



A VIEW OF THE GLOBAL CANNABINOID MARKET OF TODAY & TOMORROW

Rick Maturo – Director of Professional Services

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RICK MATURO
Professional Services Director



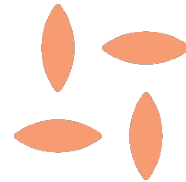
e: rick@bdsa.com

**BDSA provides a
complete view of the
Global Cannabinoid
Market of **TODAY** and
TOMORROW.**



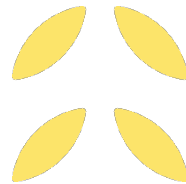
Retail Sales Tracking

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



Market Forecasts

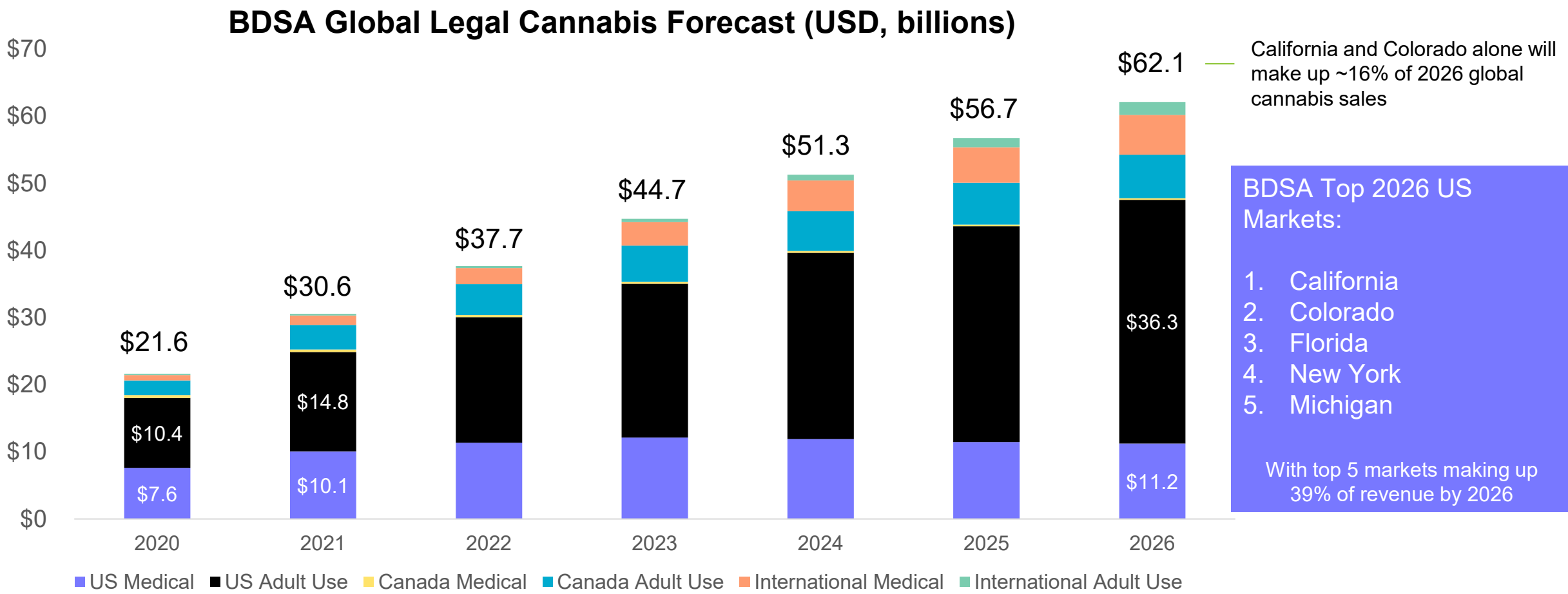
Gain a comprehensive understanding of market size and future opportunity



