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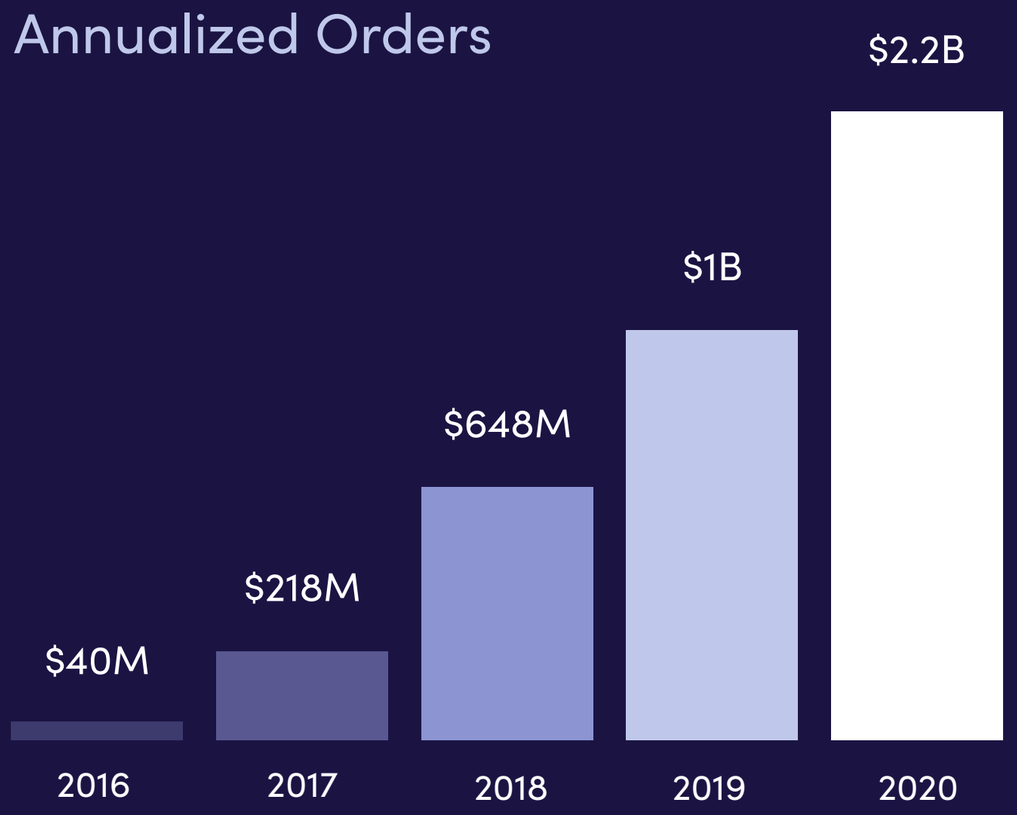
The Impact of COVID-19 on Wholesale Cannabis

