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UK Medical Cannabis Market

Prescription Data Insights (2022-2023)

Products

Trends

Insights

Executive Summary

For Public Distribution

04/11/2024

Unlocking the Economic Potential of Cannabis.

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As featured in

THE TIMES

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The UK medical cannabis market is on an accelerated growth path. This report from Cannamonitor offers a thorough analysis of the trends shaping its future. As the market has consistently doubled year-on-year, it's crucial for investors, suppliers, distributors, clinics, pharmacies and industry professionals to gain a deep understanding of the driving forces behind this expansion.

With over 300,000 privately prescribed items analysed across England in 2022 and 2023, this report provides unique insights into the evolving trends and patient preferences, such as the rise of high-THC flower products, the concentration of the market around top selling varieties, the uniquely European supply chain flowing to the UK and the dominant position in the market of a single brand.

Our goal is to deliver actionable, data-driven insights allowing you make informed decisions—whether you're looking to invest, expand operations, or enter this evolving market. The report equips you to seize opportunities within the UK's rapidly growing cannabis sector and base strategy, for the first time, on accurate market data..

We trust that you'll find this report valuable.

Arnau Valdovinos
Lead Author & Consultant

Our Goals | Enabling Data-Driven Growth Strategies in the UK's Expanding Medical Cannabis Market

Deliver **insights** from the analysis of 300,000+ privately prescribed items

- Utilise market data to understand key trends such as the rise of high-THC flower products and shifting global supply chain dynamics.
- Base your strategy on precise metrics, including the most prescribed strains and top-performing products and brands.

Enable informed **decision-making** from data-backed trends

- Equip stakeholders with accurate, data-driven insights to guide strategic choices and operational adjustments.
- Help businesses align with evolving market conditions, ensuring decisions are rooted in the latest prescription and product trends.

Identify **opportunities for market growth** and strategic partnerships

- Reveal high-growth areas and underexplored product segments within the UK's rapidly growing medical cannabis market.
- Facilitate strategic partnerships with international brands, opening doors to new revenue streams and market leadership.

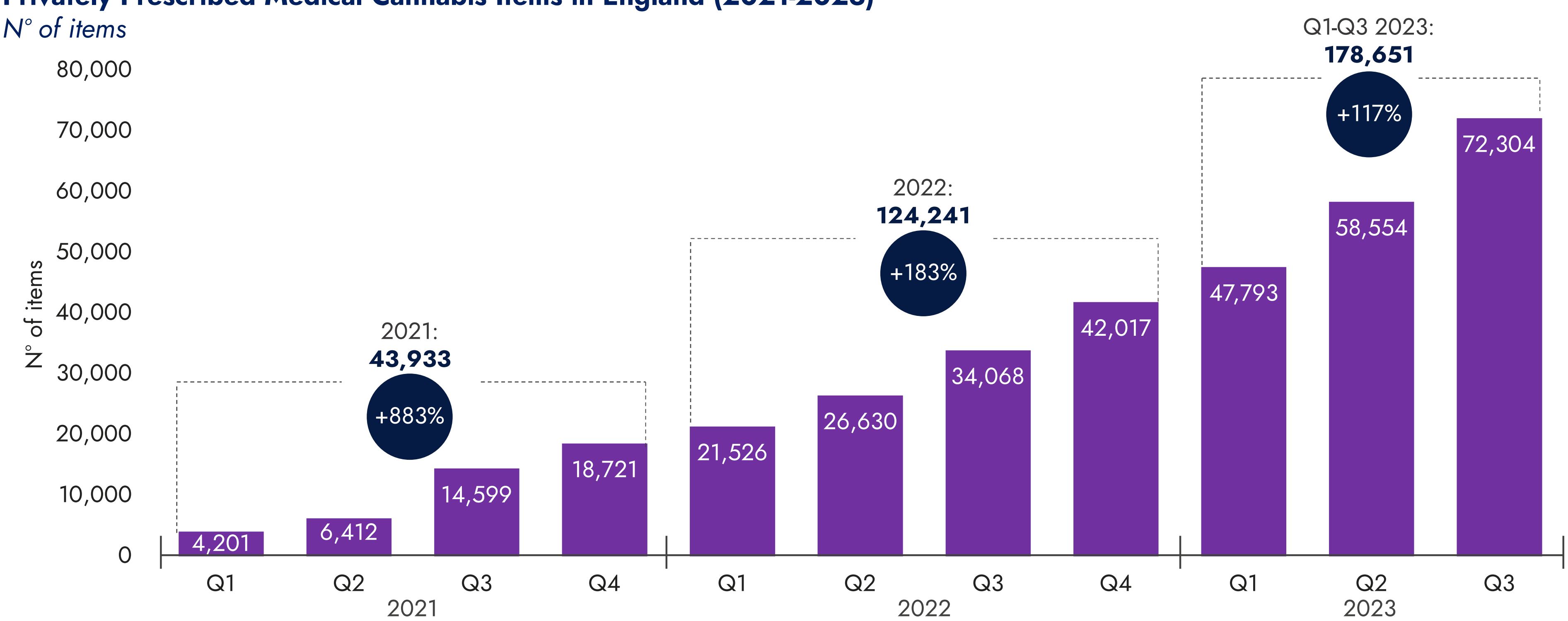
1. Market Sizing

- The UK medical cannabis market is experiencing rapid expansion, with growth rates accelerating significantly in recent quarters.
- Current trends suggest the market will double again in 2024, exceeding 1 million privately prescribed items by 2025 growing 55% year-on-year.
- Our base case estimate forecasts that patient demand will surpass 10 tonnes of flower and 5 kilolitres of oil in the coming year.
- However, potential regulatory challenges may emerge, posing risks to marketing and prescribing practices that could impact market growth.

Prescribed Items | For the Last Several Years England Has Seen Triple-Digit Market Growth—it Accelerated in 2023

- Market growth has been accelerating over the last quarters with available data: from 14% in Q1 2023 to 33% in Q3 2023.
- Assessment of growth by private clinics estimate over 30,000 patients were actively receiving treatment at the end of 2023.
- Private clinic sector has remained dynamic in the last few quarters, with new entrants and new initiatives by established players.