Consumer Insights

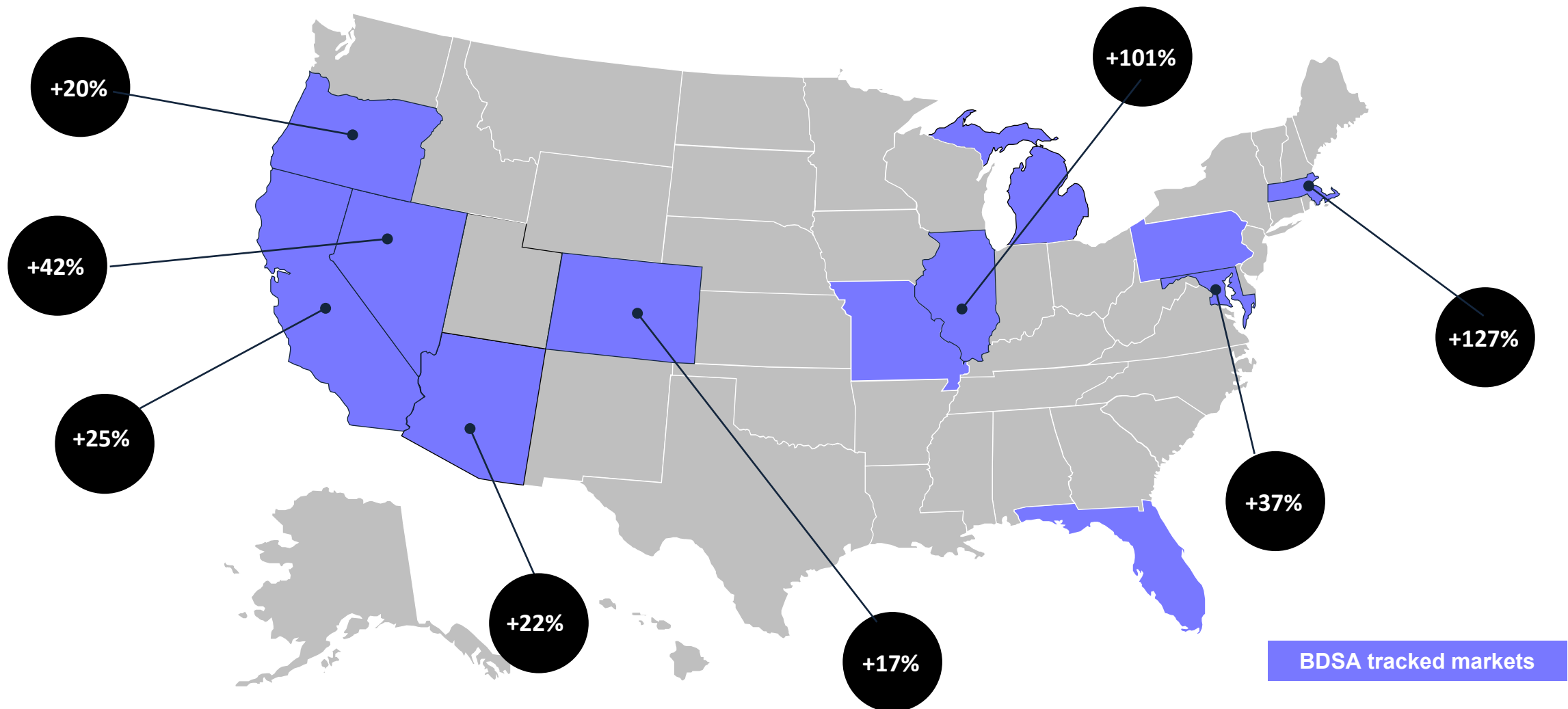
Understand consumer (and non-consumer) segments, size, behavior, consumption patterns, purchase habits, and more

