

BDSA MIDWEST CANNABIS QUICK HITS:

Future Market Outlook, Current Sales, and Consumers

BDSA's Midwest Legal Cannabis Outyear Forecast

BDSA forecasts legal sales in Midwest states to total ~\$3 billion this year, growing to ~\$6 billion in 2026. In these numbers, the 'Midwest' is defined as Illinois, Michigan, Ohio, Missouri, Indiana, Wisconsin, Iowa, and Montana. These Midwest states are expected to make up ~15% of total legal cannabis sales in the US in 2026.

Michigan and Illinois are and will remain the 'power' states in the Midwest, falling into the top 10 states for legal cannabis sales out to 2026. This is NOT surprising given earliest adoption and legalization.

BDSA's Retail Sales Tracking: Top Categories, Brands, Products

2021 Retail Sales through May:

- Illinois: \$677 million
- Michigan: \$673 million

The Midwest states tracked by BDSA show the same top-level category share* as more 'mature' legal markets in the West:

- Illinois: 82% Inhalables, 16% Ingestibles
- Michigan: 82% inhalables, 16% ingestibles

**To note, BDSA category hierarchy starts here and then goes down five levels of category structure then to brand -and SKU-level.*

2021 TOP 5 IL BRANDS through May:

1. Cresco Cannabis
2. Ozone
3. Rhythm
4. Verano
5. High Supply

2021 TOP MSO performance:

Cresco Labs, GTI, Verano, Ascend, and Curaleaf

~\$3 Billion
BDSA's forecast for Midwest Legal sales in 2021

BDSA MIDWEST CANNABIS QUICK HITS:

Future Market Outlook, Current Sales, and Consumers

BDSA's Midwest Consumer Adoption and Behavior Tracking

72% of adults in the Midwest are current Cannabis Consumers OR are open to consuming cannabis.

Key legal Midwest states show similar 'penetration' rates for consumption:

- Illinois: 39% of adults are Cannabis Consumers
- Michigan: 44% of adults are Cannabis Consumers
- Ohio: 39% of adults are Cannabis Consumers

For comparison, the most mature cannabis markets are years ahead in legalization, and therefore, not surprising see between 45-50% of Adults Consuming in these markets (i.e., California, Colorado, Oregon, and Washington). In Colorado, for example, 47% of adults are cannabis consumers – not too far off the 44% seen in Michigan.

BDSA's Topline Midwest Cannabis Consumer Profile:

- 50/50 Male/Female
- 39% suburb, 37% city
- 51% married
- 35% aged 25-34
- 40% parents
- 55% employed full-time

BDSA's Midwest Cannabis Consumption Highlights:

53% PREFER Inhalables, 34% Edibles, and 11% Topicals

Top reasons for Midwest consumers to consume:

- Relieve pain
- Relax/be mellow
- Manage anxiety
- Sleep better
- Improve overall health
- Feel peaceful