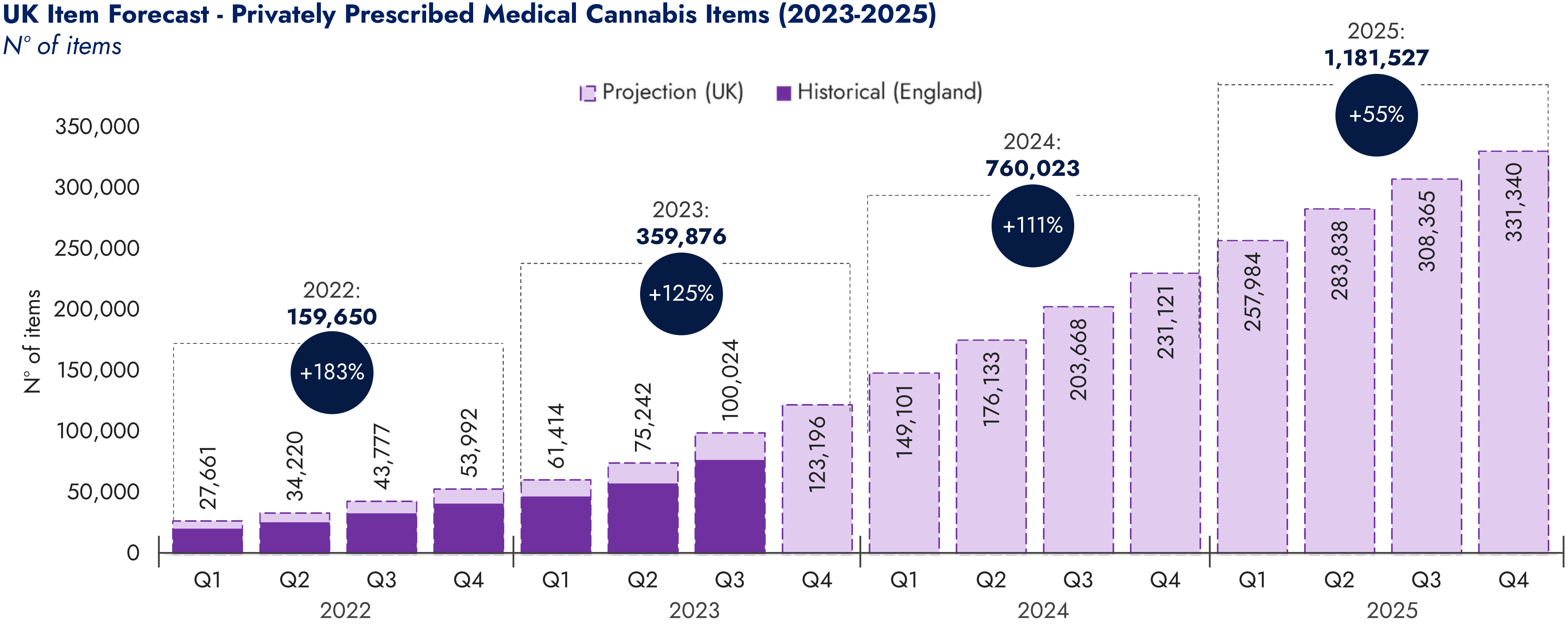
Privately Prescribed Medical Cannabis Items in England (2021-2023)
N° of items



Item Forecast | At the Current Growth Trend, Demand is Projected to Exceed 1 Million Prescribed Items by 2025

- Interim assessments from 2024 point to a continued dynamic of growth: estimates north of **45,000 active patients** in Q3 2024.
- We expect the market to **double again in volume** during the course of 2024 and sustain confident growth well into 2025.
- However, potential challenges might emerge from regulatory activity **curtailing marketing** and prescribing practices.

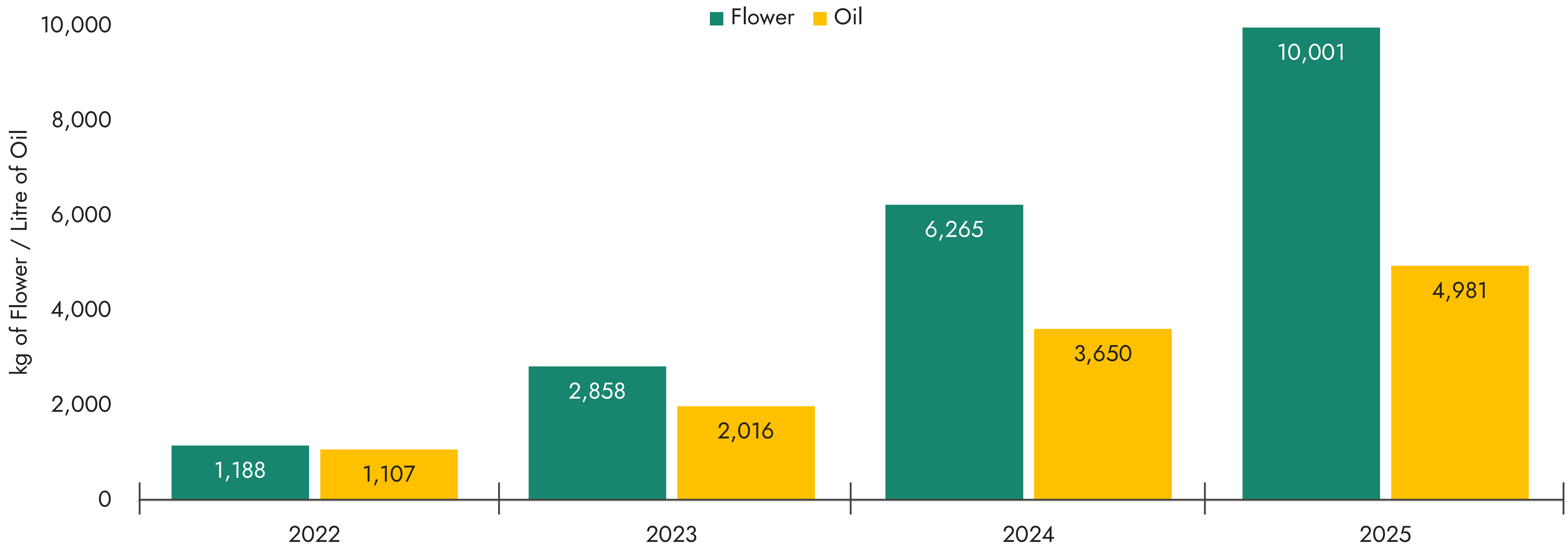
UK Item Forecast - Privately Prescribed Medical Cannabis Items (2023-2025)
N° of items



Volume Forecast | UK Market is Expected to Demand Over 10 Tonnes of Flower and 5 Kilolitres of Oil by 2025

- Assuming current growth rates are sustained, we forecast that over 10,000 kg of flower will be delivered to British patients in 2025. .
- Oil market is likely to grow at a more moderate pace vis à vis flower, however it is still set to double reaching 5,000 litres in 2025.
- Unknown contribution of innovative formats like edibles and vapes, with significant market share in other international markets.