EVEN IN THE 2026, \$62B GLOBAL MARKET THE US WILL REMAIN THE LARGEST LEGAL MARKET—DRIVEN BY GROWING ADULT-USE SALES



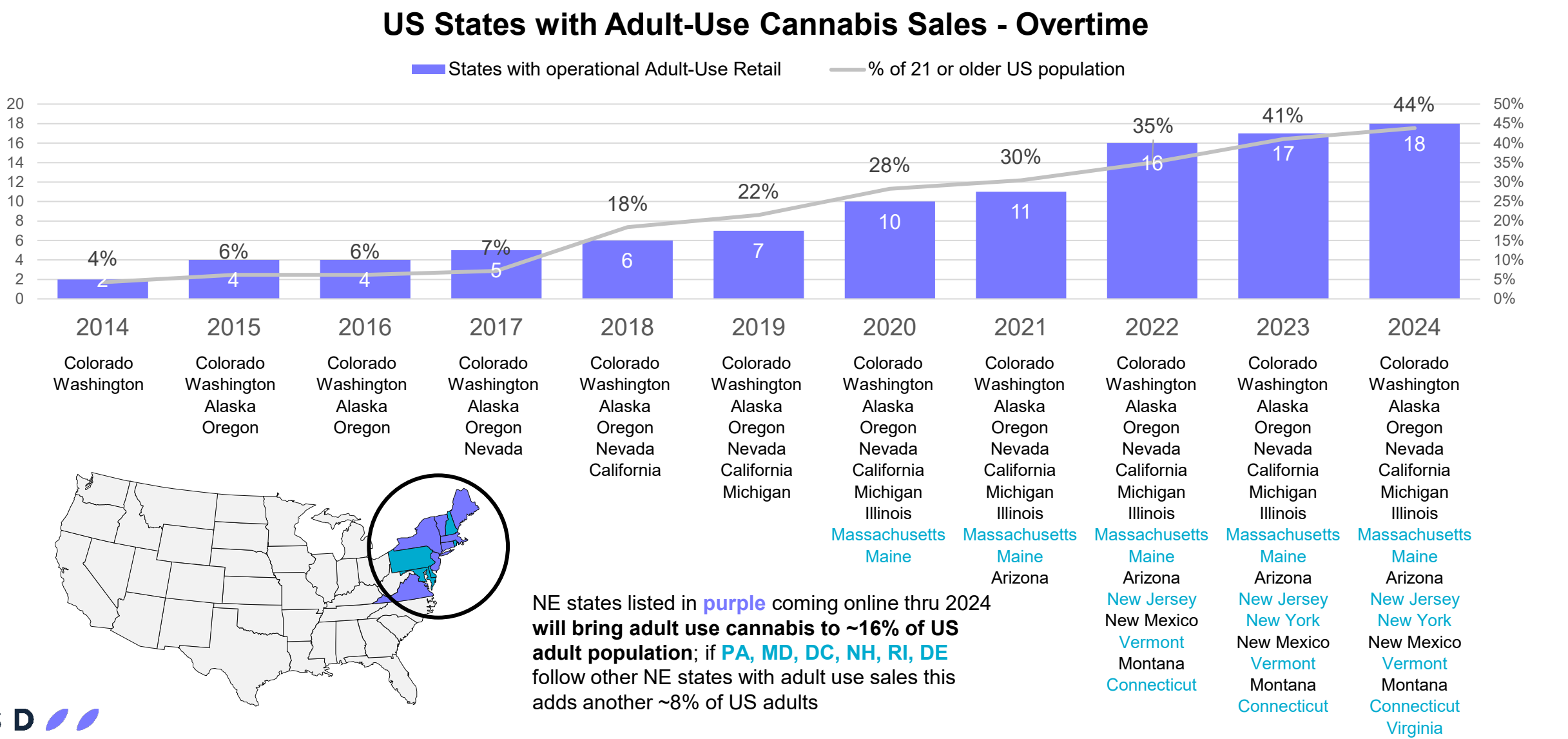
2021 SHOWED SUBSTANTIAL SALES GROWTH – EVEN MATURE MARKETS

There has been substantial growth the first 6 months of the year in all BDSA tracked markets with year-over-year comparison; especially new Adult-Use markets such as Illinois, Massachusetts, and Arizona.



