

State of the Industry and Predictions for 2023



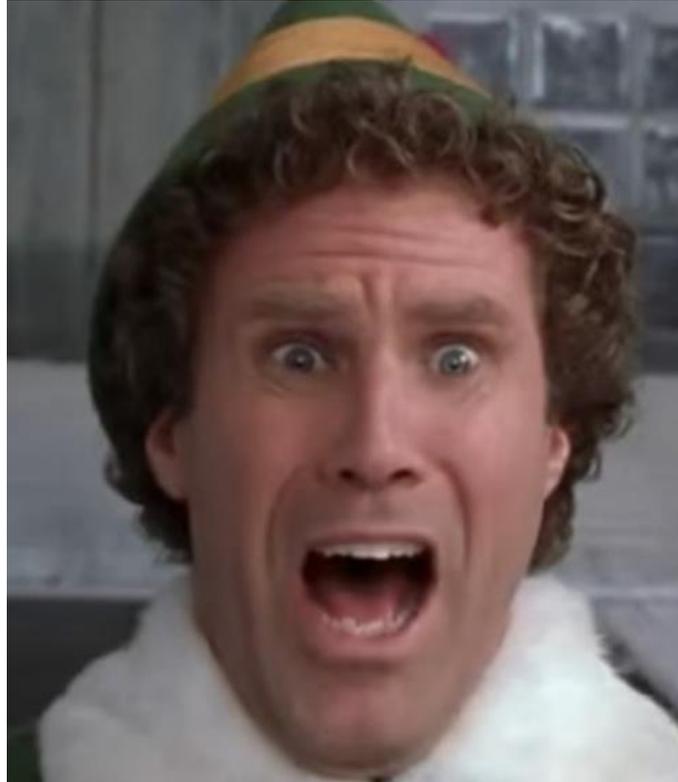
Chris Walsh
CEO
MJBiz



Industry Pulse a Year Ago



Industry Pulse Now



Tale of 2 (or 3, or 4) Industries



Tale of 2 (or 3, or 4) Industries



Tale of 2 (or 3, or 4) Industries



Tale of 2 (or 3, or 4) Industries



Vs.



