



CANNABIS-INFUSED FOOD AND BEVERAGES BY THE NUMBERS

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CANNABIS PRODUCTS EXCHANGE

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BDSA PROVIDES A COMPLETE VIEW OF THE GLOBAL CANNABIS 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



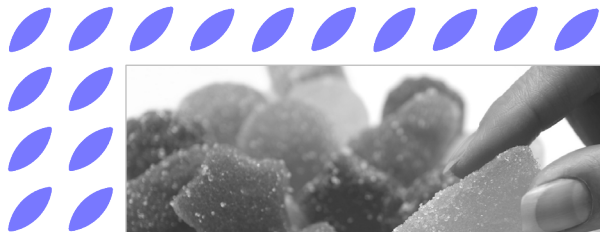
CONSUMER INSIGHTS

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

LEGAL CANNABIS IS...



Everyone



So.Many.Product.Forms.

Rapid Innovation



Mainstream



HOWEVER, IT IS ALSO...

Confusing



Different than “CPG”



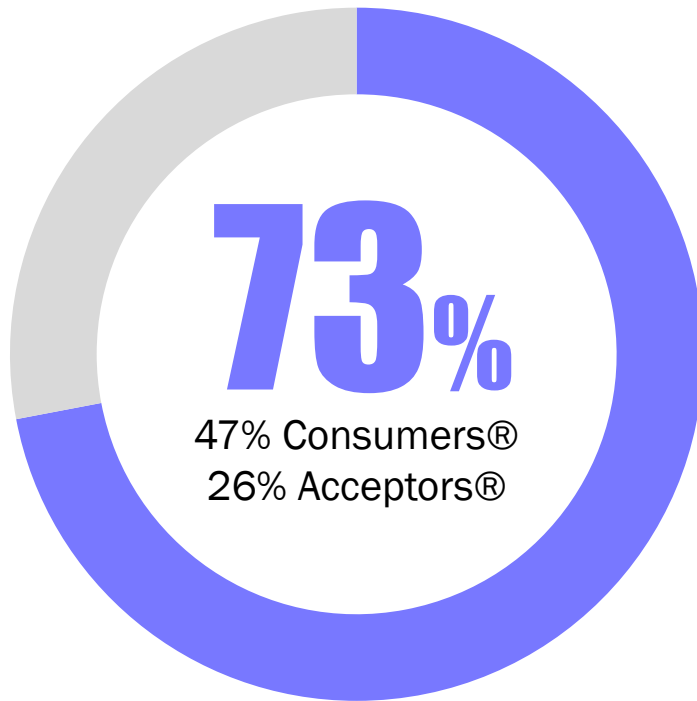
Challenged



Financial Stress



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



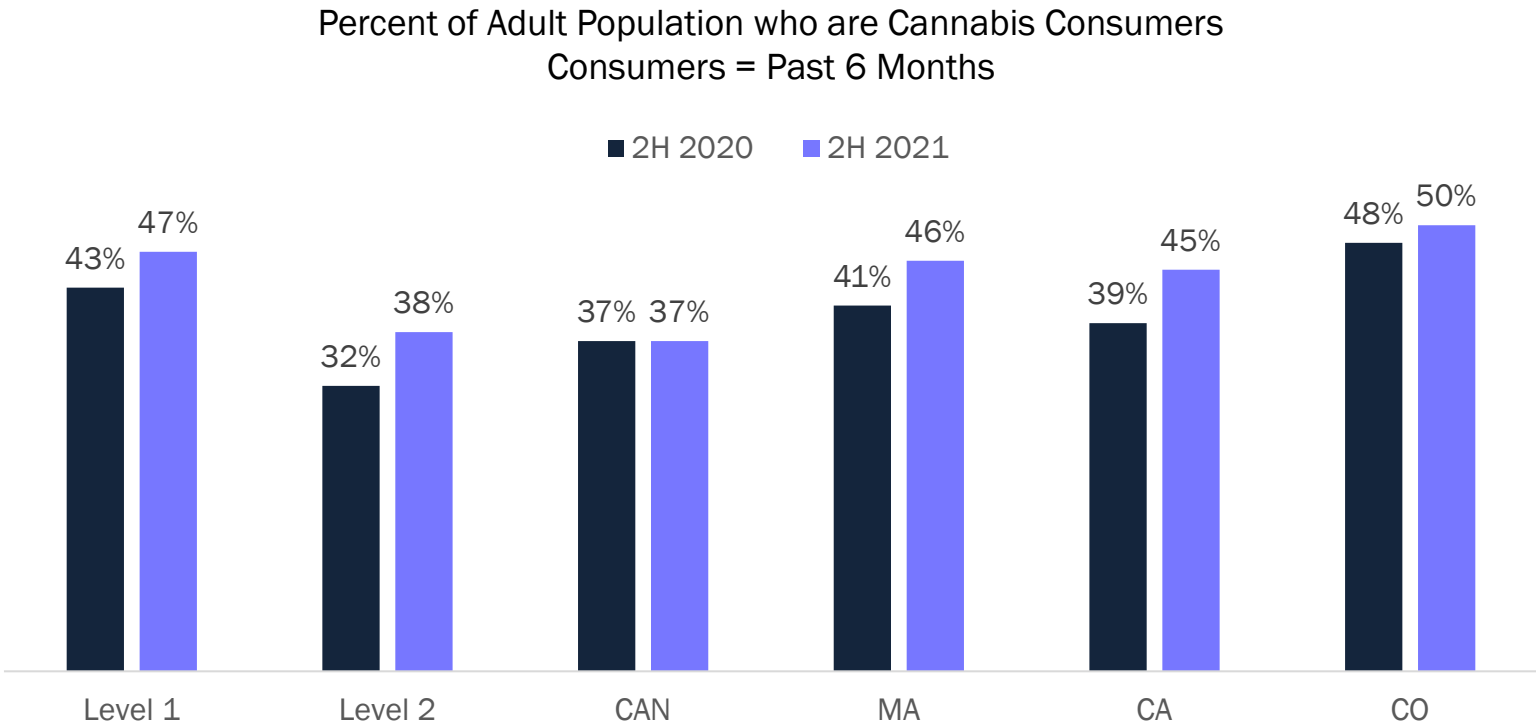
66% in CANADA

...of adults 21+ in fully legal U.S. states consumed cannabis in the past 6 months or are open to consuming cannabis

