are saving money. We are also able to see the desired medical outcomes. This has been extremely satisfying for us because we are able to break the existing molds. It is astonishing how great cannabis can be if used responsibly. It does not work on everyone either, so we need to be careful. The impact is incredible. The most important is that we can save money as a country by using this medication, learning more about it, opening up the borders for it, and supporting the industry to export that know-how. There are more patients in Colombia in the last year and a half than patients in Brazil over the last six years, and Khiron is responsible for most of them. One day, we will make up all of it. ✖



The cannabis industry is one of the fastest-growing industries in the world today, and with regulatory advances, an advantageous geographical location, and a strategic visionary outlook from Flora Growth Corporate, Colombia has positioned itself as a key player.

## FLORA GROWTH: BUILDING THE FUTURE OF CANNABIS

Flora Growth is a global organization seeking to build the next generation of plant-based wellness brands and products. With multiple lines of revenue and presence in more than 13 countries, Flora Growth is executing a strategic growth plan, leveraging three fundamental growth pillars: wholesale plant ingredients, a portfolio of wellness brands, and a life science division focused on medical advancements.

“Flora has worked diligently to produce the highest degree of certification, quality, and traceability,” says Luis Merchan, CEO of Flora Growth. “We are set on a path of exponential growth in sales across half a dozen brands while maintaining our pace of international expansion and worldwide distribution. We continue to be committed to our Colombian roots while helping the economy to thrive.”

### FLORA GROWTH WHOLESALE CAPABILITIES:

Flora Growth has built a large network of infrastructure that supports its global wholesale business. Starting in Colombia, Flora manages three key assets that allow it to produce cannabis ingredients such as dry flower, crude oils, distillates and isolates—both in psychoactive and non-psychoactive nature.

The company operates a farm near Bucaramanga known as Co-sechamos Ya, where it grows both CBD and THC cannabis flowers, outdoors on 254 acres of land. Flora has registered a number of genetics that are optimal for Colombia’s equatorial climate while also utilizing organic growing methods.

In Bucaramanga lies the first of Flora’s labs—an extraction and isolation facility built to export EU-GMP products globally. In its second lab, a GMP processing lab in Bogotá, finished goods include CBD-infused products, phyto-therapeutics (OTC products), medicines, and dietary supplements. Spanning four stories, Flora utilizes this site to train doctors and pharmacists and continually innovating new products—both with CBD and without—for the Colombian and international markets. Flora also has the ability to

white label for its expanding customer base.

### A GLOBAL HOUSE OF BRANDS:

Flora continues to build its exceptional ecosystem of brands that support market-leading innovation. With a portfolio of over 600-plus products, 70 medical and cosmetic licenses, and over 16,000 points of distribution across Latam and the US, Flora Growth is leveraging its distribution relations to offer consumers a range of products including beauty, food & beverage, apparel, and wellness.

With a team of talented branding experts focused on go-to-market strategies, research, and technology, Flora continues to build strong strategic alliances. Recent acquisitions include Vessel Brand, which has distribution of its lifestyle accessories across all 50 US states, and JustCBD, which generated audited revenues of USD28 million and EBITDA of USD7 million in fiscal year 2020 across multiple categories.

### LIFE SCIENCE RESEARCH:

Led by Director and Lead Scientific Advisor, Dr. Annabel Manolo-Morgan, PhD, Flora’s research arm seeks to support leading scientists and research institutions such as Vanderbilt University and the University of Manchester to advance access and research of cannabinoid-based medicine. Flora is at the forefront, bringing all natural, organic, plant-based medicine into the 21st century while working with major government bodies in the US, UK, and Colombia. Flora Growth is currently working on two industry leading medical initiatives, the first focused on clinical trials, utilizing CBD for Fibromyalgia—a disease that impacts one in 20 individuals globally and nearly 5 million in the US and Canada alone. The company is also working closely with INVIMA on a COVID-19 therapy to increase immunity to the virus utilizing CBDA and CBGA.

Flora Growth continues to develop trials and support research into the applicability of plant derived medicines, OTC products, and dietary supplements. ✕



Image: Flora Growth



## HIGHEST STANDARDS

Borja Sanz de Madrid  
PRESIDENT & CEO,  
PIDEKA

**Pideka aims to be a trailblazer in the industry, becoming the first and largest indoor cultivation facility to develop a pharmaceutical-grade medical cannabis product.**

### BIO

Borja Sanz de Madrid has more than 15 years of experience in emerging markets. He is the former CEO of Habbit SAS Colombia and the managing director of the investment group BCE. He also sits on the board of the Sanz International Jewelry Group, as a third-generation Sanz serving the Spanish and Moroccan royal families.

### What attributes make Pideka stand out within the cannabis ecosystem?

We serve a specific market segment that has unique demands and business considerations. Our major differentiating factor has to do with all the controls we have in our cultivation process. Our model is an indoor farmer Latin modal; we do everything 100% indoors and have all the controls needed for a pharmaceutical-grade product. We do all our processes based on our certifications. We already have EU GMP, which means we have the certification from seed to product. This is a value proposition that is unique to Pideka in Colombia. We are showing the world the difference between cultivation in greenhouses and cultivation in indoor facilities for the pharmaceutical industry. We go all the way through the value chain to get the final product while focusing on the best quality product possible and the controls. Everything we give to the plants at every hour of the day is controlled 100%. We can guarantee to our clients that the process will be exactly the same all the time. Companies in cannabis all have different target markets and models.

### What attributes set Pideka as a pioneer, and what business principles guide the company?

Not only are we the pioneers, but we are also inventing and creating an industry. The legalization of pharmaceutical cannabis does not have a history in Colombia, and we have to create the industry with entities and institutions for the certification. We do that with our entire team because everyone works behind the scenes to get a new model on board that has to work for the future. Creating an industry in a country is not easy; it is complex and takes a long time. That is exactly what we present and what

we want to represent for the world. We all want to present a new industry that will impact the industry around the world because of our efficiencies, costs, and all the legalization processes that took place.

### What is Pideka's social and economic impact in Colombia?

We are in the process of growing our cultivation facility up to 8,000sqm, which will impact the industry and the number of employees that we will take on. As soon as we finish this project in the next few months, we will be the biggest indoor facility in Latin America and one of the biggest in the world. We will be the first indoor facility serving the pharmaceutical industry with 9 tons of extremely high-quality product annually. That is a big quantity to provide and will have a major impact on Colombia and the industry, because the world will truly understand that Colombia is cultivating, creating, and exporting that amount of extremely high-quality product into the pharmaceutical industry. After the pandemic, the world is thinking much more about health. We are conducting research into different projects. For example, we did a project on COVID-19 with the University of Antioquia Colombia that had great results with our cannabis strains. The world of cannabis in Colombia will change with importation processes and sales. We can get more of the company focused on these projects.

### What is Pideka focused on currently and into the future?

We want to process all the way from cultivation to pharma and get our full product out of there. Our goal is to work on an 80-90% final product with pharmaceutical companies in Europe. From there, we want to grow to the US when it opens up. We want to go to Asia and then all over the world. We need to form an alliance with the pharmaceutical industry so that we can work together. We are not a company that produces and sells; we form alliances that make us stronger and enable us to build anything our clients ask for. This is a process. We want to ultimately help as many people as possible because we already have proof that these medications that we are putting in the market help pathologies. ✖



# GROWING TOGETHER

Felipe de la Vega  
CEO,  
MEDCOLCANNA

**Medcolcanna's goal in Colombia is to support the local industry and grow cannabis to the highest possible standards while benefiting the community and the environment at the same time.**

## BIO

Felipe de la Vega is CEO and founder of Medcolcanna. With a creative vision and a networking mind-frame, he has closed some of the most important partnerships for Colombian-based companies. His previous ventures include Trenaco Holding Corporation with revenue totaling USD800 million in 2014. After his retirement from Trenaco he successfully founded multiple ventures in cannabis, oil, and mining.

## Which traits make Medcolcanna stand out from the competition?

Medcolcanna has been an extremely efficient company in how capital has been allocated. We are one of the largest in the country in terms of capacity. We have two farms, the first is located in Bogotá's rural area. This farm has 8ha and six greenhouses of high-value cannabinoids. It also has a certified post-harvest and production facility. The facility houses our extraction laboratory as well. In 2020, we established a second farm in Neiva, an outdoor cultivation with 32ha capacity. Currently, we have 7ha under cultivation. This facility's purpose is to produce high-quality, low-cost cannabinoids to compete within the US hemp industry. Even though Colombia is finalizing regulation in order to export dry flowers, we are not there yet, though we are confident we will begin dry flower exports in 2022, and we will fulfill a 20,000-pound per month contract with the biggest distributor of CBD flowers in the US. This contract will give our company a massive competitive advantage and pave our way to sustainable success within the industry. Since the dry flower export regulation has not been issued yet, we have also improved our extraction process and capacity in order to achieve the lowest production cost in Colombia for cannabis derived extracts and isolates.

## What is your current strategy?

We are revising our initial strategy and have decided to focus on four things. First, we have our CBD flower export unit leveraging on one of the largest contracts of its type in the world. Second, we have finalized an agreement to distribute THC flowers in Europe, mainly in Germany. Third, we have an agreement with a third-party laboratory that will process our plant material into

GMP oils at a competitive price. Finally, in order to capitalize on our local market and end consume products we are launching a line of compound pharmacy formulation. This business unit is pursued jointly with Curativa, which is a pioneer in terms of access to medical cannabis in Colombia, and together we are able to offer the most comprehensive portfolio cannabis-based formulas in the country. We are initially deploying over 1,000 orders per month.

## What is Medcolcanna's social impact in Colombia? How do you create welfare for communities?

We believe that as an industry we need to grow together. We are in talks with several producers to accept production quotas from them and will provide them with technical assistance on the quality aspects of what they provide to us. This way, we generate significant workforce incorporation. We are also working with a few foundations to bring single mothers that are the sole providers of income for their families and training them so they can work with us. Environmentally, we are changing all our power generation to solar, and we have also created a system to collect rainwater so that we are not using water from wells or the public water system. ESG compliance although not mandatory is an important strategic axis of our company, as we are well aware of the environmental and social challenges our country and the world face.

## How Does Medcolcanna aim to maintain its role as an innovator and trendsetter in the cannabis space?

We started with our partnership with Curativa, and we are constantly launching new products. We are also developing a health app to promote benefits of medical cannabis for specific diseases like Crohn's disease, because we have a great formulation that has been used successfully with many patients. We want to support the local industry and grow cannabis to the best possible standards. We want to do it responsibly, benefiting the community and the environment. We are in constant development of new ideas, products, technologies, and business models that we can develop to break the mold. Our team is always in a creative state, which enables us to find new ways we can lead the cannabis industry. ✖



## SUPERIOR QUALITY

Adriana Herrera  
CEO,  
EARTH'S HEALING COLOMBIA (EHCOL)

**With its superior quality genetics, Earth's Healing Colombia plays an important role in adding value to medicinal solutions and improving the quality of life of patients.**

### BIO

Adriana Herrera is a business administrator specializing in senior management. She has over 30 years of experience working as manager of different companies in the public, private, and union sectors of the region, among others. She is the co-founder of Earth's Healing Colombia, a company in which she serves as CEO.

### How do EHCOL's cannabis strains add value for partners across the supply chain?

EHCOL has been strategically focused from the beginning on getting a premium quality for the industry allies by having a product portfolio with world-class genetics under the guidance of our partners, who have ranked among the pioneers of the cannabis market in US for nine years. Our CBD genetics Colombian Spirit and Colombian Angel, as well as recently registered Colombian Calm and Colombian Emerald, are the result of a demanding selection of phenotypes each with their own characteristics. These include a high potency of CBD, low THC level, a unique terpenes profile, high yield in production of dried flower, and pest and diseases resistance. EHCOL's goal has been not only a high standard quality but also establishing long-term relationships by understanding what clients really need and providing a true-factor solution. With EHCOL, our partners add value to their supply chains. They increase their productivity and reach maximum effectiveness by using our certified homogeneous genetics with potency up to 28% of CBD and less than 1% of THC. This allows growers to develop crops with high resistance to climatic conditions, pests, and diseases, as well as produce high yields at lower processing costs. In addition, with the high power of CBD, we are able to supply plant material with THC below 0.2%, keeping its non-psychoactive trait in each country.

### What does Earth's Healing focus on in its efforts to become the leading local supplier of cannabis inputs?

Our business model is aimed at the B2B market of the global cannabis industry, offering unique and personalized experiences for new and actual customers. Our competitive advantage is based on being able to offer a bank of seeds and a portfolio of dried flowers with high cannabinoid potency, making deep and lasting relationships. To do this, we make sure to include only world-

class genetics, an essential component to achieving high-quality results. With the outstanding results of our current genetics, we are ready to supply homogeneous feminized seeds for growers as well as CBD and CBG flower globally for medicinal and industrial purposes.

### What characterizes the company's approach to agro-science, and what innovative process does EHCOL realize in offering tailor-made service to its partners?

From 75 genetics pre-registered with the Colombian government, we have six of our own brands of cultivars already duly registered with the national government and available to our allies, four of them are CBD and two of CBG. Currently, we are working on an agronomic evaluation of five new strains with high THC potency. For each of our genetics already registered, and those we are evaluating, we have fully standardized processes and a continuous improvement program that guarantee consistency. The objective is for our allies to find products of superior quality, totally homogenized, and 100% organic flowers in EHCOL's portfolio and be assured of receiving a product through clear and transparent operations.

### What sectors of the industry offer the best potential for collaboration and how do certifications such as GACP and GMP expand the pool of opportunities?

At EHCOL, we hold BPA certification from the ICA and have completed the GACP certification from ICONTEC. This allows us to guarantee the market that it is acquiring products of high quality and consistency. These certifications demonstrate that we work to protect the environment, that we care about the wellbeing of our employees, and that we have safe and high-quality processes. At EHCOL, we have been working strategically to standardize and improve our processes to develop globally competitive products. The greatest importance for EHCOL of having BPA and GACP certification is to be able to guarantee a clean, safe product that will ultimately be processed for human consumption. Now, a milestone for this year is to complete and achieve Control Union Medical Cannabis Standard certification CUMCS, which will give us a new top level quality position to expand market for more countries with more exigent quality framework. ✖



# FLOWERING IN THE BUSINESS

Daniel Baquero  
CO-FOUNDER & CEO,  
VARIANZ

**Varianz is on a mission to supply quality cannabis at a low cost worldwide.**

## BIO

Daniel Baquero is Co-Founder & CEO of Varianz. He has been a board member of various agricultural and investment companies in Colombia and the US. He holds a degree in social communication from Universidad de la Sabana and graduated with a MIB from Hult University International Business School in the US. Baquero has been a pioneer for the cannabis industry in Colombia specifically, directing and advising cannabis companies in obtaining required licenses and developed its operative processes.

## What aspects of Varianz make the company unique in a competitive market?

Varianz is an attractive project for several reasons, namely its location, the fact that it has all the permits to both produce its own varieties and commercialize them, and how well we understand the situation of the industry. All our efforts and resources are focused on producing a high-quality flower. At this point, we are open for new investment in order to expand our production and thus be more competitive in international markets, since dry flowers can now be exported. Varianz is an easily scalable model that is internationally tested and certified in that we are producers of quality cannabis, both psychoactive and non-psychoactive, at a low cost.

## What investors are you looking for, and how do you structure your fi-

## nancing plan?

The investors we are looking for are capital partners or industrial partners that can contribute to the development of our scalability, where we can increase our production capacity and thus supply the demand for cannabis worldwide with our cannabis flower at a low cost.

## What added value do you provide to partners, and what do you focus on in order to be a partner that stands out?

Cannabis projects must pursue realistic goals that can guarantee strong income streams. That is why at Varianz we have characterized ourselves by being conservative when making our investments, and our administrative and operating costs are made with the view to being able to last over time. The key in the medical cannabis business in Colombia lies in the production of a high-quality flower in order to reach excellent final products.

## What are your expectations of business development?

At this moment, we have standardized processes GACP certified. Therefore, we are focused on continuing to close flower sales contracts worldwide and receive investments that allow us to scale up the project in a more accelerated manner while also continuing to generate value for current and future shareholders. ✖

## We Are Pharmaceutical - Grade Producers

Our goal is to continue producing GACP premium dry cannabis flower.

Varianz crops and post-harvest facilities have been carefully constructed to comply with multiple international certifications.





**Mauricio Krausz**  
GENERAL MANAGER,  
PLENA GLOBAL HOLDINGS

**How has Plena Global Holdings maintained its spirit as an innovator, and what has made the company successful?**

The key is to understanding how the industry has worked since the beginning and knowing where we wanted our focus. There are two ways of approaching this industry and both ways are valid. You can approach this industry with a consumer focus, where you have to create the demand and work your way backwards, or you can understand that there is no demand, but it will build up over time. This is the approach we took. In the beginning, we started with raw material. We knew that if we can provide high-quality material from day one, we would be at the top of our game in the beginning. When we started, we were in the middle of the of the cannabis bubble along with other companies. What has kept us alive is being able to identify when we had to cut back and focus our investment and goals into one part of the supply chain. We could not sustain being vertically integrated from day one.

#### BIO

Mauricio Krausz holds over 20 years of management experience. He is the founder of Econnabis SAS, a Plena Global subsidiary in Colombia, and is its current General Manager as well as the founder of Asocolcanna, the official association that brings together local industry players to promote, protect, and guide the development of the cannabis industry within the Colombian legal framework.

**How have you structured the business to ensure the quality of your raw material?**

We have a program to capture data of our complete process from seed to final product. That final product could be the flower itself, or it could go on to extraction. Plena is a B2B company. We do not reach the consumer, so our data is geared toward the productive side of things and understanding where the most productive genetics are in terms of yields, cannabinoid content, and terpene profiles. That is where big data analytics comes in. We also guarantee our quality by building a robust and extremely meticulous quality management system (QMS). From day one, our aim was to get the QMS certified by the most respected authority regarding medical cannabis. That is the Control Union. We are perhaps the first or the second amongst four in the country to have this certification. This puts us on the next level, and awareness of quality standards is where we can guarantee quality. ✖



**Carlos Orbezo**  
HEAD OF OPERATIONS,  
AVIDA GLOBAL

**Can you give us a brief introduction of Avida Global and where the company sits within the Colombian and global cannabis industry?**

Avida Global is a private British investment. In 2018, the shareholders understood the business opportunity in the emerging cannabis business with a solid regulation in Colombia. They visited the country and after evaluating the pros and cons believed it was a great place to start a business with cannabis products. The company came to invest in the country with a clear target: If they were to start a cannabis business, they wanted to be number one in the world, specifically regarding the highest quality product. 2018 and 2019 were dedicated to submitting the dossiers for getting all the licenses and to make a solid planning process for rolling out the whole project. The company then started looking for people with the right background and experience. Nowadays Avida Global is a well-established company with a strong cultivation and oil production capabilities plus a highly qualified team stamping a robust footprint globally.

#### BIO

Carlos Orbezo is a mechanical engineer with an MBA and a specialist in processes design with 26 years of professional experience including four years in medicinal cannabis. He spent 17 years at Merck in senior positions in Latin America. More recently, he was COO of a major Canadian cannabis company before joining Avida Global.

**What are your economic and social contributions to the communities you are in?**

We have a foundation that works on four different fronts. Education is an important pillar. The community is an important part of everything we do on a daily basis, so we are finding ways to support school children and provide training in the English language. In 2022, we will have dedicated teachers to support this program. The second front deals with the cultural activity of the region that we are in. In other countries, we are known for our music and our handcrafting. We support mothers by providing training for developing their own handcrafting business. Additionally, we support the carnival activities in La Jagua de Ibirico supplying typical outfits that are exhibited in the shows. Cooperating with other institutions in the area, we are repairing schools. It is also important to support the infrastructure as well. During COVID-19, we were able to support the community in terms of providing food and other resources. The foundation actions are expanding and keeping its core values straight. ✖

# FRONTIER SPECTRUM

WE ARE REDRAWING BUSINESS BOUNDARIES WHILE  
ELEVATING HUMAN HEALING TO CREATE A BETTER WORLD.