The Good, The Bad & The Ugly

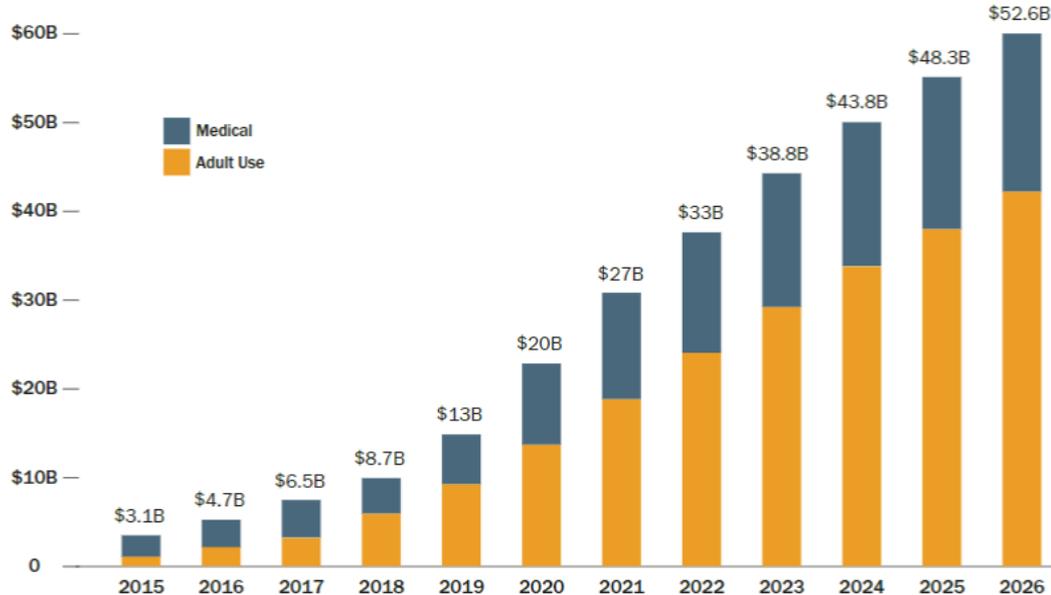


Or...The Chronic, the Schwag and the Moldy SnickleFritz



Good: Sales Keep Skyrocketing

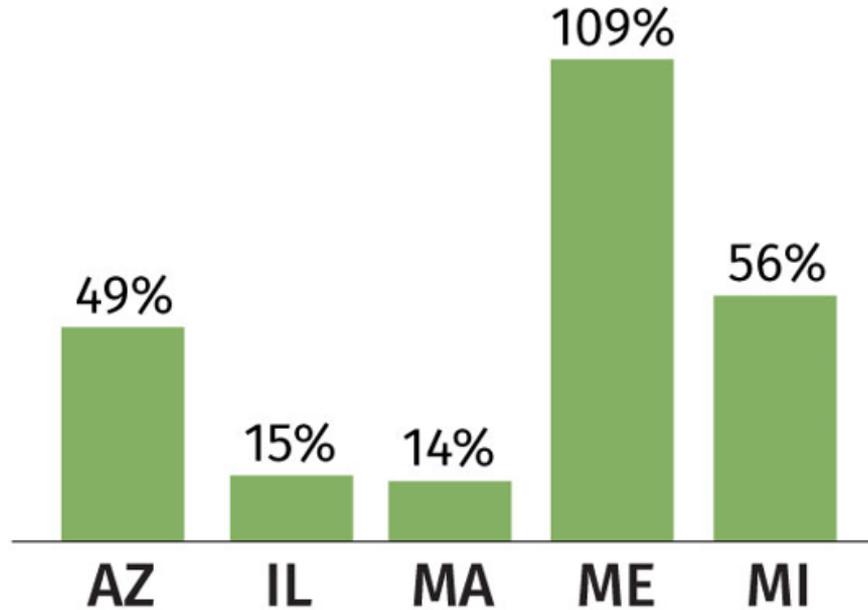
U.S. Cannabis Retail Sales Estimates: 2015-26



Source: MJBizFactbook
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Good: Sampling of State Growth