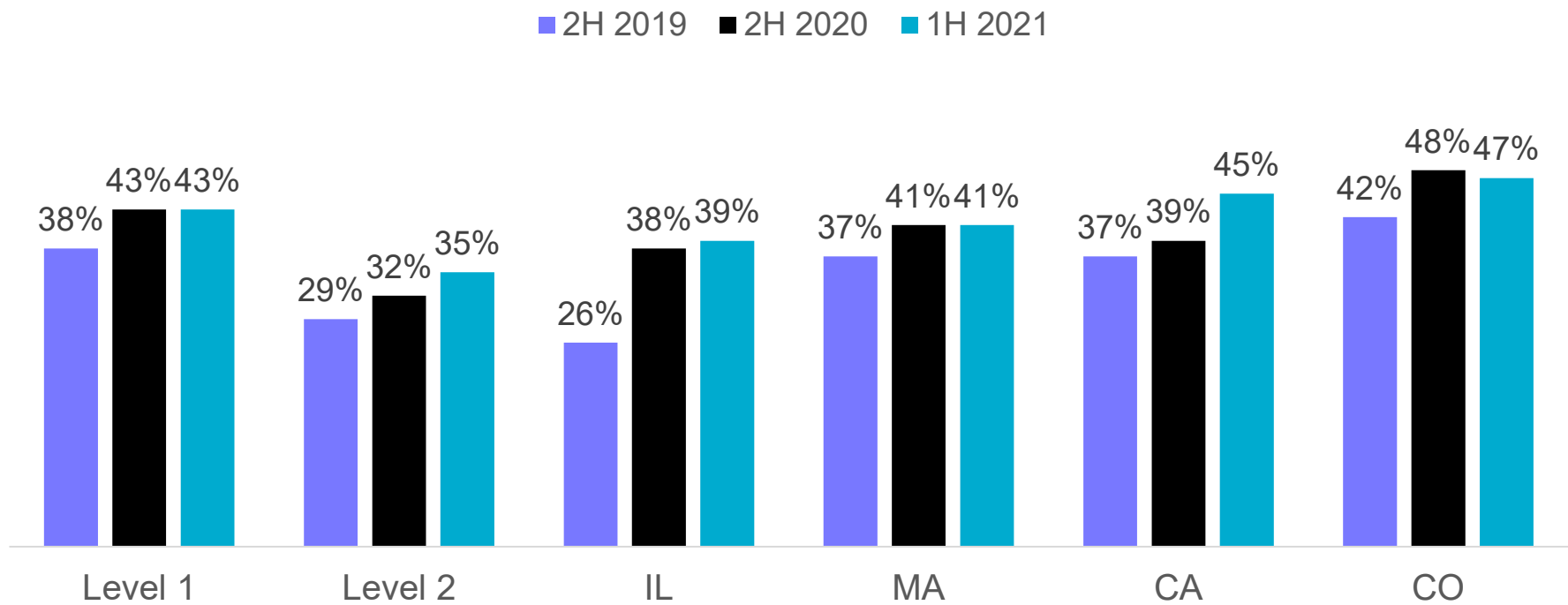
BY 2024 NEARLY HALF OF US ADULTS WILL HAVE ACCESS TO ADULT USE

NE to contribute +16% access, and this does not account for states that are likely to legalize before 2024



CONSUMER POPULATION, EVEN IN MATURE MARKETS, GREW IN 2020, DESPITE COVID-19, AND SOME STATES SAW CONTINUED GROWTH IN 1H 2021 VS. 2H 2020