## INGREDIENTS FOR GROWTH

Manuel Victoria  
FOUNDER & CBO,  
FRONTIER SPECTRUM

**Frontier Spectrum has been able to form solid alliances with partners around the world and expand accordingly.**

### BIO

Manuel Victoria is an entrepreneur and visionary with more than eight years of experience in business development. He has been involved as Founder of Frontier Spectrum and Mannta where he has applied his skills in business development and in supporting the team in strategic decisions.

**What is Frontier Spectrum's business model, and how is the company involved across the supply chain in different segments?**

Frontier Spectrum is a global company, developing the most efficient way to deliver pharmaceutical cannabis to patients worldwide. The way that we bring out the best of cannabis is by personalizing the treatments, where cannabinoid ratios and personal doses are developed not just for the medical condition, but also to each patient that is treated. We have dedicated ourselves to understanding, studying, and predicting the industry. Under this premise, our main skill is to connect the dots, while focusing on sales in Germany, the most important market in the world, and the low-cost production of active pharmaceutical ingredients (APIs), flowers and extracts, from Colombia. Thus, becoming more efficient. The idea is to scale this business model and then replicate our pharmaceutical businesses in other countries, Europe, and Latin America, while continuing to supply flower & extracts from Colombia, which will be the powerhouse of cannabis worldwide.

**What has been the experience of developing Frontier Spectrum been?**

Frontier Spectrum and the other subsidiaries all started in Colombia. However, as we grew and incorporated teams from other countries, we added interesting challenges such as a cross-cultural team that breaks down borders while developing a new industry. The entire project was created by different entrepreneurs that see cannabis as an entry point. We are now seeing companies in the psychedelic sphere, and there are new bio-pharmaceutical ways of treating patients. All the different people involved in this company come from different backgrounds, from investment banking to international marketing, strategy, and pharmaceutical executives. Everyone provides the ingredients to make this company successful. To me, the entrepreneur path is not just a

profession; it is a way of living.

**How can Frontier Spectrum help investors and businesses looking to scale, and what is your competitive advantage?**

Frontier Spectrum has a global team that is able to offer partners more efficiency, which in this industry is one of the most important things. We are already complying with European standards and have closed contracts to supply cannabis from Colombia and start selling our medical kits in Germany in 2022. We have extensive understanding of the global cannabis legislation; that is the added value that we bring. Putting this value into specifics, we are currently selling a generic version of Epidiolex, the GW Pharmaceuticals cannabis epilepsy treatment, through specialized medical treatments in Germany. We also grow pharma-grade cannabis products at a low cost in Colombia. Our company, Frontier Spectrum, based in Canada, manages both operations. We offer the most efficient way of investing in the cannabis industry. We are operating in different countries and bringing all of this together; connecting the dots as I said, is our core value. With this long-term vision of product development, clinical trials while being profitable in the short term, we will undertake the global expansion of our company.

**What types of companies do you seek to form long-term business collaborations with?**

We are not in the industry just to make money; we want to create an impact around the world environmentally and elevate people's standards of living. Our team, partners, or people that we have spoken to, are like-minded. 2021 and 2022 are extremely important years. We are seeing a consolidation in the industry and many M&A transactions. We are looking to talk to any potential partner as an ally or investor, as we will need more funds to achieve what we have envisioned. We are open to work with other cannabis or pharmaceutical companies that are willing to enter the industry with a reliable partner, such as us, that has already different sales streams and open markets that can really reach these international markets, for small growers or other smaller cannabis companies. Local partners are the key, as they provide a competitive advantage when we enter a target market. ✖

# BETTER TOGETHER

Capitalizing on their individual strengths, Mannta and Frontier Spectrum are working together to get medical cannabis out to the world and to raise awareness of its benefits.



Pablo Fernández  
CEO,  
MANNTA



José Pablo Betancourt  
CEO,  
FRONTIER SPECTRUM

## BIO

Pablo Fernández co-founded Mannta and has been leading the operations since the beginning of the company with strong organizational and financial capabilities, giving structure and constant improvement to the company, transmitting the culture and values of entrepreneurship to every member of the team.

## BIO

José Pablo Betancourt is a leader that creates strong teams with high performance and corporate cultures, speaking to others on a deep and personal level and inspiring new ways of looking at the world. He holds a BBA from EAFIT University in Medellín and an MBA from IE Business School in Madrid.

**What makes Mannta stand out in a competitive environment, and how is the company's attention to reliability and customization important for its partners?**

**PABLO FERNÁNDEZ** It is a combination of a few things. First, we have an extremely knowledgeable and experienced team. We set high standards for ourselves, and we encourage our employees to move forward and innovate constantly. One of the advantages in Colombia is that we have the ability to not only test but also measure different cultivation methods all-year round thanks to our micro-climate in the southwest of Antioquia near Medellín. We can quickly see the results of our customization efforts, and we learn what to do and what not to do in order to give our clients what they need in response to what the market demands.

**What makes Mannta the optimal partner for Frontier Spectrum?**

**PF** The main advantage in the relationship is that we have been working together since day one. Even though we are two different companies, there is a solid relationship and open communication, being able to quickly process and respond to what Frontier finds, we are creating a culture that transmits to new employees to keep that communication going. We specialize in cultivation, so we always bear in mind the research of our partners in Germany, Canada, and the US so that within a single cultivation cycle we can adapt to a change in the market or customer needs. Those two things, communication and adaptability, make us great partners.

**JOSÉ PABLO BETANCOURT** The most important aspect of the partnership is understanding the role of each part. Mannta is extremely specialized in growing flowers and understanding quality. The role of Frontier Spectrum is to understand how we can get these

flowers into the different markets bearing in mind the respective regulations as they open. Today, we are in Germany, and we are looking at other market opportunities. For example, in 2022 regulations in Germany will open up the entire spectrum of cannabis, similar to Canada. The roles in Mannta and in Spectrum are clear. We specialize in our specific areas while supporting each other. The culture, relationship, and open communication are the key factors for the success of the two companies working together with the same purpose. The purpose is to get this medicine to the world, and all the members of both teams understand this.

**What best practices do you have to benefit communities and create shared welfare?**

**PF** Cannabis is a water-intensive process, and we first had to take on the care and regeneration of the water sources on our land for both our company and the nearby communities downstream from us. That is why one of our first tasks was to build the necessary infrastructure to guarantee a cleaner and steadier flow of water. We are also working plots of land within our facility dedicated to the cultivation of various vegetables with the same organic standards with which we cultivate our cannabis. We can provide for the economic wellbeing and health of the communities; that is extremely important to us.

**JPB** The basis of everything we do is showing people that we can work together in a company with a solid relationship, timeframes, excellent communication, and personal growth. The company is a platform that we offer to people to not just work and get paid, but also better themselves. We use the experience gained from our work, tasks, and everyday situations to understand how we can be better humans and help improve the world we live in. That is the basis of everything in the company. ✖



## THE UPPER HAND

Mauricio Namé  
CEO & FOUNDER,  
NATURECEUTICALSRX

**NatureceuticalsRx has set itself apart from other producers by investing heavily in renewable energy that allows it to cultivate medical cannabis at a low cost without sacrificing quality.**

### BIO

Mauricio Namé is the Latam Representative and supplier of Humboldt Seed Company. He is an architect and has been CEO & owner of MMCC Construction in the US for over 20 years. He has been in the medical cannabis industry since 1997.

### What makes NatureceuticalsRx so unique within the competitive cannabis industry?

Being a carbon-negative cannabis company makes us unique. The advantage of using renewable energy puts us ahead of the game, as it enables us to cultivate cannabis and produce a gram of flower at a very low cost without sacrificing quality. The problem with other companies producing high-quality cannabis today is the intense amount of energy they require to produce a flower with a trichome and a terpene level that is appealing to the end user. Many of our competitors run massive greenhouse facilities with air conditioning, dehumidification systems, supplemental lighting, water pumps, and so on, with energy costs in the hundreds of thousands of dollars every month. NatureceuticalsRx has invested in a large solar field of 9.84MW, the maximum wattage we are allowed to construct in Colombia without having an environmental evaluation. It is a USD12-million investment involving 20ha of solar panels with inverters and 48 hours of backup batteries. This, combined with our natural water source and the fact that we are cultivating a product that consumes a massive amount of CO<sub>2</sub> in the atmosphere, solidifies our commitment to environmental sustainability.

### What can you tell us about the alliance with Tahami, and what does it mean for NatureceuticalsRx?

Our alliance with Tahami really positions us at the forefront of the Colombian cannabis industry. When we first broke ground in Colombia, right outside of Barranquilla, the only thing we could do was process and export derivatives of cannabis. But now, with the decree of March 15, a new market of smokable dry flower has emerged, and our alliance with Tahami plays a key role in our success of scaling our production to meet the needs of our customers in this segment. Both of Tahami's licensed growing facilities are

located in Río Negro and Tarso and provide NatureceuticalsRx with three additional bioclimates for the registration and commercialization of our renowned genetics. Tahami's massive infrastructure, its logistical export experience, and its ability to conduct onsite research and development paves the way for NatureceuticalsRx to be the premier producer of world-class genetics for global export. Through our other joint venture with the Humboldt Seed Company out of California, we will provide its entire seed catalogue for world export and local licensed cannabis facilities.

### What are the advantages of your farm?

One advantage of the farm is our tropical desert climate location. During the eight months of dry season, we are seeing great results, far exceeding our expectations, while many other companies in Colombia are experiencing problems due to high humidity and intense rain fall. We are cultivating in all bioclimates within Colombia and will register our genetics in all of them, giving license owners access to our genetics for sale, which will increase our customer base by 10-fold. Another advantage is that we have 174ha of land dedicated to this project, with a reservoir from which we collect rainwater during the rainy season. We invested close to USD580,000 in 2021 in earthwork to improve the reservoir and adding drainage canals. We own 100% of our water rights, which contributes to the fact that our price per gram of flower will be under USD0.20. We will build a USD35-million 100,000-sqft. facility within the Zona Franca Sofia that will house our laboratory, our extraction facility, our biomass storage, and processing facility and our food and beverage department.

### What are your goals for NatureceuticalsRx in the mid and long term?

The cannabis industry in Colombia and world-wide is growing exponentially. The governments of the world are finally coming to the realization of the ability of the cannabis plant to treat a multitude of medical ailments. This industry is projected to reach USD300-500 billion in the next five years. NatureceuticalsRx is currently valued at USD294 million, and we have a five-year revenue projection and valuation of USD995 million annually. Right now, we are raising USD100 million to prepare us for that boom. ✖



Image: Varianz



## VOICE OF EXPERIENCE

Andrés Vázquez Vargas  
PRESIDENT, KUMARA FARMS HOLDINGS  
& GENERAL MANAGER,  
CANN FARM PERU

**Cann Farm is combining traditional knowledge and experience with a modern medicinal approach to develop innovative health products for the region.**

### BIO

Andrés Vázquez Vargas is an executive with over 20 years of international experience in leading companies of the agribusiness, healthcare, retail, and international logistic sectors. He currently serves as General Manager of Cann Farm Peru & President of Kumara Farms Holdings. He is vice-president of the Nutritional Supplements and Health Natural Products Sector at COMSALUD, a founder and member of the executive committee of ASOPECANNA, and a member of the board of Asociación Cannabis Gotas de Esperanza. He is a biologist from Universidad Peruana Cayetano Heredia, Peru, and holds a MS in agronomy and agribusiness development from École Nationale Supérieure des Industries Agricoles et Alimentaires in France and a diploma on top executive management from IPADE in Mexico.

**What strategy allowed Cann Farm to obtain the first production license of cannabis in Peru, and how are you using that first-mover advantage?**

We were paying attention to the development of the regulation extremely early on. Most people involved in the initial approval of that law were patients who were using cannabis, activists, or social organizations. However, there were no entrepreneurs or companies following the process. Our company as well as some other interested groups were invited to meetings to discuss potential approaches to the regulation with the regulatory authorities. Peruvian regulation is strictly healthcare based, which means that all companies involved in the industry must be recognized by the health department as health services providers. You have to be a pharmaceutical entity to operate in the Peruvian cannabis space. We, therefore, decided to invest and build our own manufacturing facility, which was key to the approval of our cannabis cultivation and manufacturing license.

**How does Cann Farm plan to keep its competitive edge, and what makes it stand out in a hyper competitive environment?**

We have an ideal location to grow cannabis, not just in terms of climatic conditions, but also due to its proximity to Lima. We can train people to be available for these production areas, which provides us with cost competitiveness advantages. Our approach is not only in the cannabis space, and that is our differentiating factor because we want to develop our portfolio from traditionally used botanicals, and cannabis is just one of these crops. We have been working with marigold for 15 years, which is used for ophthalmological products. We are also working with a partner group

in the Amazonian jungle that provides us with around 20 formulations already used for several years in healthcare; this is possible because our partner is a therapeutic center that is allowed to use traditional Amazonian medicine. From that traditional knowledge and experience, coupled with a modern medicinal approach, we are developing innovative health products.

**What opportunities exist in Peru for businesses that want to get into Cannabis, and what strategy is guiding Cann Farm's evolution in the country?**

In Peru, we were the first to focus on developing the medical cannabis market and then subsequently on production. It was extremely patient-oriented, which meant several companies started to import products across different product categories, so there is already competition in terms of quality, formulations, and prices. It is an interesting approach for any company that has a differentiated product. It is a 30-million people market, but the potential as a producer is even more important, specifically in the medicinal cannabis space. You need to be a pharmaceutical company in order to cultivate and manufacture, which provides an advantage in the agricultural side.

**What constitutes Cann Farm's international profile, and how has it been important for development?**

Our first experience was in Colombia, I was a consultant then, and I advised a few companies on obtaining licenses in Colombia and their business plans. Colombia was a learning space prior to developing the project in Peru. We have just started thinking about exports, and we have a partnership to start having a presence in Ecuador, Brazil, and Mexico. We expect to have more developed by 2022.

**How is Cann Farm playing a leading role in the development of the regulatory framework, and what is the importance of cross-country cooperation?**

There are business associations among which there is a positive level of cooperation in different countries; however, it is necessary to have active cooperation among the regulators in different countries as well, because they can learn from each other from the technical point of view. I cannot speak for other regions of the world but our region has been extremely open about sharing experiences early on. We feel we are part of a network. ✕



# FACTORS OF DIFFERENTIATION

Curt Schwarz  
CEO & FOUNDER,  
ANDEN NATURALS

**Anden Naturals has grown to now supply 90% of cannabis products to Peru's public health sector.**

## BIO

Curt Schwarz has 15 years' experience in supply chain management, process management, and production management. He has dedicated most of his career to trading commodities in the food sector, supplying raw materials globally such as soybeans, crude soybean oil, corn, and palm oil, among others. Schwarz entered the cannabis industry in 2017 as a director of operations for Las Vegas-based Aether Gardens, a state-of-the-art cultivation and processing facility. There, he oversaw brand launches and developments as well as white label manufacturing for strategic partners. Schwarz is currently the founder & CEO for Anden Naturals, a Peruvian-owned and operated cannabis company.

## What attributes set Anden apart from the competition?

There are three aspects to that. The first part is the relationships we have formed with the government. We were transparent in terms of the products that we were able to offer, our timelines, and the quality. We were extremely open about our processes. Second, we source our material and extract it in the US and control every single aspect of the process. We were extremely straightforward and transparent with that. Finally, price is a major factor—because we are fully integrated in the US, we were able to control the price and offer competitive pricing compared to our competitors.

## What business avenues are the focus of growth?

There are three licenses available to companies according to current laws: import, production and cultivation, and investigation. We have the import license, and we use that to distribute to all our retail partners. We have a strategic alliance with Inkafarma which has over 2,300 points of sale. It currently has 26 points of sale that are authorized to sell cannabis, all of them in Lima. We are currently in all those establishments with one of our finished products, a 50mg/ml- 10ml CBD tincture. We also offer a 100mg/ml tincture under the “formula magistral” format. Our plans are to develop that market further. At the end of the day, one of our main objectives is to provide easy access of our products to patients. In partnership with Inka we can reach a much larger number of patients and are focused on creating a robust and differentiating portfolio of products. We want to offer different types of cannabinoids, as

well as pharmaceutical forms, in different types of presentations while keeping prices competitive and accessible for patients.

## What role do companies like yours have in expanding access and help disseminate information about cannabis?

We are heavily committed to educating and promoting the correct use of cannabinoids. We have a great medical staff on hand, a medical director, as well as a general medical manager who works in tandem with most hospitals in Lima and continuously offer educational webinars for health professionals. Furthermore, we have a team of medical professionals that visits a wide array of doctors to communicate the clear and concise information about our products. We are 100% committed to educating doctors and patients; that is our most important role currently. This way, the stigma around cannabis after so many years of prohibition can be overcome. We need to take care of that part prior to anything else if we want a well-functioning market. The government has been open to cannabis-derived products and is generally pro cannabis.

## How important is the optimization of industrial processes for Anden?

There are many wheels turning with a business like this that is vertically integrated. We want to keep our cultivation unique, with respect to the genetics that we are growing. When it comes to extraction, efficiency is everything, and we are doing fairly well there. Our processes have been proven time after time. Anytime something comes up, we invest in better efficiency. The most important aspect of the business is brand creation and what comes behind that brand. The three main factors are differentiation of the product, how well you can differentiate yourself while ensuring high quality and a competitive price, and accessibility. We offer several products to patients, so we have to back that brand with quality products, excellent customer service, affordable prices, and access to as many places as possible where patients need this. At the end of the day, the one thing we are extremely firm about is investing in our people. We invest in our professionals and make sure we have the best team possible to provide the best product available on the market. ✖



These are the stories of three women and their inspiring journeys with medical cannabis.

## INSPIRING STORIES



Keila Santos



Daiane Zappe Viana Veronese



Fernanda Ribeiro de Carvalho

The Revivid team is composed of moms and women who have fought to bring cannabis to a legal level and that require the plant for its medicinal benefits.

Revidid wants to give a voice to women who are wrongly imprisoned, to the small farmer and his family, and to mothers of families with serious health problems that can be treated with cannabis.

On board of its team of women are over 10 attorneys and business developers like Daiane Zappe, mothers of sick children trained for sales, marketing, and office administration like Fernanda Ribeiro, and journalists pushing for the entry of Revivid through the Brazilian senate. They aim to bring knowledge to the thousands of doctors in the country who are still unaware of the benefits of medical cannabis and so many other things, like turning the economy around, encouraging social work, and empowering woman by giving them another chance.

### KEILA SANTOS

Keila Santos, a young lady who arrived in Miami at 22, could never have imagined the amazing journey she would face. She studied in London and, at that time, started to research cannabis and its properties. “I was so impressed with the cafes in Amsterdam and imagined that one day we would have the same in the US—why not?”

After some years in the US, Keila moved from Florida to California, where medicinal cannabis has been allowed since the 1990s. Together with her partners, she opened a dispensary in 2010. It

was not easy at all. Despite many tests with patients and excellent results, the dispensary was closed down by the police following a raid Keila was arrested—cultivation for medical purposes at that time was forbidden in the state. She was charged and had to deal with three years of legal issues—it was a terrible experience but it didn’t stop her dreaming.

And despite her hardships, she knows that many other women are not as fortunate as her—nearly half of the women in prison in Brazil are incarcerated for cannabis-related drug crimes, themselves often the victims of gangs and trafficking.

During her legal battles, she doubted her commitment to the field, but decided to persevere and, in 2012, started a company focused solely on medical cannabis.

After some time, noticing growing demand from Brazilian patients trying to find a product of great quality, Keila founded Revivid Brasil, a pioneering brand full of love in each detail. She innovated with products made for patients’ needs. She has a group of workers comprising 100% Brazilians.