Good: Markets Launched/Launching



Good: Election Wins



Maryland: \$600M in sales
first full year, \$1B by
fourth year



Missouri: \$550M in sales
first full year, \$800M+ by
fourth year



Good: 2 Other States Legalize

Rhode Island adult use
+
Mississippi medical
=
Over \$1B in sales





Good: Recent Mainstream Interest



Good: Sitting Prez Addresses MJ



Good: Germany Advances Legalization



Bad: An Industry in Flux

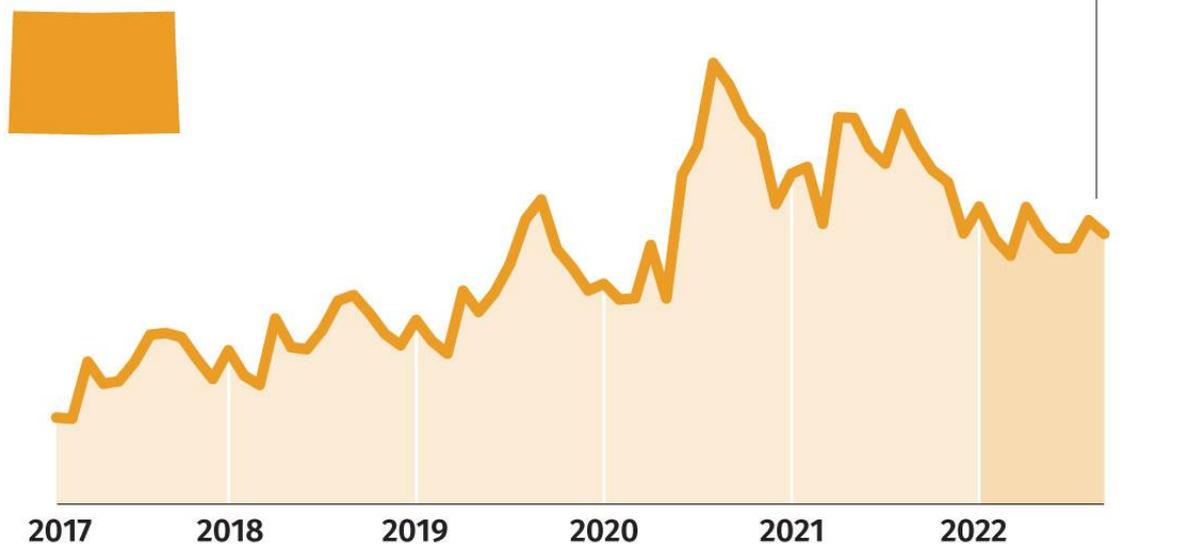
**BROWNING
PAINS**



Bad: Mature Markets Stagnating

Colorado

Source: Headset



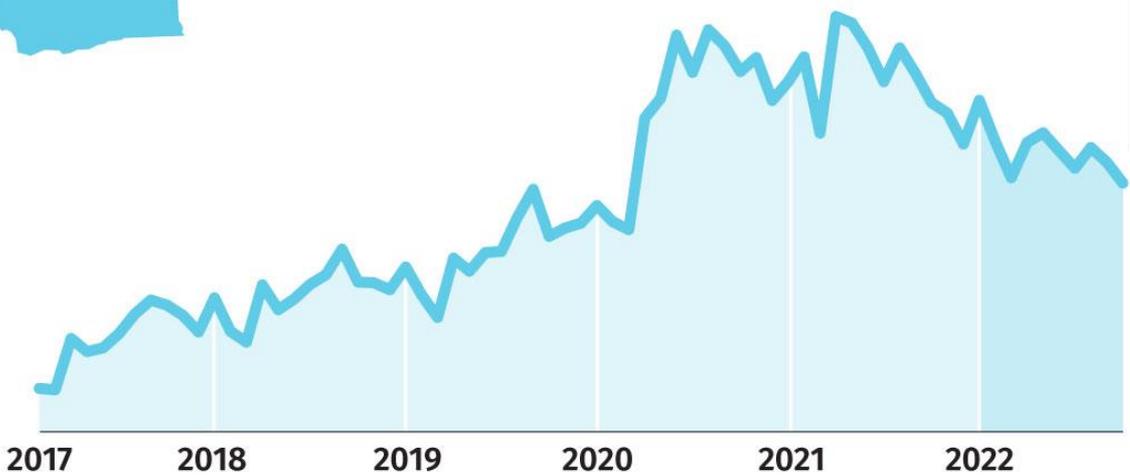
Bad: Mature Markets Stagnating

Washington

Source: Headset



September
\$103.6M