Percent of Adult Population Who Are Cannabis Consumers
Consumer = Past 6 Months



**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

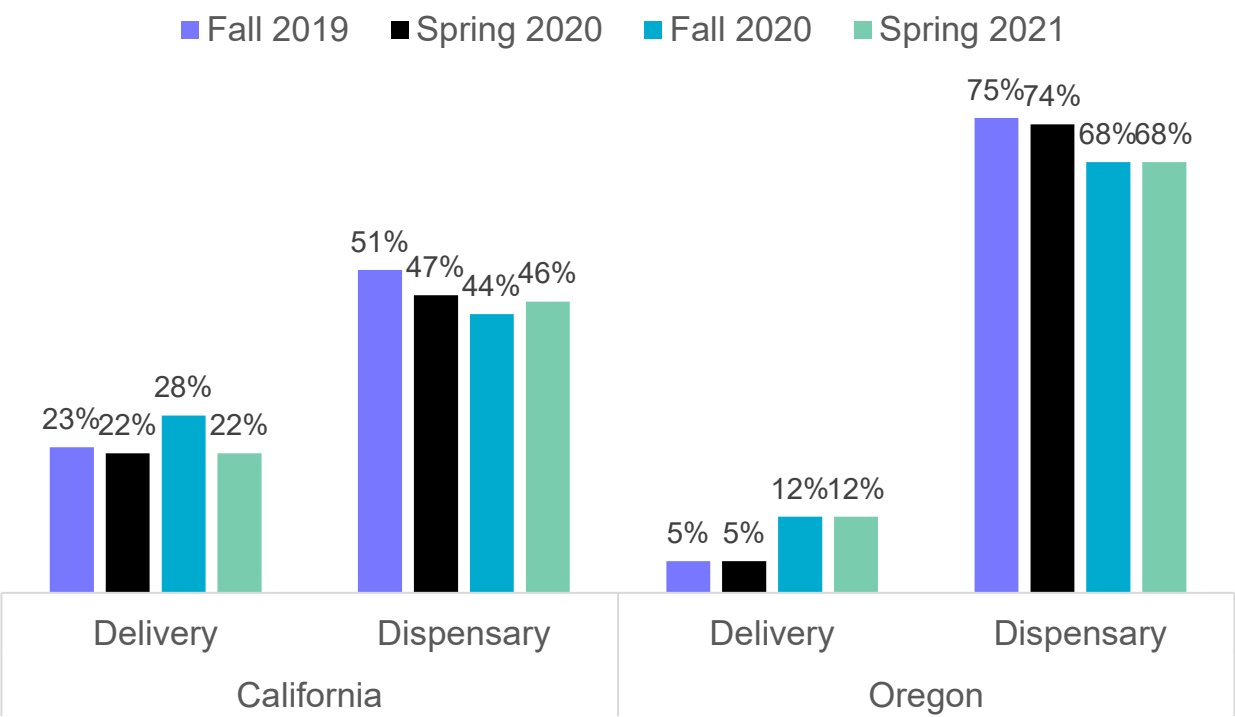
Level 2: Aggregate of medically legal states



THE PANDEMIC ALSO MADE LEGAL CANNABIS MORE CONVENIENT FOR SOME CONSUMERS VIA DELIVERY, CLICK N' COLLECT



Percentage of Consumers Utilizing Fulfilment Method



Illinois: Legislation to Regulate Cannabis Delivery Services

Legislation is pending to regulate cannabis delivery services.

House Bill 193 would allow licensed dispensaries to deliver adult use cannabis to consumers 21 and older.

House Bill 312 would require the Department of Financial and Professional Regulation to issue cannabis delivery organization licenses.

Senate Bill 2404 would allow the delivery of medical and adult use cannabis to patients and consumers. This measure requires the Department of Financial and Professional Regulation to issue up to 200 Conditional Nonstorefront Adult Use Cannabis Delivery Organization Licenses and unlimited Conditional Storefront Adult Use Cannabis Delivery Organization Licenses before May 1st, 2022.

Marijuana Delivery Services Added To New York Governor’s Revised Legalization Proposal

EXCLUSIVE Uber enters booming cannabis market with orders in Ontario



Amazon Reaffirms Support For Marijuana Legalization And Says Former Workers Punished Over Cannabis Are Eligible For Employment



THE “AVERAGE” CALIFORNIA CANNABIS CONSUMER IS EVOLVING

More Females

50/50_{M/F}

vs. Spring 2020: 58/42 M/F

More Parents (or Guardians)

41%_{W/ KIDS}

vs. Spring 2020: 35% W/KIDS

Getting Younger

44%_{<35YO}

vs. Spring 2020: 35% <35YO

Still City Dwellers...

84%_{CITY/SUBURBS}

vs. Spring 2020: 87% CITY/SUBURBS

2021 SAW LARGER CONSOLIDATION THAN 2020 VIA M&A

Number & size of transactions continue to increase in 2021 YTD - already exceeding values in 2020 & 2019

272 2021 M&A
Transactions YTD

VS.

