



ESSENTIAL CANNABIS

INSIGHTS

OCTOBER 2022 VOL 5, ISSUE 7

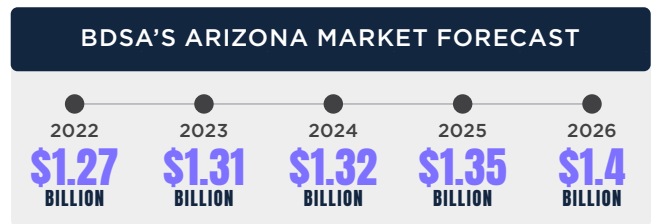
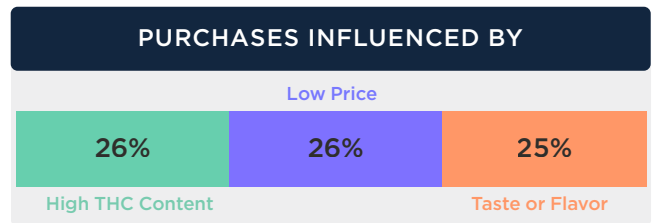
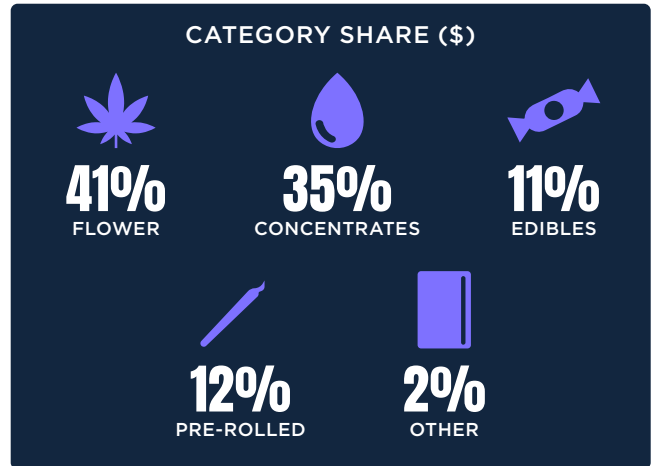
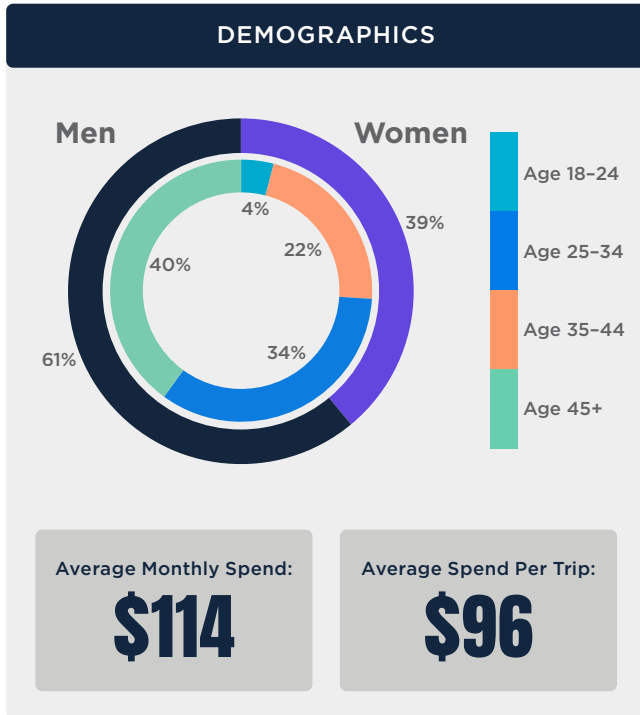
BDSA CANNABIS MARKET SNAPSHOTS: CHECKING IN ON MATURE CANNABIS MARKETS IN 2022

As we close in on the fourth quarter of 2022, it's clear that there has been a sea-change in the trajectory of the most mature cannabis markets. Most mature cannabis markets saw strong sales in 2020 and the first half of 2021, followed by slowing growth in the second half of 2021. A combination of factors including general economic inflation, regulatory burdens regarding banking and inflated tax rates, and depleted margins due to significant declines at wholesale have continued to make profitability an uphill battle for many businesses in the most mature cannabis markets.

These recent trends have been shown most clearly in sales totals in mature cannabis markets, where sales have flatlined and even shown declines in the first half of 2022. While the hockey-stick sales growth that we have seen from cannabis markets in past years seems to be coming to an end, mature cannabis markets still have huge potential for brands and retailers who take a thoughtful approach to their given market. We've taken the time to prepare the top data insights to show where some of the most mature markets stand today, calling out the best-selling brands, leading product attributes, consumer insights, and topline sales forecast for the Arizona, California, and Colorado legal cannabis markets.