Claire Moloney
Director of Operations, Marketplace

The Cannabis Industry's Wholesale Marketplace

1,500+ brands

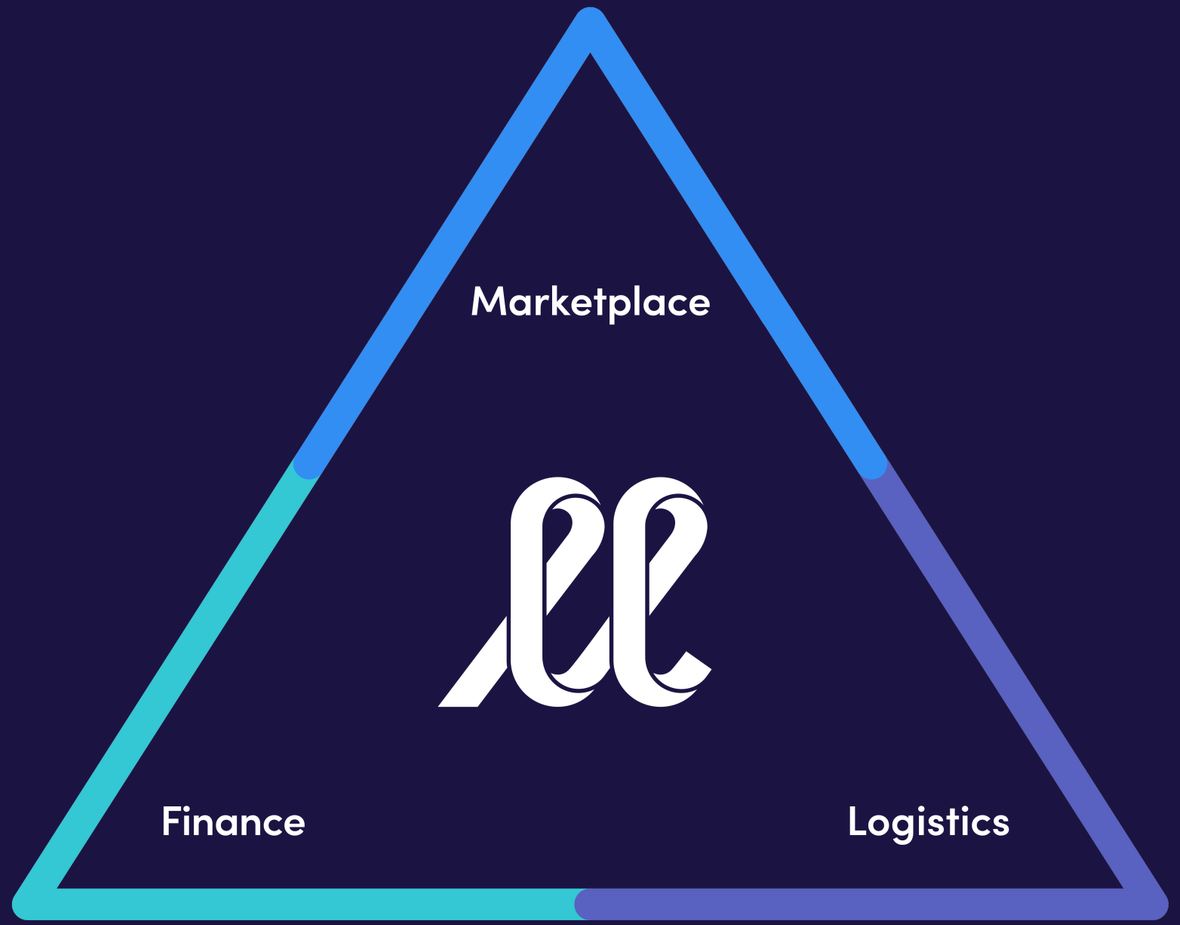
4,700+ retailers



25 Territories in North America

Streamlining the Entire Supply Chain

The LeafLink Triangle

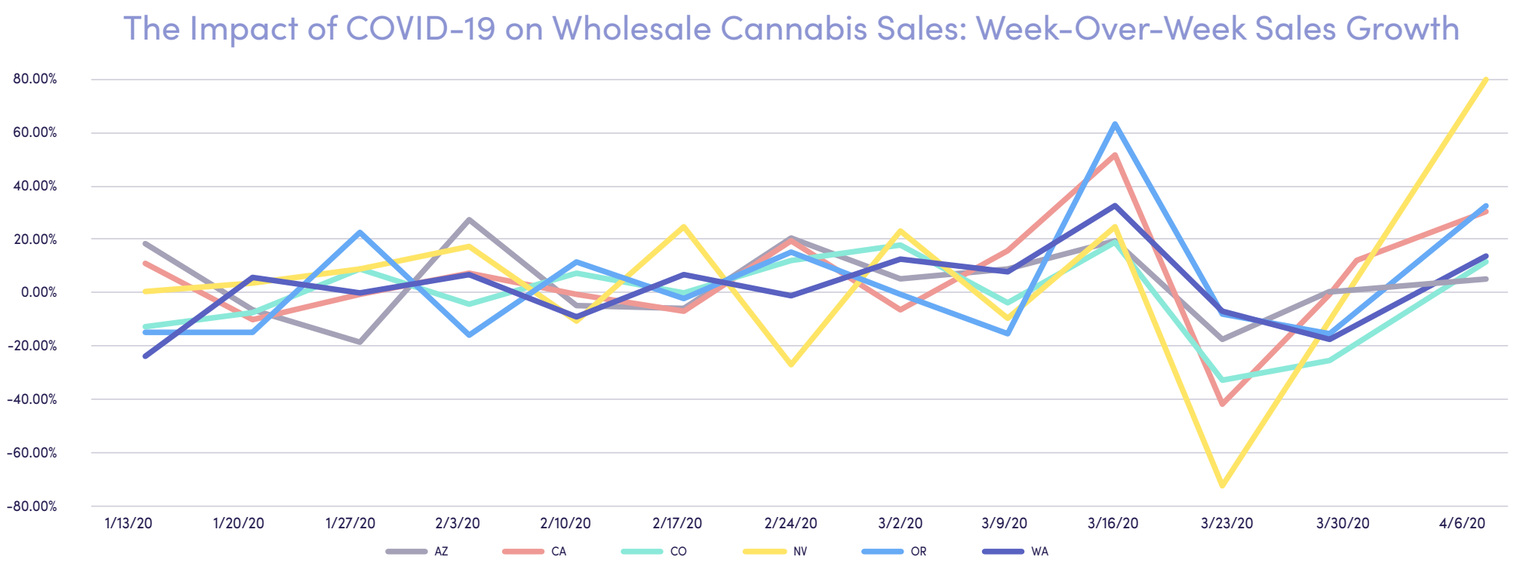


The Impact of COVID-19 on Wholesale

How have stay-at-home orders affected cannabis?

Overall Impact

During the week of 3/16, we saw a major stock up event. This was followed by a return to the norm, and then 4.20 fueled growth.



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- **Week of 3/16:**
  +36% WoW increase
- **Week of 3/23:**
  -30% WoW decrease
- **Week of 3/30:**
  -5.5% WoW decrease
- **Week of 4/6:**
  +17% WoW increase

Product Impact

What are retailers stocking during COVID-19?

Packaged Flower

+2.6%

market share

Gummies

+1.5%

market share

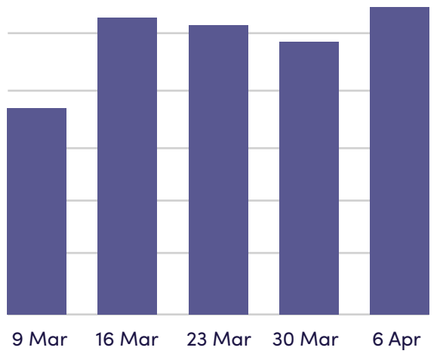
Disposable Cartridges

+1.3%

market share

Market Impact

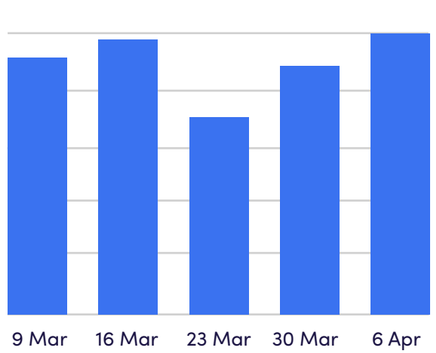
How are GMV impacts being felt across different markets?