74 2020 M&A
Transactions
(same period)

189 2021 **US** M&A
Transactions YTD

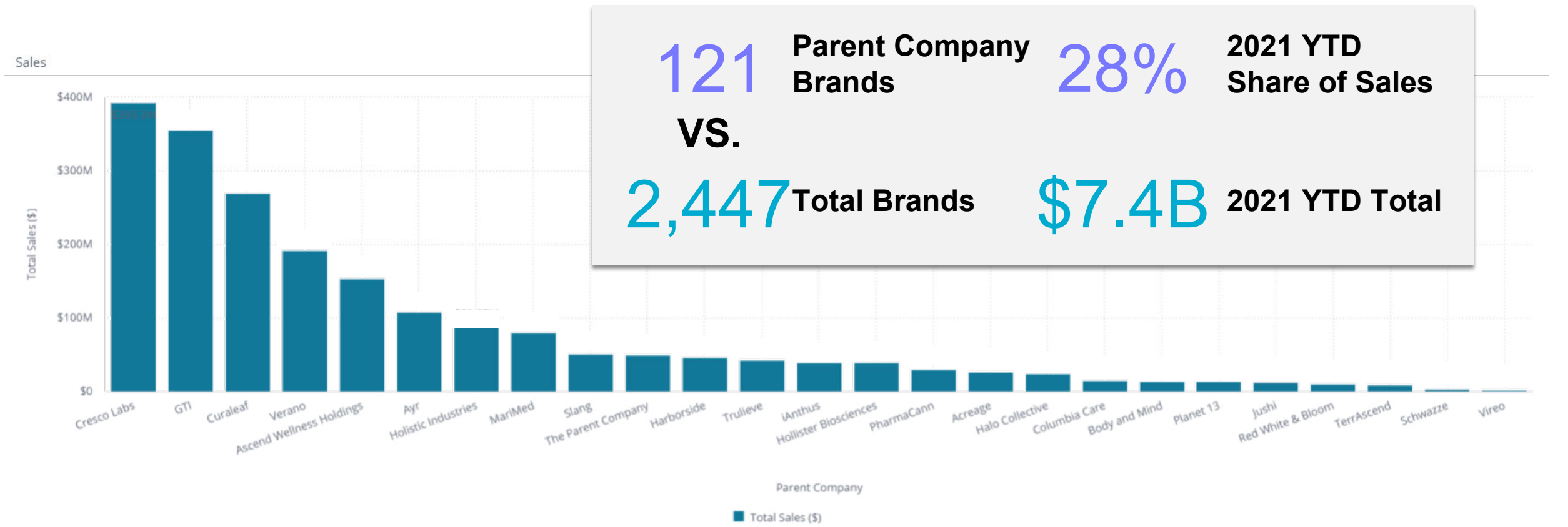


\$8.4B Total **US** Deal value

LARGEST FIRMS CONTINUED TO TIGHTEN THEIR GRIP IN 2021

Compared to the same period in 2020, Parent Company Brands grew their share of sales by 22%