Since 2014, products derived from cannabis have been helping not only Brazilians, but also people in other countries in the region. Keila continues to give a voice to many people in need, including women, mothers, and others who have been trying to join the labor market. She also created Revivid Kids Foundation, a program of donation and discounts for children of families in need. She has so much love inside and wants to make the difference to these people, giving back dignity and the hope for a better future.

Keila won't stop. She has a mind full of ideas, including new projects expanding the brand not only in the medicinal area, but also in cosmetics and hemp seed fibers for the manufacturing of various items.

#### **DAIANE ZAPPE VIANA VERONESE**

Daiane Zappe Viana Veronese is from Santa Maria in Rio Grande do Sul, Brazil and it was never a secret that her son José Bernardo was being treated by an oil rich in CBD. She bent over backwards to give her son a better life. Each child responds in a different way, and cannabis has therapeutic potential, but it is not a miracle. Daiane had the full support of a medical team who took care of him, and she never gave him any medication without the consent of the neurologist and neuropediatrician. They followed a protocol developed by the Brain Institute, which started with a minimal dose and gradually increased. They used three different imported brands to arrive at an ideal oil for her son. When Daiane was introduced to Revivid and after reading about the company and noticing the results in her son, she had no doubts that she would have Revivid in her life.

In the first month of use, the change was noticeable to anyone; there was no need to do a medical examination or be a professional in the area to see the improvements in cognitive behavior and interaction. A well-renowned neurologist even said that his case would only be resolved with surgery known as a hemispherectomy. Another said he didn't know what else to do.

Her son used all the medications on the market, yet none controlled the spasms. They used up to six anti-convulsants, with devastating adverse effects. But with Revivid, they were able to eliminate the crises, taking two medicines and greatly reducing the

other two that remained.

They managed to go a year without hospitalization, sent him to school, and give him a better quality of life.

Daiane still regrets that some doctors are unaware of these benefits. She is even more sorry that CFM itself accepts the use only when other medications have not worked in the case of refractory epilepsy. Cannabis should be the first option. And yet, even if it does not fully control the seizures, it is neurologically protective. "Everyone should have free access. The fight for free access to cannabis will always be my fight!"

#### **FERNANDA RIBEIRO DE CARVALHO**

Fernanda Ribeiro de Carvalho is from Teresópolis in Rio de Janeiro, Brazil. She has a 10-year-old daughter Maria Luiza.

Fernanda's experience with Revivid Brasil started in 2015, when Maria Luiza, who was diagnosed with Relt Syndrome, presented convulsive fits and was prescribed with Revivid products. To the family's joy, after taking the CBD oil, there was a 90% improvement, and Maria Luiza's sleeping habits also improved. It transformed their lives. She has been taking Revivid for six years. "We have been through many things without it, I have no idea how she would be today without using Revivid," said Fernanda.

In 2021, Fernanda found herself desperate and tired, her daughter demanding constant care, meaning she couldn't work. And again, Revivid changed her life, even hired her as part of the team.

Revidid gave her the chance to work and be close to her daughter. She was also able to help many other families because of this incredible company. "I work for the cause with all my love." ✖

*\* For further information [www.revividbrasil.com](http://www.revividbrasil.com).*

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Author: Ana Paula Costa, Brazil



## NATURE'S CURE

Keila Santos  
FOUNDER,  
REVIVID BRASIL

**Revidid Brasil aims to provide safe and legal access to medical cannabis for everyone in need.**

### BIO

Keila Santos entered the industry by co-founding Revolution Health Center, a medical marijuana dispensary in California that operated from 2010 to 2015. She then co-founded a seed-to-sale CBD operation in 2012 named Revivid USA. Santos then entered the international market by starting the Revivid Brasil brand and Revivid International distribution. She was able to close the first government contract for Revivid Brasil to sell CBD through the Brazilian healthcare system and insurance companies in 2015. Santos is also a partner in a cannabis brand called West Coast Cannagar CBD Cigars and West Coast Cannarilos.

**Why did you decide to open Revivid Brasil and what has been your experience starting a company in the cannabis industry?**

When the company initially started, there were not many opportunities in the market because the laws were limited. When we started, we were making small batches of CBD for our patients in our dispensary, and quickly the word got out. We have been manufacturing and distributing CBD for children with epilepsy since 2012. When we started, there were few companies manufacturing CBD at all. Parents across the country, mostly mothers, and dispensaries looking for quality products and high standards started contacting us. In 2014, desperate moms were coming from Brazil to the US to buy medical cannabis products and importing them into the country illegally. These moms invited me to a cannabis summit in Brazil and asked me to help them bring these products into Brazil legally. We started meeting with senators and regulators, and I brought all the lab testing reports and tax information. In 2015, I was granted the first governmental contract in Brazil to import our products. After this, I was able to expand into Brazil with my brand Revivid Brasil. We now have an inclusion program for mothers in the team, and the company is 100% female operated. CBD is a now huge industry, and we were one of the first companies in the market. We were able to enter Brazil through activism, as we needed to change certain laws. For example, we helped reduce the cost of importing CBD by removing taxes, which can be as high as 60% of the cost.

**How are you helping create greater visibility for companies starting in Brazil?**

People do not hear much about companies from this market because it still has a heavily bureaucratic process. Also, many doctors do not know that they can prescribe cannabis. Right now, there are only 20,000 people who have imported CBD, but we are a country of millions. Information is key at Revivid Brasil; we strive to bring quality knowledge based on real data and real research. I travel all over the world to make sure my team is up to date with global standards and information. My team trains doctors and helps them better understand this sector. Women have been fundamental to the development of this field, as mothers have been using this plant to cure their children. Many of the cannabis companies in Brazil are not even Brazilian. We are one of five. It is a difficult process getting a doctor, a prescription, and then going through the government. Many people in less-privileged areas do not have access to doctors or computers, and there are many communities that are inaccessible. It is important to work with them. We have a project on cultivation for research that we want to do with indigenous tribes. It is one way to get more people on board. My grandmother is a native Brazilian, and indigenous, and I grew up around these plants and nature. All of this is about to change because cannabis will soon be regulated in Brazil. There are countries that allow cannabis products but they regulate genetics. Activism and clinical studies are important, and we are lobbying for this. Our brand in Brazil serves patients, associations, and health insurance firms. We also have a donation program called Revivid Brasil Kids Foundation, through which we donate CBD products for families in need since 2015.

**What are the next steps for Revivid?**

It is always hard to talk about the projects we want to do in the future because we do not even have time to think about it. Every day is survival mode. Plus, the company has grown so quickly. We have so many social projects that we want to start another company to run them. My mission is to provide access no matter one's financial circumstances. Doing otherwise does not align with my values. I am in Brazil to lower my prices. Mothers need these products to improve the health of their children, and I will not deny anyone the right to achieve this. ✖



Image: Varianz

# QUALITY OF LIFE

**Cannliv has developed a 360-degree solution that includes cultivation, manufacturing, and distribution of cannabinoid products such as cosmetics, edibles, and tinctures with an emphasis on clinical research and development.**



**John David Carrasco**  
CO-FOUNDER &  
PRESIDENT,  
CANNLIV



**Francisco Domínguez**  
CO-FOUNDER & CEO,  
OF CANNLIV ECUADOR

## BIO

John David Carrasco is President & CEO of CannLiv Inc, a licensed Texas hemp producer with operations in Ecuador and Mexico. He has an extensive background in healthcare systems development for hospitals, home health, and pharmacies. After his father lost a battle with cancer, he created Cannliv after personally experiencing the benefits of cannabinoids.

## BIO

Francisco Domínguez is specialized in project management and the establishment of inter-institutional agreements. His main goal is to establish the largest medicinal cannabinoid-based R&D center in the country and replicate it in the countries where the company operates.

### How did CannLiv grow from a personal project in Texas into a multinational company?

I never thought I would be in the cannabis space. In 2013, my father came down with colon cancer. A friend had said there is new research emerging on cannabis having some positive benefits against cancer. My father had complications with his last chemotherapy, but chose not to use cannabis, because of his medical benefits and the illicit nature of cannabis at the time. Unfortunately, he suffered before passing away, which drove me to research cannabis deeper, because I did not want anyone to suffer the way my father did. We then went to Livwell and Groundswell in Colorado. I was provided a review of their patient education side that was researching non-psychoactive strains of hemp. They allowed me to observe the patient education process. This showed me the importance of patient education and proper dosages of cannabis. This was back in 2015. I was recommended some CBD products to test. At this point I personally had been on opiate-pain medications for over 10 years and was a smoker since I was 15. About two weeks later, I woke up without any pain in my back and no urges to smoke. I was 46 years old and had never been able to quit smoking. Now, because of an oil from a plant I was able to completely give up smoking cigarettes and have never looked back. Also, I was sleeping better than I had in more than 10 years. That is how the name of the company came about: an acknowledgement of Livwell and how well it treated me in Colorado. In 2018, I moved my company to Colorado for two years to increase my knowledge and understanding of the hemp industry. Once hemp registration started in Texas, we moved operations to Texas, and our license was approved in 2020. I began traveling and exploring South America and opened Cannliv Sur America in Colombia in 2018. Now, we are in Ecuador and began operations in March 2021. In early 2022, Cannliv Mexico is next, with a 15-ha cultivation.

### What opportunities do you have in Ecuador as a pioneer in the industry?

One of the things we were able to do was establish a research agreement with Pontificia University Católica del Ecuador, the only Level 3 lab in the country. The research that the university is doing is absolutely amazing, and it opened its doors to us. We will have our research teams working with their researchers and facilities. We want to differentiate ourselves by using other cannabinoids rather than just CBD. We are concentrating on nanotechnology. For example, we have 12 products for a cosmetic line after two years of R&D and are working with the top cosmetic chemists in Dallas. Our cosmetic line is incredible. Currently, we are using nano-CBD. We will also tweak our formula to include nano-CBG as well. We have a CBD-CBG combination using nanotechnology, for optimal absorption into the skin. Nanotechnology is how we will differentiate ourselves from other companies.

### Where are you headed next?

We are excited to continue to develop our home in Ecuador. The future for the cannabis industry is Latin America. Then, we begin exports to Europe. First, we must ensure our facilities are EU-certified before we can start shipping to Europe. Complementing all the ways we can differentiate ourselves from other companies, we work closely with a top pharmaceutical company in Ecuador. We are applying the latest pharmaceutical technology to develop pharma-grade products. We want to provide access to plant based medicine to people in this Country and throughout Latin America. We have the networks established, and we can create effective plant-based medicine for people. Currently, it is almost impossible to get pharma-grade cannabinoid products, and we will make them here in Ecuador. We will make them available for everyone. ✖



## A LONG REACH

Santiago Proaño  
GENERAL MANAGER,  
SEDEMI FARMS

**Sedemi Farms aims to continue producing premium-quality cannabis flowers and high-performance biomass in line with clients' industrial requirements.**

### BIO

Before the creation of Sedemi Farms, Santiago Proaño was working on the developing of next generation projects for SEDEMI Group. After seeing the rapid development of the cannabis industry in Colorado during his college years, he decided to get involved in the cannabis industry. When the regulation changed in Ecuador, Proaño led the creation of Sedemi Farms, convincing SEDEMI Group to invest in this new field and diversify into agriculture. Proaño leads the cannabis and summer flower agriculture and export operation for Sedemi Farms.

**What was the rationale behind Sedemi's investments in Ecuador's nascent cannabis industry, and what factors are shaping the company's first operations?**

Due to the potential of the local cannabis industry, the fact that it is a new market, and its global potential, we are convinced Sedemi Farms will become a leader in the local production of high-quality flowers. Our privileged location in Guayllabamba has proven to be a key factor for premium cannabis production during our early analyses. We saw an opportunity to be one of the first enterprises in the country to develop the cannabis industry right after the origination and implementation of a clear and secure legal environment here to boost the development of this sector. Our focus as a company is to improve people's quality of lives as well as generate a positive impact on our surroundings.

**How would you assess the competitive advantage of Sedemi Farms as a cannabis producer in Ecuador and the company's current position in the market?**

Our shareholders have focused on developing a modern infrastructure in our own 70-acre farm for efficient and high-quality cultivation. At the moment, we are working on cultivating cannabis flowers that meet extremely high international quality standards in order to be the first company qualified to export

high-performance cannabis products globally. Our strategy is focused on leading local production and sales segments as well as being among the first companies to open or unlock cannabis seeds and flower import channels to Ecuador.

**What are your plans in the near future in terms of production and distribution?**

Sedemi Farms' plans are to continue the development of premium-quality cannabis flowers and high-performance biomass that adapt to our client's industrial requirements. We are also working on strategic alliances with local industries by generating new cannabis-enriched products to expand the offer according to the market's needs. We are looking to export this cannabis value-added products to Europe, Brazil, and Central America. In the near future, we hope to consolidate our presence through long-reach distributors around the world, which we can guarantee by having high-quality flowers that meet all legal and production standards. Our production and offer is centered on creating specific products that satisfy the highest industry and consumer's needs.

**Several countries in Latin America developed their cannabis industries years ago. What added value can Ecuador bring to the market in comparison to other producers?**

Its quality, climatic and soil conditions, as well as its unique geographic location make Ecuador the ideal place to produce a great variety of products such as roses, banana, cocoa, flowers, shrimp, and broccoli. Through research in our experimental farming, we have demonstrated that we can offer superior-quality products with competitive prices locally and internationally. Sedemi Farms wants to be a pioneer in the cultivation of exportable high-quality cannabis and add cannabis to the successful list of Ecuadorian exports such as banana, cocoa, and other flowers. ✖

# EQUATING CANNABIS WITH COMMERCE

**With legalization being passed across Latin America, Ecuador has not missed out on participating in a burgeoning global industry of rising demand.**

**BY SECTOR NUMBERS**, the global medicinal cannabis market scaled a value of USD26.1 billion in 2021. This reflects rising public confidence in alternative treatment regimes and the concurrent legalization of the industry in consumer and producer nations alike. In Ecuador, changing social perceptions were reflected in a 2008 constitutional amendment, with drug consumption, including cannabis, redefined as a public health issue, rather than a criminal act. This led to the legalization of cannabis possession for personal use of up to 10 grams, though its sale remains a felony. With good reason, legislating the medicinal market proved to be a more comprehensive initiative.

## A LEGAL BUSINESS WITH MINISTERIAL OVERWATCH

Ecuador's game-changing Reform Criminal Law regarding cannabis entered into force in June 21, 2020. The move decriminalized the possession of medicines containing cannabis or derivatives as their active ingredient for therapeutic, palliative, or medicinal purposes, heralding a potentially bright future for alternative medicine. It legalized the cannabis plant or any part thereof by stipulating a delta-9-tetrahydrocannabinol (THC) content of below 1%. The Ministry of Agriculture was tasked with establishing the legal framework encompassing every aspect of the industry from importing, planting, cultivation, and harvest to the sale, industrialization, and export of industrial hemp.

In fact, the legal process had begun in 2016 with initial proposals for the legal landscape of a formalized sector, followed in 2018 with the National Assembly legalizing medical use by a majority of 83-23. However, it was not until late 2019 when the Organic Law Reforming the Comprehensive Organic Criminal Code was published, and in June 2020 when the reform of the Organic Law for the Comprehensive Prevention of the Socioeconomic Phenomenon of Drugs, and Regulation and Control of the Use of Listed Substances Subject to Control Acts passed that the industry finally had an operative legal framework.

The Ecuadorian Association of Cannabis Industries, is at the epicenter of the nascent industry. A repository of related scientific data pertinent to standardization and advancement, it works to establish a structured cannabis ecosystem, in its own words, through social and community development. It also provides training for direct and supporting sector players. In a TBY interview, Executive Director Andrés Luque explained the current lay of the land in Ecuador. "One advantage that Ecuador has is that the Ministry of Agriculture is involved, and the country views it as an opportunity to change crops." Further-

more, he added, "we are in the hemp industry, with less than 1% THC [and] want to take a step away from marijuana for the first few years to see how that market develops." The hemp industry "includes smokable flower for CBD, all CBD products, and other cannabinoids such as CBG and others that are coming."

## MAKING IT REAL

In March, AYA Natural and Medical Products of Ecuador became Ecuador's pioneering manufacturing facility for GMP production. The event certainly didn't fall under the radar, being attended by representatives of the ministries of production, foreign trade, investment and fisheries, as well as the National Institute of Popular and Solidarity Economy, and the deputy minister of production and industries. This weighty endorsement attested to what could become a revenue generator for business and government coffer alike. Ecuador has now set about tackling the competition in Columbia and Peru, as The Business Year has detailed elsewhere in this publication.

## LOCAL ADVANTAGES DISTANT AMBITIONS

Predictably enough, Ecuador's climate is a huge advantage for the industry yielding up to three or four crops per year. To that may be added excellent shipping routes for export operations. Meanwhile, the markets that Ecuadorian business is looking to tap stretch beyond the familiar targets of Europe and North America. Central and South America seem likely candidates for cross-border trade given the rippling legalization effect observed to date.

Meanwhile, rivals are emerging far and wide, with a medical cannabis value chain recently being established on the African continent in Zimbabwe. Ecuador, then, is working to establish a reputation for the exacting quality standards in the cultivation, production, and distribution of medical grade cannabis and its peripherals. "Traceability," Luque points out, "is already being requested for commodities such as cocoa and coffee, so we want to apply this during the early stages of the hemp industry." And as far as innovative momentum goes, he notes that "industrial hemp genetics is a race that everyone is participating in," which is why the Ministry of Agriculture offers a genetic development license.

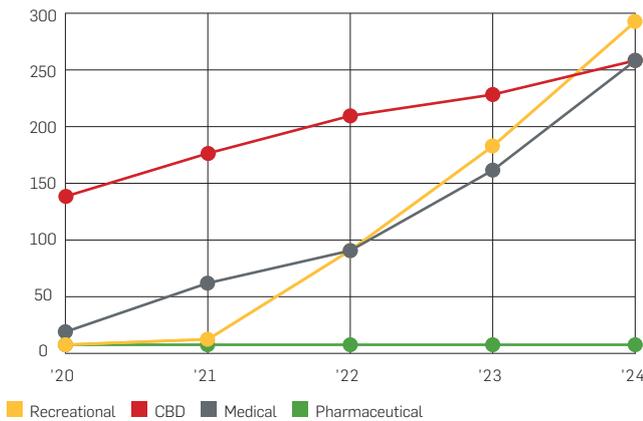
The prize could indeed be significant, as hemp and cannabis ultimately substitute traditional, yet less lucrative cash crops such as maize. ✕

# A HEALING BUSINESS

Medical cannabis is a blossoming industry in Latin America, with many nations moving to legalize and regulate the sector. Thanks to its first-mover status, the region could become a global hub as the positive medicinal benefits of the substance become more widely known.

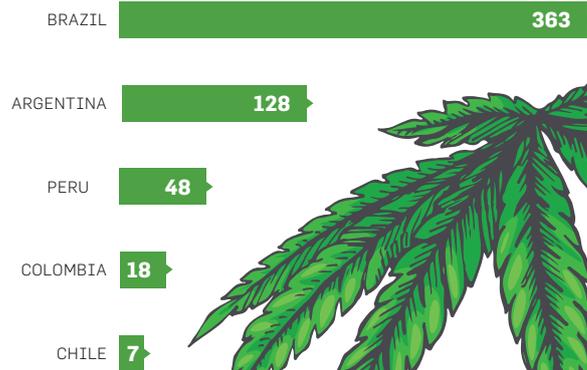
## MARKET TYPE OF LEGAL CANNABIS IN LATIN AMERICA AND THE CARIBBEAN FROM 2020-2024, BY TYPE (IN USD MN)

SOURCE: STATISTA



## MEDICAL CANNABIS SPENDING IN SELECTED LATIN AMERICAN COUNTRIES IN 2027 (IN USD MN)

SOURCE: STATISTA



# A GREAT PLACE TO GROW

## CULTIVATION CONDITIONS FOR CANNABIS AND HEMP IN LAC

- COUNTRIES WITH BETTER CONDITIONS FOR CANNABIS CULTIVATION FOR HUMAN USE
- COUNTRIES WITH BETTER CULTIVATION CONDITIONS FOR HEMP
- COUNTRIES WHERE CULTIVATION IS LEGAL NATIONWIDE (NOT COUNTING PROVINCES)

SOURCE: PROHIBITION PARTNERS





## SETTING THE STAGE FOR SUCCESS

Raúl Elizalde Garza  
GLOBAL CEO,  
HEMPMEDS

**HempMeds delivers the highest quality of medical cannabis in the industry, equivalent to the highest pharmaceutical standards.**

### BIO

Raúl Elizalde Garza holds a degree in law from the University of Monterrey and specializes in customs law, in addition to being a recognized activist for increasing accessibility to cannabis-derived products. Since 2017, he has been part of the HempMeds team, being in charge of the development of the company in Mexico and Latin America. In 2020 he was appointed as the company's Global CEO, becoming the first Mexican to lead a company of this type at a global level.