Oklahoma

Early Growth
Medical
since 2018

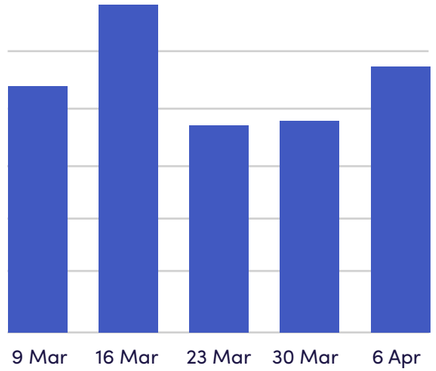
Essential



Michigan

Expansion
Recreational
since 2019

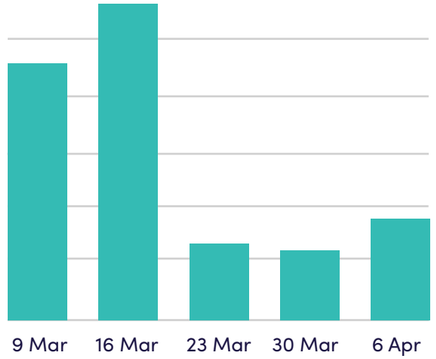
Essential



California

Expansion
Recreational
since 2018

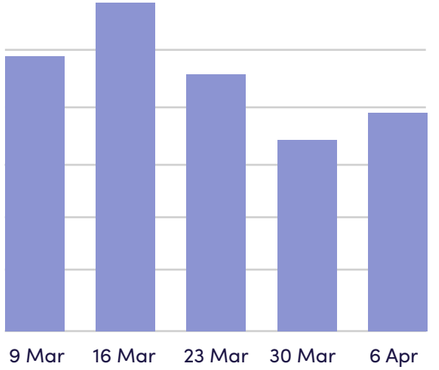
Essential



Nevada

Expansion
Recreational
since 2018

Delivery-Only



Colorado

Mature
Recreational
since 2014

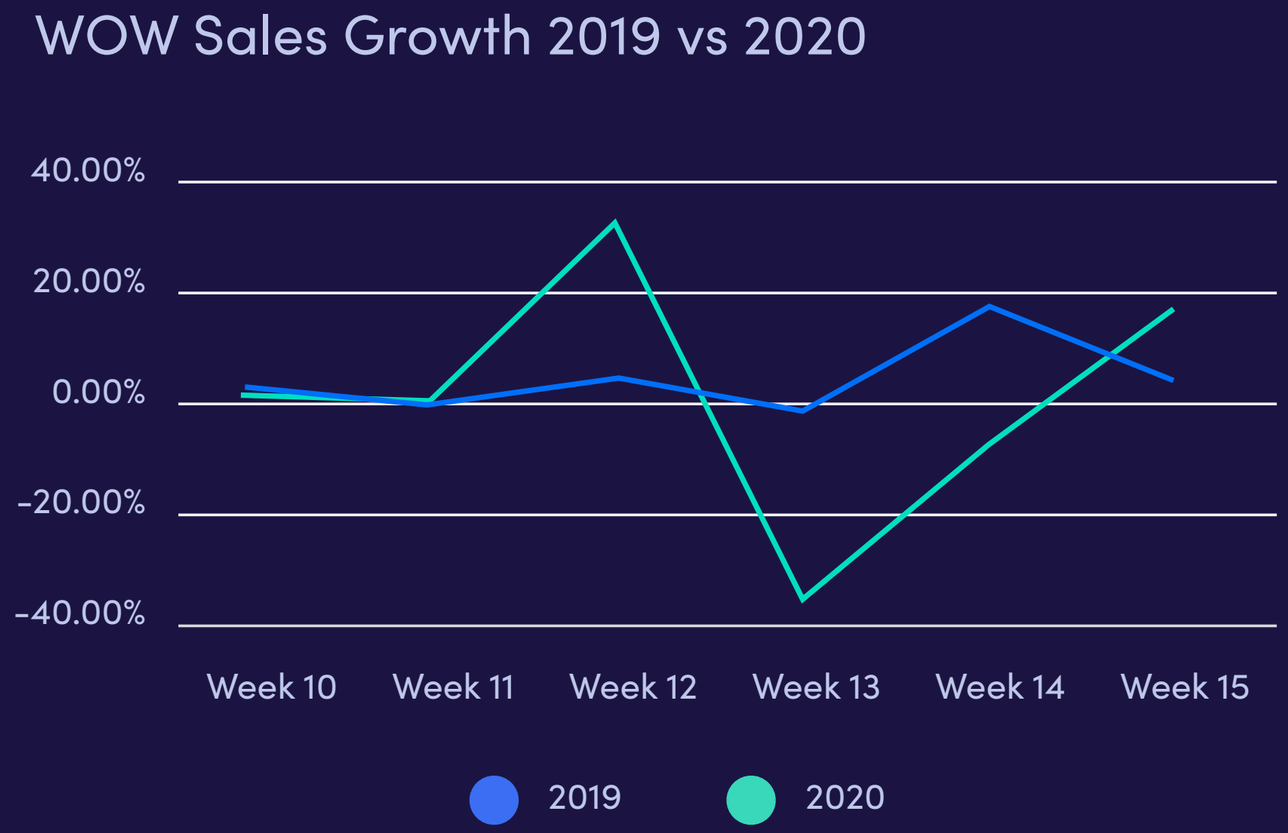
Essential

4.20, Past and Present

What can we expect to see this month given COVID-19?

Comparing 2019 and 2020

- Most popular category 2019: Cartridges, 32% market share
- Most popular category 2020: Flower, 29% market share



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Thank You!

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Covid-19 Impact on Consumer Trends in Cannabis

APRIL 2020

Liz Connors
Director of Analytics

headset.io

Headset services

INSIGHTS

Real-time competitive intelligence for the cannabis industry. Monitor the competitive landscape, identify opportunities, and stay ahead of industry trends as never before.

RETAILER

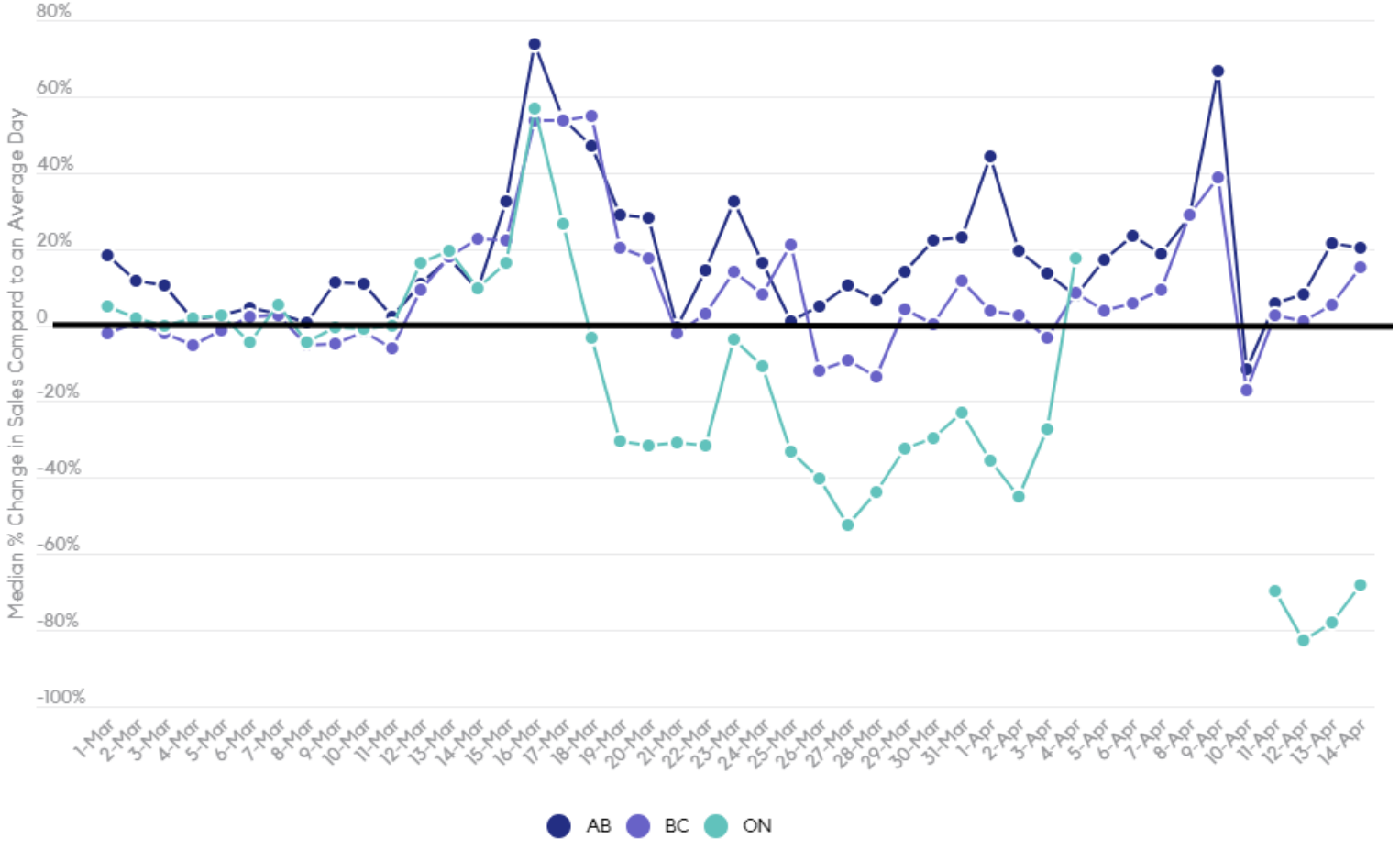
Retail data intelligence for retailers and dispensaries to stay ahead of trends and discover opportunities like never before. Real-time dashboards on your Sales, Inventory, Vendors, Products and Budtenders.