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

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

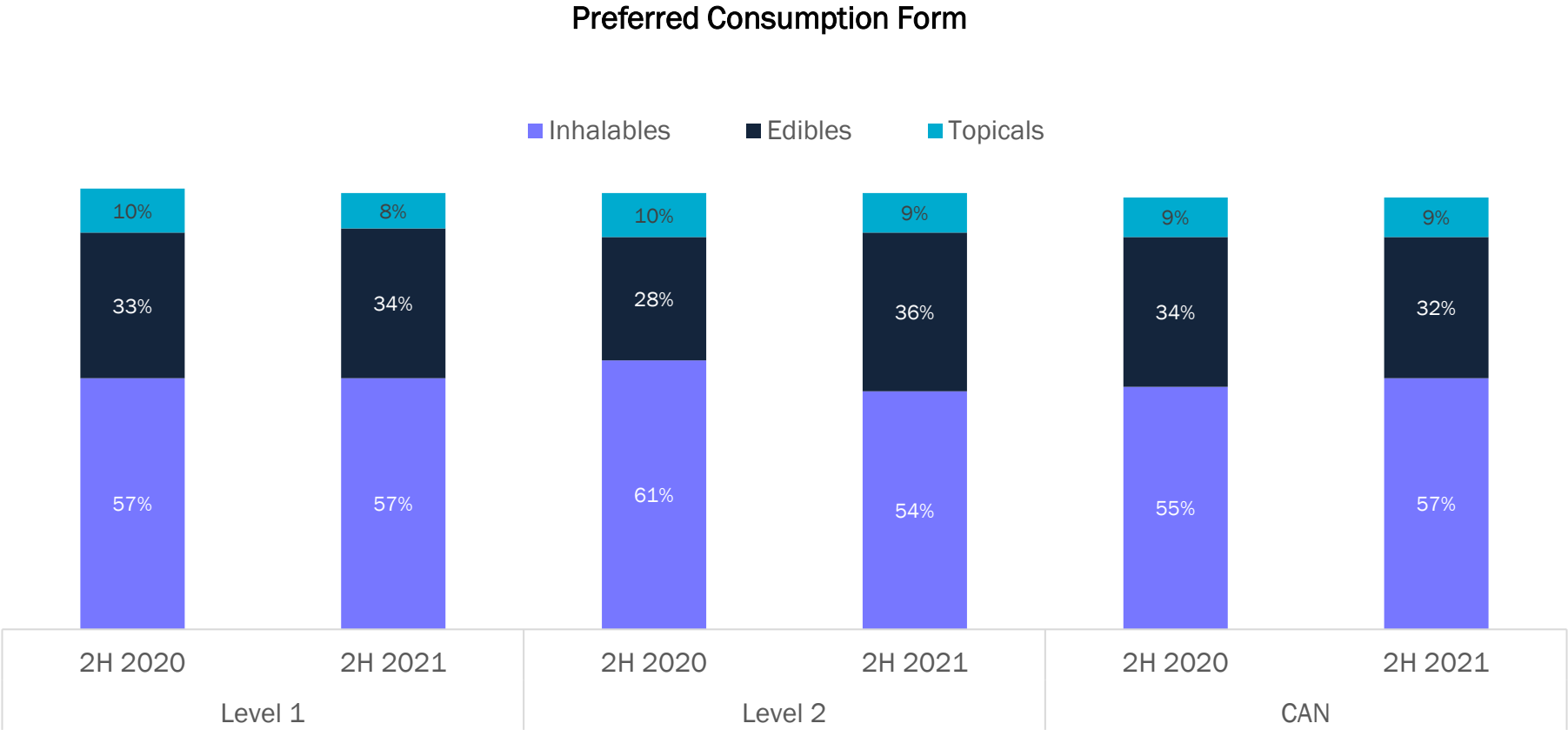
THE CONSUMER POPULATION, EVEN IN MATURE MARKETS, GREW IN 2021



