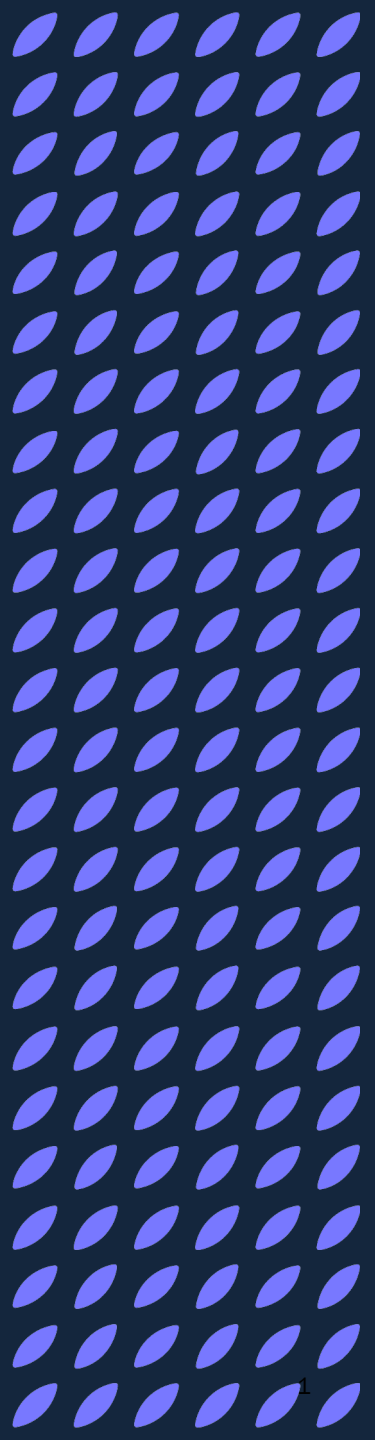




2021 RECAP AND 2022 PREDICTIONS

Jessica Lukas | SVP, COMMERCIAL DEVELOPMENT

PRESENTED 01.31.22



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



QUICK 2021 REVIEW



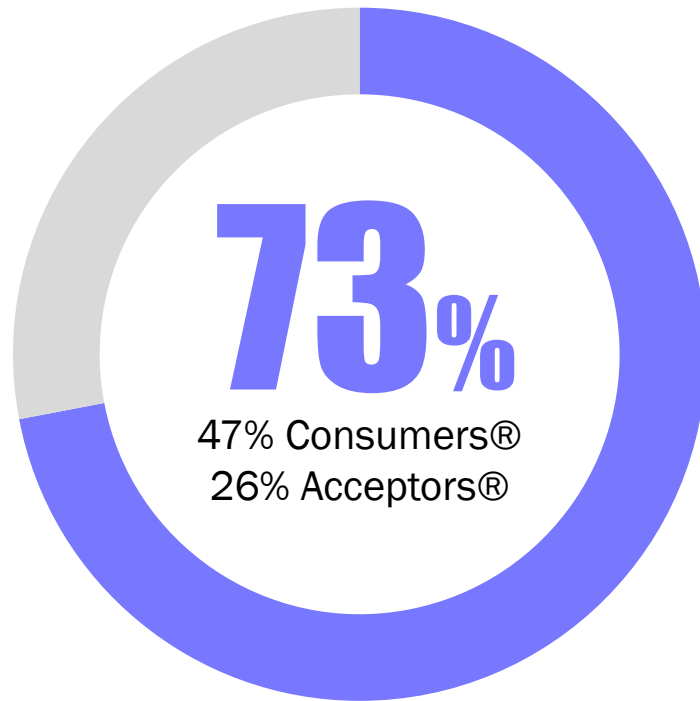
2021 GROWTH AND BDSA'S 2022 EXPECTATIONS COMING FROM MATURE, NEW, AND EMERGING MARKETS

MATURE cannabis states such as California, Oregon, and Colorado continue to grow

NEW legal cannabis states such as Illinois, Massachusetts, Michigan and new medical markets are developing at an ever-increasing rate

EMERGING legal cannabis states, like New York, are expected to yield huge contributions to BDSA's forecasted market growth out to 2026