**What is your vision for HempMeds as the newly named Global CEO of the company?**

I have been working in HempMeds since 2017, and it is truly an honor for me to be CEO, and indeed, the first foreign CEO of the company and the first Mexican CEO in this global industry. I love this company which has changed the lives of so many people around the world. Our vision is to have cannabis available for people who need it worldwide. We are always looking for new challenging, or almost impossible markets for us to tap, and proud of the markets that we have opened thus far. For example, HempMeds was the first company to import CBD into Brazil in 2015. We were also the first to import CBD to Mexico in 2016 and providing the first registered medication available in Paraguay in 2016. And while we were not the first name in Argentina, we have a huge presence there. All of these markets opened to us because of the fundamental need for patients to access cannabis products. In Latin America, it is essential to show patience regarding the commercial process. Yet, we have also done well in the region thanks to the sheer quality of our products. People can be assured that the products they use today will be available next year because we follow pharmaceutical standards. This, is also why our products are registered as a medication, as in Paraguay. We aim to do the same in the US. Few companies can meet our standard of quality, and it is important that markets around the world are familiar with our superior products.

**What are your plans for expansion in Latin America?**

We aim to be present in all countries in this region, even if they currently prohibit our business there. My daughter has epilepsy, and I know exactly how these products help her body. I am also a lawyer, and when I hear that a patient needs our product, I prefer to take the legal route to enter the market. We are present in Brazil, Paraguay, Argentina, Costa Rica, Peru, Mexico, US, and Japan at the moment. We entered the market with a food supplement in Japan and not a medication. Meanwhile, we also enjoy a significant presence in Europe. It is a challenge for us to grow in the region as every country has its own legislation. It would therefore be ideal if legislation were standardized. We need to adapt to the regulations of each country at the moment. For us, more than the revenue, we care about the people who need these products. It does not matter if it is a vast market, where there is a need, we will eventually establish a presence. First, we need access to a market whereby the patient is the priority for the medical field. Secondly, industrial use is potentially a huge market in Latin America if it were legalized for this application. There are many opportunities in Latam to cultivate and export to the US, the world's largest market. We need regulation that keeps marijuana away from children and minors, and one that gives security to the consumer.

**What are your recommendations to investors interested in entering the cannabis market in Latam?**

My first recommendation is to study the market. I have seen many people invest heavily into the market without understanding it beforehand, not even the regulatory framework. I recommend research, doing due diligence, and ensuring that your operation is legal in that country. The vision of the company should be ready. Meanwhile, we opt for caution, well aware of what the regulators in this region want. To work in this market, it is best to do so with a local partner engaged in agriculture or pharmaceuticals. This company should be familiar with both the prevailing regulations and working practices. ✖



## WIDER OPPORTUNITIES

Fernando Elosegui  
CEO,  
ZENSACTIONS

**Zensations is a Mexican company venturing into the area of physical and emotional well-being with disruptive and innovative products made with natural ingredients.**

### BIO

Fernando Elosegui studied political and social sciences in UNAM. He also holds a degree in marketing and international business from Centro Universitario Incarnate Word. He is currently CEO of Zensations Mexico

### What are the main trends in the Mexican cannabis industry?

There are some companies that have been developing edible CBD products for more than 10 years, that are rich in fiber, and omega. They are really the pioneers because they have been fighting for more than a decade for the correct tariff classification of the product. And thanks to those, we can today make up new products that have become an established trend in Mexico such as facial soils or cannabis derivatives with related products, such as the oil from hemp seeds. This is an extremely good moisturizing oil rich in omega. For example, combined with hyaluronic acid, it has excellent stability; it even has bacteriostatic properties. The struggle against the authorities was for a correct classification of a product, because the prohibition of cannabis has long been misunderstood as it covered cannabis in a whole, when in fact we know that many products can be obtained from it. Let's not forget the applications for the automotive, textile, and other industries. Thus, today there are already several companies in Mexico developing products derived from cannabis, and we are even innovating. For example, we are launching hydro gel capsules that are protein with hemp seeds that work like an energy boost. So, we can already develop products of that nature here in Mexico. These are not made here, as the raw material still cannot legally be obtained in Mexico for commercialization. Yet, we can already develop products based on cannabis, with cannabis derivatives. We continue to struggle with the high cost of imports. One can only imagine the sheer potential of our local climate for such raw materials.

**Which of your products see the greatest demand and what new products do you plan to launch in the medium term?**

Aromatherapy is an excellent trend that is growing in Mexico. We want to expand eventually across the wider Latam market; we are developing a franchise model and already have the structure laid out for this. And are already accepting franchise applications. We also have a line of intimate products in this market based on sensations, so we address a sector completely different from a medical sector; a recreational sector that focuses on a feeling of well-being. Indeed, which is where our name comes from. So, we are putting out a line of products, particularly for intimate care and pleasure. This is a segment that is particularly unexplored and it generates much curiosity as a result.

### What impact has the pandemic had on your business?

The company was born during the pandemic. Therefore, we have adapted considerably to the e-commerce issue, which has been particularly beneficial. It has helped entrepreneurs establish many strategic alliances.

### Regarding financing, the cannabis sector has several challenges, being a new market. What challenges have you faced in accessing capital?

Indeed, today there are no guarantees on the regulation of cannabis, and it remains a volatile situation. I do not make speculative projections because they are variable. We have to understand our projections retrospectively, rather than speculatively, because currently it is advisable to be more cautious than to promise too much. This outlook has helped our company to generate investor confidence given that there are really no guarantees.

### Can you tell us a little bit about your goals for next year?

We want to achieve monthly sales of USD60,000 and are looking for a presence in all larger retail stores. The challenge there is that normally those stores require continuation or payment far in advance. However, at least you give a guarantee with an invoice to back it up. ✖



Image: Varianz

## 02

## Regulatory & Legal

# CHECK THE BOXES

**W**hile one of the most attractive points of the Latam cannabis industry is the myriad opportunities for investment it offers as an emerging market, this advantage can also be one of its greatest weaknesses as entrepreneurs battle with many firsts in regulation and law. This can include navigating through the gray areas of the legal framework to assure compliance, presenting new products to markets that are not familiar with cannabis and its derivatives, or lobbying for more concise definitions of the medical and scientific uses of the flower.

To counteract the challenges that these issues may give rise to, experts suggest collaborating with legal teams that are not only knowledgeable in local law, but are also familiar with the technical details of the sector. “The cannabis industry requires legal representation by those with deep knowledge of the industry for optimum representation,” explained Mariana Larrea, Partner at Santamarina + Steta. “If your lawyer does not understand the difference between THC and CBD, does not know what a cannabinoid is, what the endocannabinoid system is, how the cannabi-

noid works in your body, or why clients want to sell a given product with a given claim, they will not be able to assist you.”

Creativity is a must in the industry, as business owners often use examples from more established industries to find answers to their challenges. “Especially in terms of regulatory issues, we prefer to think outside the box to provide legal and practical solutions to problems or situations that often have not arisen in the cannabis industry given its nascent state and complex and highly regulated environment,” said Raúl Buriticá, General Manager, Buriticá Abogados (BA).

Considering the importance of compliance in the cannabis market, this chapter offers a deep dive into the most recent advancements in Latam’s journey toward legalization. It additionally highlights the perspective and strategies being used by some of the most prestigious law firms of the region to help their clients assure success amid this transition. The special report also includes exclusive interviews with key players of the public sector leading the movement such as Wilson Ruiz, Minister of Justice in Colombia. ✖



## SETTING THE STAGE

Wilson Ruiz  
OUTGOING MINISTER OF JUSTICE AND LAW,  
COLOMBIA

**Given the importance of the medical cannabis sector to the industrial development of Colombia, the Ministry of Justice and Law has worked hard to outline clearly the regulatory framework, requirements, and criteria to encourage greater transparency and more investment.**

### BIO

Wilson Ruiz is a lawyer from Universidad Libre de Cali and has a doctorate in law cum laude from Universidad Alfonso X, Spain. He is a specialist in law and management of Pontificia Bolivariana de Palmira, Valle, and Universidad de Salamanca. Currently, he is Colombia's Minister of Law and Justice. Ruiz has held office as magistrate and president of the disciplinary jurisdictional chamber of the High Judiciary Council. He has also held the role of attorney delegate for the State Council and carried out arbitration responsibilities for Camara de Comercio de Bogotá, Cali, and Barranquilla. He is a university fellow to various institutions across the country such as Universidad del Rosario, Sergio Arboleda, and Gran Colombia among others.

### What characteristics make the cannabis industry in Colombia strong in the face of illegality?

The industry for safe, informed use of cannabis and the cannabis plant in Colombia has been strengthened by a clear regulatory framework built on technical foundations and lessons learned and shared by the industry in issuing previous regulations, starting in 2017. To this end, all entities in charge of authorizing and controlling cultivation and manufacture of derivatives work together. They promote the development of the country and generate employment by opening new markets and contribution to the pharmaceutical and cosmetic industry, among others. This is an effort to weaken the criminal economy with legal economic alternatives, reduce the dimensions of the illicit market, and prioritize the state's regulation of the market in order to minimize the damages it produces. Putting into practice the new regulatory framework issued in 2021, it seeks to implement new control mechanisms in line with current public policies implemented by the authorities on the subject, optimizing governance. Decree 811 of 2021 states that once the licenses have been granted, the National Narcotics Fund (FNE) will monitor the manufacturing licenses of cannabis derivatives and non-psychoactive cannabis derivatives. Likewise, it will exercise control of psychoactive cannabis, its derivatives, and finished products subject to special control and control in accordance with Resolution 1478 of 2006 and Resolution 315 of 2020. The Ministry of Justice and Law, through the Sub-directorate for the Control and Control of Chemical Substances and Narcotic Drugs, will monitor the licenses of seeds for sowing and grain and for the cultivation of psychoactive cannabis plants and non-psychoactive cannabis.

### What defines Colombia's approach to licensing and permitting in the cannabis space, and what values guide the policy?

The medical cannabis sector is considered of paramount importance to the industrial development of the country. With this vision, it is widely promoted with initiatives such as a declaration as a Project of Strategic National Interest (PINE) in September 2020. In the regulatory framework, transparency standards have been strengthened and procedures simplified, generating clear and objective requirements and criteria. These generate a balance between viability of the industry and control and traceability of authorized activities. This balance translates into legal certainty for licensees, investors, and all entities related to these activities. The other main factor that is the basis for the authorization system is compliance with provisions in the international treaties ratified by Colombia.

### What are the economic and social benefits of Decree 811, and in what direction are Colombian institutions steering the Colombian cannabis industry?

The regulatory work of renewal to eliminate normative gaps and barriers experienced by the sector culminated in the issuance of Decree 811 of 2021. This achievement consolidated a long period of inter-institutional analysis and consultation with the industrial sector, with small and medium-sized producers and national marketers of cannabis. This decree clarified regulations on activities authorized by the licenses, such as industrial production of the parts of cannabis that do not present any health risks. These parts can be an important source of industrial growth. In this way, in addition to the production of health technologies, the manufacture of food is given viability, as well as beverages and cosmetics. These are among the products still to be developed that can be derived from different parts of the plant. Likewise, the regulation clarifies what is related to the export of the different parts of the cannabis plant, the purposes for which it is allowed, and the necessary procedures in order to export in the free zone. The direction of the cannabis sector is framed by the regulations to develop and maintain traceability of the authorized activities. This will promote the correct use of the different parts of the plant as safe products for use and human and animal consumption and control undue accumulation to avoid diversion of the narcotic. ✖



# SITTING ON A GOLDMINE

Rodolfo Zea  
OUTGOING MINISTER OF AGRICULTURE,  
COLOMBIA

**Colombia's Ministry of Agriculture is concentrating its efforts on the development of applied scientific research and tools to produce a wide range of raw materials, extracts, and finished products that meet the highest quality standards of international markets.**

## BIO

Rodolfo Zea is an economist from the University of Los Andes, a specialist in international finance, with stock market, budget, and portfolio management studies from the Universidad de la Sabana and an MBA from Inalme Business School of the same university. He has a track record of more than 27 years in the public sector. He worked at the Territorial Development Finance Company, Findeter, for more than 24 years, holding positions such as commercial vice president, financial vice president, general secretary, and finally the presidency of the entity. In 2019, the government of President Duque appointed him president of Sociedad Fiduciaria de Desarrollo Agropecuario (Fiduagraria). He was appointed Minister of Agriculture in 2020.

**What is the potential for economic development in Colombia in terms of the cannabis industry, and how do you evaluate the current productive capacities of the industry?**

Colombia has great potential for economic development in the cannabis industry as a regional leader, based on robust regulations for production and processing. In terms of production capacities, Colombia has climatic, geographic, and genetic competitive advantages that give us a competitive advantage in the international framework. The Ministry of Agriculture aims to advance in technological development and the efficiency of production processes, without ignoring the great challenges in the cannabis industry in tropical areas and the country. For this reason, we have advanced research and technological development programs to provide producers and processors with alternatives to overcome the technical difficulties encountered in production and transformation activities.

**How does the government extend its support for the development of the cannabis industry through the regulatory framework and policy?**

The national government advances the formation of the national cannabis chain, the construction of the cannabis research agenda, and the inclusion of cannabis in the Strategic Plan for Science, Technology, and Innovation (PECTIA) built with the actors of the chain to take into account the productive reality and the conjunctures in real time, all of this with the purpose of delivering effective tools that can be used by cannabis producers and processors that allow us to improve our position globally. Likewise, we are part of the Quota Technical Group (GTC), in the modification to Decree 613 of 2017, with which we have advanced in the regulation of the criteria for the definition of small and medium-sized national cannabis growers, producers, and marketers and with regard to the protection of small growers, creating the obligation

for processors to purchase non-psychoactive cannabis amounting to 10% of the total processed. Additionally, we made progress in the research and protection of naturalized and native seed varieties for planting and flexible surveillance schemes for small growers.

**What does the country's regional leadership in cannabis represent for Colombian agriculture in general, through technology transfer, scientific research, and innovation?**

Colombia is undoubtedly a regional leader in production, which represents a challenge for our agriculture. This is why our efforts are concentrated on the development of applied scientific research and the generation of tools that facilitate technology transfer to the base of the industry, articulated by the tools of financing and rural extension. Although many actors have initiated research and technology transfer work, it is necessary to articulate these works with clear guidelines focused on addressing the real problems of the industry from agronomic, transformation, and marketing channels so that they point to the needs of the global market. Our purpose is to achieve a wide range of raw materials, extracts, and finished products that meet the highest quality standards of international markets.

**How do you see the industry developing, and what are your key objectives in the future?**

The development of the industry has faced technical challenges mainly because we are in a tropical area with different conditions from the countries that have already advanced in the production of cannabis. However, these challenges have been successfully overcome, where a solid base is generated to continue building industrial development. Among the key objectives, there is a need to achieve competitiveness through productive efficiency in order to successfully enter international markets. Another objective is to diversify the offer both in dry flowers as well as in extracts and finished products, for which it is essential to develop the transformation industry on a large scale and not only produce raw materials. In compliance with Law 811 of 2003, we have been working in an articulated manner with the departments of Valle del Cauca, Huila, Cauca, Cundinamarca, Santander, Boyacá, Antioquia, Meta, and Quindío for the formation of regional chain committees to regulate production and transformation. This will allow Colombia to position itself as one of the main exporters of dried flower or processed hemp biomass. ✖



## PAVING THE WAY

Julio César Aldana  
DIRECTOR,  
INVIMA

**Colombia's national health agency INVIMA works primarily to protect public health and regulate up-and-coming sectors such as medical cannabis.**

### BIO

Julio Cesar Aldana is a doctor of medicine, specializing in diagnostic imaging at the University of Buenos Aires. He also graduated as specialist in health management services from Universidad del Norte of Barranquilla and obtained a master's degree in management of social security Systems from Universidad Alcala of Henares in Spain. He has more than 30 years of experience in the private and public sectors in his professional career, having served as head of the radiology department in different clinics and hospitals in the country and as the general manager of Cambiando Vidas Foundation in Barranquilla. He also served as general director of the National Institute of Food and Drug Surveillance - INVIMA (2002-2007 and currently since 2018), and as consul of Colombia in Washington between 2007 and 2009.

**How do you evaluate the diligence shown by the cannabis community in Colombia and its adherence to the protocols you establish, and what can we expect now Decree 811 has passed?**

The cannabis industry in Colombia is rigorous and responsible, with huge investments. It is rigorous not only in terms of agro-industrial processes but also in the transformation process. Colombia, as a country, has been moving forward in the right direction. When the administration of President Duque started, we had a law that addressed the medicinal use of cannabis, with Decree 613 of 2017. Today, we have Decree 811 issued in July 2021, opening a wide range of possibilities for the industry, including the use of cannabis and its derivatives, fibers, dried flowers, seeds, food and beverages, food supplements, and more. Colombia can cover the entire spectrum. Here, there is medication from chemical synthesis, phytosanitary medications, dietary supplements, and cosmetics, amongst many others. We are working with other entities to regulate everything that has been defined by the national government. We need to turn the favorable conditions into a competitive advantage for Colombia. We have extremely successful entrepreneurs, supportive academia, and a strong regulatory system in which the government is working to make this branch of the industry an important part of the productive and economic reactivation of the country.

**How does INVIMA collaborate at an international level to disseminate the best practices and help neighboring countries?**

INVIMA is a regional reference agency and is one of the few agencies that holds this title. We are making a great effort to become a worldwide reference agency, and part of the work we are doing focuses on standardization processes. Every country is on

a completely different regulatory path in terms of cannabis, and as health entity, we are working on a standardization process so that we can have normalized circulation procedures across the region and around the world, without facing technical obstacles based on regulations that are far from the norm.

**How does INVIMA work to incorporate innovation and technology in its process for the good of the business community and for Colombians and their health?**

One of the positive results of the pandemic has to do with the way health agencies have matured. Today, multinational clinical studies in Colombia have grown over 53%. We realized that if we wanted to be efficient in the way we approached the pandemic, we had to become more efficient regarding clinical studies. In Colombia, there are currently over 120 clinical institutions duly authorized for good clinical practices. We have a scientific community, a medical staff and related professionals of extremely high caliber. We have been able to meet with numerous cannabis-producing companies, and this is not only limited to research processes, but also the transfer of knowledge and technology. This is part of our daily effort to exchange information with agencies that we consider to be our referents, such as FDA, EMA, Health Canada, ANVISA, and so on. Through our international affairs office, we are always looking for ways to feed ourselves with transfers of knowledge, innovation, and knowledge creation, which all results in the productive and economic development.

**Considering INVIMA sets the framework on the way companies manufacture their products, what would be your message of how they should operate?**

Colombia has extremely strong actors in all sectors (cannabis, medications, medical devices, food and beverages, cosmetics), which are extremely rigorous from a regulation point of view, as well as from a social responsibility one. I want to invite them to keep walking on this path. Each and every effort made by businesses and the industrial sector in the country should be aimed at providing public health guarantees in order to achieve a self-regulation process, which is our goal. We want things to move more fluidly and efficiently and with greater transparency, so that we can ensure an economic and productive long-term reactivation of the country. This is a clear message for the industry. ✖

# FLOWERS IN BLOOM

**Colombia, long blighted on the international stage by the wrong sort of narcotic, is poised to become a major force for good with the now legal, and hence responsible cultivation of cannabis.**

**THE LEGALIZATION** ball actually started rolling in 2016, when Colombia approved legislation to regulate the production, distribution, sale, and export of seeds, topicals, and other cannabis products. Yet, the launch of a viable industry remained hindered by the continued prohibition of the export of valuable dried cannabis flower over concerns of its being subsumed by the black economy.