UK Volume Forecast - Privately Prescribed Medical Cannabis Items (2022-2025)
Volume of Flower (kg) and Oil (L)



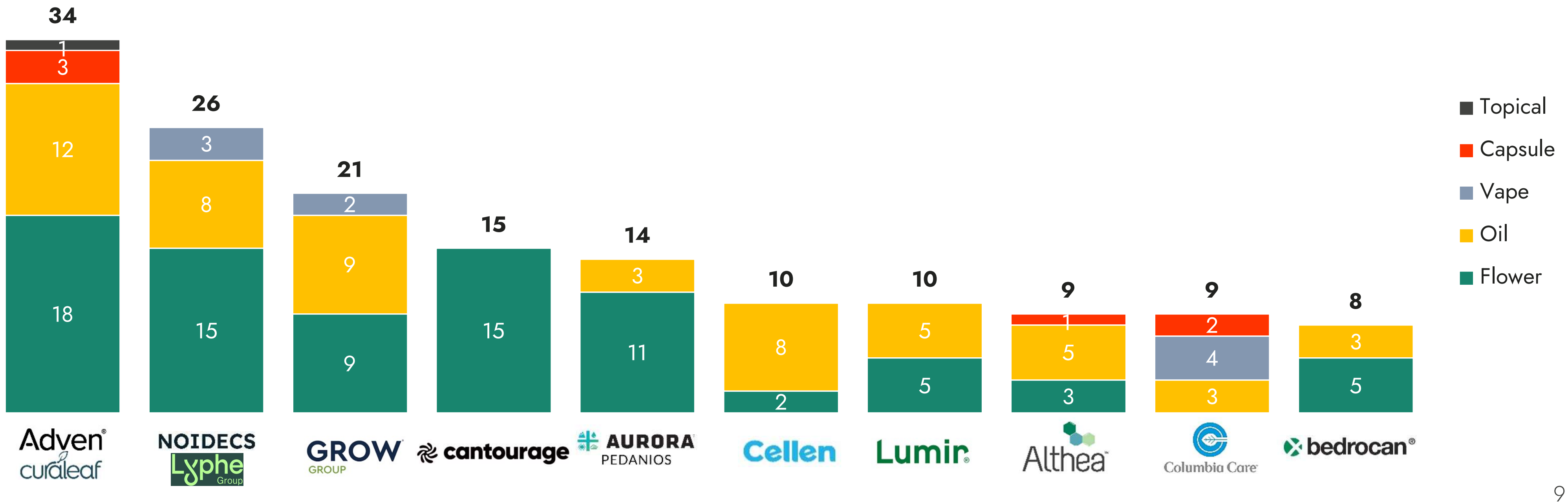
2. Available SKUs

- A total of 200 unique products were prescribed during the analysed timeframe: 106 flowers (53%), 73 oils (37%), 13 vapes (7%), 6 capsules (3%), and 1 topical.
- Flower SKUs were highly concentrated in Indica-dominant, very high THC segment, while the oil market was led by concentrated CBD oils and low-strength balanced formulations.
- Portfolio gaps include very high THC Sativa cultivars, as well as low-strength CBD oils, and high-strength balanced and THC oils.

Product Availability | Five Brands with a Diverse Assortment Account for Over Half of Available SKUs in the Market

- Most brands carry **both flower and oils**, despite the presence of flower-only (e.g. Cantourage) and oil-only (e.g. Stenocare) brands.
- Innovative formats such as capsules, vapes and topicals are only **available under a limited number of labels**.
- **Not all brand portfolios are optimised** to brand sales: many players carry a number of slow-moving SKUs.

Available Products by Format and Brand
Number of Unique SKUs

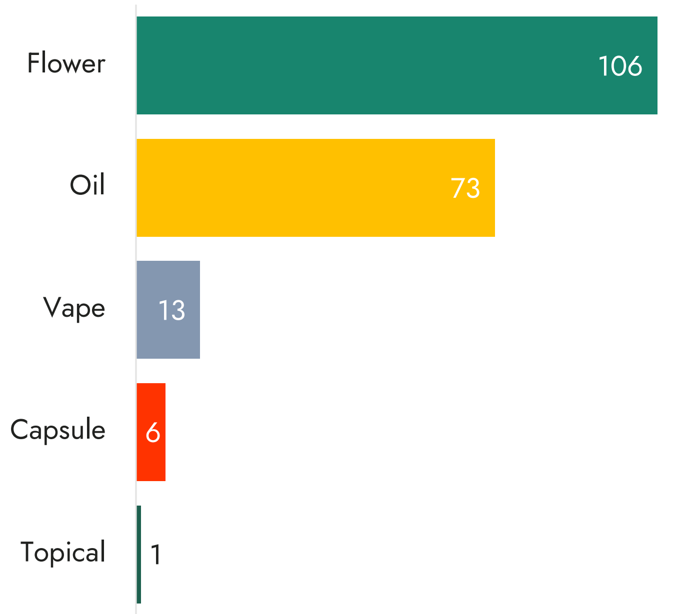


Available SKUs | Just Shy of Two Hundred Different Products Were Prescribed in 2023: 179 Flower and Oils.

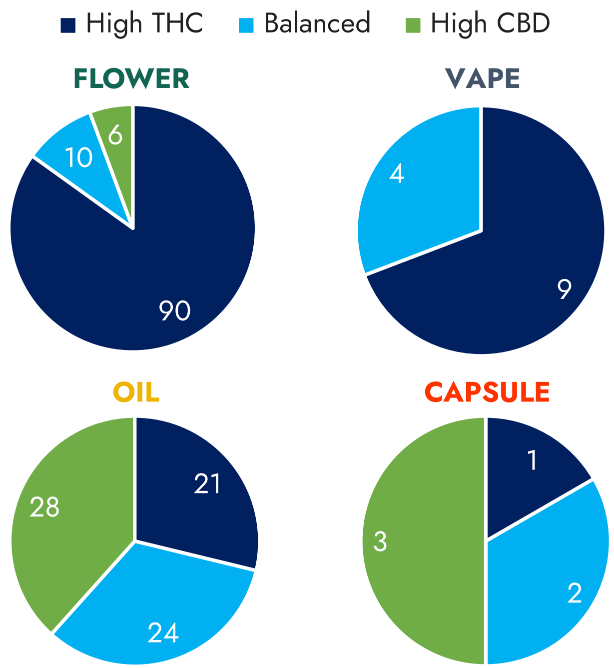
- Two-hundred product options include **90 high-THC flowers**, as well as **28 high-CBD oils** or **13 vapes**..
- Canada leads in **number of products supplied** with 22%: together with Portugal and Australia are the source of 55% of products.
- Unknown contribution of innovative formats like **edibles** and **vapes**, with significant market share in other international markets.