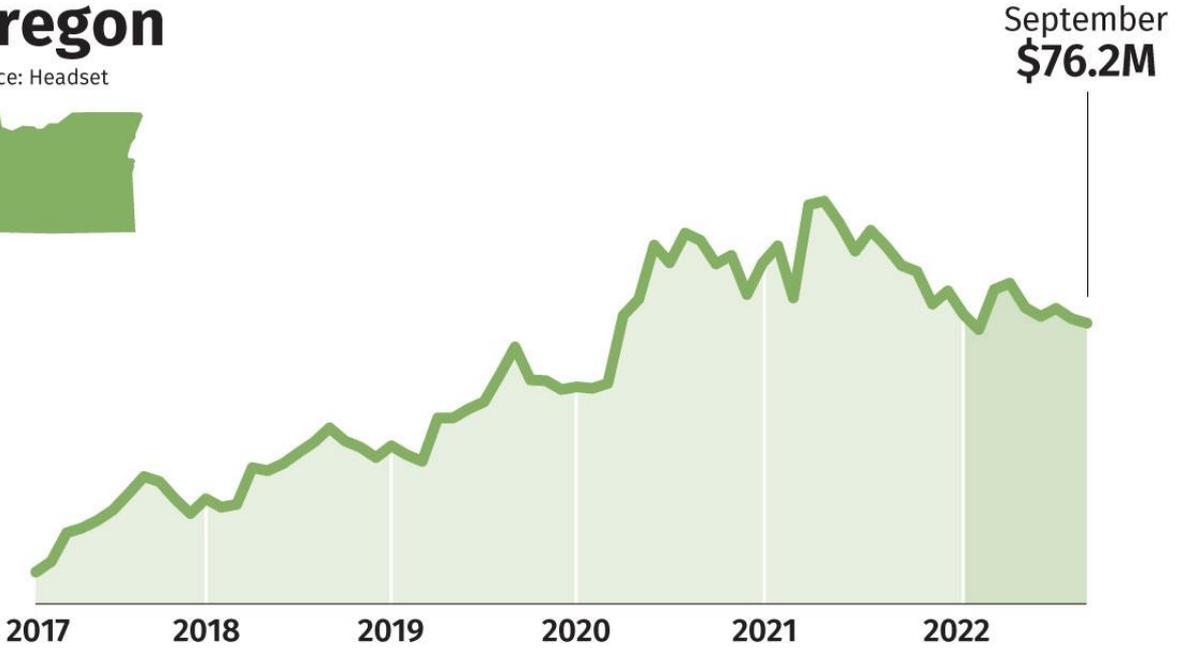




Bad: Mature Markets Stagnating

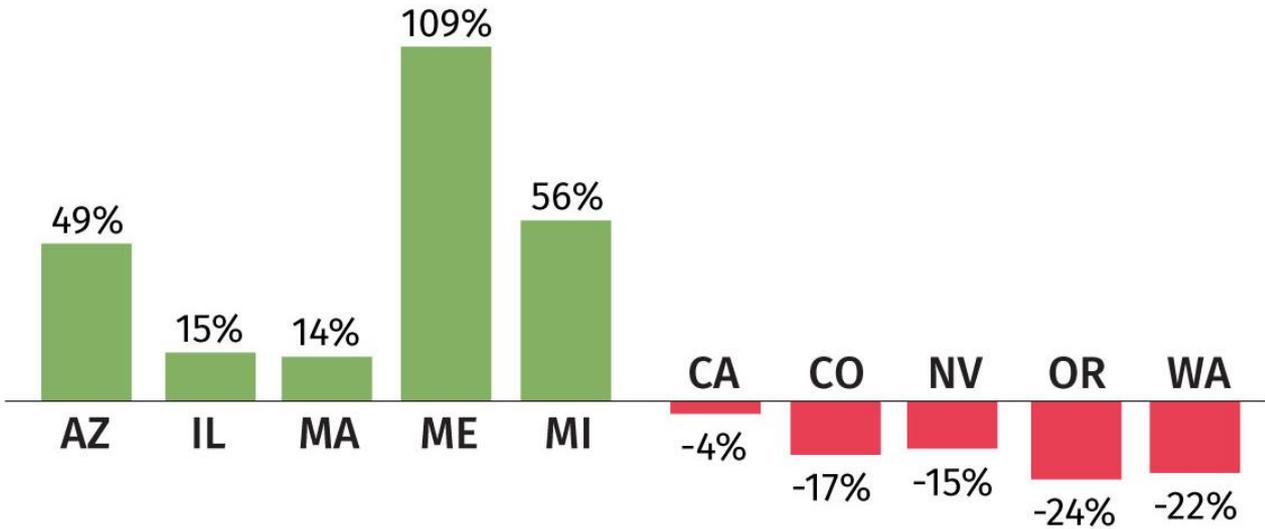
Oregon

Source: Headset



Bad: Sales Trend Comparison

Percent change 2021-2022, same period. Source: State agencies, Headset

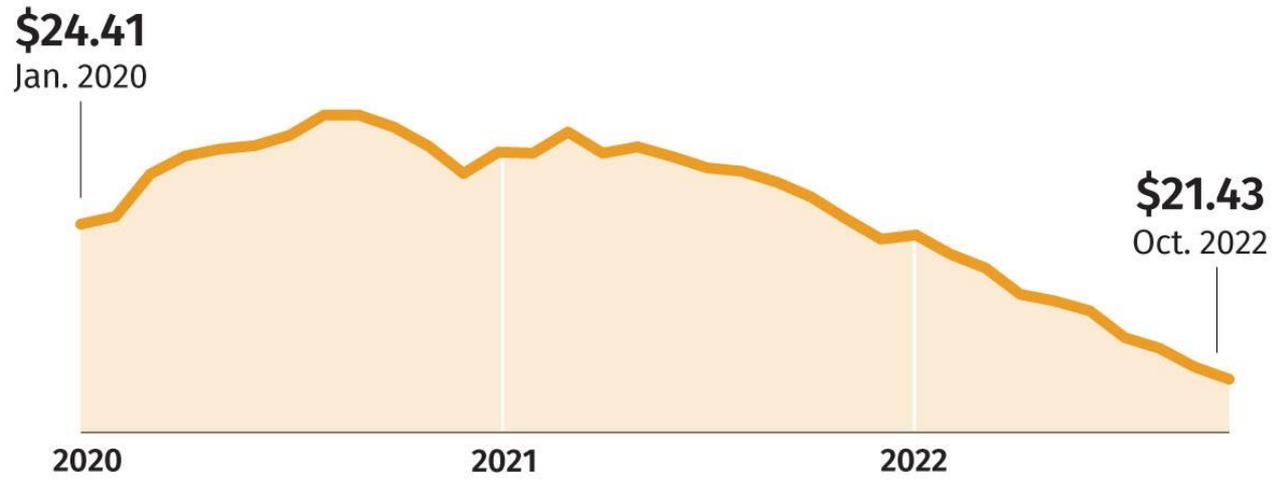


Bad: Mature Markets Stagnating

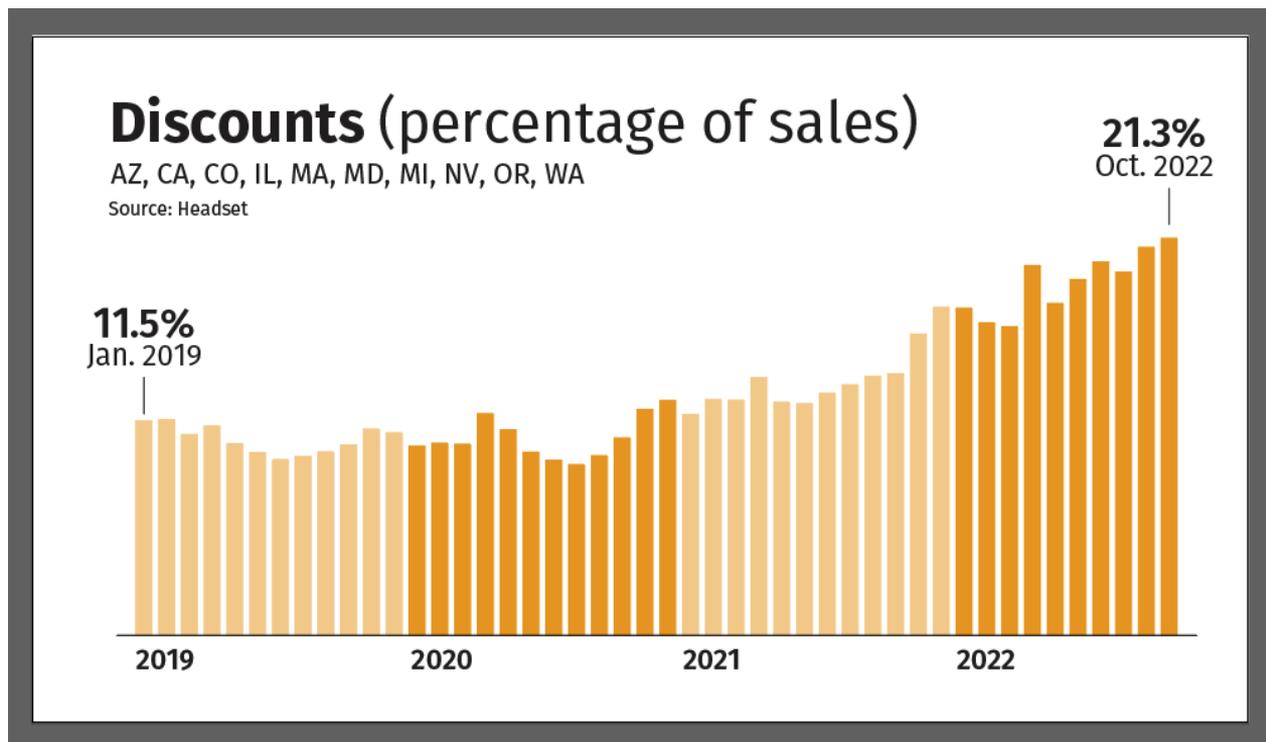
Average Item Price

CA, CO, MA, MI, NV, OR, WA

Source: Headset



Bad: Mature Markets Stagnating



Colorado cannabis wholesale flower prices plummet to all-time low



By **MJBizDaily Staff**

July 22, 2022 - Updated July 25, 2022

Marijuana growers in mature markets call for license moratorium amid falling prices