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



66% in CANADA

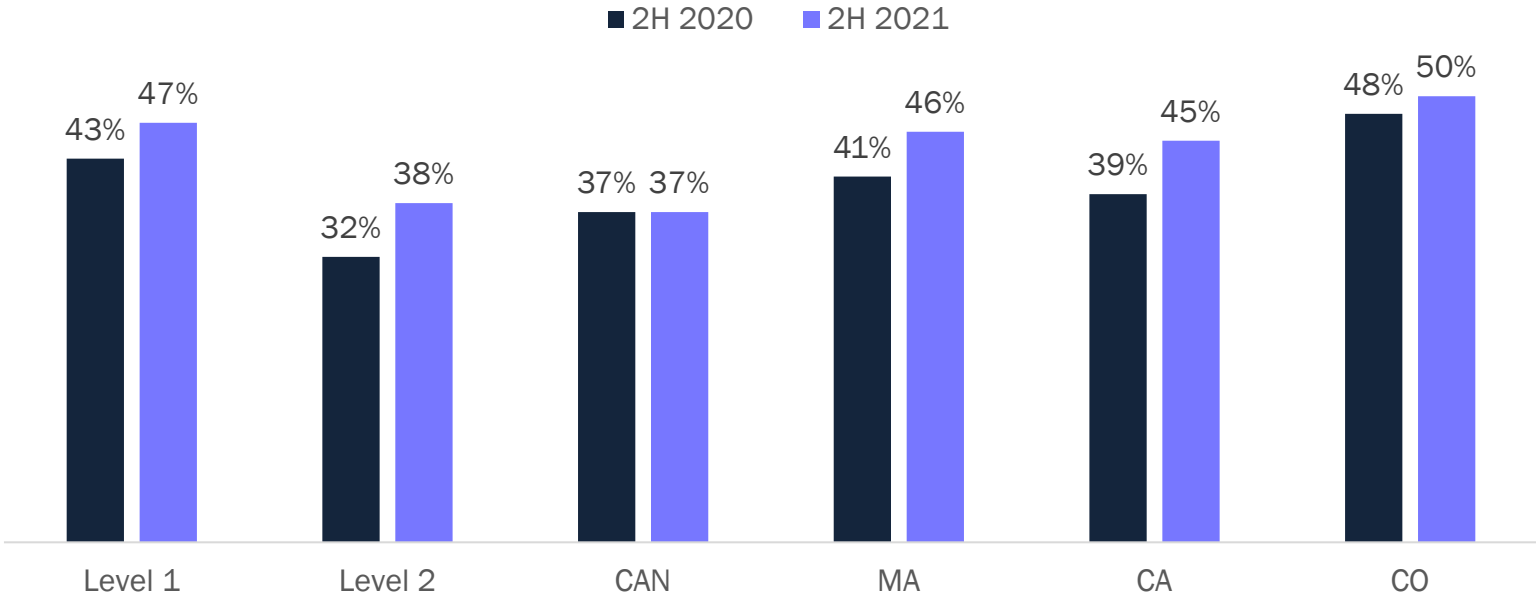
...of adults 21+ in fully legal U.S. states consume cannabis or are open to consuming cannabis

27% are Rejecters®
(would not consider in the future)