While the hockey-stick sales growth that we have seen from cannabis markets in past years seems to be coming to an end, mature cannabis markets still have huge potential for brands and retailers who take a thoughtful approach to their given market

ARIZONA STATE SNAPSHOT

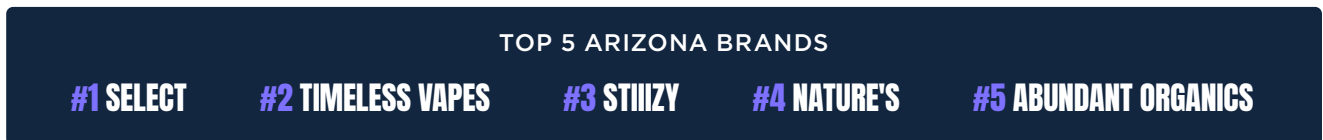


81%
OF SUBLINGUAL PRODUCTS SOLD CONTAIN CBD

76%
OF ALL VAPE SALES ARE DISTILLATE CARTRIDGES

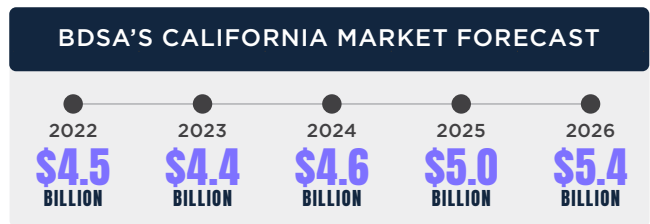
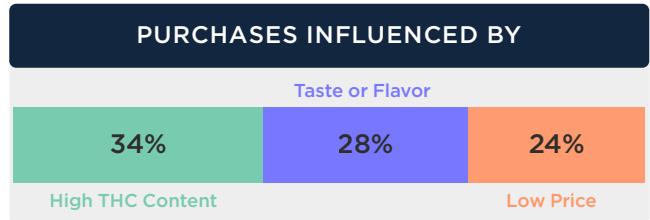
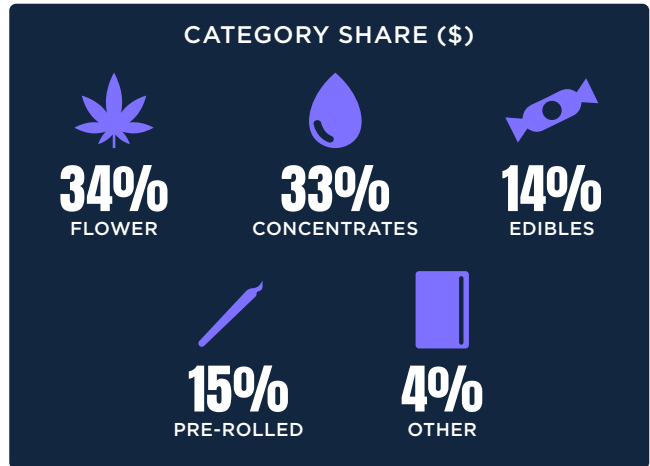
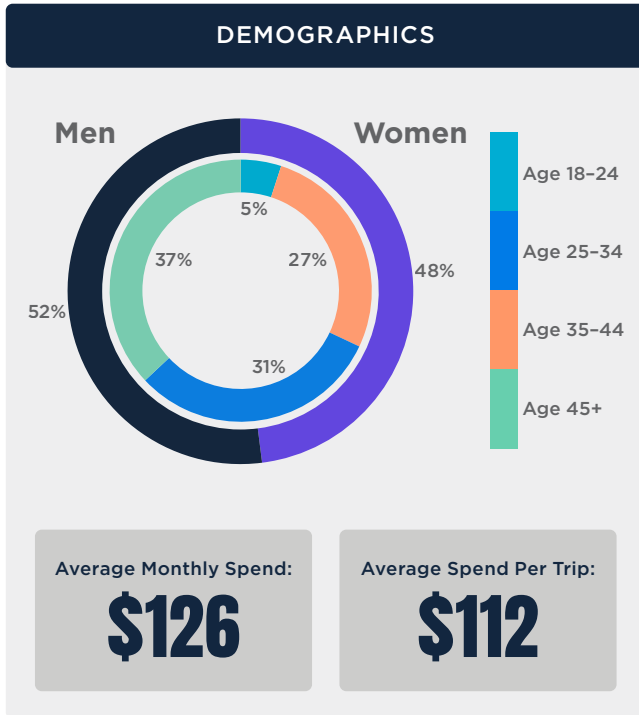
TOP-SELLING