## TIME TO BLOOM

It was not until Colombian President Ivan Duque signed a landmark decree on July 23, 2021 legalizing the export of dried cannabis flower that a new era for a highly promising industry was heralded, with the introduction of the sector's regulations and implementation plan. On that occasion, Duque confidently asserted that with the move, the nation had put itself at the "forefront in terms of regulatory competitiveness, at least in Latin America and the Caribbean." Indeed, he went on to highlight the broader potential of the sector beyond pharmaceuticals encompassing, "cosmetics [...] food and beverages, textiles, or food containing non-psychoactive cannabis, which is Colombia's equivalent to hemp, such as that produced by rival market Peru.

In profitability terms, it also legalized the commercialization of the dried cannabis flower, the number-one growing product segment of the entire multi-billion-dollar global cannabis industry. The industry, therefore, rejoiced, as production, now regulated, would merit all the FDI, giving producers every incentive to up production capacity and meet the exacting quality standards of key global markets, such as the US, UK, and Germany. For some perspective, market data indicates that Latin American cannabis exports could ultimately scale to USD6 billion. To date, 18 multinational names invest in or grow cannabis in Colombia. It is telling that the president chose to sign the decree at a corporate event staged by one of them, namely Clever Leaves, a company focused on sustainable cultivation. Headquartered in Florida, the company's preliminary outlook for 2022 foresees revenues of between USD20 and 25 million, based upon an anticipated rise in cannabinoid revenue of between two and five times the 2021 print.

Felipe de la Vega is the General Manager of Canadian company

Medcolcanna based in Bogotá. The firm has invested in sustainable cultivation and has an annual dry flower processing capacity north of 300 tons. "We have two farms," he explains, "the first located in rural Bogotá [on] 8ha and [featuring] 600 greenhouses of high-value cannabinoids [plus] a certified post-harvest and production facility [and] extraction laboratory." A second farm with a 32-ha capacity is dedicated to the production of "high-quality, low-cost cannabinoids to compete within the US hemp industry." During his chat with TBY, he expressed confidence that dry flower exports would be up and running within 1Q2022 and that the company would "fulfill a 20,000 pound per month contract with the with the biggest distributor of CBD flowers in the US." A four-pronged attack on the market features a CBD flower export unit "leveraging on one of the largest contracts of its type in the world," an agreement in place to distribute THC flowers in Europe, one with a third-party laboratory that will process plant material into GMP oils, and, finally, the launch of a line of compound pharmacy formulation that yields the "most comprehensive portfolio of cannabis-based formulas in the country"

Medcolcanna recently inked a USD60-million contract with US firm Industrial Hemp Farms that looks to be exclusive in nature. De la Vega identifies its role in the "commodity business [focusing] on an optimum balance between quality, efficiency, and low cost." He attributes the company's success to its own infrastructure, and more widely, to Colombia's "biodiversity, low-cost resources, and weather conditions, which result in great quality and flavor at an affordable cost."

## NO MARKET FOR SLACKERS

With the legal framework essentially in place, it is ultimately all systems go for those firms prepared to exploit Colombia's rising star in the cannabis firmament. In a word, competition, and De la Vega concurs. "The market still needs a great deal of help," he observes, with "too many players [while] there are still things to improve in every crop we have seen here."

He is not wrong, because as recently as February 2022, Costa Rica became the latest nation to legalize medical marijuana and hemp. Having entered the game, Colombia must now remain sustainably competitive. ✘



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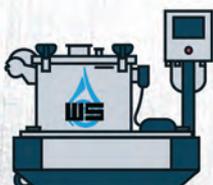


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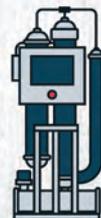
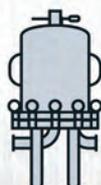
## Ethanol Extraction from End-to-End

Winterization



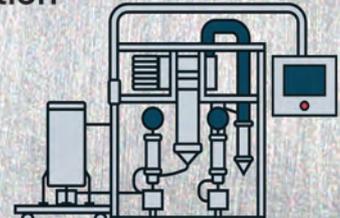
Centrifuge

Filtration



Solvent Recovery

Decarboxylation



Distillation



## GUIDING HAND

Ana Karina Ramírez Gómez  
EXECUTIVE DIRECTOR,  
ECUADOR'S NATIONAL AGENCY FOR  
REGULATION, CONTROL, AND SANITARY  
SURVEILLANCE (ARCSA)

**A public entity attached to the Ministry of Public Health, ARCSA is in charge of controlling and monitoring sanitary conditions of products for human use and consumption.**

**As the executive director, what is your vision for the agency going forward?**

We have always had a forward-looking perspective, wanting to attend to people in an efficient and agile manner. One of the main issues the agency experienced before was delays with our processes. However, we are digitalizing and organizing them all now. In general terms, we are not delaying any of our procedures, so we are always meeting the established deadlines. Digitalization makes gathering information faster, and our workers no longer have to go to each establishment to gather information. In addition, we are outsourcing certain processes such as manufacturing practices focused on entrepreneurs. We are trying to lower the rates so that the commercial sector is able to reactivate. Our main initiative is to make ARCSA a Level 4 reference agency—every product approved by ARCSA can be sold worldwide.

**What are your strategies to overcome the challenges ARCSA faces right now?**

We were faced with the post-COVID-19 reality. First, we were forced to review and revamp all our processes. We realized that repeated steps and unnecessary procedures were causing delays. We now focus on these aspects and work only on the necessary steps. We are organizing entrepreneur meetings where we send our sanitary notifications immediately. We also meet with the production ministry in order to find a solution to their problems. Time was previously an issue for us, but we are now far more efficient. Fortunately, we are all vaccinated, and the hospitals are empty. It is now easier to attend to users and meet people face to face. We are part of Gobierno del Encuentro, an initiative to facilitate greater access between the state and its citizenry, so we meet and start a direct conversation with users. However, the last administration made this much harder. No one knew how to manage this, but we somehow managed to keep going. Additionally, as part of Gobierno del Encuentro, we meet once a week with the pharmaceutical sector, entrepreneurs, and other stakeholders in order to better understand their needs. They are constantly helping us, and we do the same through the handling of food. As a result, we all have a close relationship and connection. We will soon start rating restaurants and hotel restaurants. This means that when a user sees ARCSA A

### BIO

Ana Karina Ramírez Gómez is a lawyer in the courts and tribunals of Ecuador, with extensive experience of service in important public institutions in the country. Her academic training was carried out at the University of the Americas, and she has a master's degree in administrative law from the Particular Technical University of Loja, a diploma in governance and political leadership from IDE Business School, and a master's degree in management and health management from the International University of La Rioja. She has provided legal and administrative services in public entities such as the Ministry of Justice, the Judicial Council, the National Electoral Council, the Baca Ortiz Pediatric Hospital, and different health homes of the Ecuadorian Institute of Social Security. She exercised legal advice in the Ministry of Public Health, where she reached the role of judicial attorney and national legal director of the institution. Since 2021, she has been the Executive Director of ARCSA.

grade, they can be 100% sure that the products are being handled correctly, following all the hygiene requirements.

**How is ARCSA easing the registration of CBD derivative products?**

It is an issue that must be handled carefully. We support the cannabis industry; however, we must not forget that we are a health regulatory agency. Our main role is health and ensuring that people can have access to 100% safe products. Once this condition is met, they will have ARCSA's complete support. We are set to launch a new rule focused on revitalizing the cannabis sector. We have an essential role in the export and import of CBD products. Thanks to us, the sector can export and import quicker. This why we are important, because we accelerate the process and make things more efficient.

**Can you explain how the new cannabis legislations will work?**

Companies must show a laboratory analysis that clearly states the cannabis percentage within the product they want to register. However, there is no laboratory in the country that can carry out this analysis. We are considering accepting an agreement letter and a complementary analysis, so we can assure the product is safe for human use. Once a product is registered, our job is to ensure that it is safe. In addition, we are working with inspectors in order to verify that the products we are testing are the same as the ones being sold. ✖



## BACKGROUND SUPPORT

Raúl Buriticá  
GENERAL MANAGER  
BURITICÁ ABOGADOS (BA)

**As the cannabis sectors expand, the need for legislative and regulatory support grows, with BA happy to step in and help.**

### BIO

Raúl Buriticá is lawyer from the Pontifical Javeriana University. He is also a specialist on industrial property copyright and new technologies from Externado University. He has a pharmaceutical marketing diploma from Sergio Arboleda University and an LLM in international trade law from the University Institute of European Studies in Torino. He has been advising companies in the health sector, especially national and international pharmaceutical laboratories and cannabis companies, among others. He currently serves as an advisor to one of the world's leading companies in biological medicines, as well as in mass consumption companies. He is a member of INTA and sits on the board of directors of the Colombo-Israeli Chamber of Commerce.

**How does BA support clients in their business operations, and what are the advantages of the firm's focus on jurisdictional protection and legal advisory?**

The support to our clients is comprehensive and multidisciplinary and extends beyond legal advice. Within our team we have pharmaceutical chemists, veterinarians, agronomists, and personnel specialized in logistics issues. We support our clients in day-to-day issues, but also assist them in compliance with norms, the implementation of legal-regulatory strategies, and in the entire regulatory process not only in Colombia, but wherever our clients require advisory. We differentiate ourselves in that while our approach is legal, the regulatory technical team is robust, and able to assist the client in logistical issues, requests for quotas, seeds, and import or export licenses. Whatever the need we roll up our sleeves for our clients.

**Through which methods and tools does BA ensure its service is simplified, timely and of high quality?**

We understand the client's business, and think like company lawyers. We visualize the business, understand the needs, visit the facilities, and meet with the team. In this way our work has clear objectives, and our advice is of high quality and applicable to the client's objectives, always subject to legal terms and

deadlines. Especially in terms of regulatory issues we prefer to think outside the box to provide legal and practical solutions to problems or situations that often have not arisen in the cannabis industry given its nascent state and complex and highly regulated environment.

**How is BA's specialty a good fit for companies in the cannabis space, and what are the main legal challenges and considerations for industry participants?**

We are excellent allies for cannabis companies because our team is multidisciplinary. With the support of our agronomists, pharmaceutical chemists, and veterinarians, we can cover products with cannabis components for both animal and human health. Currently, it is still a headache for clients to secure financing and open bank accounts. Also the response times from government entities regarding procedures and requests made is a challenge. For companies that aim to export cannabis derivatives in the short or medium term, logistical issues, quotas and export licenses are complex and require patience.

**What type of partnerships are most common in BA's legal practice, and why is it key to establish long term relationships with businesses when dealing with employee relations?**

Our relationship with our clients is always based on trust, professionalism, and the achievement of common goals. For us it is very important to know our client's business, help them strengthen their weaknesses and enhance their strengths. Especially by helping them to identify their business niche, which is essential since specialization within the industry is becoming increasingly important.

**What is the firm's approach to technology and what makes this characteristic important when working in tech-savvy industries such as the cannabis industry?**

We have a CRM system in the cloud, which allows us immediate control of processes, including their traceability and immediate response. Among our clients are software companies specialized in ERP solutions for cannabis companies ranging from cultivation to sales.

**Where do you identify growth opportunities and what do updates to the regulatory framework such as Decree 811 mean for the firm's growth?**

The great opportunity with Decree 811 is the possibility of exporting dried flower for medicinal use. And with this authorization we are participating in the largest market for cannabis worldwide. The greatest challenge for exporters will be to adapt the cultivation models for the export of quality dried flower, complying with quality parameters of the destination country, for example, flower size, THC concentration, elimination of heavy metals, and so forth. Likewise, for the use of industrial cannabis,

procedures and cultivation will have to be adapted. This is not the case for pharmaceutical-grade cultivation that requires high international standards compared to, say, the plastics industry; the genetics, cultivation size and procedures are different. It is very important to mention that thanks to Decree 811, it is now possible to export cannabis from a free trade zone.

**What are Buriticá's business development objectives?**

If this pandemic has taught us anything, it is that we have to be flexible, adjust to new realities and, regardless of medium or long-term plans, we must have the ability to adapt. BA's short and medium-term goal is to continue helping companies to export, seek alliances with other international companies (law firms, logistics companies, buyers, pharmaceutical, cosmetics and wellness laboratories), and consolidate and expand our network of international partners. ✖



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Image: 271 EAK PHOTO

# LEGAL SERVICES

These law firms are banking on their extensive know-how and experience in the medical cannabis sector to help clients in their new ventures in this area.



Mariana Larrea  
PARTNER,  
SANTAMARINA + STETA

What led you to enter the cannabis sector, and what are the advantages of being one of the first movers?

**MARIANA LARREA** Santamarina entered the cannabis sector six years ago to meet clients' need and help them enter the market in Mexico. We began by exploring the legal framework, noting that in the US there are firms working exclusively in the cannabis sector. We started mainly with regulation advice six years ago, and slowly became more involved in the industry, getting to know the sector players. I can proudly say that for the past six years we have been advising our clients regarding imports of products manufactured in Mexico, with the necessary assurance. We are a full-service firm as the work relies not just on me as a regulatory body, but also requires litigation, transaction, IP, corporate, and other legal specialists in order to give the best and complete service to our clients. The cannabis industry requires legal representation by those with deep knowledge of the industry for optimum representation. If your lawyer does not understand the difference between THC and CBD, or does not know what a cannabinoid is, or what the endocannabinoid system is, how the cannabinoid works in your body, or why clients want to sell a given product with a given claim, they will not be able to assist you.

**JOSÉ ABUSAID** We became interested in the medical cannabis sector because cannabis has the potential to bring positive developments for the country, which motivates us. The industry brings innovation in agriculture as well as attractive salaries in rural areas. Cannabis companies must be highly technical and innovative from the moment the seed is planted. This brings new technology, new knowledge, and competitive salaries to the country. Our style has always been to learn about the project and to understand what the company is about and their local objectives. We design a project that, from a legal standpoint, helps them achieve their goals. We review those projects every six months to see where things are going and make the necessary adjustments. More than just reacting to a specific need, we like to develop a legal project for the company to make sure they achieve their goals, and that makes the difference. We have clients of 15 years that came here and joined us on their first day in Colombia and are doing great business today.



José Abusaid  
FOUNDER & PARTNER,  
ABUSAID GOMEZ

What are the legal challenges a cannabis company faces in Mexico?

**ML** The number one challenge is and will always be the stigma attached to cannabis. Everyone needs to open their eyes and realize that not all products with "cannabis" labels are there for a recreational high. This is the main challenge. Legally speaking, the industry faces a challenge when it comes to the definition of cannabis under the law. Nowadays, the definition refers to the plant as a substance, and it does not make sense to classify the entire plant as a substance as, the law now considers everything that comes from this plant as a substance even the parts that can have industrial purposes. If you want to be a part of this industry you need patience, because it will take a long time; passion, because it sometimes is a complicated process, so only people with passion for the business, well beyond profit, are able to make it work; and budget, because it is an expensive undertaking. At this moment, everything is expensive: pharma, lab, lawyers, and so forth. So stigma aside, we lack clear regulation.

Given your expertise in FDI and regulatory framework, how do you evaluate Colombia as a destination for international firms?

**JA** Colombia has always had a privileged position regarding FDI in the sense that it has a strategic location in the Americas. That becomes increasingly relevant because countries are in the process of redesigning the supply chain globally. Colombia again has become an important point on the map because American and European firms are keen to establish outsourcing, delivery, and storage locations in places other than Asia and China, namely nearshoring. When it comes to this, Colombia is extremely privileged. Thus, in the context of the supply chain redesign, Colombia has become highly relevant. Also, we have a robust regulatory framework for duty free zones and free trade zones that is perhaps followed only by Panama and Chile. We have a competitive framework and a robust network of free trade zones that operate effectively. This makes us highly attractive as an FDI destination. Finally, we have advanced significantly in the last 10 years in signing free trade agreements, and most importantly, agreements to avoid double taxation. ✖



## 03

**Medical & Patient Access****ACCESS  
TO CARE**

**P**lant-based remedies have been in use since the dawn of man. The *Materia Medica*, a Greek pharmacopeia of herbs, dates back to 70CE and was widely used by physicians until the 1600s. The use of plants to treat ailments cannot be untangled from universal culture. And Latin Americans, with their indigenous heritage, carry that understanding especially close to heart.

This makes the development of cannabis-based healthcare a project of symbolic importance in the region. Because conducting clinical trials for cannabis remains cumbersome at best, cannabis healthcare advocates are fighting an uphill battle to bring cannabis-based healthcare solutions to patients. While regulatory roadblocks and unfounded prejudice continue to maim the scientific process, patients will continue to receive suboptimal therapies.

Thankfully, the cannabis ecosystem is no stranger to this type of access challenge and determination is a shared trait among proponents. The prospect of improving livelihoods is a strong motivator and so is defeating imperfect access. Cannabis has the potential to transform the treatment of a wide range of ailments. For example, cannabis for pain treatment is particularly revolutionary, as it presents an alternative to opiates. Thanks to the plant's potential, a large portion of industry efforts are destined to help us overcome access hurdles. And worldwide, key milestones such as the FDA approval of Epidiolex, the first cannabis-derived prescription

medicine, demonstrate that persistence and concerted campaigning are effective and that stigmas can be dispelled for the benefit of patients.

Interestingly, seasoned cannabis health practitioners view expanding access as a challenge that goes beyond legislation. The conversations TBY had for this special report kept turning to education. If cannabis-based medical solutions can be included in academia, this would guarantee exposure among tomorrow's health practitioners. The objective is to support the industry organically. Industry leaders across the continent are focusing on the availability of resources for students. In that order of ideas, the design of certification courses on cannabis stands out as key. The idea is to refocus the conversation to a playing field that is scientifically rigorous rather than political.

Finally, technology also plays a key role in access. Digital tools help patients navigate red tape and democratize products. They make cannabis-based healthcare available beyond urban centers. Peru is a country that understands this especially well and where digital tools for prescription have gained unique notoriety. Cannabis is a forward-looking industry and therefore forward-looking solutions such as digital tools brace development.

Winning hearts and minds is the only way to unlock cannabis' medicinal potential. Healthcare advocates in Latin America are wise to channel efforts not only to the political arena, but also to education and technology. ✖



## SETTING THE STAGE FOR SUCCESS

Ximena Garzón  
MINISTER OF PUBLIC HEALTH,  
ECUADOR

**Ecuador's Ministry of Health has put forward a plan to modernize public health in the country and improve the quality of life of Ecuadorians.**

### BIO

Ximena Garzón has a doctor of medicine from the Central University of Ecuador. She has a PhD in public health with a concentration in occupational health and a post-doctorate in occupational health research and occupational epidemiology, both from the University of South Florida (USF). She has taught undergraduate and graduate courses in public health and occupational epidemiology at universities in Ecuador and the US, among others. She has designed master's degrees in public health and occupational medicine for prestigious universities in the country. In addition to private practice, she has held public positions as deputy technical medical director and deputy director of teaching and research at the Hospital General del Sur de Quito and general teaching coordinator of the Carlos Andrade Marín Specialty Hospital.