Number of Available Medical Cannabis Products (2023)

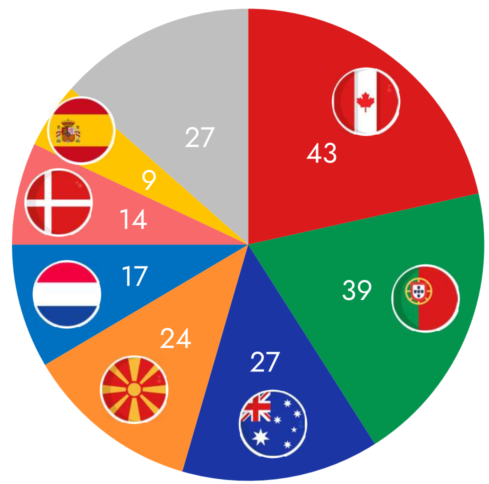
By Product Format



By THC Segment



By Production Country

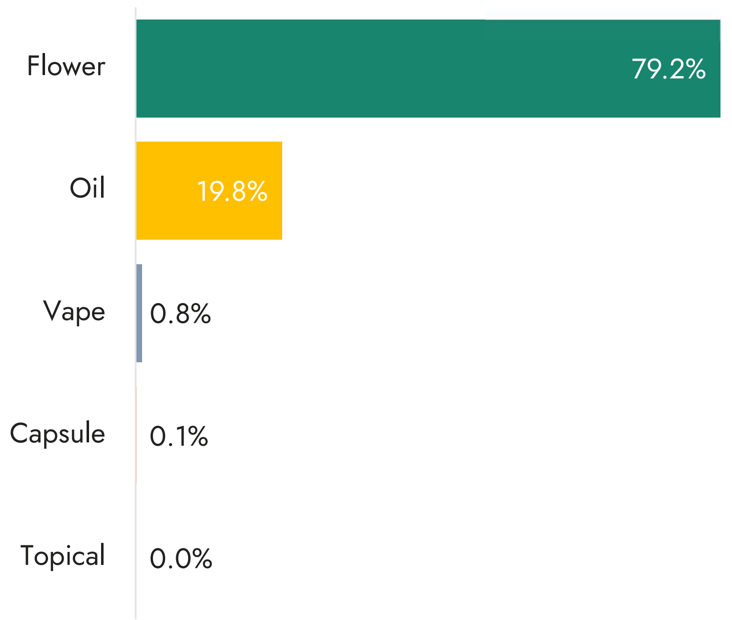


Prescribed Formats | **However, Market is Very Concentrated in a Few Best-Selling Products: Mostly High THC Flower**

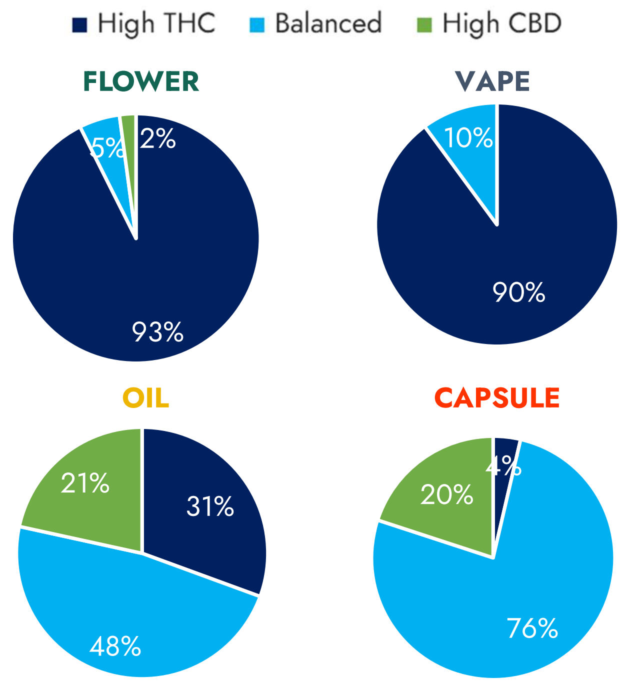
- High THC flower dominates the market: it accounts for 93% of the 79% market share of flower. Oil trails behind at 20%.
- Despite greater availability of oils with high CBD content, balanced oils gained presence in the market in 2023.
- Portugal and Spain emerge as top producing countries, with over 60% of supplied items, due to Curaleaf's supply chain.

Percentage of Prescribed Medical Cannabis Items (2023)

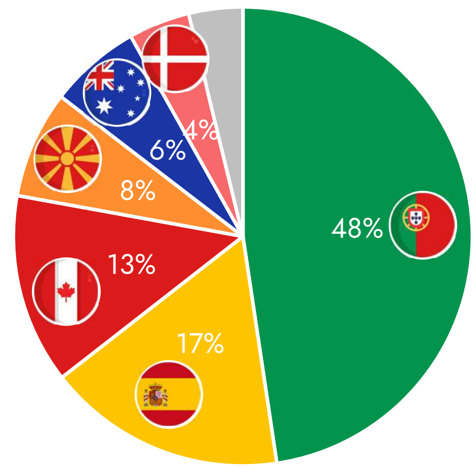
By Product Format



By THC Segment



By Production Country



3. Flower Prescriptions

- The flower market has shifted significantly towards high-THC cultivars, with the >24% THC segment surging from 3% market share in 2022 to 22% in 2023, primarily driven by Canadian, Indica-leaning hybrids.
- Market expansion in 2023 was further fuelled by new product launches across diverse categories, as brands adopted differentiated strategies to broaden their portfolios and capture varied consumer segments.

Flower Market Overview | Top 10 Cultivars Account for 60% of the Market: Indica-leaning, High THC Dominate

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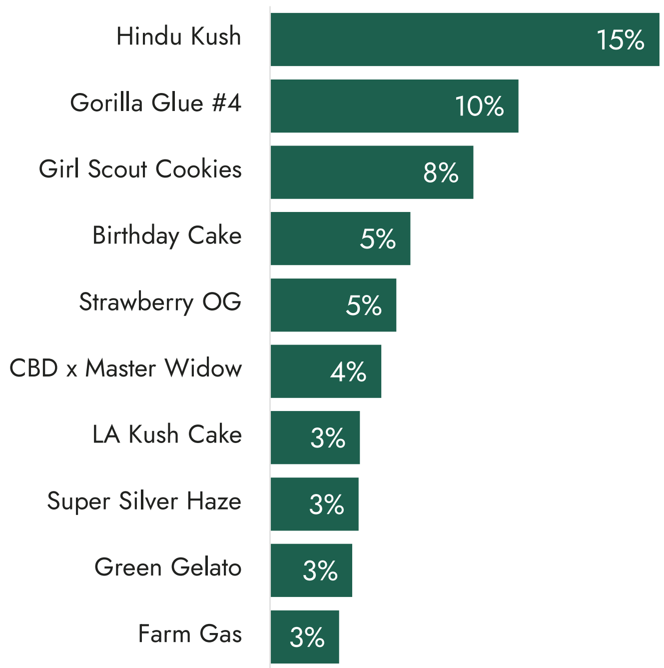
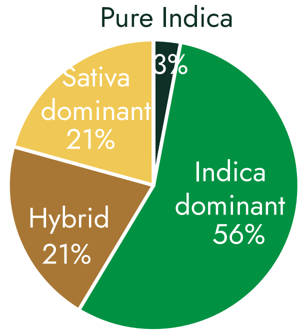
- Top 20 varieties account for 80% of the market and Top 10 for 60%—mostly internationally recognised, US West Coast poli-hybrids.
- At almost 60% of the market **dominance of Indica varieties** even stronger than by number of SKUs—pure Sativas barely track under 1%.
- Dominance of Curaleaf in the market reflects to product origin: **Portugal and Spain** are ahead, despite growing Canadian presence.