Source: BDSA Consumer Research: Q3 2021 U.S. Adults 21+ in Legal Level 1 States

THE CONSUMER POPULATION, EVEN IN MATURE MARKETS, GREW IN 2021

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

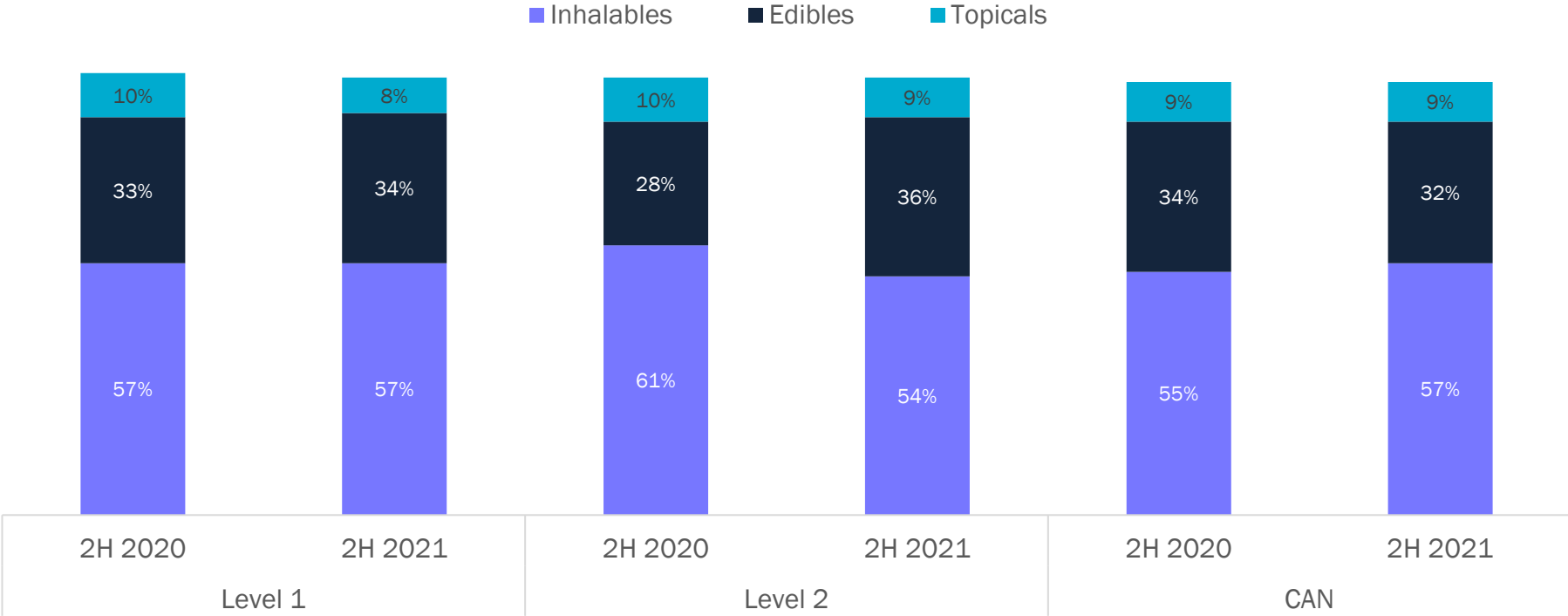


IMPORTANT BDSA CONSUMER INSIGHTS TERMINOLOGY:
 Consumer: Adult who has consumed cannabis in the past 6 months
 Level 1: Aggregate of fully legal adult-use states
 Level 2: Aggregate of medically legal states