By **Bart Schaneman**, Editor

October 31, 2022 - Updated November 1, 2022

As recreational marijuana prices plummet in Massachusetts, medical sales slump

Six years after Massachusetts voters legalized marijuana, the state's cannabis ...

 The Boston Globe on MSN · 5h

Cannabis growers report bumper harvest amid overproduction, low prices



By **Bart Schaneman**, Editor

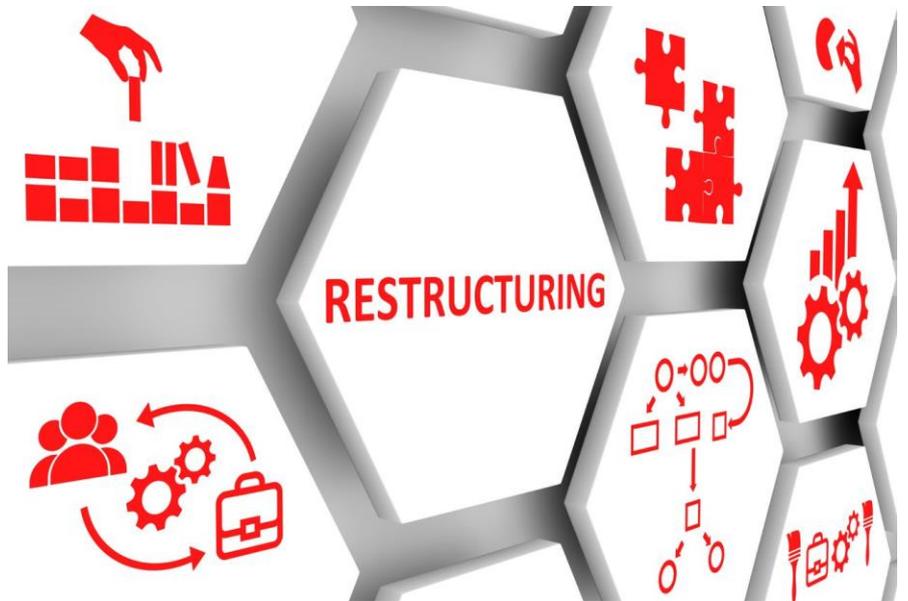
November 7, 2022

Holy smokes! Weed drops to record low prices despite record high inflation

Legal cannabis is still subject to the same inflationary pressures as everything else, forcing many state markets into offering customers heavy markdowns.