BRIDGE

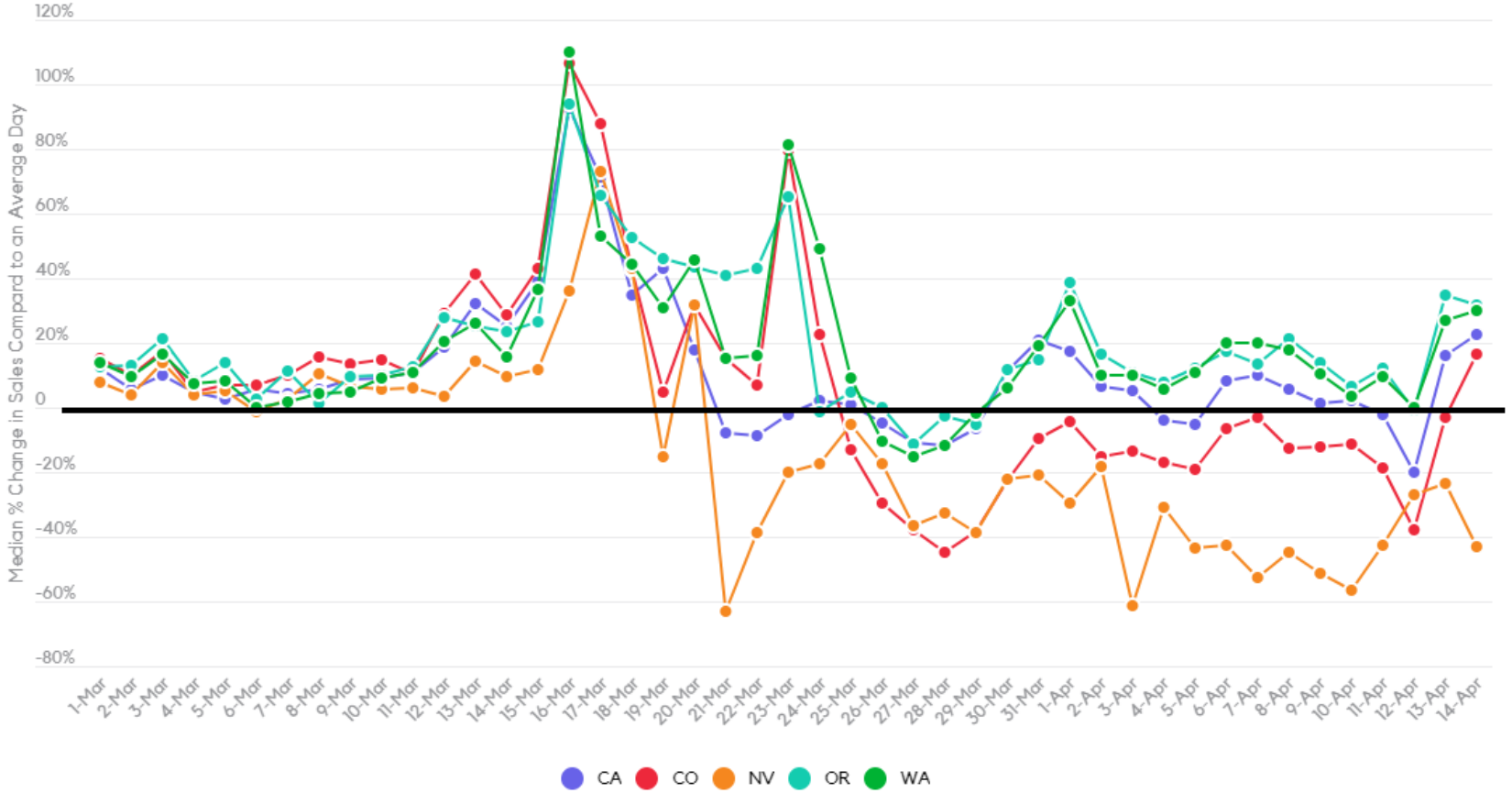
Vendor-Retailer Intelligence. The connection to a collaborative relationship. Limit out-of-stock events, ensure optimal inventory levels and enhance forecasting abilities.

COVID-19 Impact on Cannabis Retail Sales and Consumer Trends

Daily Sales Volume Changes (Canada)