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

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

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



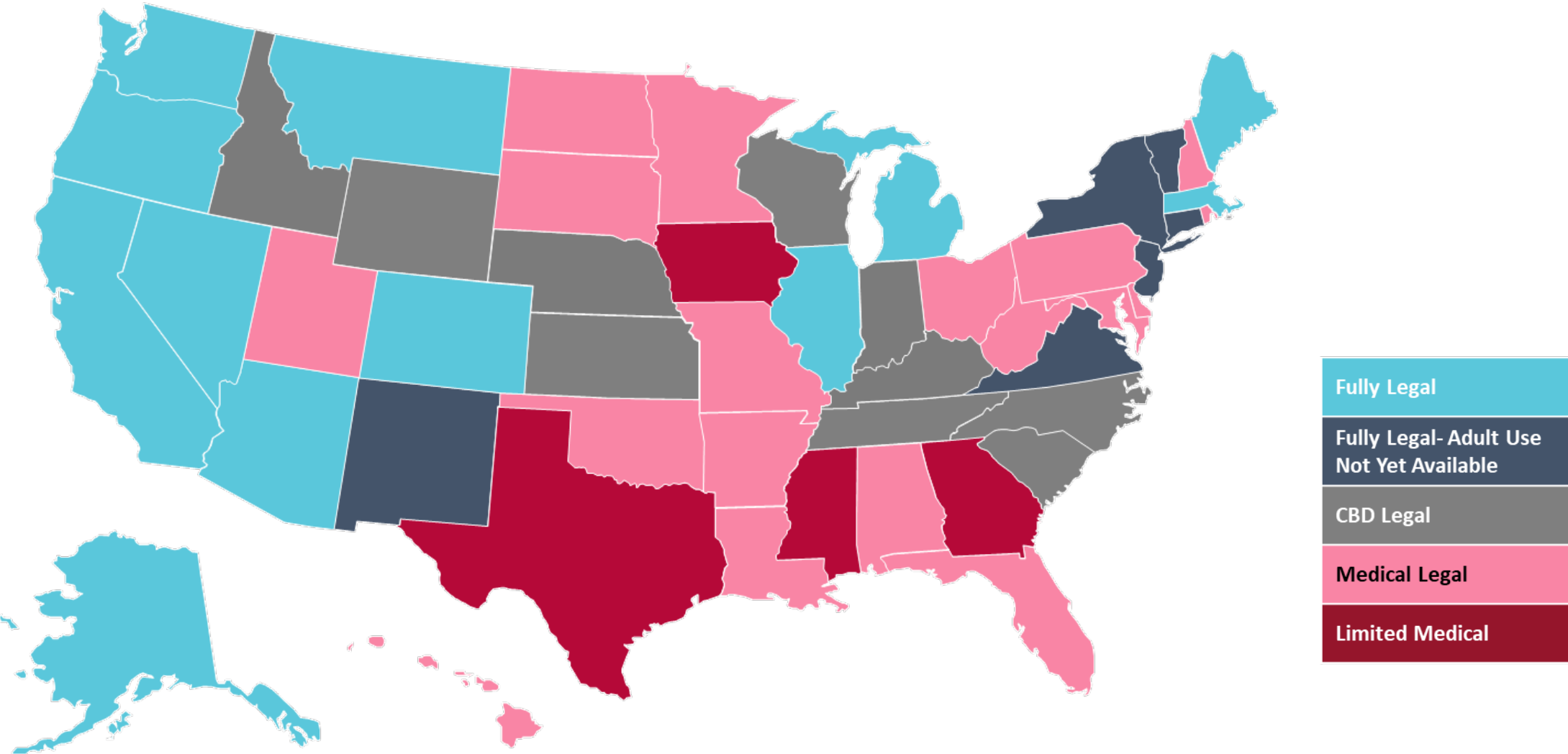
Source: BDSA Trending Consumer Insights, 2H 2020 vs. 2H 2021



STATE OF THE INDUSTRY

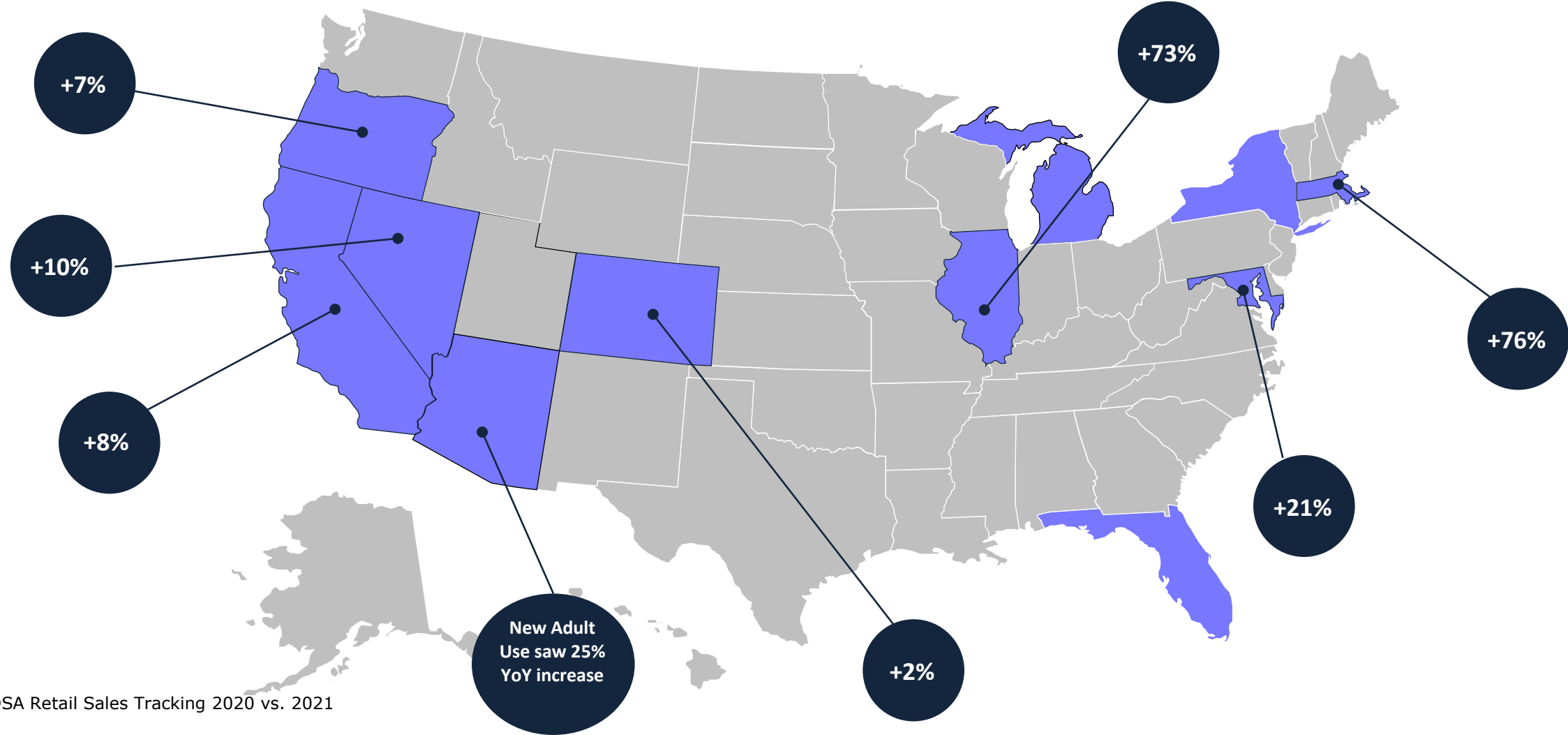


REGULATIONS LOOSENING ACROSS THE US (SEGMENTS AS OF MAR 2022)