**The Ministry of Health is widely considered to be the shining star of the Lasso administration, having vaccinated 9 million people within 100 days.**

**How did you coordinate this feat?**

The first thing we did before starting work in our ministry was put together a group of experts from different areas to start developing a strategic vaccination plan. When we won the elections in April, I joined that group with experts in vaccinology and epidemiology who were familiar with the reality of our country. Everything such as the cold chain, how many personnel we had, and how we had to develop the logistics in order to implement our vaccination plan was on paper. We realized the work that had to be done with data, private companies, universities, the armed forces, and the Ecuadorian Red Cross together. Everything was coordinated such that as soon as we began to implement this vaccination plan, we were able to start immediately. In addition, we also required the necessary number of vaccines in order to implement our vaccination plan. The president was leading the vaccine diplomacy team, because he has direct contact with other presidents and ambassadors in order to acquire the amount of vaccines necessary to vaccinate as many Ecuadorians as possible. The president gave us the target of vaccinating 9 million people in 100 days, and we implemented and designed our vaccination plan around this target. It was the largest social movement the country has ever seen in history. That is how, by the 100th day of the government, we vaccinated more than 9 million people, or about 60-65% of the population of vaccination age. We are following the data and scientific advances, and it was determined that it was also import-

ant to vaccinate not only children from 16 years of age, but also younger populations to prevent further outbreaks. We are now vaccinating from 3 years onward. This has allowed us to fulfill, as our president said, the greatest economic plan: reactivating Ecuador's economy.

**What concrete changes would you like to make to the ministry, and what can we expect in the near future?**

It is vital to modernize the public health of the country and set measurable goals and objectives. As part of my training in public health in the US, I was also able to train as an epidemiologist and bio statistician. Hence, it is important that all the objectives that we set for ourselves are statistically measured. We are following a model quite similar to Healthy People, which is the US public health program, in which we become aware of the epidemiological reality of Ecuador. And we have determined goals to be achieved in the medium and long term, namely four years from now and 10 years. To achieve this, a government public health plan has been created, in which several ministries come together to achieve these public health objectives and improve the quality of life of Ecuadorians.

**How is the ministry working with pharmaco-technical laboratories to strengthen medicine production in Ecuador?**

We are working on the development of a biosimilars platform, which will be a public-private alliance with the intervention of a university, the Armed Forces University (ESPE), and the National Institute of Public Health, in which we will have several products. One of these is a plant for the production of vaccines and biosimilars. The vaccines that we will produce will not only be for COVID-19, but also vaccines on the regular vaccination schedule. We want to be the Pan American Health Organization (PAHO) suppliers of these vaccines so that they are traded regionally. In line with this, we are approaching different countries so that vaccines for COVID-19 can also be synthesized here so as to lower costs and continue to protect the region. The COVID-19 vaccine will need to be administered at least annually to protect the population. In addition, we will produce these biosimilar drugs that will help with the treatment of chronic autoimmune diseases. ✖

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## BENEFIT FOR ALL

Pedro Wong  
VICE PRESIDENT,  
SOCIEDAD MÉDICA DE CANNABIS  
DE PERU

**Sociedad Médica de Cannabis de Peru has played a major role in raising the profile of medical cannabis in Peru and helping it to be regulated.**

### BIO

Pedro Wong is a pharmaceutical chemist from Universidad Peruana Cayetano Heredia (UPCH), with a masters in natural products and bio-commerce from Universidad Nacional Mayor de San Marcos. In 2017, he was a member of the technical team of Peru's Pharmaceutical College assigned to evaluate the medical use of cannabis in the country. He was also a technical advisor to key projects of law of cannabis legislation in Peru. He is an academic coordinator and proponent of pioneer cannabis study programs. He is the founder of Centro de Estudios del Cannabis del Peru and a founding partner of the Peruvian Clinic for treatment with cannabis CANNAVITAL.

### How have you been involved in drafting of Peru's regulatory framework?

Six years ago, when I began to study the cannabis plant, there was no legal framework for cannabis. The only education given was from an angle connected to the fight against drugs. There was no possibility of studying it further until 2019, when the law changed. The pharmaceutical college asked me to participate in the first expert committee for the health administration. The general agreement was that the use of cannabis had limited health benefits, and that Peru would follow the health recommendations of the National Science Academy of the US. Together with a group of doctors, we founded a small group called The Cannabis Study Centre and were invited by congressmen of Peru because they were interested in making a proposal in relation to the use of cannabis. We then developed with Dr. Mario Rios and Dr. Peter Gámez a legal project that was taken to congress and Gloria Montenegro. We also collaborated with two other projects that had already begun in 2017. The first project presented to congress was signed by Hernando Cevallos, the current Minister of Health. Cevallos declared that access to cannabis should not be just through conventional medicine but also through associations, a forward-thinking announcement for 2017 in Peru. Peruvian society and representatives continued to be conservative, so cannabis was only allowed to be dispensed by pharmaceutical laboratories, like any other medicine.

### What is the current situation in Peru, and how do you evaluate patient access to cannabis?

It is still important that Peru eventually comes up with regulations less restrictive than what has been proposed. Now, patients have to be registered on the national patient platform, which is

a legal requirement. Of the 24,000 people registered, under 50% have bought their cannabis legally. The other aspect is having the available pharmacies. According to the study we conducted on how illnesses could be treated with cannabis, we reached a figure that is seen repeatedly all over the world, which is about 20% of the population of Peru. Around 6 million people could benefit from the use of cannabis, and we are still not there yet in terms of access to cannabis.

### What are the main benefits of a more democratic access to cannabis-based medical solutions?

It will benefit the part of population with chronic pain and illnesses related to the nervous system like Alzheimers, anxiety, or depression. Another large group is those people with problems with the immune system such as cancer. In Peru, like in other countries, there is a high number of people on chemotherapy. Every year there are over 70,000 detected cases. We had estimated that around 6 million people would benefit from the use of cannabis or improve their symptoms. These medications that in other countries are considered, like cannabis, as second line medications could be managed as first line medications as they have less side effects than the ones that are currently used. Also, these medications made with cannabis have a lower cost and the production with the correct regulations can be done in an ecological way. There is a large chain of benefits. Even the byproducts of cannabis can be beneficial.

### What projects are you developing currently?

Apart from those projects where I am invited to collaborate, I am working on two of my own that are close to starting activities. Together with the doctors with whom we scientifically support projects for cannabis regulation and with whom we currently teach the first medical cannabis diploma in Peru with Cayetano Heredia University, we have inaugurated CANNAVITAL, a specialized clinic in cannabis treatments, in which we have been applying innovative treatments with cannabinoids, monitoring and analyzing data on the progress observed, with which we develop some specific formulas for each patient. We are close to starting the activities of our own magistral pharmacy and applying all the knowledge learned and propose new routes of administration with clinical support, which has not yet happened in the country. ✖



# RESPONSIBLE GROWTH MARKET

**By overcoming taboos, Peru's legalization of medical cannabis has opened up the country to a fertile market of clear demand.**

**WHEN IN LATE 2017** Peru's congress overwhelmingly voted 68-5 in favor of a bill to legalize medical marijuana, ruling party lawmaker Alberto de Belaunde declared, "We have ensured that thousands of patients and their family members will enjoy a better quality of life." The law ushered in the era of legal production and sales, including exports, of cannabis oil. Then on February 23, 2019, the government published the regulation of Law 30681 legalizing the medicinal and therapeutic use of cannabis and its derivatives. Peru thus entered the big league of medicinal cannabis.

The recreational use of cannabis remains illegal, and the law reasserted that non-psychoactive cannabis and its derivatives were not controlled substances. A range of licenses was introduced to cover the full spectrum of actors at various stages of the industry leading up to the end user. Andrés Vásquez is President of Kumara Farms Holdings and the General Manager of Cann Farm Perú. The latter is active across the value chain of medical cannabis from commercialization to its cultivation for local and export markets and the R&D that goes into advancing the product offering across multiple disciplines. He explained how "Peruvian regulation is strictly healthcare based, which means that all companies involved in the industry must be recognized by the health department as health services providers."

## LEARNING CURVE

Legal status also entails an essential process of public and professional education as to the product's practical efficacy and commercial application. Vásquez recounted the company's informational initiatives to advance this awareness, stating that "in the academic and education space, we have been extremely active from the beginning, with free courses and webinars aimed at health professionals." Meanwhile, the sponsorship of formal programs at two universities is ongoing.

## GROWTH OF THE SOIL

In geographical terms, Peru has it good where this burgeoning sector is concerned. A more than conducive range of weather means that certain regions can boast up to five harvests each year, with the comparative productive advantage that entails versus rival producer countries. Sector data suggests that a hectare of cannabis crops yields sales of USD1 million for a per-hectare investment of just USD120,000. At the time, proponents were forecasting the creation of 250,000 formal jobs, both direct and indirect. Meanwhile, annual tax revenue of USD0.5 billion was also anticipated.

## CORPORATIZING THE PLANT

The standardization of product quality and producer integrity is of course essential, and Law 30681 featured guidelines and stipulations for the receipt of licenses permitting research, farming, and production limits, in addition to cannabis imports and commercialization. Vásquez noted how the company paid "attention to the development of the regulation extremely early on." Yet, while the law was good news for users and advocates of medicinal cannabis, there were, perhaps understandably, few entrepreneurs waiting in the wings to create an industry, all to the advantage of the early birds. "Our company as well as some other interested groups were invited to meetings to discuss potential approaches to the regulation with the regulatory authorities," he explained.

## INNOVATION ROOTED IN HISTORY

The cannabis industry has wide implications for medicine that, interestingly enough, rely on the adaptation of ancient practices to the modern era. Vásquez differentiates his business in the market for wanting to "develop our portfolio from traditionally used botanicals, [with cannabis being] just one of these crops [...] We have been

working with marigold for 15 years, which is used for ophthalmological products.” Meanwhile, a partner group in the Amazonian jungle, “provides us with around 20 formulations already used for several years in healthcare; this is possible because our partner is a therapeutic center that is allowed to use traditional Amazonian medicine.”

#### AND SO IT GROWS

Recent news from Peru confirms healthy momentum in the field. Global medical cannabis enterprise Khiron Life Sciences Corp, active in Latam and Europe, has opened an additional facility in the country. The company also delivers educational programs for medical professionals that leverage its own innovative activities. Khiron has

partnered with Clínica del Dolor Lima, a specialized pain facility, to deliver medical cannabis treatment to over 10,000 patients suffering chronic pain. The latest move has raised Khiron’s global clinic count to 16, spanning Colombia, the UK, and Peru, with the latter market in 2021 accounting for 5% of total Latin America unit sales. The consequences are telling. Since the company opened its first Zerenia™ clinic in Lima—a partnership with Clínica Montesur—in 2H2021, north of 80% of the consultations have ended in a cannabis prescription.

With its legal framework mostly in place, Peru’s medicinal cannabis market continues to gain traction, positioning the nation as a shiny pin in the global map. ✖



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# CLEARING UP MISCONCEPTIONS



Sandra Carrillo  
PRESIDENT,  
COLOMBIAN MEDICAL CANNABIS  
ASSOCIATION (ASOMEDCCAM)

**In addition to working to raise awareness of the benefits of medical cannabis, ASOMEDCCAM also participates in meetings with government institutions to develop regulations that eventually benefit patients.**

## BIO

Sandra Carrillo is a specialist in cannabinoid-based medicine and is President of ASOMEDCCAM. She holds a master's degree in health services management and is certified in anti-aging and regenerative medicine. She has a certification in research in humans from Virginia Commonwealth and a diploma certification in epidemiology from Research CES University. She is a professor in charge of the scientific program of medical cannabis faculty of medicine at the University of Panama and the co-founder of Medicann IPS Medical Cannabis Clinics in Colombia. She is a board member of the Association of Cannabis Specialists in the US and the Association for Cannabis Health Equity and Medicine (ACHEM) as well as a scientific board member of Portugal Medical Cannabis and the Colombian Observatory of Medical Cannabis. She holds an honorary professor for diploma certification in cannabinoid medicine from UNAM and the Mexican Association of Medical Cannabis, among many other qualifications.

**What characterizes ASOMEDCCAM, and what are the association's objectives?**

ASOMEDCCAM comprises a group of doctors that promotes education based on scientific evidence and research. We are the only association in Colombia composed of doctors from different cities of Colombia, representing most specialties in medicine. Members of our association include psychiatrists, neurologists, cardiologists, oncologists, palliative care doctors, dermatologists, and so on. This is important for Colombia, since the keys to the adoption of cannabis-based medicine are teaching doctors how to prescribe, dose, and monitor for possible side effects.

**What are the most effective ways to educate and promote the use of cannabis-based medicine and cannabis-based therapies?**

It is important to include more information about the endocannabinoid system within university curricula and the medical practice so that doctors become more comfortable prescribing more formulations and utilizing cannabinoid therapies as an adjunctive treatment with pain medication, among other medications for different pathologies. ASOMEDCCAM has been focusing efforts on education for the last years, since we legalized medical cannabis in Colombia six years ago. It is a co-creator of the first diploma certification in Colombia in alliance with Universidad CES, one of the largest universities in Colombia. ASOMEDCCAM in partnership with Colegio Medico Colombiano is also creating a certifi-

cation program in cannabinoid medicine for doctors. Academia and universities are realizing how important is to educate doctors and healthcare practitioners in the applications of cannabinoid therapies. Doctors want a formal education, certified by universities and the academia, after which they will feel more confident in prescribing cannabinoid therapies. Destigmatization of the use of cannabinoids as medicine is crucial; however, it is also important not to trivialize the use of cannabinoid therapies since patients can have drug interactions and some side effects. For this reason, they must be prescribed and monitored by a doctor.

**What resources and services do you have for the benefit of partners?**

All types of doctors, general practitioners, specialists, and healthcare practitioners can benefit from ASOMEDCCAM. We do a great deal of education, and we hold webinars. We have been discussing clinical cases. We have students and residents of medicine who are interested in medical cannabis and are inspired to learn more about cannabinoid therapies. We offer other benefits including academic resources, such as links to publications and scientific papers. Furthermore, any webinars we produce are recorded on our webpage, featuring valuable information provided by global medical cannabis leaders. Members further have the benefit of attending our annual conference. ASOMEDCCAM has been participating in important meetings with the Ministry of Health and other government institutions, helping to develop beneficial policies for patients and guarantee safe access for them.

**What is the significance of participating with organizations like the Medical Cannabis Clinicians Society (MCCS)?**

ASOMEDCCAM has alliances with the most important scientific medical cannabis associations around the world such as MCCS and the Association of Cannabinoids Specialists (ACS). We have been working to provide education also in alliance with the Society of Cannabis Clinicians (SCC) in the US. We are connected to different organizations all over the world such as International Association of Cannabinoid Medicine (IACM) to share knowledge and information. Latin America is leading in education, and Colombia is leading in education in Latin America. ✖



# CLINICAL EXPERIENCE

Paola Pineda  
FOUNDER,  
CURATIVA

**BIO**

Paola Pineda is a researcher with more than five years of experience in the treatment of patients with cannabinoids. Currently, she operates a database of more than 2,000 patients with distinct formulations of cannabis. She designs protocols of dosage and monitoring.

**Colombia is a pioneer in cannabis matters around the world, and Curativa is a pioneer within the country. What was your objective when you founded Curativa?**

Curativa was born out of an interest and need as a doctor when I started focusing on treating patients with HIV and AIDS. At one point, one of my patients was seeing a reduction in the quality of his life because of pain and insomnia. I invited this patient to work together to look at possible solutions, and he was the one who suggested using medicinal marijuana. At the time, I did not know much about the subject, and when I saw positive results, I got more involved with the subject. The previous minister, Alejandro Gaviria, started talking about this matter when Galan made the proposal, and he invited me to one of the first discussions held in Congress. This is where I came upon the stories of many children with epilepsy. This was a hard challenge, because neurology was not my forte, as I was focused on infectious diseases. Today, however, I am not only dedicated to helping patients receive treatment from cannabis but am also involved in training programs for other doctors who want to learn about this topic.

**What is the strategy to bring the benefits of cannabis to a larger audience and to more patients?**

We need to train more doctors, respond when universities reach out to participate in lectures and certification courses, hold events and invite medical professionals, further develop our social media with more and better information, and open our doors to more patients who might be treated. Regarding this last point, today it is difficult to see more patients because my agenda is full, though as

more and more patients tell medical practitioners about the benefits they receive from the treatment, word of mouth will eventually result in more doctors being interested in the subject. This is what I do: I give lectures whenever they ask me to and meet with doctors in my office so they can see first-hand how I handle consults with my patients so that they can start doing it too.

**In which way do you want to be a part of the Colombian cannabis ecosystem?**

The contribution Curativa can make is via our clinical experience and the possibility of teaching our colleagues and inviting them to our consults. With my work group, formed by biologists and chemists, we have done so in our own way. Initially, we did not have the economic resources, but now we do have the knowledge of how everything can be done in a more cost-effective way.

**What procedures support an international collaboration work?**

It is complex because each country is at a different point in the regulation creation timeline. Understanding the dynamics of each country is extremely important. For example, Spain is successful in pre-clinical research but is behind us regarding regulations. Regardless of the legal dynamics of each country, we need to keep on track in terms of the results we are seeing with our patients. We need to share and teach each other. We also need to start putting pressure from all sides; we cannot wait for countries to come up with the regulations to start doing something, but rather should ask governments to move forward with those regulations by showing them how our patients are doing through real examples. ✖

curativa®

Observación | Análisis | Interpretación | Formulación | Recepción





## SUCCESSFUL MODEL

Ana María Carvajal  
CLINIC MANAGER,  
ZERENIA

**Zerenia has treated over 15,000 patients across the country with medical cannabis, with 80% seeing a significant improvement.**

### BIO

Ana María Carvajal highlights her professional path with 18 years of continuous learning, adaptability, and personal challenges to achieve goals with a teamwork perspective. She has worked in the planning and execution of social development projects within different companies. Her biggest challenge has been leading Zerenia's clinic team, which has had a positive impact on Colombia's social development.

### What is the impact of Zerenia's clinic network in terms of reach and in terms of innovation?

To date, we have treated more than 15,000 patients nationwide. They have had the option of medical cannabis treatment in neurological pathologies and diagnoses associated with neurology—Parkinson's disease, epilepsy, headache, chronic pain, arthritis, fibromyalgia, neuropathic pain, cranioencephalic pain, mental health diseases such as depression, anxiety, and sleep disorder, in palliative care for chemotherapy and cancer pain, as well as for symptoms related to loss of appetite and insomnia. We cover the entire nation: there are four offices in Bogotá and eight other offices in Armenia, Ibagué, Medellín, Bucaramanga, Manizales, Barranquilla, Valledupar, and Cali. We have been to Cartagena, La Guajira, the Amazon, Leticia, Chara, Vaupés, Pasto, where although we currently do not have any physical infrastructure, we have been able to reach many more patients through the app, Dr. Zerenia, and teleconsultations. We also have to talk about the impact in terms of the effectiveness of the medicine—80% of our patients, in their follow-up process and clinical outcomes, declare an improvement above 85% of the associated initial pathology. This means that patients with sleep disorders, a month after their consultations, report having a better rest. While they are adapting, they are beginning to show an improvement that leaves us satisfied with the quality of our medicine.

### What characterizes Zerenia in terms of quality and service excellence?

We are the clinic in the country that has trained more doctors. We have given them the opportunity to get to know the medicine in terms of basic training and understanding the outcomes directly with patients at the clinic. Our support and follow-up

care model is unique. Like all the models and processes we are doing, they are improving, and we continuously monitor all treatments. It is encouraging that Zerenia is known for its professionalism because it is the spearhead of the industry.

### What is your strategy to increase the penetration of medical cannabis prescriptions?

In the last five years, thanks to the structuring and maturation of the Colombian regulatory system, we have been able to raise greater awareness. We could not educate on cannabis if we did not have an opening and the regulations for access were not strengthened. The main element that positions Colombia ahead of other countries is both the education process and the regulatory support have grown apace. In addition, the efforts of the country and universities continue to grow. Today, we have diplomas and quick courses specialized in cannabis with universities that call on our professionals to accompany them in this process. Both Zerenia and Khiron are always on hand for that knowledge to be delivered to doctors. At the end of the day, doctors are the one who will inspire greater confidence in the use of cannabis among patients and other doctors.

### What elements should accompany the development of the industry, and what would be your message to the business community?

