2021 STATE OF CANNABIS

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BDSA PROVIDES A COMPLETE VIEW OF THE GLOBAL CANNABINOID MARKET OF TODAY AND TOMORROW

RETAIL SALES TRACKING
Know exactly what is selling where, when, and at what price point

MARKET FORECASTS
Gain a comprehensive understanding of market size and future opportunity

CONSUMER INSIGHTS
Understand consumer (and non-consumer) segments, sizing, behavior, consumption patterns, purchase habits, and more
REGULATIONS LOOSENING ACROSS THE US—SCHUMER “DISCUSSION DRAFT”

Source: BDSA updated May 2021
2020 FINISHED STRONG IN GLOBAL AND US MARKETS

BDSA Global Legal Cannabis 2019 vs. 2020 Sales ($)

- 2019: +45%
- 2020: ↑

BDSA US Legal Cannabis 2019 vs. 2020 Sales ($)

- 2019: ↑
- 2020: +48%

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

Source: BDSA US Retail Sales Tracking
THE CONSUMER POPULATION, EVEN IN MATURE MARKETS, GREW IN 2020

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

<table>
<thead>
<tr>
<th></th>
<th>1H 2020</th>
<th>1H 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Level 2</td>
<td>26%</td>
<td>35%</td>
</tr>
<tr>
<td>MA</td>
<td>33%</td>
<td>41%</td>
</tr>
<tr>
<td>FL</td>
<td>24%</td>
<td>37%</td>
</tr>
<tr>
<td>CA</td>
<td>33%</td>
<td>45%</td>
</tr>
<tr>
<td>CO</td>
<td>41%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: BDSA Trending Consumer Insights, 1H 2020-1H 2021

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
BDSA PREDICTS A $56B GLOBAL LEGAL CANNABIS MARKET IN 2026

BDSA Global Legal Cannabis Forecast (USD, billions)

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

BDSA Global Legal Cannabis Forecast (USD, billions)

Source: BDSA Forecast, as of February 2021

BDSA Top 2026 US Markets:
1. California
2. Colorado
3. Florida
4. New York
5. New Jersey
EDIBLES ARE ~15% OF US DOLLAR SALES AND GROWING

By 2026, dollar sales will be...

2.8x Edibles

2.4x Total Market

... vs. 2020

US Legal Cannabis Spending Growth in Regulated Dispensary Channel (% vs. 2020)

Source: BDSA
US EDIBLES DOMINATED BY CANDY, DRIVEN BY GUMMIES; BEVERAGES STILL SMALL

Dollar Sales Spend Edibles Category

- **CANDY**
  - Gummie Candy 86%
  - Mints 5%
  - Taffy 5%
  - Hard Candy 4%
  - Caramel Candy 1%
  - Other Candy <1%

- Beverages
- Candy
- Chocolates
- Culinary
- Infused Foods
- Other Edibles
- Pills

2020 Total Edibles $
Growth vs. 2019

Source: BDSA full year 2020 Retail Sales Tracking
Evolving US Cannabis Beverages

Source: BDSA Brand-Level Retail Sales Tracking, Dollar Sales 2021: AZ, CA, CO, OR, NV, MD, MA, IL

Top Bev Brands Q1 2021:
1. Keef
2. Cann
3. Dixie
4. PTS Tonic
5. Sip Elixirs
US BEVERAGES DOMINATED BY DRINKS

US Beverage Sales (Dollars)

- **DRINKS**
  - Carbonated Drinks: 37%
  - Non-Carbonated Drinks: 34%

2020 US Total Beverage $ Growth vs. 2019

+22%

Source: BDSA Sales Tracking; Growth reflected across AZ, CA, CO, OR, NV, MD, MA
OF CANNABIS CONSUMERS...

19% Consume Beverages

5% Prefer Beverages

34% of Acceptors would consider consuming a cannabis beverage in the future

Source: BDSA Trending Consumer Insights, 2H 2020 in Fully Legal states
EXAMPLE CANNABIS BEVERAGE PRICING

10 count x 10mg THC (100mg THC total): $19.70

6 pack x 2mg THC 4mg CBD (12mg THC, 24mg CBD total): $19.00

Source: BDSA Brand-Level Retail Sales Tracking, Dollar Sales 2021: AZ, CA, CO, OR, NV, MD, MA, IL
CANNABIS ROUTE TO MARKET
OVERSIMPLIFICATION OF COMPLEX LICENSING; DIFFERENT BY STATE

Cultivation -> Manufacturer -> Distribution -> Retail
FORCED VERTICAL INTEGRATION: TRULIEVE IN FLORIDA

Cultivation  Manufacturer  Distribution  Retail
MANUFACTURER + DISTRIBUTION: KIVA/KSS IN CALIFORNIA

Cultivation  Manufacturer  Distribution  Retail
IT’S A NEW GAME.
DATA. DEEPER.

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