2021 SAW SUBSTANTIAL GROWTH

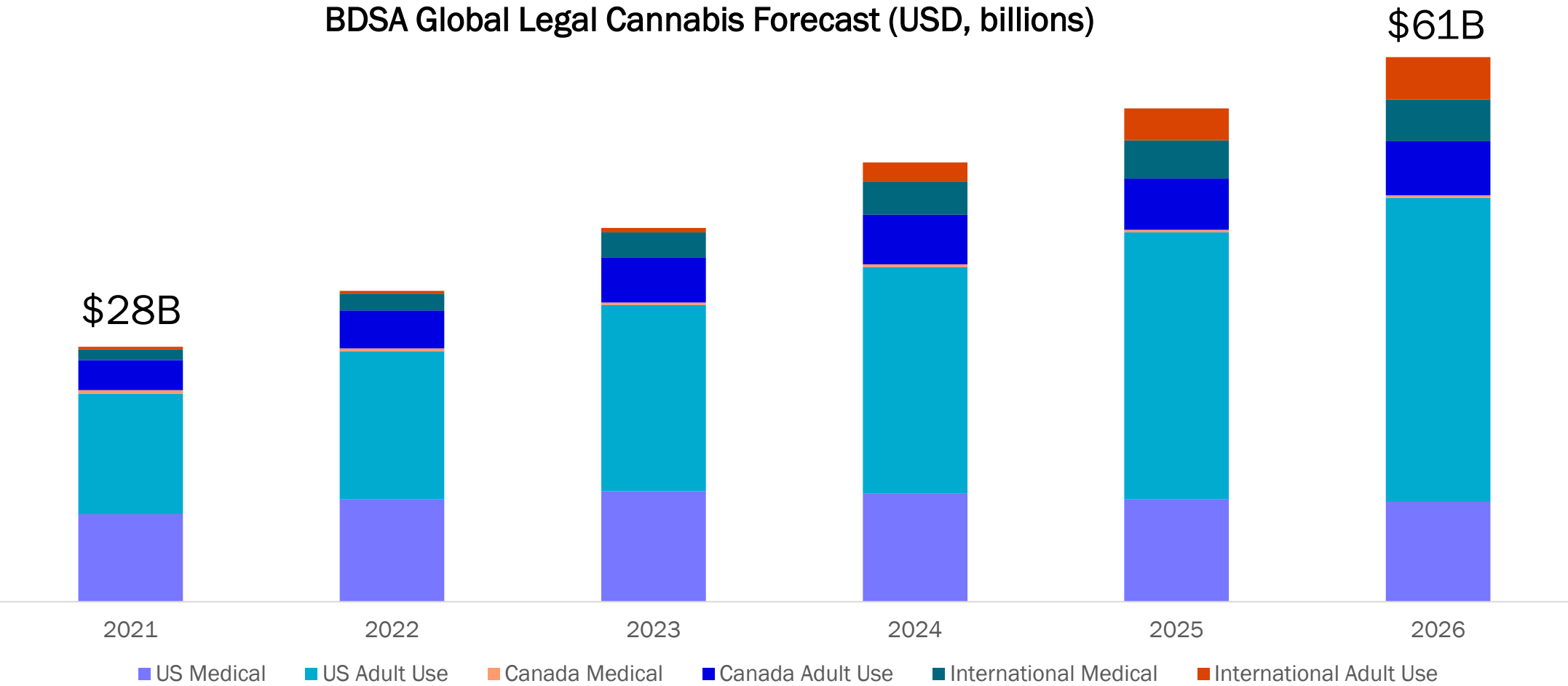
BDSA tracked markets



Source: BDSA Retail Sales Tracking 2020 vs. 2021

NOT SURPRISINGLY, THE US REMAINS THE LARGEST GLOBAL LEGAL MARKET

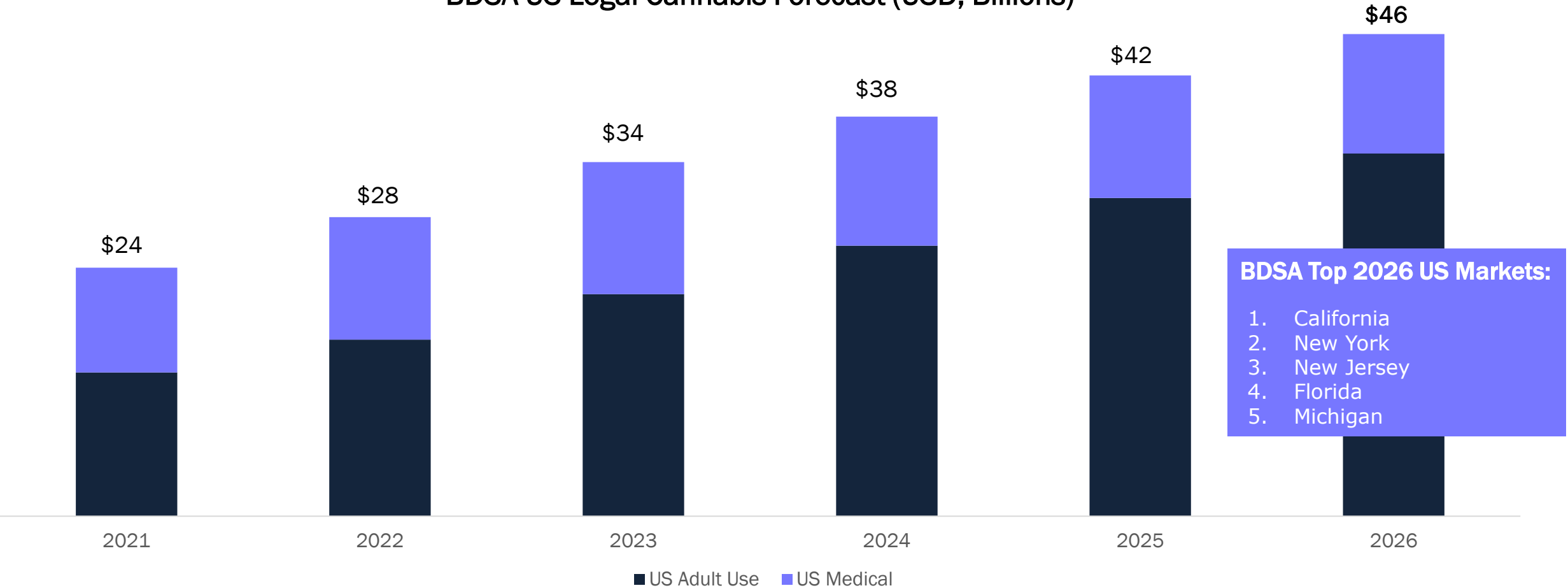
BDSA Global Legal Cannabis Forecast (USD, billions)