Source: BDSA Trending Consumer Insights, 2H 2020-2H 2021

CONSUMER ADOPTION GREW IN 2021, AND CONSUMERS CONSUMING ACROSS MORE FORMS AND MORE FREQUENTLY

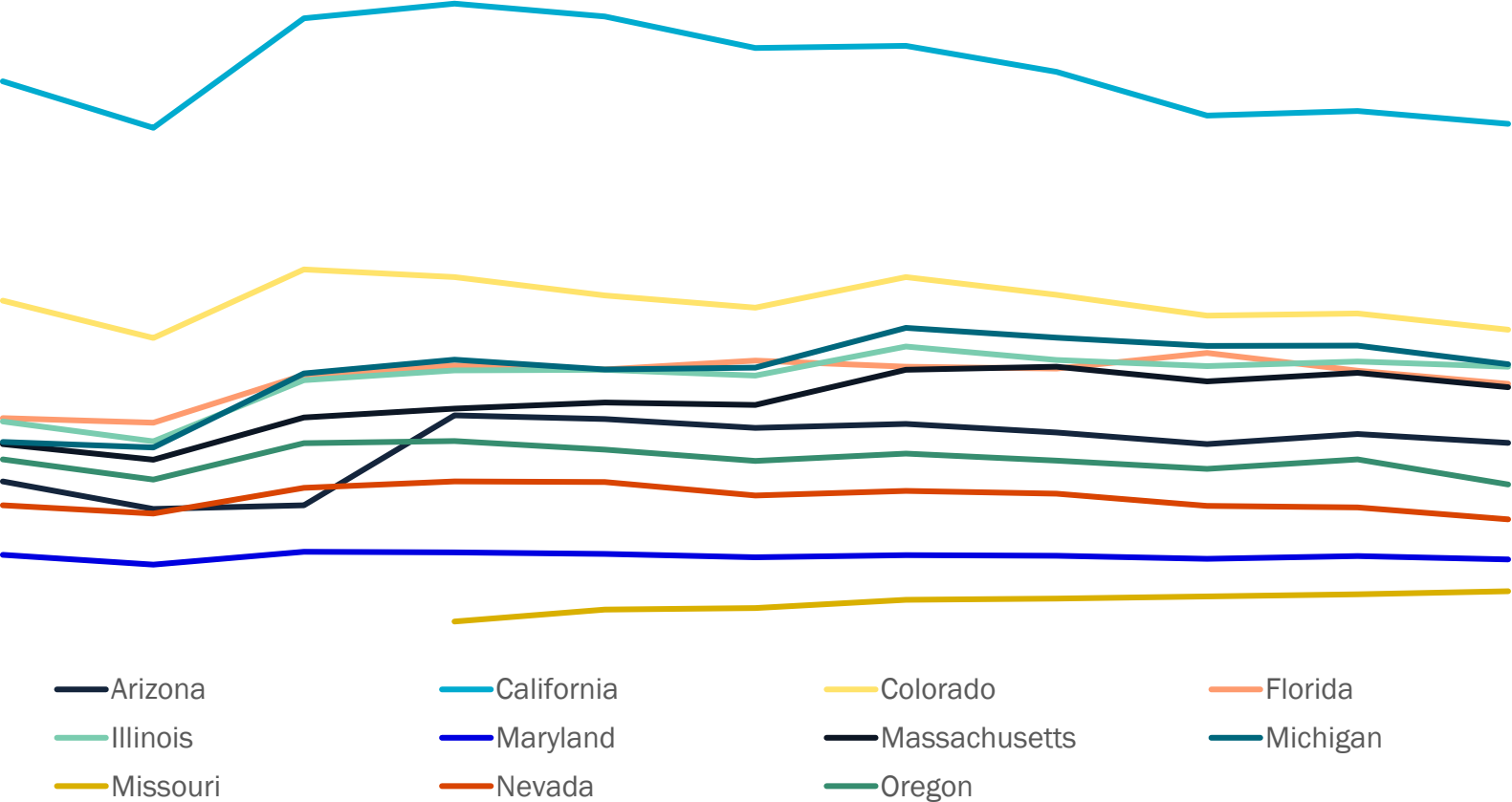
Preferred Consumption Form



Source: BDSA Trending Consumer Insights, 2H 2020 vs. 2H 2021

2021 SALES TRENDS SIMILAR ACROSS BDSA TRACKED US MARKETS

2021 By State Sales (\$)



Massachusetts	+79%
Illinois	+76%
Arizona	+24%
Maryland	+23%
Nevada	+15%
California	+9%
Oregon	+8%
Colorado	+3%

2021 TOP SELLING (\$) BRANDS (AZ, CA, CO, IL, MA, MD, MI, MO, NV, OR, PA)

1 RYTHM (Green Thumb)

2 CRESCO CANNABIS (Cresco Labs)

3 STIIIZY (Shryne Group)

4 SELECT (Curaleaf)

5 WYLD

Source: BDSA RETAIL SALES TRACKING 2021—AZ, CA, CO, IL, MA, MD, MI, MO, NV, OR, PA



BDSA'S 2022 PREDICTIONS



#1

CLASSIFICATION (INDICA, SATIVA, HYBRID) WILL FADE AWAY AS A DESIGNATION OF THE CONSUMER EXPERIENCE —CANNABINOID CONTENT AND TERPENE DRIVEN BENEFITS ARE THE WAY OF THE FUTURE.

CLASSIFICATION (INDICA, SATIVA, HYBRID) WILL FADE AWAY AS A DESIGNATION OF THE CONSUMER EXPERIENCE

OF TOP 20 2021 CALIFORNIA GUMMIES:

10 OF 20 ARE THC ONLY
8 CONTAIN CBD
3 CONTAIN CBN
1 CONTAINS CBG

HOWEVER...