Flower Volume Market Share (2023)

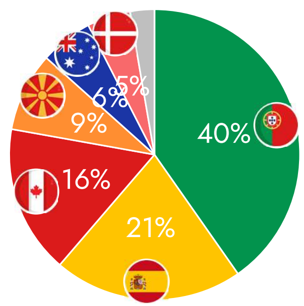
By Cultivar



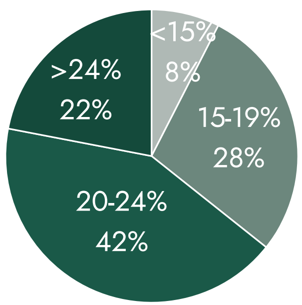
By Indica/Sativa



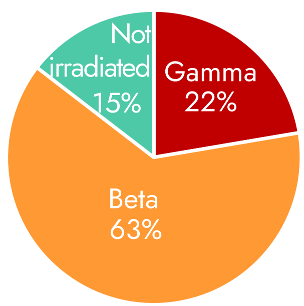
By Country of Production



By THC Segment



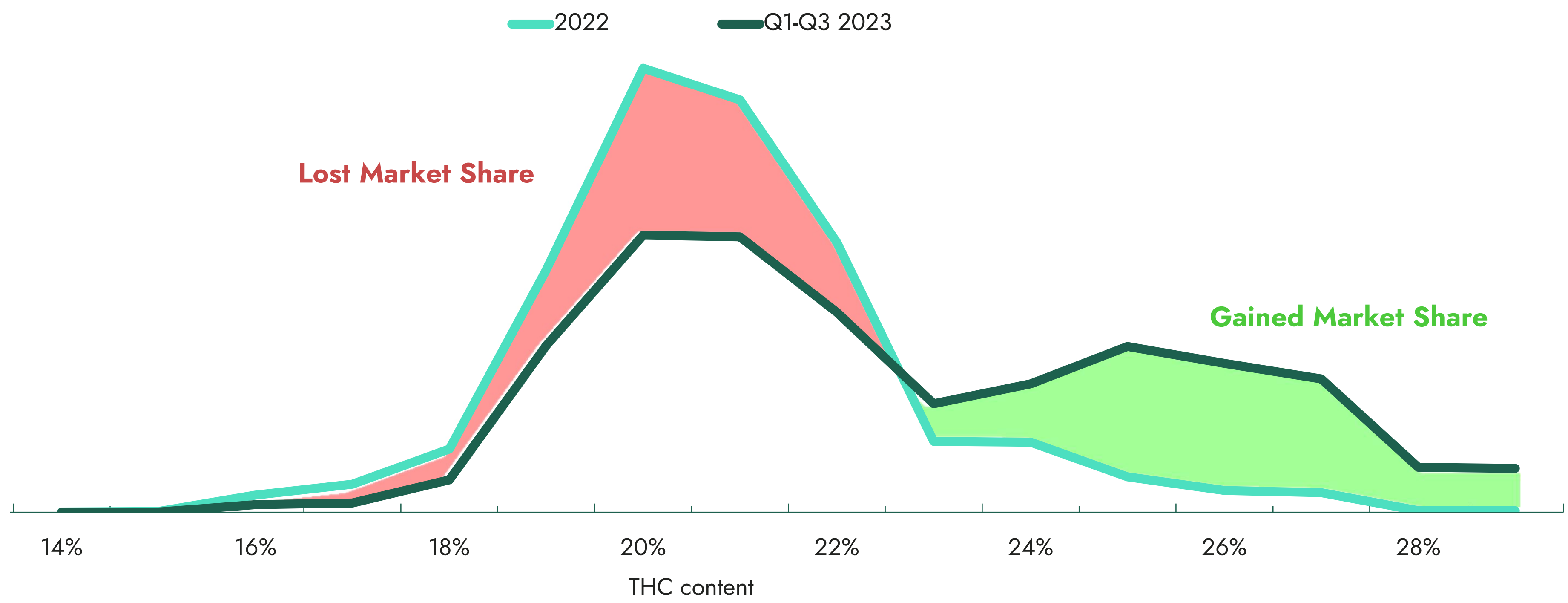
By Irradiation Status



Flower Market | Flower with THC Content Exceeding 23% Drove Market Expansion in 2023

- Market evolving in a quasi-recreational direction, with a younger, mostly male patient base that values high potency over other factors.
- High-THC product launches, particularly in the 23%+ range, are capturing a growing share and become the primary driver of growth.
- Marketing tactics on message boards and through online influencers create a memetic effect, amplifying the popularity of certain strains.

Flower Volume Market Share by THC Content
Percentage of Flower Volume (kg)