The next steps are always to show the scientific evidence, and with this we will be able to strengthen the different actors. The industry as such is strengthened by the expansion of the regulatory framework and the maturation of the regulatory framework with research processes, research sponsorship, and the development of new alternatives with the use of the medicinal cannabis molecule. That next step does not just involve the pharmaceutical industry, but the health industry overall. Only with these scientific evidence and the demonstration of the clinical outcome can the care and insurability models for the use of the molecule be strengthened. We still have a long way to go, and we must continue to break the paradigm. There is also a process of generational change, and the current generation of doctors are more open to this comprehensive treatment system combining traditional medicine with complementary medicine. ✖



Image: Gaia Health



## STRONG LINKS

José I. Escalante  
CEO,  
FUTURA FARMS

**Futura Farms is a tech-enabled cannabis company with the mission to democratize access to medical cannabis in Latin America.**

### BIO

José I. Escalante is a business executive working toward the promotion of health, wellness, and quality. His expertise includes strategy design, financial management, and venture building. He enjoys generating new ideas that could create feasible solutions to current and relevant problems. Currently, he leads Futura Farms.

**Futura Farms is a digital solution for B2C distribution in Peru. Can you give us an overview of the company?**

We define ourselves as a tech-enabled company because we sell real products through digital platforms. We are B2B2C, because the current Peruvian regulations make companies go through pharmacies to sell products to consumers. We generate demand for our products via our online medical platform [organnical.com](https://organnical.com), which gives us a close relationship with patients in Peru.

**How does Futura Farms expand access to cannabis-based healthcare solutions in Peru?**

Peru, similar to most Latin American countries, is extremely bureaucratic, and it is expensive and difficult to acquire a cannabis treatment. At the moment, the concept of a “medical marijuana card” does not exist, and the law requires the patient to schedule periodic medical appointments to acquire their medical prescription and finally gain access to their treatments. Since our mission is to promote health and wellness by democratizing access to medical cannabis, our platform, [Organnical.com](https://organnical.com), was designed to deliver a 360-digital experience, connecting patients with trained physicians, authorized pharmacies and friendly advisors that help in providing them with easy access to treatments; we like to consider ourselves as facilitators in this lengthy process. For the less tech-savvy customers, we have a friendly customer service department that gladly helps them with their medical appointment reservations. We need to be in the sweet spot between medicine, science, wellness, and the consumer-based economy, and that is our approach. We want to maintain a close relationship with patients by creating a potent patient-centric ecosystem.

**How is Futura Farms positioning itself in Peru to benefit from first-mover advantage?**

The Peruvian market has great potential, as there are many people

who require medical cannabis treatments. The regulation is good; however, it can be improved. For example, the current Peruvian law requires that the cannabis biomass needs to be incinerated after harvest; this, as you can imagine, attempts to most global environmental regulations and needs to be addressed. Lately though, the legislation for associated cultivation of cannabis has just been approved, and we expect more positive changes to come soon. We position ourselves as the easy and trustworthy option; patients can have a consultation in about 30 minutes, receive their prescriptions by email, and if they qualify for this type of treatment, we connect them with a licensed pharmacy, so they can receive the product the very same day. All products that our doctors recommend are regulated and certified for our patient’s safety.

**What is the importance of having strong links across the supply chain, for example with doctors and cannabis suppliers?**

Doctors are key to improve quality of life of patients, and the more they understand the health benefits of cannabis the better. Manufacturers and pharmacies are also key, because without the products and ethical dispensing, you will not have a successful business. You also need to have the right product of the right quality for the right person, because some patients require extremely niche products, so you must have a broad portfolio. Another key stakeholder group are the pharmacies, because since we have to go through them to deliver the treatment to patients, developing a good relationship with them is a must. The business has to be win-win for both parties.

**How does Futura Farms contribute to the body of knowledge around cannabis through data gathering?**

We gather data both on the front end and the back end of our business. We have a direct relationship with patients, so we are able to gather a large amount of data on prescription dynamics, patient demographics, the products that are being prescribed, and the ailments that are being treated. This helps us to better understand market dynamics and tailor portfolios for each country, and even by city. This is great for our stakeholders as well. In addition, we have signed an agreement with the Medical Cannabis Institute to customize courses for health professionals, and make sure current scientific information is available for doctors in the country. ✖



**FUTURA**  
FARMS



# Democratizing access to **medical cannabis**

Through education, sustainability and innovation



futura-farms.com



## WORD OF MOUTH

Ricardo Rivera-Schreiber  
FOUNDER & DIRECTOR,  
CANNABIS & CO. PERU

**Cannabis & Co. Peru is Peru's first medical cannabis dispensary and plays an important role as an ambassador of cannabis to transform medicine.**

### BIO

Ricardo Rivera-Schreiber is the president of the Civil Associations of Patients Cannavida and a member of the Peruvian Federation of Medical Cannabis (FECAME). A pioneer of the cannabis industry in Peru, he founded the first medical cannabis dispensary in the country Cannabis & Co. Peru.

### What role does it want to have within the Peruvian healthcare system?

It was not easy an easy task to get all of the licenses and permissions to open the dispensary. We are fully focused on cannabis products and only have these products. The idea is to reach more people and provide them with better access to this type of medicine. In Peru, a great deal of education is needed on this topic as well, which is also part of what we do. Everyone who comes to the dispensary is thoroughly educated about CBD and THC and all of their benefits so that they can truly get a better understanding. We are trying to promote the medicine for what it is. Our dispensary has a fresh image and looks more like a jeweler than a dispensary. We have the products displayed clearly, with a clinical image. Our products also have a clinical branding to promote a different perception and provide all the information about the product.

### How do you approach partnerships, which are key to increase client access to cannabis products in Peru?

All cannabis products need to be prescribed, and our best partners right now are doctors. We are working to educate more doctors and hold more seminars with doctors so that they can gain a better understanding of how beneficial this type of medicine can actually be. Our most important partners and the ones we need to educate the most are the doctors in Peru.

### What is the importance of quality and safety in Cannabis & Co., and what procedures do you have in place to improve the patient experience?

Cannabis & Co. Peru has strict protocols in terms of health and safety. For example, we have mandatory medical checkups and

require the patients to have prior assessments. Our team is highly educated, and I have been to nine congresses in the past three to four years. We have all learnt so much about cannabis, and we want to continue to educate patients and doctors. All our products are legal in Peru and meet the full requirements to get all the licenses. We have a magisterial pharmacy here as well and can prescribe what a patient needs. We also have raw material that we can prepare for each patient. Everything is done systematically and safely.

### How do companies like Cannabis & Co. revolutionize the health sector?

Companies like Cannabis & Co. are at the end of the supply chain and deal directly with the patient's experience. We have an important role as ambassadors of cannabis and are working closely with the transformation of medicine. Testimonies are extremely important. We see great improvement in patients' health, which is extremely important in this process. We are not allowed to market these products in Peru because they are controlled products. The system works purely by word of mouth. This is how people know who we are and what we are doing.

### What further steps are needed for the company's goal to revolutionize pain treatment and degenerative illnesses in Peru?

We are looking to grow, be in more places, and complete some registration processes for new products that we are representing in Peru. We will represent five brands in Peru. We want to keep growing and educate people about the products and their vast benefits. We are developing a franchise right now. Our second vision is our store, which is a personal investment among us five partners. We are now looking into opening the second one. It is not just about opening more and more stores; we are so hands on so we can make sure that we get the right people who are committed to helping others with their health and that are knowledgeable about cannabis. Our goal will require more products and more distribution. We need to grow not only the number of patients, but also providers and logistics. ✖



Image: Blueberries



Image: PharmaCielo

## 04

## Industry Partners & Services

# THE NEED TO KNOW

**T**he importance of relying on a strong network of contacts and local partners for success was one of the main refrains shared by leading companies in the cannabis industry interviewed by The Business Year for the second edition of this series of reports.

This chapter dives deep into the importance of creating a team that includes experts of local laws, the technical aspects of the field, and finance issues to make well-informed decisions in a market as nascent as cannabis.

“There are many companies that do not understand the full scope of starting and operating a cannabis extraction business, not only the knowledge and experience of extraction, but also navigating the current legislative and regulatory framework,” shared Nathan Radabaugh, Business Development Manager at TruSteel. “As this industry matures, we are seeing more requirements for compliance-critical processes and equipment,” he continued.

This chapter also profiles providers that are helping players in Latam adapt processes to stan-

dards being implemented in the global cannabis industry, such as innovative extraction methods and new industrial opportunities for hemp. Technology can offer the benefit of reducing costs in an already capital-intensive industry, which can become an important advantage for players looking to differentiate themselves while cannabis remains in a development phase.

Fortunately for new companies, industry events are reactivating in the region and have an opportunity to better understand the context of the local market first-hand. “New investors need consultants in the cannabis industry and information on distributors and pharmaceutical laboratories. So instead of just trying to help each of them individually, I decided to create the CannabiSalud Business & Investment summit,” explained Lorena Beltran, founder of the event.

In all, The Business Year is observing the start of a tight-knit entrepreneurial ecosystem in the region with a mission to support the growth and entry of companies and help investors discern the hype from reality in cannabis. ✖



## HELPING HAND

Robert Hoban  
PRESIDENT,  
GATEWAY PROVEN STRATEGIES (GPS)

**The three pillars that make GPS so valuable in the medical cannabis space are its know-how, vast network, and extensive experience.**

### BIO

Robert Hoban sits at the center of the world's largest commercial cannabis industry network and is widely credited for creating the class of lawyers now known as "cannabis attorneys." He is also regularly involved in assembling and structuring large-scale cannabis industry M&A transactions. Over the course of a decade, he built and grew the cannabis industry's premier law firm, the Hoban Law Group, before recently merging his firm with Clark Hill. He now leads Clark Hill's cannabis practice group, a full service team of expert cannabis attorneys. He also consults for a number of international operations and co-founded Gateway Proven Strategies, the only cannabis consultancy group actively building the global cannabis supply chain.

### What makes GPS an outstanding consultant within the space?

It has been about 14 years since I entered this industry. I am an attorney and became interested in the cannabis industry because my mother was diagnosed with pancreatic cancer. Medical cannabis extended her life for nearly three years. I created the first law firm in the US focused on cannabis, and in 2021 I sold it to Clark Hill, a top international law firm. As I was equally recognized as a lawyer and industry expert with global expertise, I founded—together with my partner Charles Feldman—GPS, a consulting firm that can build up companies from scratch. We can create a company, taking the fastest route from point A to B because we bring in industry experts who know us, have worked with us, and/or are our clients from all over the world. We have a flagship project in India and projects in Latin America, Europe, and the US. We also do M&A advisory and have a tool called Compass, a due diligence tool to help companies evaluate investments in the global cannabis industry. We know the space extremely well, and we know who to bring in for a project. We build a custom team for every GPS client, and using our reputation and measured success, we bring their objectives to life. Everyone in the industry wants to figure this out on their own; however, regardless of their intelligence, many are simply unfamiliar with the industry, and they make mistakes. We have made enough mistakes over the past 14 years, as have our clients, and we have learned the hard way. That is the reason why we have been successful—and, for most of our clients, we come from the future.

### What company profiles would benefit from partnering with you?

We thrive on helping existing companies that operate in the space improve their operations, whether that is production efficiency, yield of cultivation, or efficiencies in extraction. Most importantly, we find access to markets. We help companies access the global market and scale their operations and businesses around the world, or at least outside their immediate geography. The basic profile is a company that is not within the cannabis industry but is attracted to its potential. It needs reputable people to guide it through the process, which is why we called our company GPS. We will find a position for it and be its guide to this industry. From front to back, we help build a turn-key operation in this space. It has been said that in the cannabis industry, every year you work in it is a dog year—that is to say, seven years. Therefore, for my team and I to have been at it for so long is extraordinary.

### How do you envision the cannabis market evolving in the mid to long term, and how can companies capitalize on the evolution?

We have to look at countries that are particularly successful in advancing not just legislation, but also regulations. Legislation says we will legalize this for these purposes, while regulation is where the distinct agencies, the ministries of health and agriculture, import/export and customs, and others get involved and implement specific rules to make matters work on a global scale. Colombia has perfected exports through its agencies that operate to the standards in place for phytosanitary requirements and the like. Recently, the laws were changed to allow the export of flowers in addition to seeds. These are areas like that where we begin to tie together. As the healthcare systems in Latin America begin to access medicinal cannabis in a variety of forms, they will require biomass supplies and high-level extraction capabilities. It is not difficult to look around the world and determine where companies have great operators, health and safety standards, and agencies that understand how to apply those standards to international commerce. That is what we will see more of. ✖

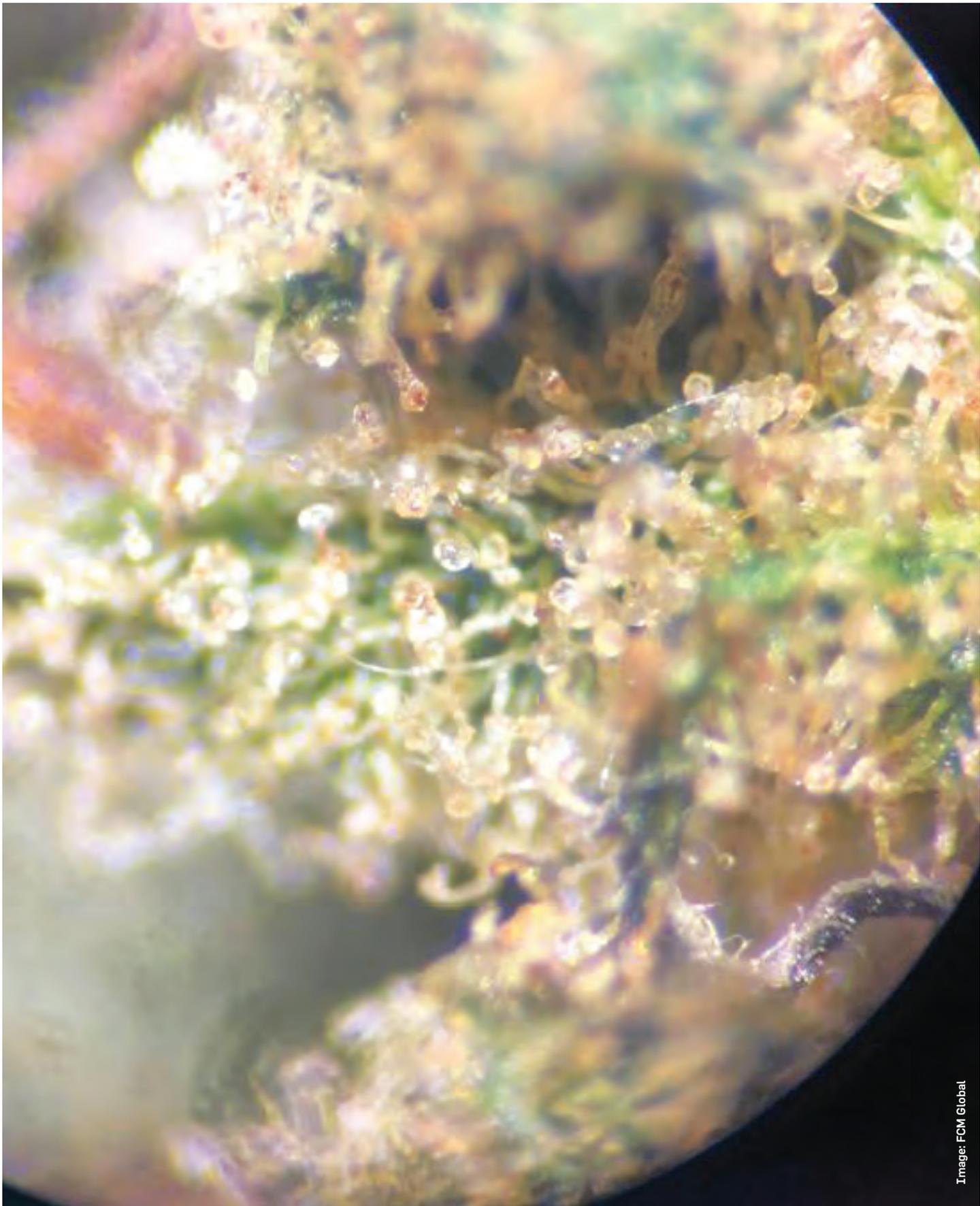


Image: FCM Global



## TRUSTED RELATIONSHIPS

Ángel Proaño

GLOBAL DIRECTOR OF SALES AND MARKETING,  
THE WESTERN STATES MACHINE COMPANY

**Western States is working to be the leading company and key service provider for centrifuges for labs and pharma operations in the medical cannabis industry.**

### BIO

Ángel Proaño is the Global Director of Sales and Marketing for The Western States Machine Company, with a degree in agriculture engineering and business administration from El Zamorano and LSU, respectively. Before joining The Western States Machine Company, he worked in a variety of industries within the commodities space for over 15 years. His background in sales, management, and quality procedures have helped him to advance to positions such as president, general manager, and executive director in US and foreign companies.

### What do you consider to be Western States' biggest asset?

Western States is a well-established company that has had remarkable success in different industries for over 100 years. We have gained the experience and knowledge about centrifugal separation processes, and we understand customer needs in different industries. We have expanded our presence into more than 35 countries. For this reason, we consider that one of the biggest assets that we have is the experience built throughout the years, this has allowed us to provide the best industrial equipment to each customer on an individual level. Western States is committed to providing only high-quality parts and centrifugals. There are still centrifugals operating around the world that are 80 or 90 years old, and we continue to provide spare parts and service to support those. The ability to stock parts on site give us the advantage to provide immediate shipment.

### What projects are you currently working on in the cannabis space, specifically in Latin America?

Latin America is an extensive market which has bought different opportunities to us such as several projects in Mexico, Colombia, and Ecuador. One advantage of our company is our facility in São Paulo, Brazil, where we manufacture centrifuges, this is a great benefit by allowing us to be closer to the South America market and provide faster support. Furthermore, under our upcoming agreement with TruSteel, we will also be manufacturing their equipment in our Brazil's facility.

### What are your goals for next year, and what do you consider to be the next step for the company?

One of Western States priorities is to increase revenue percentage of our medical cannabis industry. Our current percentage represents less than 3%; however, our effort for this industry is 50% of all the company's marketing target. On the other hand, the remaining 50% of the marketing target will be for our other industries. By 2025, our goal is to achieve 10% of the company's revenues in the medical cannabis industry. It is a brief period and a significant goal; however, we expect to accomplish this, especially now, with the relationships that we are trying to build.

### Which of your strategies to enter the market have been successful?

The main strategy is to interact with the key players in every single country that we can visit. We are working to build a solid network. Every time that we go to a different country, we make the effort to meet with the people who are making a great effort to make a difference, such as the main speakers for the cannabis industry during conferences or the actors fighting for a change. We must meet all the key members and support them. People that are fighting for a change in the cannabis industry need to have our support since legislators and the government need to realize that this industry is the future for new businesses and will bring opportunities to their countries. Since 2017, we have been part of various cannabis conferences and visited countries to have a better understanding of this market as it is new for everybody.

### What have you identified as the biggest challenges that the industry faces?

The problem is that there is little stability in the sector now. There are companies that are entering this new cannabis industry, but then suddenly disappear the next day. They are only focusing on just the cannabis industry. It is risky to put all your eggs in one basket. Western States is not only focused on the cannabis industry. We will be here to support our customers for a long time. In addition, we will also help TruSteel build that kind of relationship. TruSteel is also working in different industries, as well. Leveraging on our relationship with our customers, we will help TruSteel increase its market share in different industries such as chemicals and pharmaceuticals. ✖

# BY EXTRACTORS, FOR EXTRACTORS



Nathan Radabaugh  
BUSINESS DEVELOPMENT MANAGER,  
TRUSTEEL

**TruSteel has been able to differentiate itself as the premier knowledge and solutions provider in the cannabis processing industry through its expertise in processing, automation, and personalized solutions.**

## BIO

Nathan Radabaugh is the Business Development Manager for TruSteel. Before getting his start in the cannabis industry, his career began in the US Navy where he specialized in combat medicine and served two tours in Iraq. His first experience with cannabis provided him relief from PTSD and inspired him to pursue a new career focused on alternative care for veterans. While attending San Francisco State University, he began growing and extracting cannabis as a CA Prop 215 patient. After graduating SFSU, Radabaugh moved to Mendocino County as an independent cannabis processor working with several extraction start-ups and then shifting to extraction equipment where he participated in the development of innovative tech and SOPs to meet the needs of a growing industry.