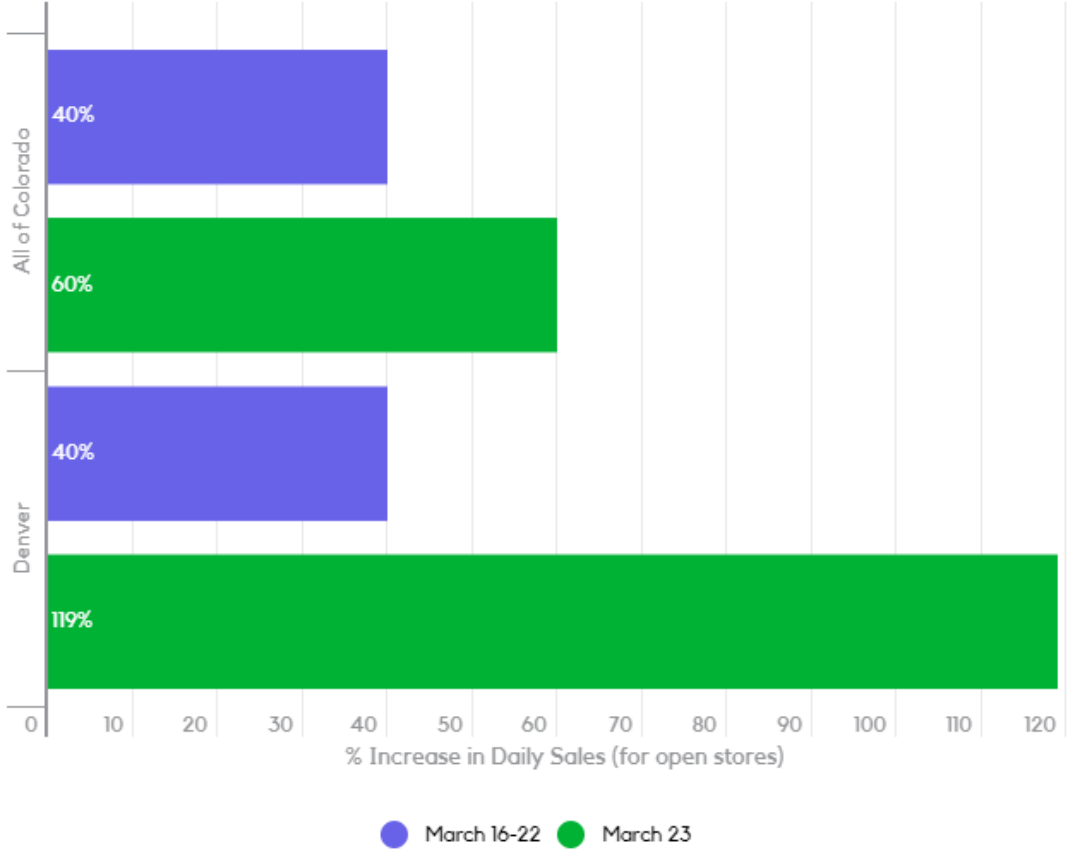


Daily Sales Volume Changes (US)