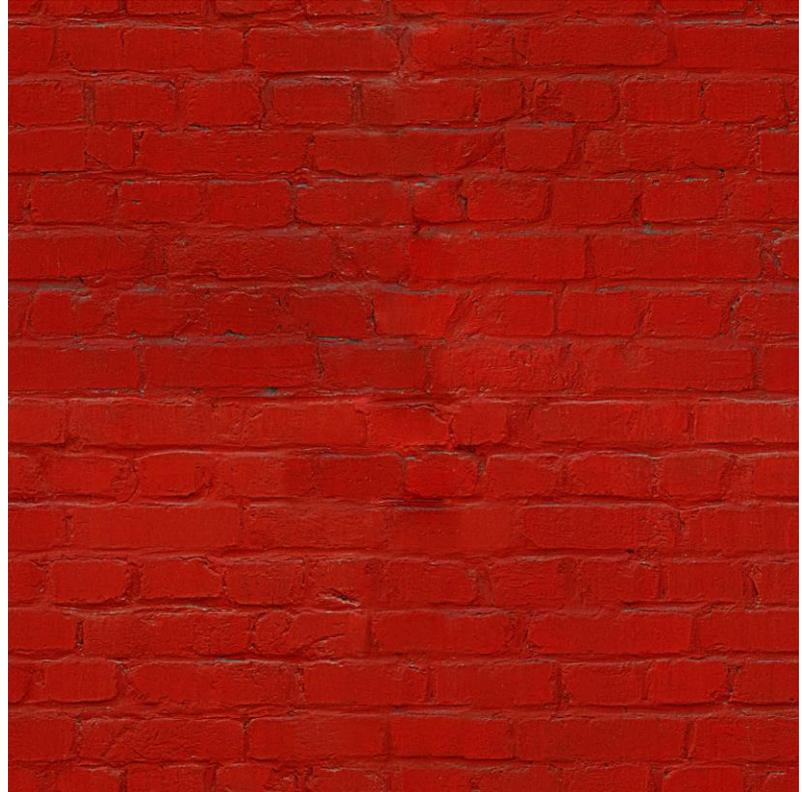


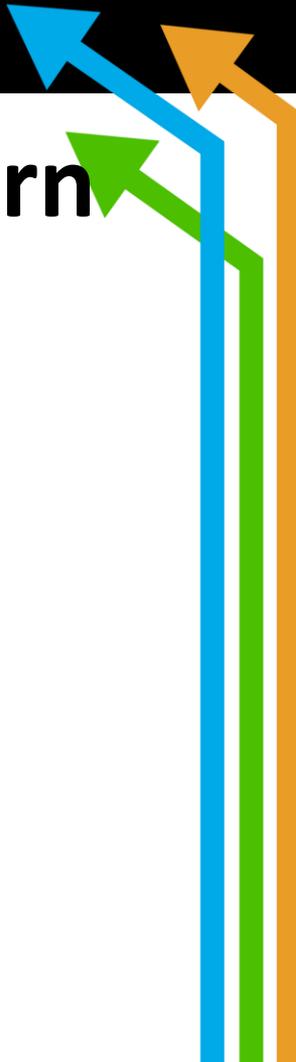
Bad: Many Companies Struggling



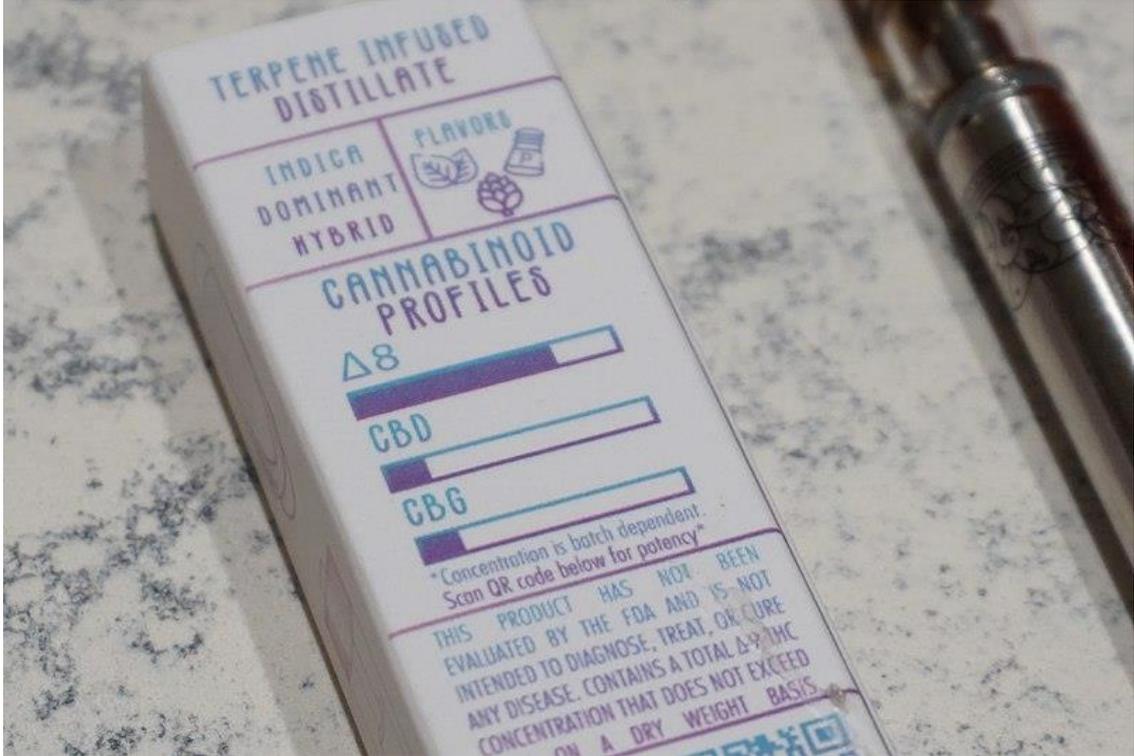
Bad: Election Losses

Arkansas, North Dakota,
South Dakota...





Bad: Delta 8 Emerging as Real Concern





Bad: Diversity Sorely Lacking

Minority Executives in Cannabis

The percentage of women and non-white executives in the cannabis industry remained stagnant in 2022 after peaking in 2019.