GUMMY CANDY FLAVOR
WATERMELON



Sources: BDSA Consumer Insights Wave 10 Spring 2022, BDSA Retail Sales Tracking Q2 2022

CALIFORNIA STATE SNAPSHOT



61%
OF SUBLINGUAL PRODUCTS SOLD CONTAIN CBD

56%
OF ALL VAPE SALES ARE DISTILLATE CARTRIDGES

TOP-SELLING

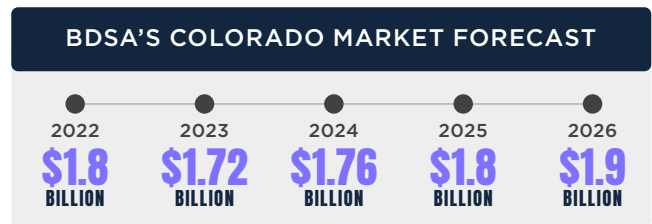
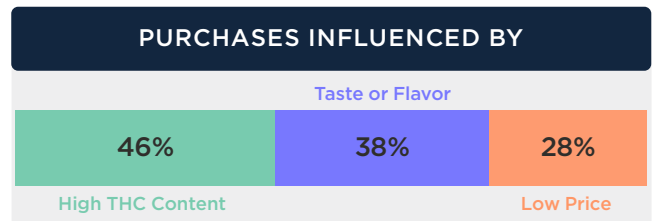
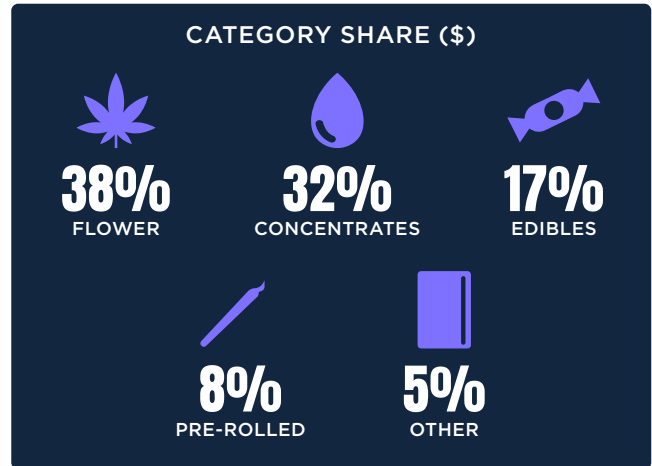
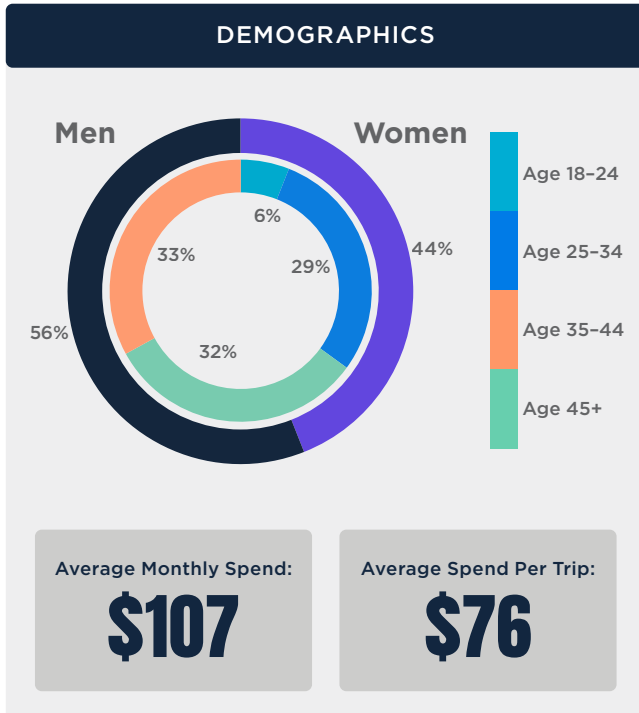
GUMMY CANDY FLAVOR
WATERMELON



Sources: BDSA Consumer Insights Wave 10 Spring 2022, BDSA Retail Sales Tracking Q2 2022

COLORADO

STATE SNAPSHOT



68%
OF SUBLINGUAL PRODUCTS SOLD CONTAIN CBD

61%
OF ALL VAPE SALES ARE DISTILLATE CARTRIDGES

TOP-SELLING

GUMMY CANDY FLAVOR
MIXED FRUIT

TOP 5 COLORADO BRANDS

#1 WYLD #2 WANA EDIBLES #3 GREEN DOT LABS #4 VERITAS FINE CANNABIS #5 CLEAR CONCENTRATES

Sources: BDSA Consumer Insights Wave 10 Spring 2022, BDSA Retail Sales Tracking Q2 2022