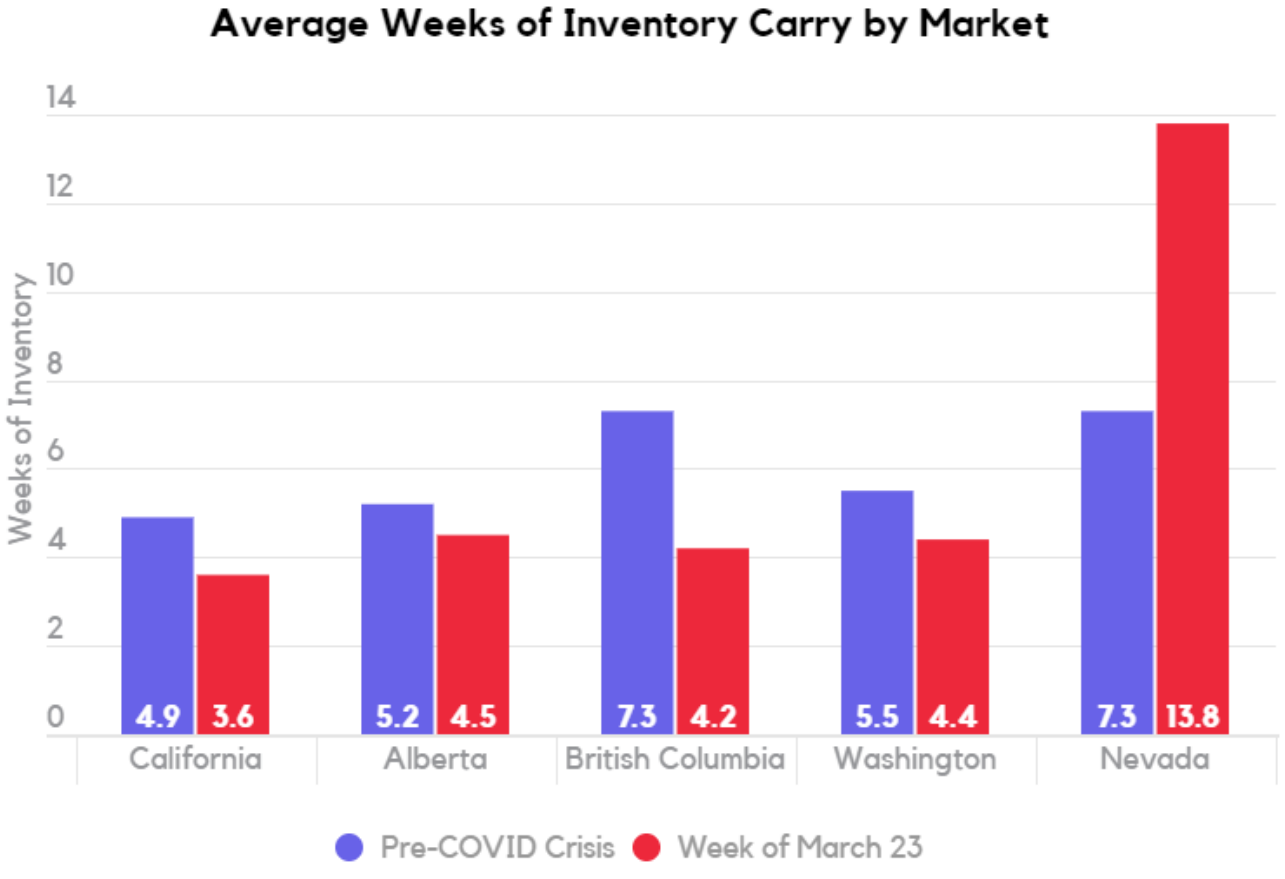


Denver vs. Rest of Colorado

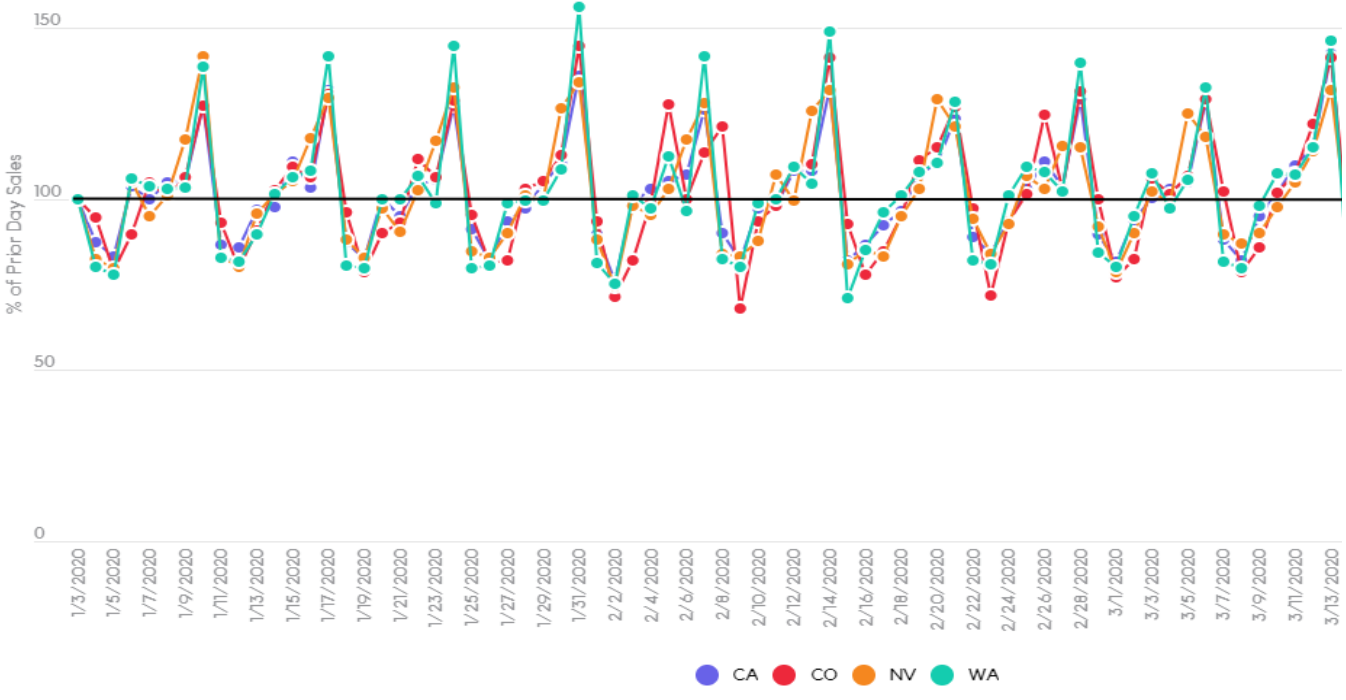
Stock-up purchases appear to be driven by state/local changes in cannabis laws – Denver originally stated Adult Use Cannabis stores would not be essential and would close on March 24