Source: BDSA Forecast, as of February 2022

US MARKET DRIVEN BY ADULT-USE

BDSA US Legal Cannabis Forecast (USD, Billions)



Source: BDSA Forecast, as of February 2022

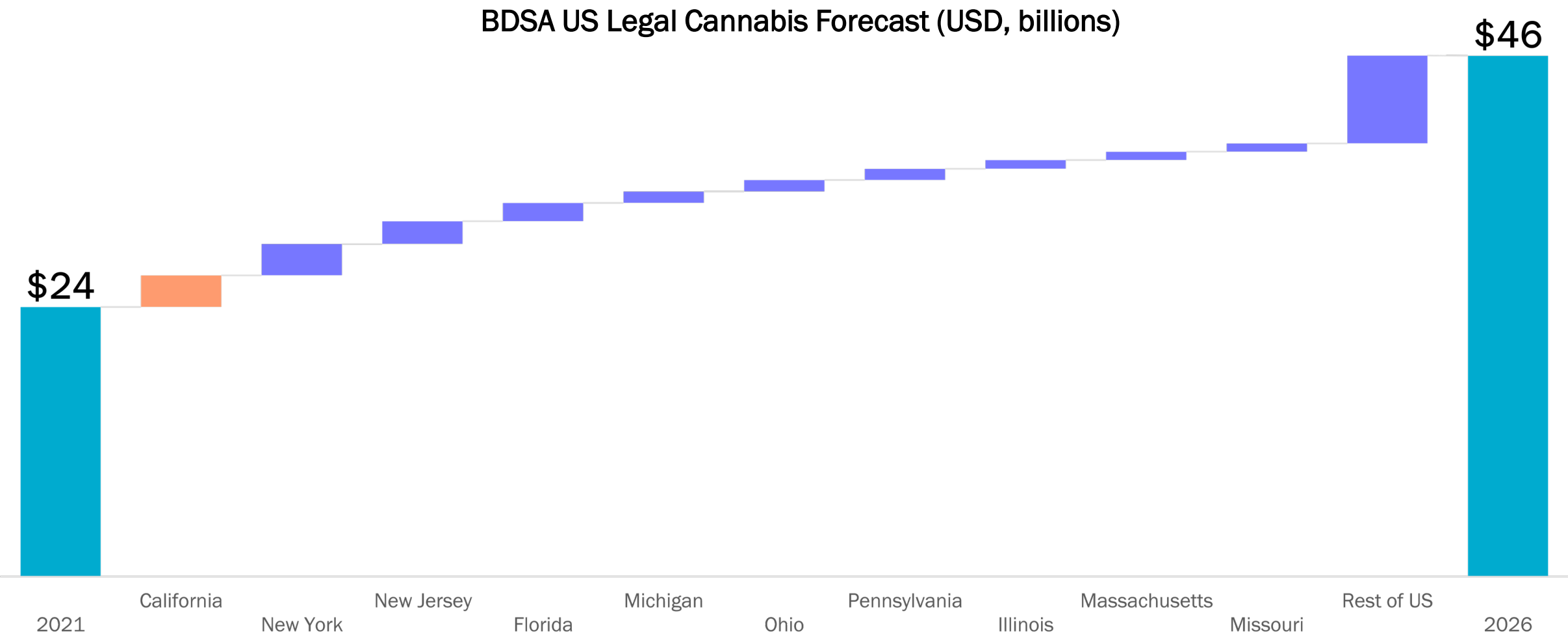
NEW STATES LEGALIZE; US MARKET GROWS

	<u>MEDICAL</u>	<u>ADULT-USE</u>
2021	West Virginia	Arizona, Marianas
2022	Georgia, Mississippi, South Dakota, US Virgin Islands	Connecticut, Guam, Montana, New Jersey, New Mexico, Rhode Island, Vermont
2023	Alabama, Kentucky, North Carolina, South Carolina, Wisconsin, Wyoming	Delaware, D.C., New York, North Dakota, Ohio
2024	Idaho, Indiana, Kansas, Nebraska, Tennessee	Florida, Maryland, Missouri, Pennsylvania, South Dakota, Virginia

Source: BDSA Forecast, as of February 2022

Note: Timeline refers to start of retail sales; as of BDSA market forecast released February 2022