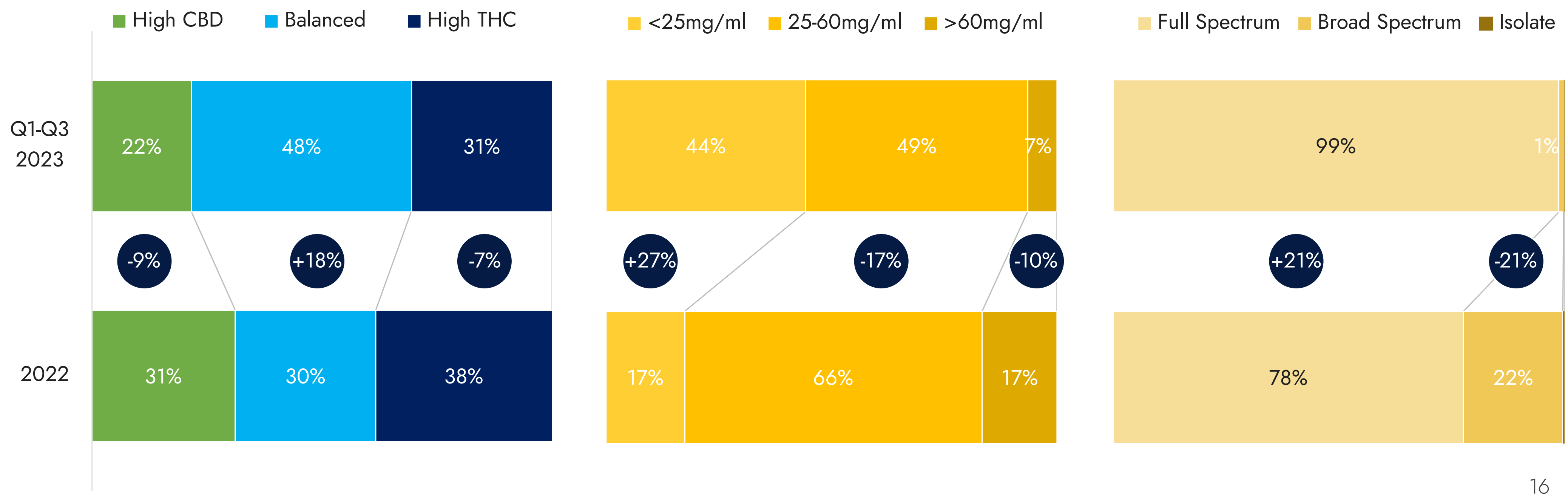
4. Oil Prescriptions

- The oil market has shifted towards lower cannabinoid concentrations, with products under 25mg/ml climbing from 17% of prescribed volume in 2022 to 44% in 2023, reflecting growing demand for milder formulations.
- Balanced products have strengthened their presence, rising from 30% to 48% of prescribed volume between 2022 and 2023, as consumers increasingly seek formulations with a mix of cannabinoids for a more rounded effect.

Oil Market Overview | Oil Market Growth Concentrated in Balanced, Low Concentration, Full Spectrum Products

- Even split by THC:CBD category, despite the growth of Balanced products in 2023, gaining share from both high CBD and high THC.
- Low-strength products gained ground in 2023, fuelled by the increase in the balanced category.
- Concentrated products with over 60mg per ml lost market share, partially due to the decrease in CBD dominant oils.

Oil Volume Market Share by Product Category, Cannabinoid Concentration and Type of Oil
Percentage of Oil Volume (ml)



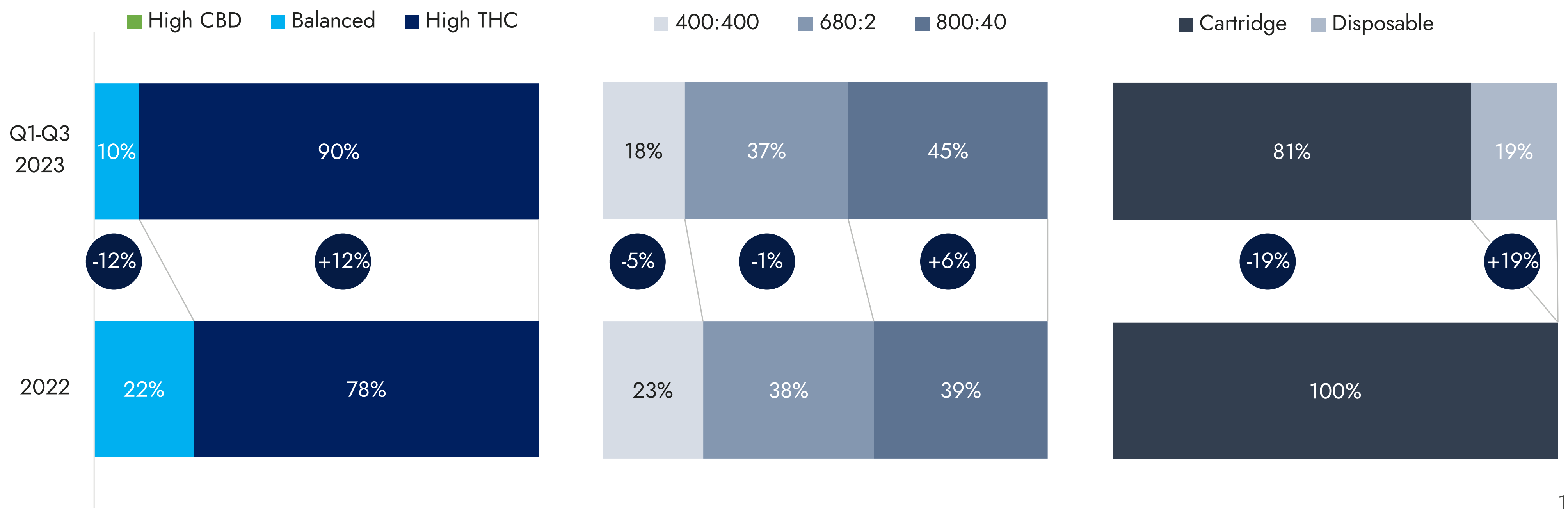
5. Vape Prescriptions

- The vape market is dominated by high-THC options, primarily with an 800:40 cannabinoid ratio, although some balanced products are also prescribed; no high-CBD products are available by prescription.
- The majority of sales are for 510 fitment cartridges intended for use with external devices; however, half of Viola's prescriptions are for its disposable vapes.

Vape Market Overview | Limited Vape Offering Has Seen Prescriptions Concentrated on High THC Cartridges

- High THC vapes dominate prescriptions, holding 90% of the market, while more balanced options declined to 10%.in 2023..
- Low-strength category remains insignificant, with the market evenly split between 600-700mg/ml and 800-900mg/ml of cannabinoids.
- Vapes in the market are available in both disposable and cartridge form and range between 600 and 900mg of concentration.

Vape Volume Market Share by Product Category, Cannabinoid Concentration and Type of Vape
Percentage of Vape Volume (ml)