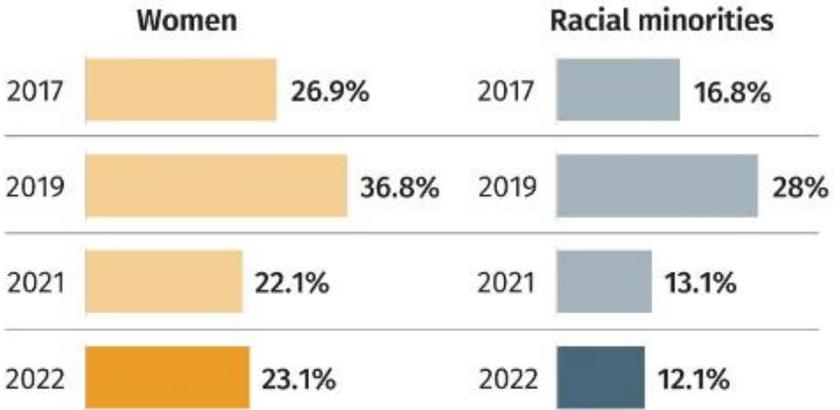
New report

The free report, "Diversity, Equity & Inclusion in the Cannabis Industry," can be downloaded at

insights.mjbizdaily.com/cannabis-diversity



Source: MJBizDaily Research



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Bad: Macro Economic Forces

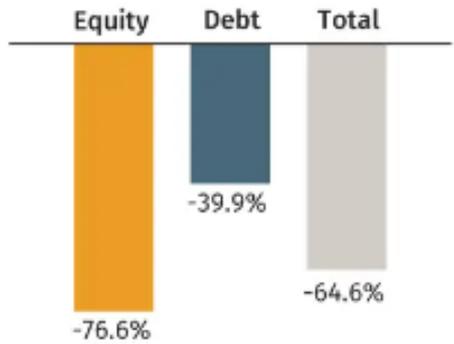
- Inflation
- Stock market slump
- Supply chain issues
- War in Ukraine
- Overall investment pullback