CALIFORNIA CONTINUES TO TOP THE US MARKET



Source: BDSA Forecast, as of February 2022

Q1 2022 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

B D
S A



NOW FOR MORE FUN...
EDIBLES AND BEVERAGES



CONSUMERS SEEK DIFFERENT BENEFITS BY FORM FACTOR



RELAX / BE MELLOW

#1 reported benefit
of consumption for
Inhalable consumers



RELIEVE PAIN

#1 reported benefit
of consumption for **Topical**
consumers



SLEEP BETTER

#1 reported benefit
of consumption for **Edible**
consumers

Source: BDSA Consumer Research: 2H 2021 U.S. Adults 21+ in Legal Level 1 States

TOP 3 REASONS CONSUMERS CONSUME EDIBLES

**SLEEP
BETTER**



50% to Sleep Better

**RELAX /
BE MELLOW**



45% to Relax

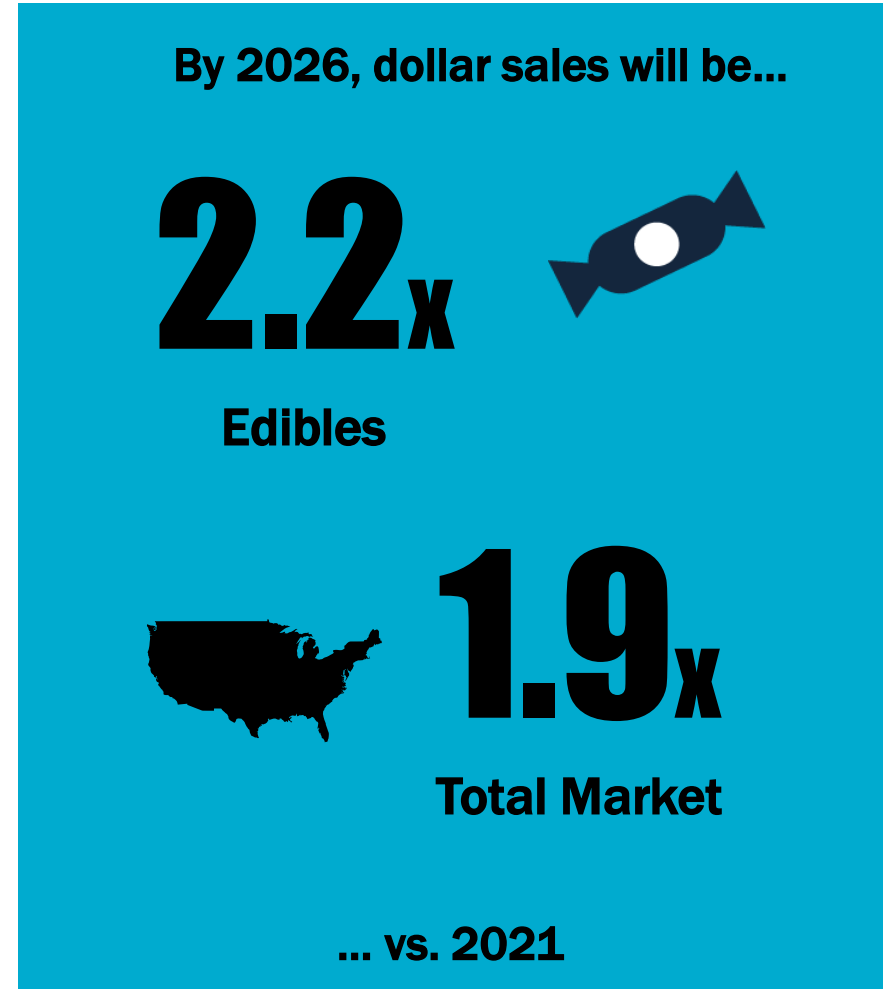
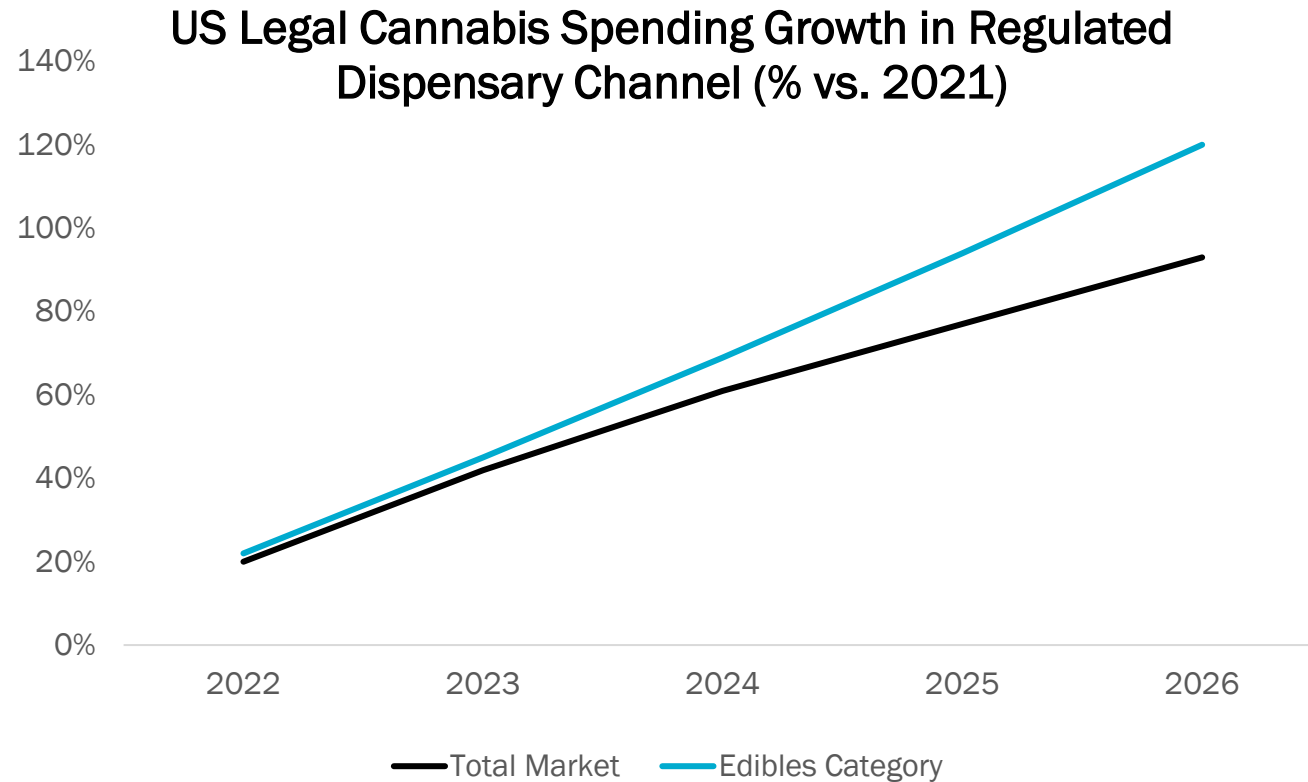
**RELIEVE
PAIN**