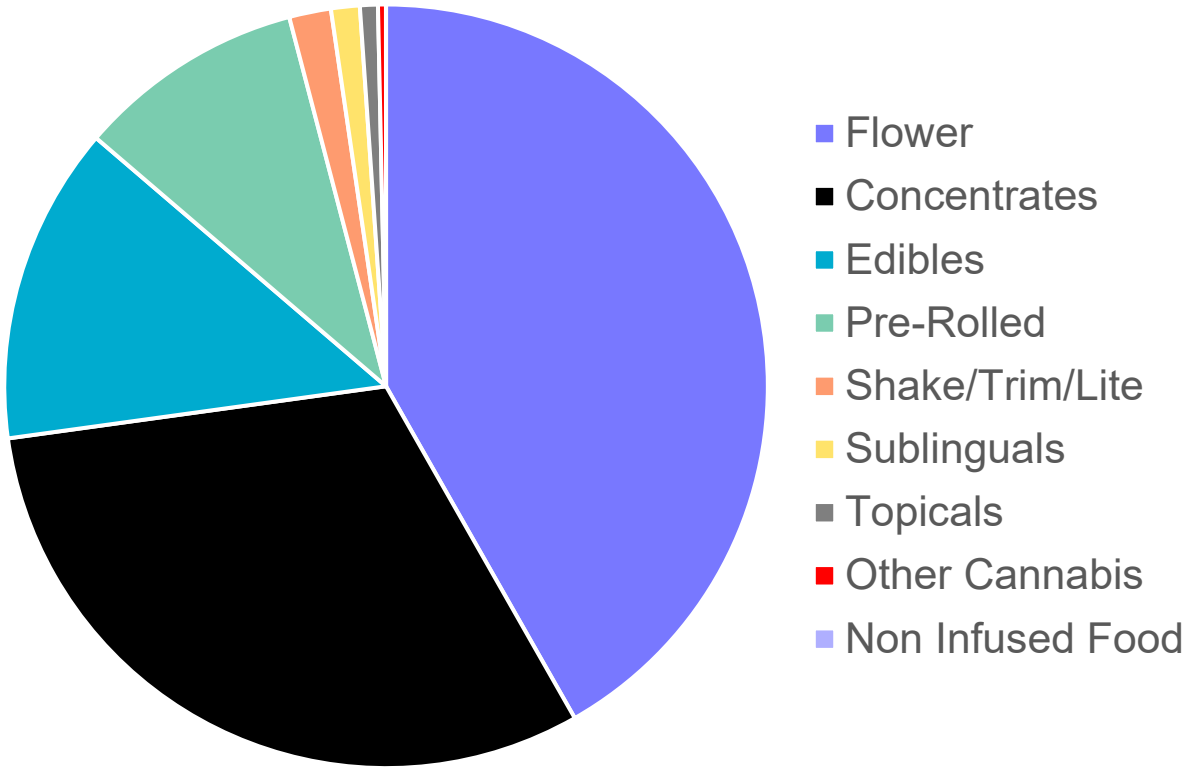
Top-25 Parent Companies By BDSA Tracked Retail Sales (YTD 2021)



CATEGORY SHARES REMAINED SOMEWHAT CONSISTENT YOY

Flower lost some ground, but remains the largest category across BDSA tracked markets

	2020	2021 YTD	% CHG
Flower	44%	42%	-5%
Concentrates	30%	31%	3%
Edibles	13%	13%	1%
Pre-Rolled	9%	10%	11%
Shake/Trim/Lite	1%	2%	57%
Sublinguals	2%	1%	-23%
Topicals	1%	1%	-11%
Other Cannabis	0%	0%	-8%
Non-Infused Food	0%	0%	-39%



INFUSED PRE-ROLLS ARE GROWING THEIR SHARE IN MOST MARKETS

Making up more than a quarter of pre-roll sales in most mature markets, this sub-category can be an effective basket builder or occasional “treat” for consumers, especially in new markets where price doesn’t differ much.

	Infused Pre-Roll \$ Share of Pre-Rolls	
	2020	2021 YTD
AZ	14%	8%
CA	31%	44%
CO	22%	26%
IL	0%	12%
MD	11%	11%
MA	3%	3%
NV	23%	33%
OR	10%	12%

Percent % Difference in ARP
Non-Infused vs. Infused Pre-Roll

CA 134%

IL 12%

MA 27%



MINOR CANNABINOIDS ARE BECOMING MORE COMMON

CBG is growing faster quarter-over-quarter than CBN, but CBN outperformed CBG in sales by ~4x in Q3 '21

Minor Cannabinoid % Sales Change
(January – September 2021)

Q2

Q3

CBG

Non-intoxicating; anti-inflammatory, pain, nausea

+340% **+104%**

CBN

Mildly intoxicating; works as sleep aid or sedative

+24% **+23%**

TOP SELLING NEW GUMMY & TAFFY PRODUCTS IN CALIFORNIA COMBINE INNOVATIVE ATTRIBUTES

California - Top 10 New Gummy + Taffy Products
(Latest 90 Days)