Lack of Expert Knowledge Among Consumers

Only 17% of CA consumers claim having expert knowledge of Cannabinoids

Spread through Word-of-Mouth

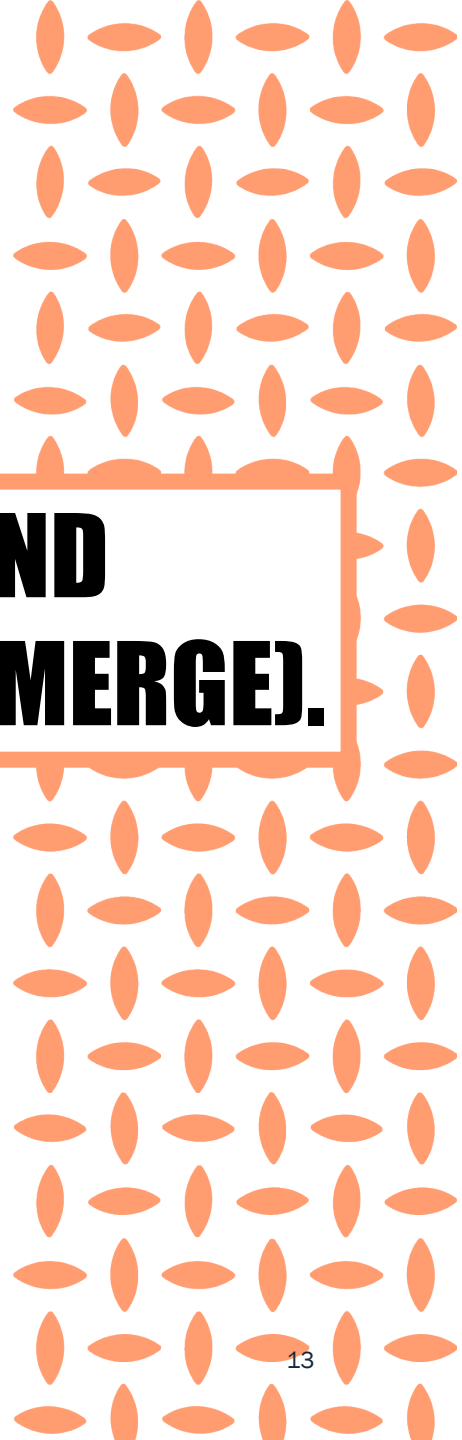
47% are aware of the term “Cannabinoids” but don’t know any compounds or don’t know what the term means

No Education Around Minor Cannabinoids

Only ~10-15% of CA consumers are aware of CBN, CBG, and other minor cannabinoids compared to 70%+ for THC & CBD

#2

**BRAND RECOGNITION WILL GROW (AND
DARE WE SAY BRAND LOYALTY WILL EMERGE).**



BRAND RECOGNITION WILL GROW (AND DARE WE SAY BRAND LOYALTY WILL EMERGE)

TOP 10 PRODUCT CHOICE INFLUENCERS:

- 1 HIGH THC
- 2 TASTE/FLAVOR
- 3 LOW PRICE
- 4 BRAND I HAVE USED BEFORE
- 5 STRAIN/CLASS USED BEFORE
- 6 BUDTENDER RECO
- 7 CONVENIENT CONSUMPTION
- 8 FORM FACTOR USED BEFORE
- 9 FAMILY/FRIEND RECO
- 10 HIGH CBD



