2020 FINISHED STRONG IN GLOBAL AND US MARKETS

Source: BDSA Forecast, as of February 2021
2020 SALES TRENDS SIMILAR ACROSS BDSA TRACKED US MARKETS

NOTABLE exceptions—the impact of stricter COVID regulations in NV and MA and the evolution of the newly adult-use legal market in IL

2020 By State Sales ($)

ALL BDSA Tracked US Markets experienced YoY and MoM growth in December 2020

Source: BDSA US Retail Sales Tracking.
BDSA PREDICTS A $56B LEGAL CANNABIS MARKET IN 2026

BDSA Global Legal Cannabis Forecast ($ Billions)

Source: BDSA Forecast, as of February 2021
THE US REMAINS THE LARGEST LEGAL MARKET—DRIVEN BY ADULT-USE

BDSA Global Legal Cannabis Forecast ($ Billions)

BDSA Top 2026 Markets:
1. California
2. Canada
3. Colorado
4. Mexico
5. Florida
6. New York

Source: BDSA Forecast, as of February 2021
TOP TEN US CONTRIBUTORS TO GROWTH (IN BILLIONS)

BDSA US Legal Cannabis Forecast (USD, billions)

Source: BDSA Forecast, as of February 2021
WHAT IF REGULATION WASN'T A FACTOR?

Texas has second highest total addressable market

Top 15 States by Population
Total Population 21+

Source: BDSA Forecast, as of February 2021
THE CONTRIBUTION FROM LEGAL AND ILLICIT MARKETS WILL CONTINUE TO SHIFT, BUT ILLICIT MARKET WILL CONTINUE

United States Legal vs. Illicit Market 2021 vs. 2026

- **Illicit = 69% total $ spend**
  - 2021: $21.7
  - 2026: $47.8

- **Illicit = 48% total $ spend**
  - 2021: $41.3
  - 2026: $38.5

DIFFERENT ILLICIT % DOLLAR SALES BY STATE

- Colorado 2021: 25%
- Nevada 2021: ~50%
- California 2021: ~70%

Source: BDSA Forecast, as of February 2021
<table>
<thead>
<tr>
<th>State</th>
<th>PRE-ELECTION</th>
<th>POST-ELECTION</th>
<th>EXPECTED AVAILABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>Medical Only</td>
<td>+Adult-Use</td>
<td>2021</td>
</tr>
<tr>
<td>New Jersey</td>
<td>Medical Only</td>
<td>+Adult-Use</td>
<td>2022</td>
</tr>
<tr>
<td>Montana</td>
<td>Medical Only</td>
<td>+Adult Use</td>
<td>2022</td>
</tr>
<tr>
<td>South Dakota</td>
<td>None</td>
<td>+Both Adult Use and Medical</td>
<td>2022</td>
</tr>
<tr>
<td>Mississippi</td>
<td>None</td>
<td>+Medical</td>
<td>2022</td>
</tr>
</tbody>
</table>

Source: BDSA
**NEW LEGISLATION**

**New Jersey: Gateway to NE**

"As our neighbors move toward legalizing recreational marijuana, we cannot afford to be left behind" – PA Gov. Tom Wolf (D) Feb 2021

**TOP-15 BDSA MARKETS BY 2026**

- Massachusetts
- New York
- Maryland
- New Jersey
- Pennsylvania

**EXAMPLE: PENNSYLVANIA**

Additional +16% adult-use population with full Northeast seaboard

Source: BDSA
What dictates timing?
1. Alignment of state government
2. Retail development
3. Production capacity vs. demand

ARIZONA OFFICIALLY THE NEW FASTEST STATE TO OPEN ADULT USE:
~60 days from election

Source: BDSA
WHAT ABOUT FEDERAL LEGALIZATION?

BDSA PREDICTS FEDERAL LEGALIZATION

2022

BUT...