Product Description	
	Kiva Confections - Lost Farm - Gummies - Pineapple, 10 Count, 100mg THC
	Kiva Confections - Lost Farm - Gummies - Chili Mango, 10 Count, 100mg THC
	Sunderstorm - Kanha - Pucks - CBD 1:1:1 - Tranquility - 50mg THC, 50mg CBD, 50mg CBN - Blue Raspberry, 10 Count
	Kiva Confections - Lost Farm - Fruit Chews - Thorny Berry, 10 Count, 100mg THC
	Heavy Hitters - Gummies - Lights Out - 100mg CBN - Cherry, 5 Count, 100mg THC
	Jelly Wizard - Jellies - Variety, 10 Count, 100mg THC
	WonderBrett - Fruit Chews - Strawberry Bliss - Strawberry, 10 Count, 100mg THC
	WonderBrett - Fruit Chews - Papaya - Papaya, 10 Count, 100mg THC
	WonderBrett - Fruit Chews - Pineapple OG - Pineapple, 10 Count, 100mg THC
	WonderBrett - Fruit Chews - Melon OG - Melon, 10 Count, 100mg THC
3 of the Top-10 new gummy SKUs incorporate live resin extracts	
2 of the Top-10 new gummy SKUs utilize minor cannabinoids in formulation	
7 of the Top-10 new gummy SKUs specifically call out strains in formulation on pack	
5 of the Top-10 new gummy SKUs incorporate live rosin extracts	



THOUGH STILL A SMALL SHARE OF TOTAL CANNABIS SALES, BEVERAGES SAW GROWTH IN 2021 IN NEWER STATES & SOME ESTABLISHED STATES

Cannabinoid Beverage Sales - Dispensary Channel

MARKET	% CHG
AZ	+38%
CA	+18%
CO	-2%
IL	+121%

“Better for you” vs. Fun & High-Intensity

A SOCIAL TONIC MICRODOSED WITH CANNABIS THAT GIVES YOU A **LIGHT AND UPLIFTED BUZZ**, BUT HAS **NO HANGOVER, FEWER EMPTY CALORIES, ALL-NATURAL INGREDIENTS, AND NO REGRETS.**

ENERGY High Octane

High Octane is a nicely balanced hand-crafted, cannabis-infused Energy soda blended with various citrus fruits including lemon and lime. This Keef Energy beverage contains 100 mg of THC and approximately 90 mg of caffeine (nearly one cup of coffee) for anytime you are looking for both boost and balance.

Potency depends on positioning



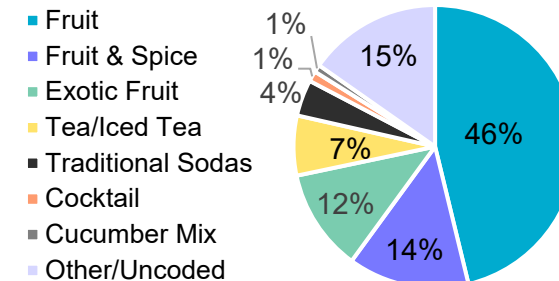
CANN – Social Tonic
2mg THC: 4mg CBD



Keef – High Octane
100mg THC

Flavors are almost entirely fruit (esp. Citrus), teas, sodas

Share of Bev Sales by Flavor Group



2021 IN-REVIEW

- BDSA expects US sales of legal cannabis to reach ~\$25B, representing a 40% YoY increase
- Mature and Newer markets outperform 2020
- The Big got BIGGER
- Edibles use flavors, unique cannabinoid profiles, “fast-acting” tech, and specific-strains to differentiate and better position around functionality
- Evolution of a more diverse consumer population with divergent needs

2022 WHAT'S NEXT...

- Some degree of change to federal regulations surrounding legal cannabis
- Consolidation Accelerates - The BIG will continue to get BIGGER in 2022
- Several states will legalize adult-use (Delaware, Oklahoma, South Dakota, Pennsylvania)
- Indica, Sativa, Hybrid classification will fade away giving way to minors, cannabinoid ratios, and terpene benefits as designators of consumer experience
- The race for global cannabis dominance will continue, but traditional CPG companies will remain on the sidelines
- hCBD will continue to languish in limbo due to continued FDA in-action



IT'S A NEW GAME

**WHAT DOES THAT MEAN FOR
YOUR BUSINESS?**

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