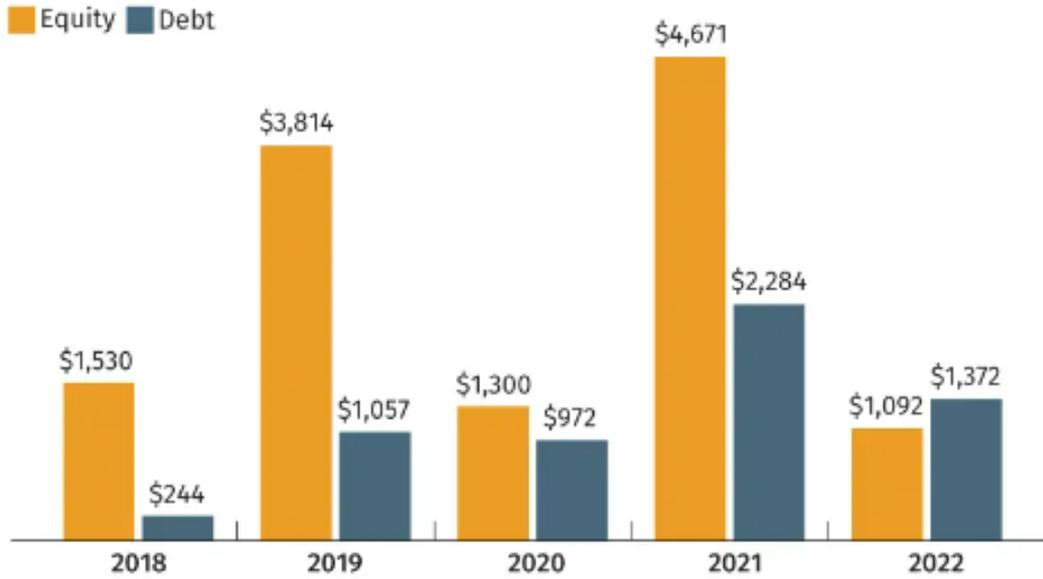
Ugly: Cannabis Capital Collapses

Declining capital raises
 U.S. capital raises have decreased in the past year through week 41.



Source: Viridian Capital Advisors

Historic cannabis capital raises
 Through week 41 in each year, in millions of dollars.



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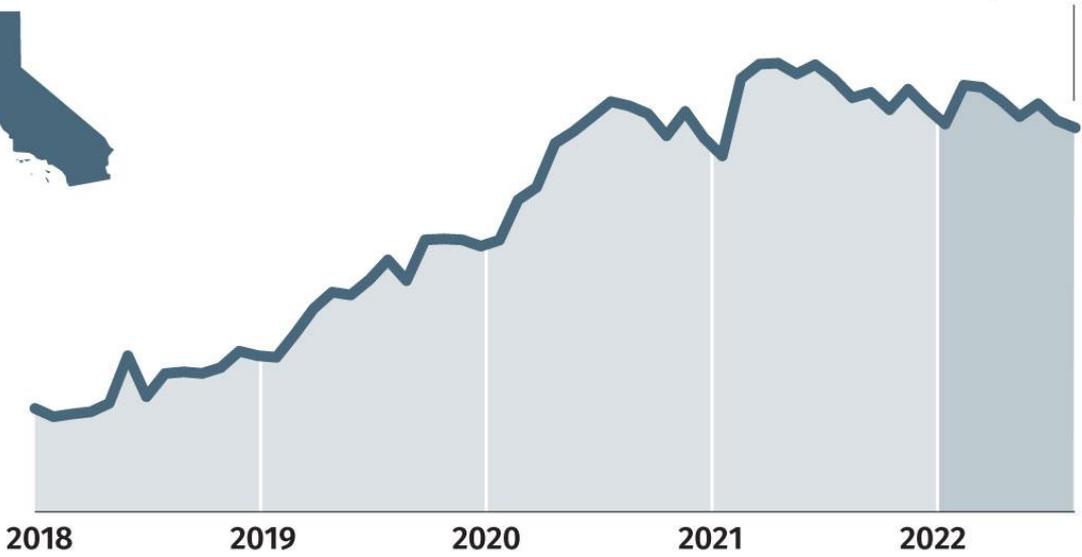


Ugly: California (Still) a Disaster

California
Source: Headset



September
\$406.6M



Ugly: Some Illicit Markets Thriving



Canada: Good, Bad & Ugly





What Does it All Mean?



Predictions

Recap of Predictions for 2022

At least 4 states legalize medical or rec, including 1 “sleeper”



Recap of Predictions for 2022

Biggest year for M&A yet; 3-4 mega mergers in US & Canada



Recap of Predictions for 2022

FDA won't pave way for ingestible CBD, but states will lead rebound



Recap of Predictions for 2022

No federal change, even on banking...but stage will be set



Recap of Predictions for 2022

One of first big rec markets will see flat overall sales



Recap of Predictions for 2022

Big progress in social consumption



Predictions for 2023

- Tangible consolidation in some key markets (MI, CA)
- NY will struggle to contain illicit market after launch of rec
- Canada: Inventory to peak next year and then start falling in 2024
- Resistance to MJ legalization federally, in red states will grow

But...

- Two states legalize (MN, PA, OH?)
- Banking passes, meaningful moves on de/rescheduling



THE 11TH ANNUAL
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Thank You!