## Why did TruSteel decide to partner with Western States?

TruSteel is the premier knowledge and solutions provider in the cannabis processing industry based in northern California. We got our start in this industry specializing in evaporation technologies, launching the AutoVap falling film evaporator in 2017. We wanted to partner with Western States because it is known as the global leader in centrifugal equipment technologies. It is complicated to both build the machines and service them not only in the US but globally as well. However, we specialize in every other part of the process within the ethanol extraction process. As we began to talk with Western States, we realized our alignment as OEM manufacturers that both value quality manufacturing and exceptional customer support. We have similar goals in terms of expansion, particularly globally and in Mexico, Central, and South America. We are excited about this partnership and expanding internationally. With Western States, we are currently developing projects in Ecuador, and we have installed equipment in Colombia as well. We are continuing to talk to more labs as we travel around South America.

## What are the main differentiators of TruSteel in comparison to companies that offer similar products?

TruSteel is an owner-operated OEM that prides itself as being “by extractors, for extractors.” We differentiate ourselves through our knowledge of processing, automation, and our ability to serve multiple industries. As this industry matures, we are seeing more requirements for compliance critical processes and equipment. TruSteel welcomes this maturation, as we’ve

been driven to provide the highest standards on the processing aspect of the sector. One of the things that separates our equipment is the fact that you can have fully automated platforms that can meet pharmaceutical standards. We also provide individual solutions as well as a front-to-back solution. The industry is rapidly evolving and growing, and one big concern is hardware obsolescence. We offer upgrade programs to address this concern as well as service contracts to ensure customers remain competitive in a fast-changing landscape.

## What are your clients' main challenges when it comes to processing cannabis?

There are many companies that do not understand the full scope of starting and operating a cannabis extraction business, not only the knowledge and experience of extraction, but also navigating the current legislative and regulatory framework. One of the challenges our clients face revolves around navigating fire safety regulations and ensuring that the facility and equipment meets the international, federal, and local regulations. Understanding relationships are key to success, and when you buy a piece of equipment, you are building a relationship that will last for years. It is important to surround yourself with like-minded people that breed success and stand behind their product and services.

## What is the next step for your company?

The next step is not only expanding internationally but also raising our profile by attending and sponsoring events and interacting with industry leaders. We want to let people know that we are technology and solutions providers. We serve not only cannabis companies, but also food & beverage, nutraceuticals, pharmaceuticals, and bio-tech. We worked under Operation Warp Speed on the COVID-19 vaccine and developed the AutoVap 40 GMP to meet pharmaceutical and GMP standards. Cannabis is where TruSteel began and continues to be our primary focus as we continue to expand to new industries. As we expand internationally with Western States, we will continue to educate the market and develop new production facilities. We are here to help companies take the right steps to be successful. ✖

# THE RIGHT CHEMISTRY

**Product quality is essential, but so too is knowing whose expertise to lean on when navigating the legal and commercial landscape of a new market.**

**AS IS ABUNDANTLY CLEAR** from the findings of this report, clearing the legal hurdles of the medical cannabis sector is a strictly monitored race. To this, we must add the need for local market knowledge to identify niches and gaps in the market and the technical acumen to innovate and remain ahead of the curve, or at least on it. Then, there's the need for commercial continuity to establish your reputation with regulator and customer alike. All this in an industry that continues to have less than definitive legal frameworks in some countries, not to mention the stigma attached to the end product.

## **A SOLID CASE**

One sure way to remain on the right side of the law is to hire the expertise of an established law firm. One such entity is the Colombian practice of Buriticá Abogados (BA), specialized in intellectual property, consumer law, and health law. In a TBY interview, General Manager Raul Buriticá explained how the comprehensive customer service provided extends beyond legal advice. "Within our team, we have pharmaceutical chemists, veterinarians, agronomists, and personnel specialized in logistics issues as well as day-to-day issues. [We] also assist them in compliance with norms, the implementation of legal-regulatory strategies, and in the entire regulatory process not only in Colombia, but wherever our clients require advisory." And returning to the cannabis sector, the firm is well placed to advise on "problems or situations that often have not arisen given [the industry's] nascent state and complex and highly regulated environment."

## **IMPORTANT, TO A LARGE DEGREE**

Let us briefly revisit a legal moment from 2021, July 23, to be specific. The setting is Colombia, where Decree 811 gets the presidential autograph, heralding a new dawn for medicinal cannabis. The decree permitted the export of dry cannabis flowers (including FTZs), among other changes welcomed by a nascent industry. It introduced a new license for transforming non-psychoactive cannabis, that is, of less than 1% THC content. This addressed issues of product transparency and traceability. Also, the duration of cannabis production licenses was doubled to 10 years. Then, a legal framework was introduced for hemp products with industrial applications such as cosmetics, foods, and beverages for human and animal consumption.

The advertising of cannabis products also swapped the realm of satire for reality, while the range of distribution channels for cannabis-based magistral preparations was expanded. Small wonder, then, that with this new operational flexibility, "BA's short and medium-term goal is to continue helping companies to export, seek alliances with other international companies (law firms, logistics companies, buyers, pharmaceutical, cosmetics and wellness laboratories), and consolidate and expand our network of international partners."

## **AVOIDING MARKET FARCES**

The advice given by Raúl Elizalde, Global CEO of US firm HempMeds, couldn't be simpler, or more accurate: "My first recommendation is to study the market." He recounted to TBY how the company "was the first to import CBD into Brazil in 2015 [...] the first to import CBD to Mexico in 2016, [while] providing the first registered medication available in Paraguay in 2016." It is also a big



**SEDEMI  
FARMS.**

## **Cannabis from the middle of the world.**

### **Production of premium flowers.**

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noise in Argentina, among other international markets. The sage advice continues: “In Latin America, it is essential to show patience regarding the commercial process.” The reasons for this are legion, but suffice to say that “it is a challenge for us to grow in the region, as every country has its own legislation.” Citing the case of Mexico, the legal bedrock of which is still molten, he asks us to “imagine a foreign investor entering in 2018-2019 and making an investment in 2020. Now, we are in 2022, and there is still no regulation in place. Three years have effectively been lost.” Meanwhile, other firms jumped the gun by misguidedly expecting to replicate others’ success. Yet, Elizalde is adamant that “to work in this market, it is best to do so with a local partner engaged in agriculture or pharmaceuticals. This company should be familiar with both the prevailing regulations and working practices.”

#### **A DYNAMIC DUO**

Two heads, they do say, are better than one. And that is true so long as each has its own contribution to make. This was in evidence from conversation with Pablo Fernández, the CEO of Colombian firm Mannta and collaborator Jose Pablo Betancourt, the CEO of Canadian outfit Frontier Spectrum. The former specializes in plant “cultivation, [leveraging] the research of our partners in Germany, Canada, and the US so that within a single cultivation cycle we can adapt to a change in the market or customer needs.” Meanwhile, “The role of Frontier Spectrum,” says Betancourt, is to “understand how we can get these flowers into the different markets bearing in mind the respective regulations as they open. “Communication and adaptability make us great partners.” And with those words, Fernández neatly crystalizes the essence of our article. ✖



## SOUNDING BOARD

Claudia Della Mora  
MANAGING DIRECTOR & CO-FOUNDER,  
BLACK LEGEND CAPITAL (BLC)

**BLC is a financial advisory and investment firm helping medical cannabis firms around the world, among other things, access investment and funding as well as assess their operations to ensure full compliance.**

### BIO

Claudia Della Mora is an investment banking professional with financial advisory and M&A experience primarily in cannabis, with additional experience in oil and gas, mining, gaming and lodging, consumer products, and tech. She is the co-founder of BLC and has successfully invested, structured, and collaborated with over 30 cannabis companies across every vertical for business development, capital raises, and M&A transactions around the world. She has spoken at various well-renowned conferences including Benzinga, Latino Investment Summit, International Cannabis Business Conference (ICBC), and Real Cannabis Entrepreneur. Through these efforts she has developed a network of over 10,000 private equity and investment funds and trained 15 classes of analysts to be successful in their financial services careers. Della Mora graduated with a BA in economics and a minor in mathematics from the University of California at Berkeley.

**Why is access to capital one of the biggest challenges facing the industry?**

Capital has been one of the biggest issues for several years. As medical cannabis is not federally approved, legally we do not have access to large sources of funds such as pension funds, endowments, insurance, and so on which large equity firms, hedge funds, or government funds are managing. Meanwhile, Latin America has received large investments from Canada. Colombia is a great example, because since 2018, Colombia has received several hundred million dollars in investments from the public markets, mostly in Canada. In Mexico, there has been renewed interest, because 2019 was a crash year, with losses in the stock market worldwide, readjustment devaluations, and companies focusing more on short-term cash flow and revenues. Public companies and large investment funds have a mandate for certain ROIs; they cannot really wait 10 years to see the results. While public equity financing and large debt raises have focused on cultivation, production, and retail sectors, the private side of the market has been funneling capital into ancillary companies that serve the industry, with technologies companies being a big beneficiary of private capital placements in 2021.

**Given that financing comes mostly from debt or convertibles, what impact does this have on the Latam market?**

Debt has mostly come from private lenders, instead of government or federal banking, and instead of charging 3% for a construction loan, they can charge 15-17%. At the same time, equity

investors have come in at high valuations and heightened expectations and were then disappointed with the returns. There are new federal changes in the US helping to create a more even ground to help small businesses and allow government funding for research and development, on top of expungement of cannabis convictions. The problem is that with the proposed Cannabis Administration and Opportunity Act (CAOA), taxes in the US would actually increase up to 25%. Therefore, until we have federal involvement, we will not see much profit, which is why it is so important to get these federal reforms passed, not only in the US, but in other countries as well. Colombia has made major improvements and passed the regulations to export dry flowers, which would be one of the main sources of revenue especially if exported to Europe with EU GMP certification. Colombia has been highly focused on medicinal cultivation and exports to Europe and other South American countries.

**Why is it important to promote more institutional funding in the sector?**

Private companies can do whatever they want, unless they receive federal funding. Cigarette companies and pharmaceutical companies have invested already in the cannabis space. Then, there is the example of Constellation, which invested in Canopy in 2018 and now owns almost 40% of the company. Then, there are other companies from other industries coming in which are called "strategic investors." They want to earn a good investment. There is a difference between the investments received between 2013 and 2019 by the so-called cannabis equity funds. There are also legalization issues due to the lack of commoditization of cannabis. The recreational market would be massive, but it is restricted to only certain small locations. There are only a few places in the world where recreational cannabis is legal right now. There is no big institutional market and little government involvement, so the industry is unable to scale and perform R&D like the consumer product or pharmaceutical companies. For medicinal cannabis, we have a big confusion between pharma and wellness, nutraceuticals, and over the counter, which are supplements, which is a big gray area. How can you afford the involvement of Proctor & Gamble or Johnson & Johnson in a market that is still not federally accepted? The FDA has still not approved it, so you can get shut down at any moment. ✖



## EXPERT OPINION

Chris Walsh  
CEO,  
MARIJUANA BUSINESS DAILY (MJBIZ)

**MJBiz has played a key role in developing the medical cannabis industry via its objective reporting, market research, and influential trade conferences.**

### BIO

Chris Walsh served as the founding editor of MJBiz during the company's launch in 2011, becoming the first journalist in the US to focus exclusively on covering the business of cannabis. He now serves as the company's CEO. He has been quoted as one of America's foremost cannabis industry analysts by dozens of media outlets, including Harvard Business Review, NPR, CNBC and the New York Times. He earned an MBA in international business from Regis University.

### What characteristics are important for a media company that covers an industry as innovative and as dynamic as the cannabis industry?

For us, it has been about sticking to our core philosophy of bringing a mainstream journalism approach to cannabis. That means objectivity first and foremost. We do not write about companies because they advertise or exhibit with MJBiz. We do not shy away from controversial stories because they make the industry or specific companies look bad. We take a realistic look at data and market estimates. It is also important to have deep subject matter expertise because the industry is extremely complex. This philosophy runs through the company, from our news, analysis and market research all the way to our conference content. We protect these parts of the business from the influence of advertisers and exhibitors. We also serve as a watchdog for the industry, which is extremely important—especially for a nascent industry like cannabis. For us, it has been about establishing credibility so that people trust you in an environment where it can be difficult to find reliable information. There is also the analysis aspect—it is not just about reporting on developments but also taking a deeper dive and asking, what does it mean and how does it affect people running businesses and the industry as a whole, and how can you overcome challenges.

### What makes in-person networking key for the development of the cannabis business community, and what role has MJBiz played in the creation of events?

Building a successful business involves realizing where you provide value, and constantly reexamining this because the landscape can change dramatically. Where you end up may look different from where you started and what your initial concept

was centered around. We started out just on the media side. But shortly after launching in 2011, we realized the industry needed to get together. There were no professionally run forums, events, or venues that brought people together to discuss business issues. There were patient-focused gatherings and advocacy events, but nothing focused purely on the business end of things. Just being around others experiencing the same struggles and challenges, around others with the same hopes and dreams, is powerful in and of itself. But it goes way beyond that. Companies find new clients and partners at trade shows. Entrepreneurs make key connections and learn how to launch and grow their businesses through educational sessions. Thought leaders share ideas that move the industry forward. These are among the main reasons we started MJBizCon. The value in face-to-face gatherings in cannabis is evident: MJBizCon now attracts more than 30,000 attendees. This shows how much industry players value getting together in that type of atmosphere.

### What potential is there for cannabis to transform pharma and medical systems around the globe?

The potential is massive and exciting, which is why many of us are in the industry. However, it is not an industry that is just based on dollars, like many others. In the 11 years I have been with this company, I've heard time and time again from the successful entrepreneurs in cannabis that they actually care about the plant and what it can do, even if they do not use it themselves. For cannabis to reach its full potential, everyone across the spectrum—from the general public and government officials to mainstream industries, investors and the healthcare community—needs to not only accept cannabis but embrace it. Cannabis can fundamentally change aspects of healthcare and pharma and improve people's lives. This is not a miracle plant that will fix everything. There are potential downsides, particularly without proper regulations. But it can really help patients and consumers, it can create new jobs, it can revive economies. One of the keys is to fully unlock the science and research behind cannabis, which will fuel the industry overall, help it gain acceptance and uncover new aspects of what the plant can do. ✖



## SHINING A SPOTLIGHT

Lorena Beltrán  
FOUNDER,  
CANNABISALUD

**The CannabiSalud Business & Investment Summit looks at bringing together players in the medical cannabis industry to raise awareness of innovations in the sector and highlight best practices while growing the business network.**

### BIO

Lorena Beltrán began her career within the cannabis industry in the US in 2014, when she joined the work team of the international company Charlotte's Web Hemp. In 2017, she presented the first international cannabis symposium in Mexico, CannabiSalud. In 2018, she co-founded the company Endonatura Labs, which focuses on research, product manufacturing, and other activities.

**What opportunities did you identify in the cannabis market to create a more formal, business-oriented cannabis event?**

The new studies that have been released on medical cannabis, the fact that in Mexico people now have a right to grow their own plants, plus advances in congress are all motivating investors and businesspeople to explore opportunities in this country's cannabis industry. New investors need consultants in the cannabis industry and information on distributors and pharmaceutical laboratories. Instead of just trying to help each of them individually, I decided to create the CannabiSalud Business & Investment Summit and invited everyone that wanted to know more about entering the Latam and Mexican market. For our investment summit, we made sure to filter the type of attendees that we wanted here because, at the end of the day, we want to expand the business network and to introduce them to actionable information about what is happening in Mexico.

**There is talk the Mexican cannabis market could become one of the biggest in the world. What factors are behind this statement?**

Mexico has been growing cannabis for many years and over many generations. We always try to connect with those involved in this production line, from seed to end product. These are entire families over several generations. Despite their long experience, modern technology and techniques are more advanced, and we need to provide information and training to make sure we comply with new standards to be set by the regulation. The farmers require the tools to best work with the plant. We also have a sustainable geographic location. Some regions in Mexico allow for up to four harvests per year, allowing year-round production. That is an important factor that can position Mexico among the top-five global leaders in the industry. Having the US

and Canada as neighbors, we operate under the same free trade agreement. So once the US has a federal law in place everyone else will align with it. Another factor that foreign companies and investors consider is Mexico's many manufacturing possibilities. Industrial hemp will become important for the country. If you look at the US or Canada, industrial hemp is completely legal, other applications are being neglected, such as paper, textiles, and plastics. And so it is not just about industrial hemp, but about linking it to all these other industries to process the raw material into a diversity of products. Mexico has the manufacturing capabilities to manufacture textiles, automotive components, and biofuels, which should create numerous opportunities for industrial hemp and local manufacturing capabilities.

**What are the main projects currently under development and in next year's pipeline?**

We are closing 2021 with the first ever CannabiSalud Business & Investment Summit. In 2022, COVID-19 permitting, we will host the next CannabiSalud Business & Investment Summit, perhaps around September, once again in Cancún. We have already received much positive feedback. We are holding a CannabiSalud event for health professionals in Mexico City in 2023. We also have a new event whereby we will present the first cannabis awards in Mexico. The awards will be held annually to recognize the most influential industry players of that year, and the most innovative projects. We want to put people in the spotlight to explain the work they are doing, because sometimes they are not here at the expos, because they are in the field lobbying. They have their priorities and their drive, and we are all fighting on the same side: namely, to legalize all uses of cannabis.

**Why is it important to promote more female leadership in this industry?**

We are very proud to have numerous female panelists at our CannabiSalud Business & Investment Summit, including industry leaders, CEOs, and business owners. The goal is to have a 50/50 split for both speakers and attendees. We have already achieved a 50% female speaker ratio. I think we have done much to relieve the traditional stigma attached to the industry. ✖



Mike Sciacca  
DIRECTOR LATAM,  
SCIEX

**BIO**

As Director of SCIEX in Latin America, Mike Sciacca leads a rapidly growing organization in Latin America. He has been with SCIEX for more than four years, where most recently, he was director of the Americas' capillary electrophoresis business. Before joining SCIEX, Sciacca held technical and commercial roles of increasing responsibility with Bristol-Myers Squibb, Hewlett Packard, Agilent Technologies, and Metrohm. He holds a bachelor of science degree in biology from Syracuse University and a master's of science degree in management from the State University of New York.

**Why did the company decide to enter the cannabis sector, and what does it mean for the business model of the company in Latam?**

We have a strong focus on Latin America, where the cannabis market is emerging. We already have a large cannabis business and focus in the US and Canada, and the focus and growth we have experienced has allowed us to build strengths and differentiators in the sector. We are at the point where we can take what we have learned in those markets and bring it to Latin America, especially in terms of technology and people.

**What has been your experience entering this sector in Latin America?**

We are enthusiastic about the progress, though the sector is still relatively small. We have opportunities throughout Latin America, and the biggest opportunities right now are in Mexico. We have a relatively large organization in Mexico that allows us to work with cannabis institutions like laboratories. Our focus is on supporting

the laboratories responsible for verifying the safety and quality of the cannabis supply.

**What main added value do your solutions offer in comparison to other players in the market?**

The key value SCIEX can offer is confidence in the complexity of the analysis. We have invested in the talent to build a team of analytical professionals who pride themselves to offer leading-edge analytical testing instruments and expert support to guide and partner with testing labs to advance cannabis testing and research. With a focus on safety, we help customers take the cannabis materials and analyze them for chemical contaminants that are not safe for ingestion. Cannabis is a complex material that is difficult to analyze, and the levels that we can measure are extremely low. Our technology can analyze this truly complex sample matrix. Equipment is manufactured outside of Mexico. ✖



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