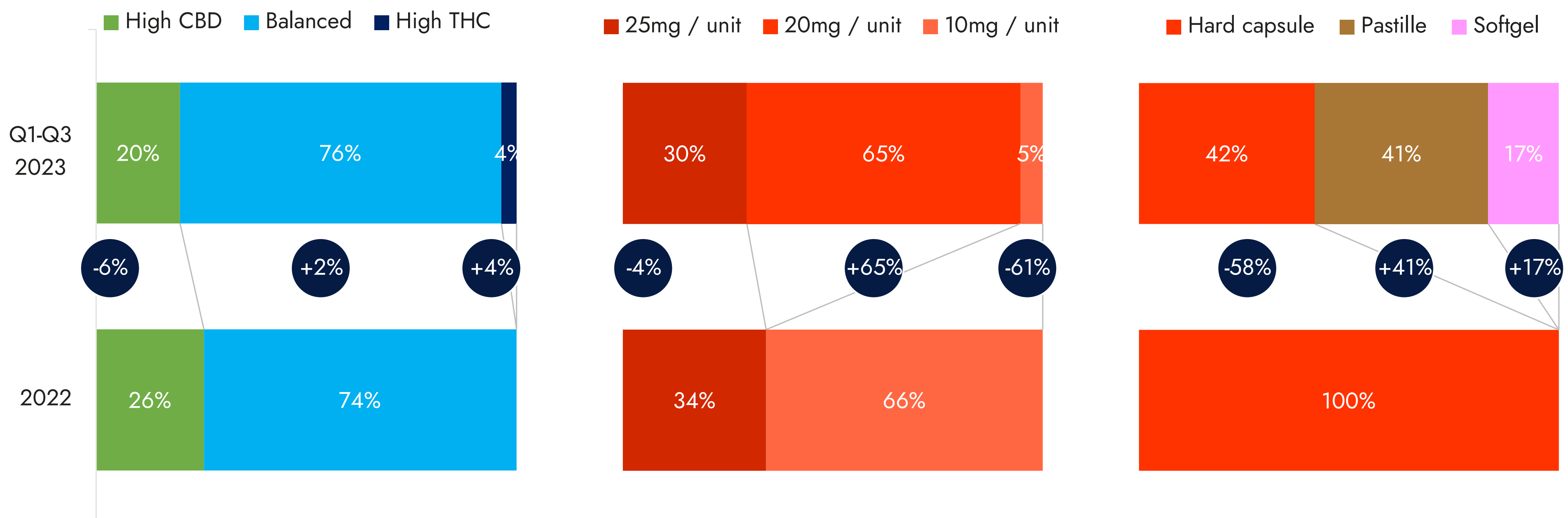
6. Capsule Prescriptions

- Balanced products held a dominant market position in 2023, even with the introduction of high-THC options, as higher-potency choices of 20mg or more gained traction.
- Market variety has expanded with the addition of new formats, such as pastille edibles and softgels, offering patients a wider range of options.

Capsule Market Overview | Balanced Capsules Sustain Its Lead Despite Launch of Pastilles and 20mg Options

- **Balanced products** held a strong market share in 2023, despite the introduction of high-THC options and a slight decline in high-CBD offering.
- The once-dominant **10mg units** from 2022 have declined, with **higher-potency 20mg** options gaining ground.
- New formats have diversified the market, with **pastille** edibles (gummies) and **softgels** offering patients greater variety.

Capsule Volume Market Share by Product Category, Cannabinoid Concentration and Type of Capsule
Percentage of Capsule Volume (Units)



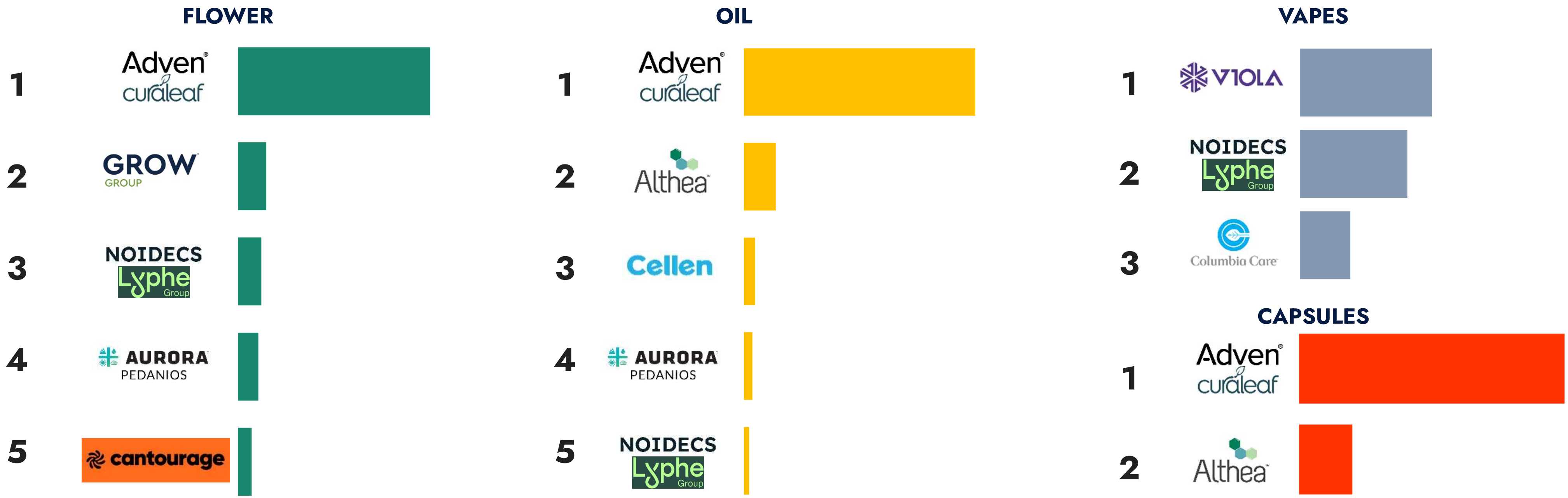
7. Competitive landscape

- Curaleaf strengthened its lead across flower, oil, and capsules, dominating them with majority shares in 2023.
- Challenger brands like Grow, Lyphe, Althea, Cellen, Aurora, and Cantourage sought to compete. Around 20 smaller brands holding minimal market share.
- Promising brands not fully captured in the 2023 data include Mamedica, Therismos or Little Green Pharma.

Brand Share | Curaleaf Expanded Its Leads in Both Flower, Oil and Capsule Categories in 2023

- **Adven** dominated 3 product categories in 2023, emerging as a clear market leader with a majority of prescriptions of all formats..
- A select group of **challenger brands**, such as Grow, Lyphe, Althea, Cellen, Aurora and Cantourage seek to dispute dominance.
- Approximately 20 other brands compete for small shares of the market, despite having limited product availability.

Brand Market Share by Format
Percentage of Items



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8. Methodology

- The methodology leverages data augmentation to enrich NHS prescription data by cleaning and normalising raw data, then supplementing it with external sources like company and patient information.

- Despite analysing a substantial sample of UK demand in 2023 (1.45 tonnes of flower, 1.1 liters of oil), data gaps remain, particularly in oils, with missing data affecting 40-45% of records.

- This incomplete data limits the consistency and reliability of some of the analysis but is presented through visualisations to highlight market trends effectively.

Methodology | Leveraging Data Augmentation to Enrich NHS BSA Prescription Data Insights