All about FAMILIARITY AND TRUST, which is not that far off from BRAND

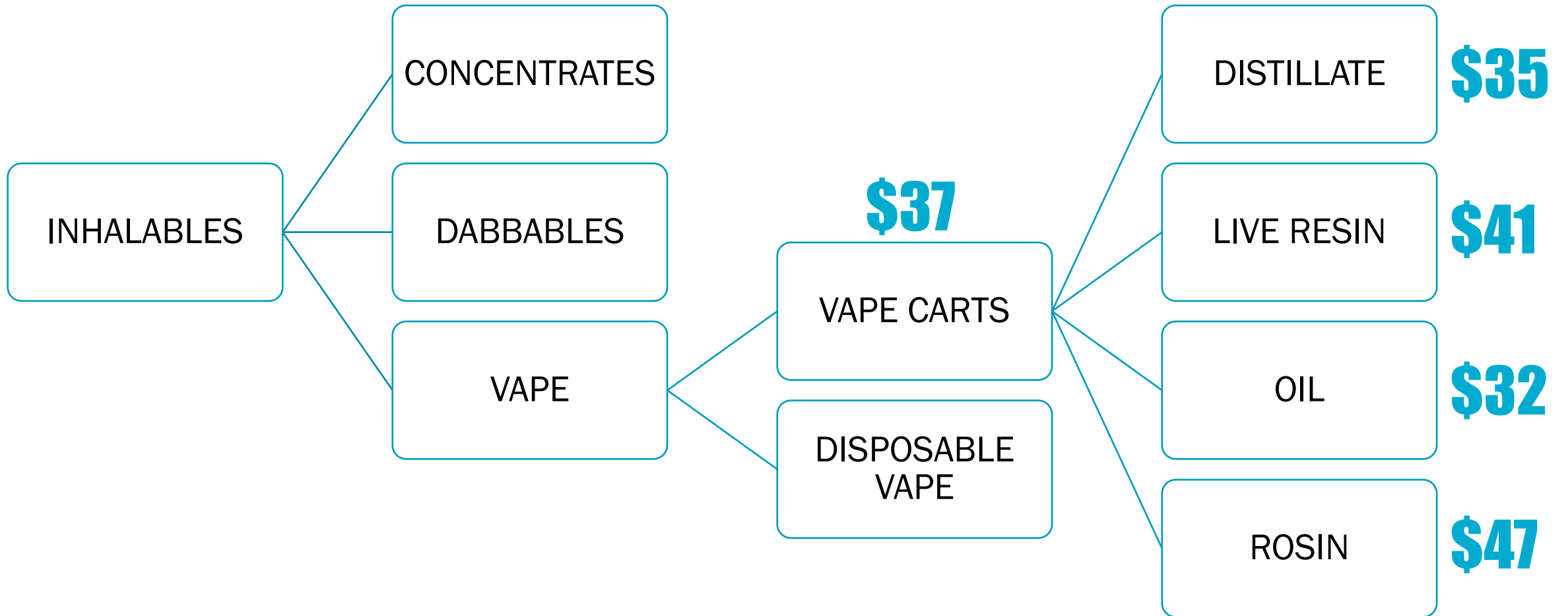
#3

**MORE BLATANT QUALITY CUES WILL DRIVE
GREATER PRICING DIFFERENTIATION.**



MORE BLATANT QUALITY CUES WILL DRIVE GREATER PRICING DIFFERENTIATION

2021 CALIFORNIA VAPE CARTS ARP:



#4

**THE RACE FOR GLOBAL CANNABIS
DOMINANCE IS WELL ON ITS WAY—BUT
TRADITIONAL CPG WILL NOT LEAD THE WAY.**

#5

**THE FDA WILL CONTINUE TO LIMIT THE
POTENTIAL OF THE MAINSTREAM CBD
MARKET (INDEFINITELY?).**

#6

VAPE WILL CONTINUE TO SURVIVE (AND THRIVE) DESPITE REPUTATIONAL HITS.



VAPE WILL CONTINUE TO SURVIVE (AND THRIVE) DESPITE REPUTATIONAL HITS

TOP 5 SELLING (\$) BRANDS OF 2021

1 RYTHM

%dollars from Vape

~50%

2 CRESCO CANNABIS

~46%

3 STIIIZY

~85%

4 SELECT

~90%

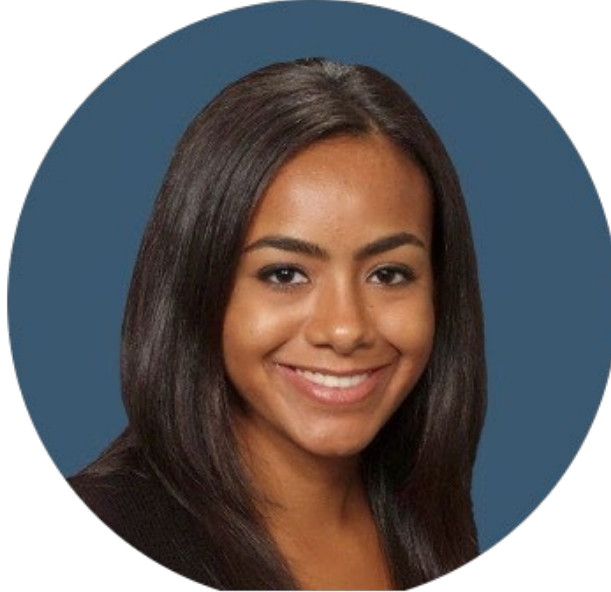
5 WYLD

INTRODUCING OUR PANEL



Jason Vegotsky

CEO
Petalfast



Christina Henry

Product Manager
PharmaCann



Lewis Goldstein

Chief Marketing Officer
INSA

IT'S A NEW GAME.

DATA. DEEPER.

<https://bdsa.com/contact/>