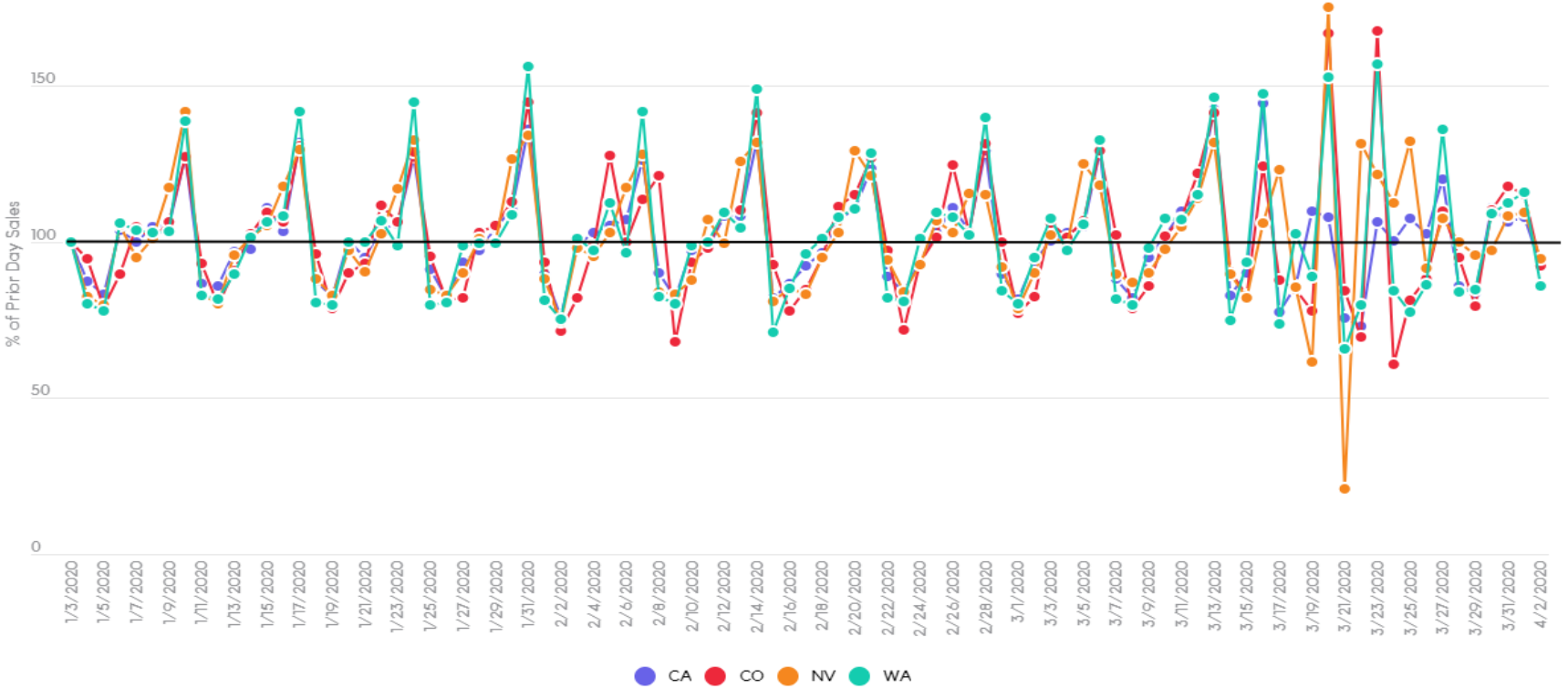
Surges in Sales = Declines in Inventory



Weekly Sales Trends in Cannabis

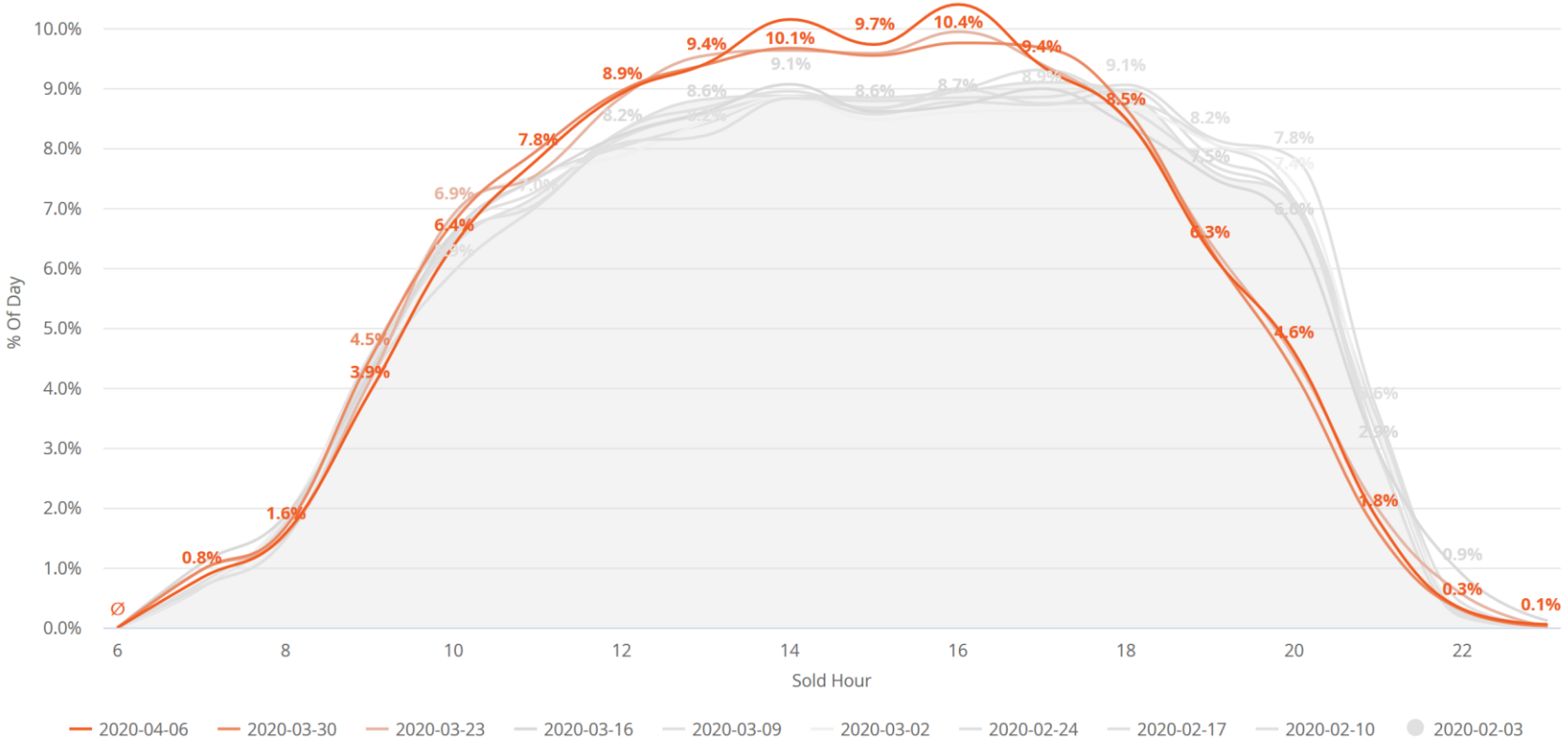


Weekly Sales Trends in Cannabis



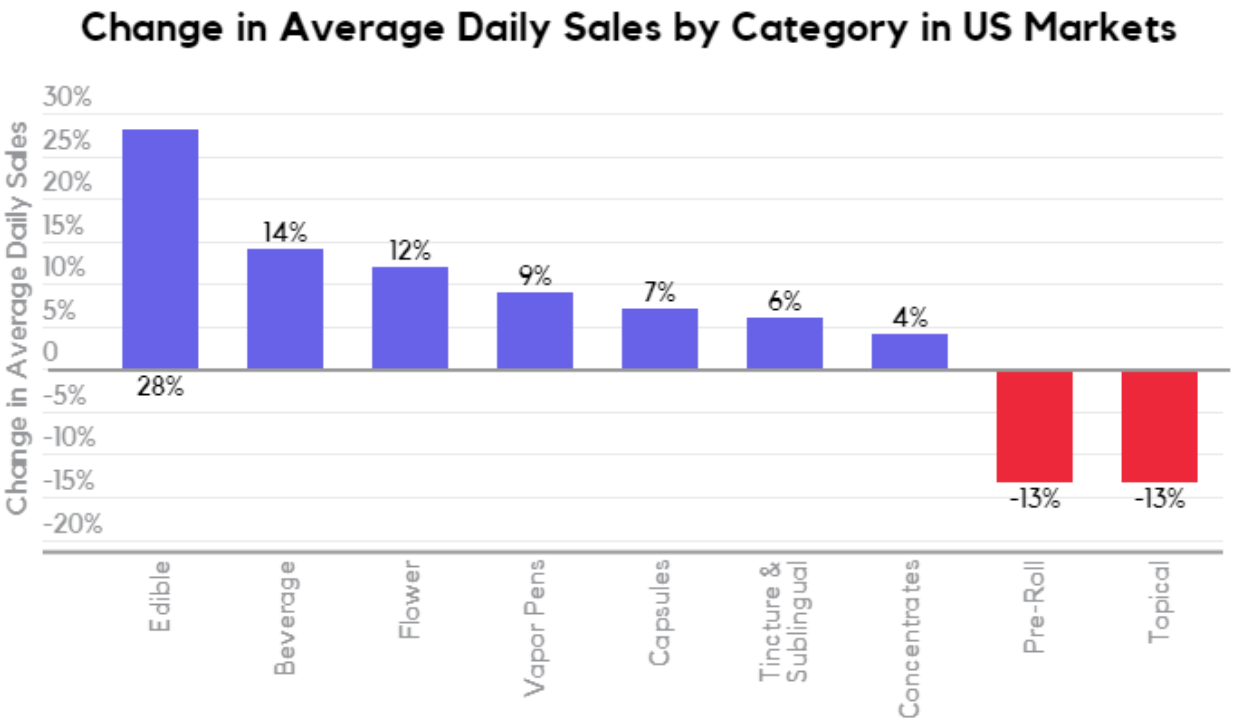
I cannot stress enough how historic this trend pattern change is, and that March and April (at a minimum) of 2020 will forever be a footnote in the data, requiring forecasters for YEARS to come to exclude and adjust this data as they attempt to decipher trends