... Expect state-by-state roll out

- States prohibiting the legalization of cannabis (ex: Idaho)
- Legal States wanting to keep revenue in-house
- How will regulation be handled: Texas, Georgia, North Carolina, Virginia, Tennessee

Source: BDSA
ADDRESSABLE MARKET STARTS WITH CONSUMER (SHOPPER) INSIGHT

IN FULLY LEGAL STATES, ~75% OF ADULTS ARE “BOUGHT IN” TO CONSUMING

...of adults 21+ in fully legal U.S. states consume cannabis or are open to consuming cannabis

72%
43% Consumers
29% Acceptors

28% are Rejecters
(would not consider in the future)

Source: BDSA Consumer Research: Q4 2020 U.S. Adults 21+ in Legal Level 1 States
THE CONSUMER POPULATION, EVEN IN MATURE MARKETS, GREW IN 2020

Source: BDSA Trending Consumer Insights, 2H 2019-2H 2020

Percent of Adult Population who are Cannabis Consumers
Consumers = Past 6 Months

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>CAN</th>
<th>MA</th>
<th>CA</th>
<th>CO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2H 2019</td>
<td>38%</td>
<td>29%</td>
<td>35%</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>2H 2020</td>
<td>43%</td>
<td>32%</td>
<td>37%</td>
<td>41%</td>
<td>39%</td>
<td>42%</td>
</tr>
</tbody>
</table>

48%

IMPORTANT BDSA CONSUMER INSIGHTS TERMINOLOGY:
Consumer: Adult who has consumed cannabis in the past 6 months
Level 1: Aggregate of fully legal adult-use states
Level 2: Aggregate of medically legal states
SHARE OF CONSUMERS IN LEGAL MARKETS HAS INCREASED YOY

As the proportion of non-consumers decreases, consumption is up slightly across categories

% Consuming Categories Year-Over-Year
(L1/L2 states)

- Edibles: 62% to 69%
- Flower: 67% to 69%
- Pre-Rolls: 45% to 45%
- Vape: 30% to 35%

5ppt increase in vape consumption likely a reflection of EVALI in Q3 2019

Source: BDSA Consumer Insights, Q3 2019, Q1 2020, Q3 2020
CATEGORY DOLLAR SHARE STEADY IN MARKETS LIKE CA—NEWER MARKETS SAW MORE SHIFTS IN 2020

Flower did see growth as a result of COVID-19 impacts

CA Category Dollar Share

IL Category Dollar Share

*Note: Concentrates inclusive of Vape and Dabbable Concentrates

Source: BDSA US Retail Sales Tracking
**VERTICAL/RETAILER DOMINANCE**

Store brands (unbranded) OR brands associated with a vertically-integrated retailer or MSO have dominance – especially in less-mature markets

**Flower Brand Distribution by Market: Jan-Nov 2020**

<table>
<thead>
<tr>
<th>Market</th>
<th>Size of Market (Indexed to CA)</th>
<th>Total # of Brands</th>
<th>% Sales Branded</th>
<th>% Sales Unbranded (Store Brand, Not Wholesaled)</th>
<th>OF BRANDED: # of Top 5 that are MSO/Vertical Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ</td>
<td>29</td>
<td>96</td>
<td>53%</td>
<td>47%</td>
<td>2</td>
</tr>
<tr>
<td>CA</td>
<td>100</td>
<td>571</td>
<td>75%</td>
<td>25%</td>
<td>1</td>
</tr>
<tr>
<td>IL</td>
<td>30</td>
<td>19</td>
<td>79%</td>
<td>21%</td>
<td>4</td>
</tr>
<tr>
<td>MD</td>
<td>13</td>
<td>22</td>
<td>83%</td>
<td>17%</td>
<td>4</td>
</tr>
<tr>
<td>MA</td>
<td>26</td>
<td>27</td>
<td>20%</td>
<td>80%</td>
<td>5</td>
</tr>
<tr>
<td>NV</td>
<td>23</td>
<td>98</td>
<td>61%</td>
<td>39%</td>
<td>2</td>
</tr>
<tr>
<td>OR</td>
<td>31</td>
<td>529</td>
<td>47%</td>
<td>53%</td>
<td>2</td>
</tr>
</tbody>
</table>

Younger markets show denser brand concentration given MSO and Vertical presence, while Western (and more mature) markets are more fragmented

Source: BDSA US Retail Sales Tracking
BDSA US TOP BRANDS: Q4 2020

- The vertically integrated nature of Illinois (and other markets) cannot be ignored when assessing brand strength and dominance across BDSA tracked markets.
- Further, the size of CA (#4 Raw Gardens, #6 Stiiizy), the largest global legal cannabis market, can drive strength for focused brands.
- The continued dominance of Inhalables is evident, with the top 6 being Flower or Vape brands.

$ Growth 2020 Q4 v Q3

Source: BDSA Retail Sales Tracking through December 2020
IT’S A NEW GAME

WHAT DOES THAT MEAN FOR YOUR BUSINESS?