41% to Relieve Pain

Source: BDSA Trending Consumer Insights, 2H 2021 in Fully Legal states

EDIBLES ARE ~15% OF US DOLLAR SALES AND GROWING



Source: BDSA Forecast, as of February 2022

OF CANNABIS CONSUMERS...

74%

Consume Edibles

34%

Prefer Edibles

Source: BDSA Trending Consumer Insights, 2H 2021 in Fully Legal states

WHAT DRIVES EDIBLES PURCHASING DECISIONS?

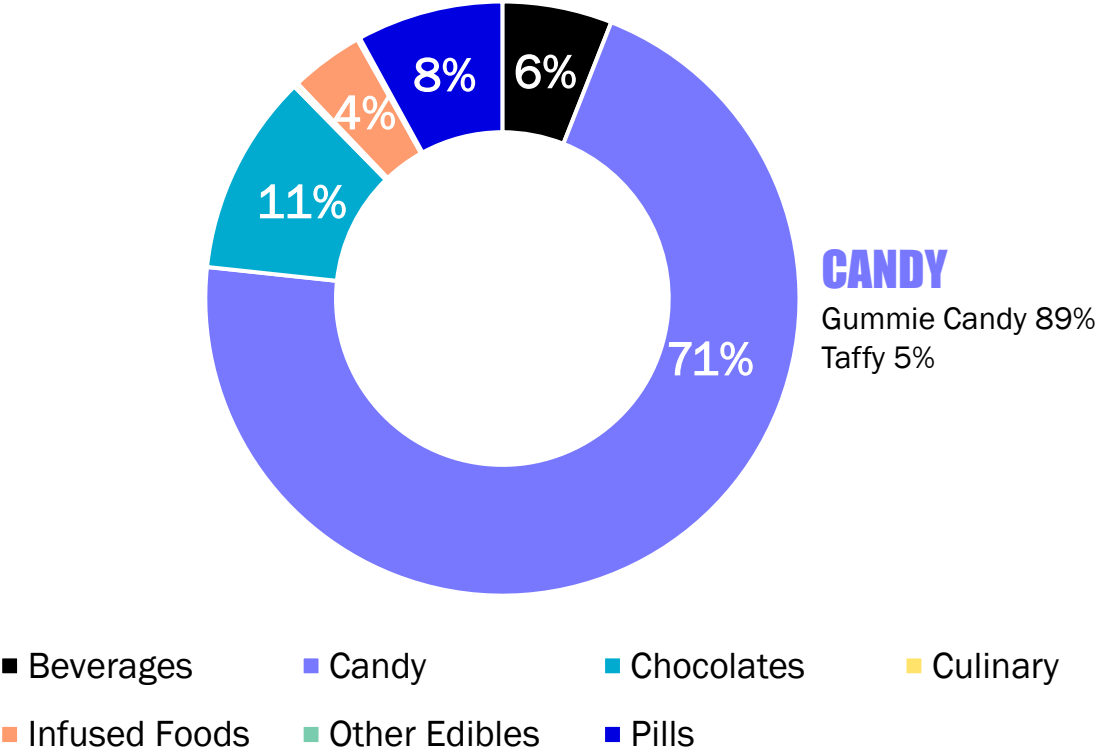
Among Dispensary Shoppers Preferring Edibles



Source: BDSA Trending Consumer Insights, 2H 2021 in Fully Legal states

US EDIBLES DOMINATED BY CANDY, DRIVEN BY GUMMIES

Dollar Sales Spend Edibles Category



+30%

2021 Total Edibles \$
Growth vs. 2020

Source: BDSA Sales Tracking, Full year 2021 Dollar Sales: AZ, CA, CO, OR, NV, MD, MA, Mi, MO, IL, FL, PA

Q1 2022 TOP SELLING (\$) EDIBLE BRANDS (AZ, CA, CO, IL, MA, MD, MI, MO, NV, OR, PA)

1 WYLD

2 KIVA

3 WANA

4 INCREDIBLES (Green Thumb)

5 1906

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

IS THERE MORE TO EDIBLES THAN GUMMIES?

PILLS: 1906

+39%

Pills \$ 2020 vs. 2021



19
06

#1 PILL BRAND
37% OF PILL \$ Sales

Next closest at 16%

Source: BDSA 2021 Retail Sales Tracking

OF CANNABIS CONSUMERS...