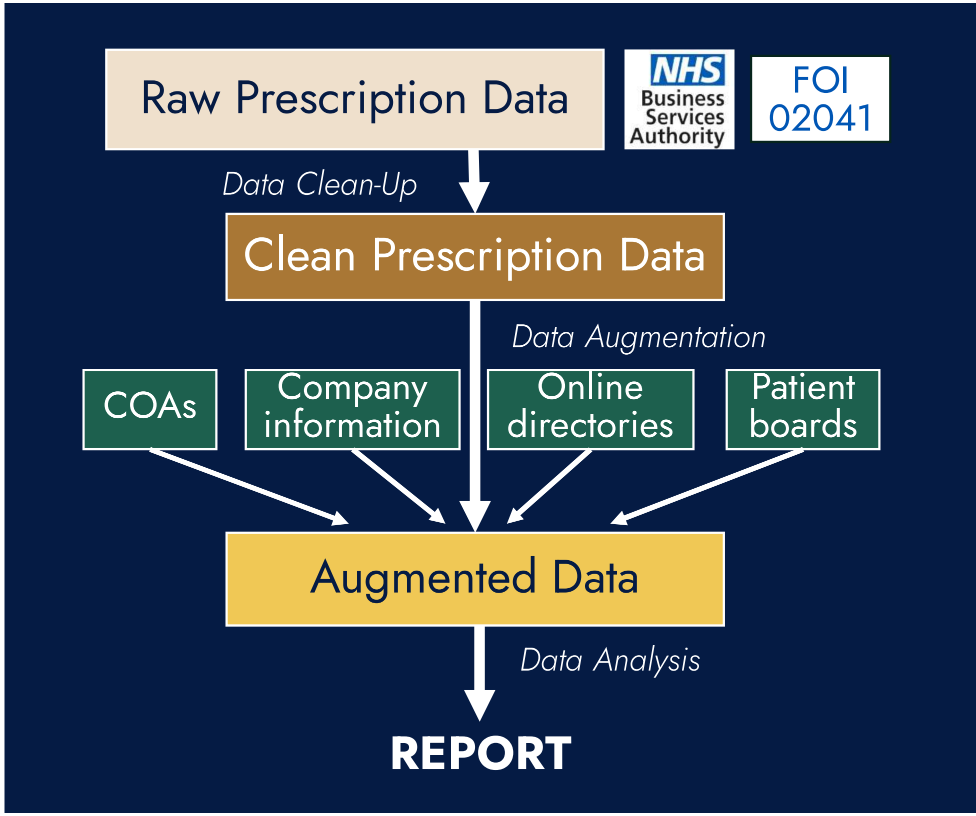
Our approach integrates robust data methodologies to enhance the raw prescription data gathered by the NHS BSA and made publicly available through a FOI Request. Data processing to produce this report was conducted in 4 steps:

1. Data Clean-up and Normalisation: Raw private prescription dataset obtained through FOI was systematically processed to accurately identify products, brands, and other key elements.

2. Data Augmentation from External Sources: Enrich the dataset by integrating additional variables, drawing from company information, COAs, online directories, and patient-reported data.

3. Information Selection and Verification: Curate relevant data for analysis, applying rigorous sense-checking to ensure information accuracy and consistency.

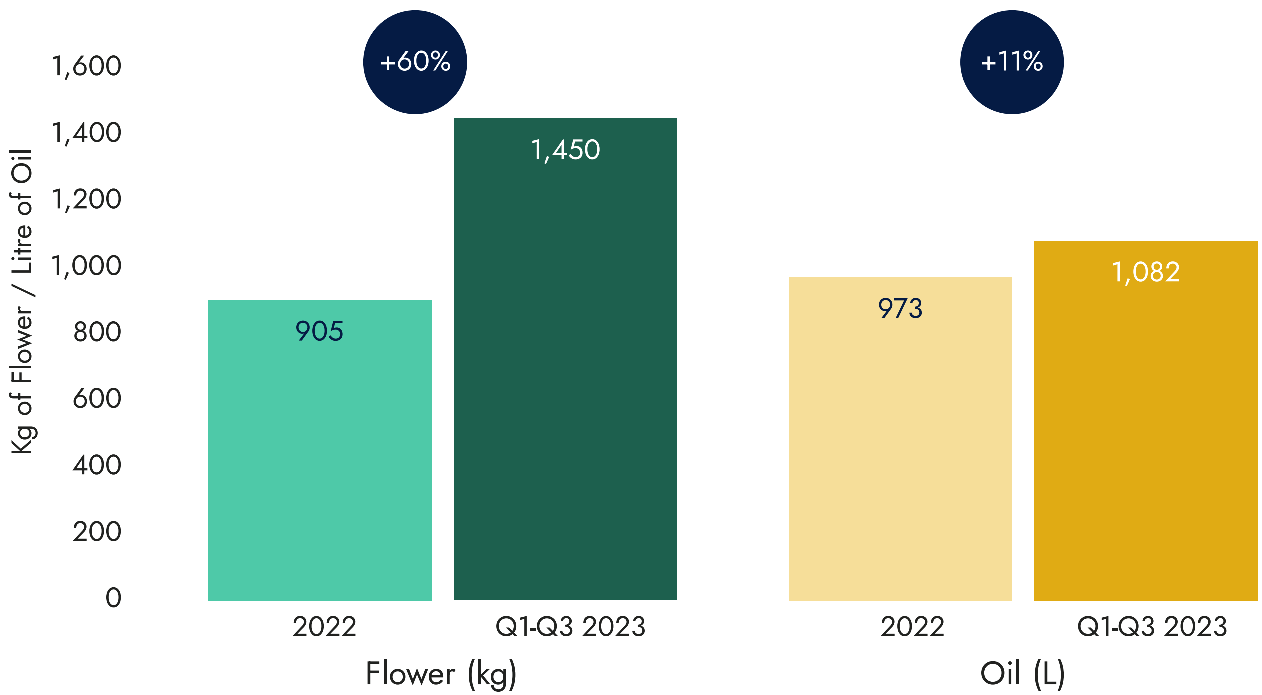
4. Data Reporting through Visualisations: Present findings in a clear, impactful manner using graphs and visualisations tailored to highlight key insights and trends.

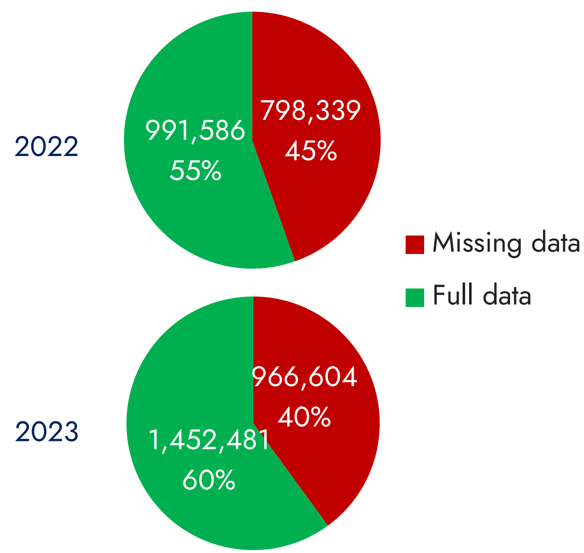


Data Sample | Gaps in Prescription Data Pose Limitations to Accuracy and Analysis—Particularly for Oils

- Analysed prescriptions in 2023 represented 1.45 tonnes of flower and 1.1 kilolitres of oil: a substantial sample of UK demand last year.
- Missing datapoints that couldn't be ascertained for 40-45% of prescription records: it leads to different results depending on the base. .
- Data gaps were more pronounced in oils, with only brand and THC dominance identifiable in many cases, affecting consistency and reliability.

Volume by Format / Data Completeness
Kilogram of Flower / Litre of Oil





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