30%

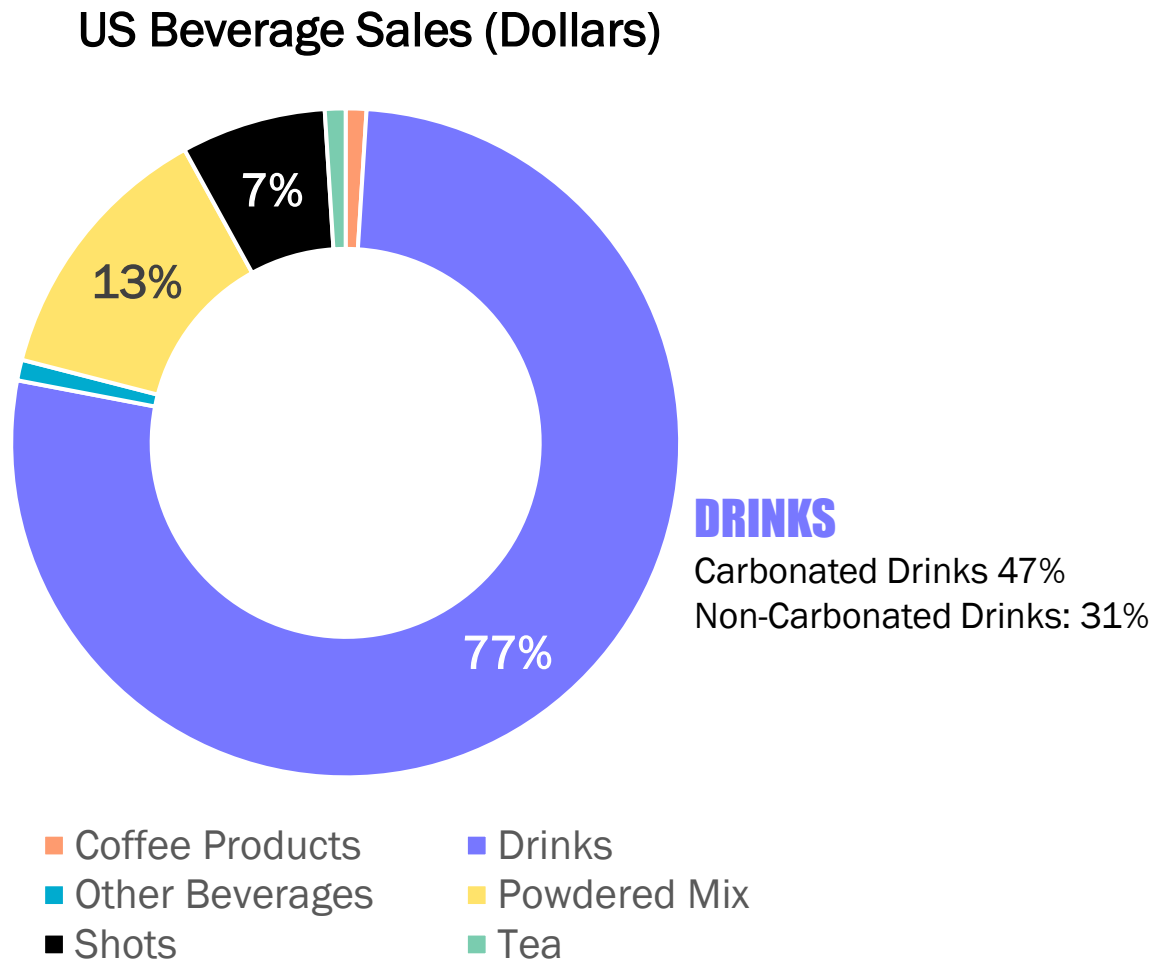
Consume Beverages

4%

Prefer Beverages

Source: BDSA Trending Consumer Insights, 2H 2021 in Fully Legal states

US BEVERAGES SMALL (5% \$) BUT GROWING



+63%

2021 US Total Beverage
\$ Growth vs. 2020

Source: BDSA Sales Tracking, Full year 2021 Dollar Beverage Sales: AZ, CA, CO, OR, NV, MD, MA, Mi, MO, IL, FL, PA

Q1 2022 TOP SELLING (\$) BEVERAGE BRANDS (AZ, CA, CO, IL, MA, MD, MI, MO, NV, OR, PA)

1KEEF

2CANN

3LEVIA (AYR)

4PTS

5SELECT (CURALEAF)

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

AND CBD IN DISPENSARIES...

+12%

Avg Retail Price for
Cannabis Edibles with
CBD

366/697

Edibles Brands offer
at least one CBD SKU

Wyld
1906
Wana
Plus Products
Incredibles

Source: BDSA 2021 Retail Sales Tracking

BDSA QUICK HITS: SOVENTLESS EDIBLES

Some Examples...

710 Labs Hash Rosin Gummi



LEVEL Hashtab



Wana Spectrum



dialed in...gummies



BDSA QUICK HITS: STRAIN SPECIFIC EDIBLES

Some Examples...

PLUS strains



KIVA Lost Farm



dialed in...gummies



BDSA QUICK HITS: MINOR CANNABINOID

Some Examples...

WYLD (CBG)



WANA (THCV)



KIVA (CBN)



OF CANNABIS ACCEPTORS (non-consumers)...

45%
Would Consider Edibles

23% Would consider Inhalables

55% Would consider Topicals

Source: BDSA Consumer Research 2H 2021: U.S. adults 21+ in Fully Legal US States



WHAT IS STILL TO COME IN 2022?



DO THE RULES OF CPG APPLY TO CANNABIS....YES & NO

PRICE MATTERS

“PRICE” is consistently a top-3 claimed driver of product choice with ~30% saying that price influences their purchase decision. It falls just behind taste/flavor and high THC content.

Price alone does not indicate quality or premium. BUT there are drivers and product attributes that cannabis consumers WILL pay more for.

BUT NOT NATIONAL

There are no national standards- the exact same product (same size, variety, THC content, etc.) can have dramatically different pricing by state/province

BRANDS MATTER...ISH

Brand alone doesn't seem to matter at the surface, BUT a good experience, trusted recommendation, and brand familiarity does. These benefits tie back to brand.

Brand dominance does not yet exist and brand rankings shift constantly.

BDSA FULL YEAR 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
2. Brand recognition will grow, and dare we say, **brand loyalty** will emerge
3. More blatant quality cues will drive **greater pricing differentiation**
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

**IT'S A NEW GAME.
DATA. DEEPER.**

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