Time of Day for Purchases Has Shifted



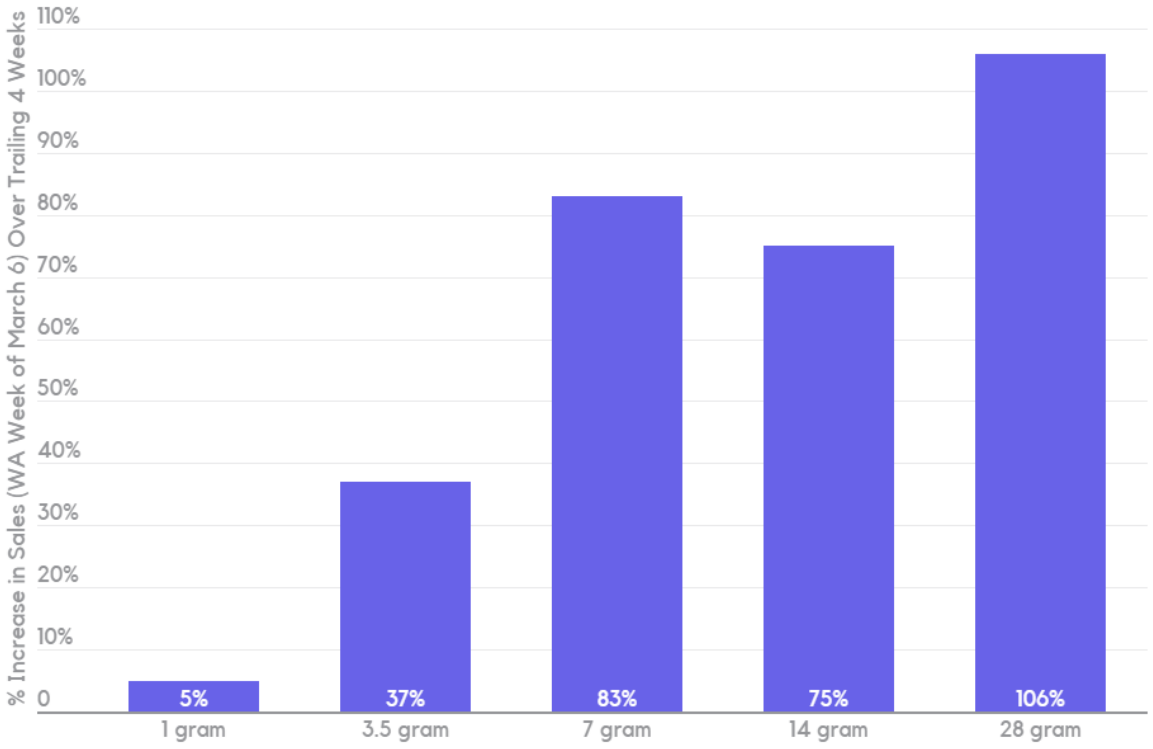
Consumers shifted purchases to earlier in the day. On weekdays we see that sales between 10am and 5pm have grown.

Product Share is Shifting



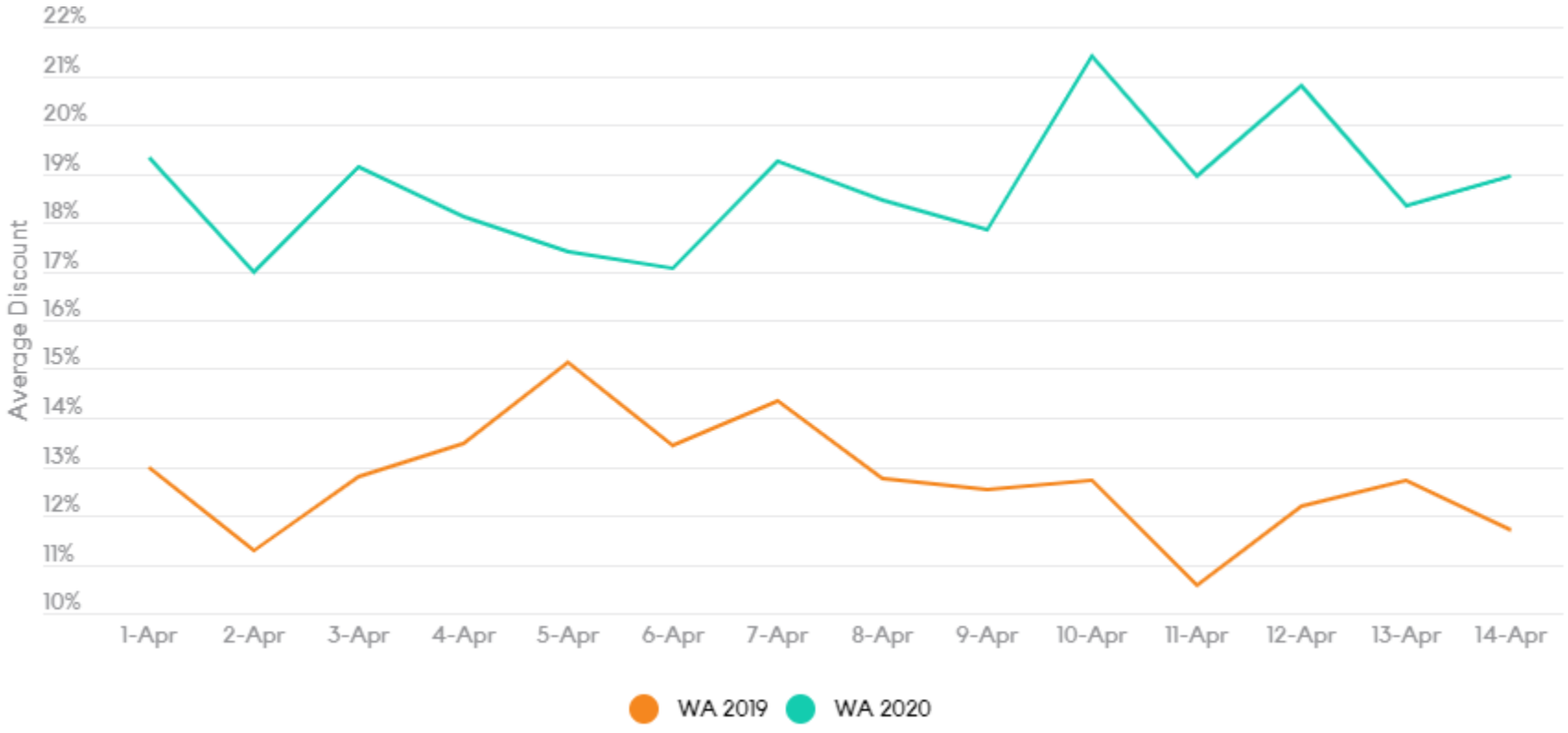
Topicals and Pre-Rolls did not experience the same level of growth during the last 2 weeks of March.

Package Preference is Shifting



In WA we saw sales of larger packages grow the most as consumers stocked up on products.

Is 4/20 Coming Early This Year?

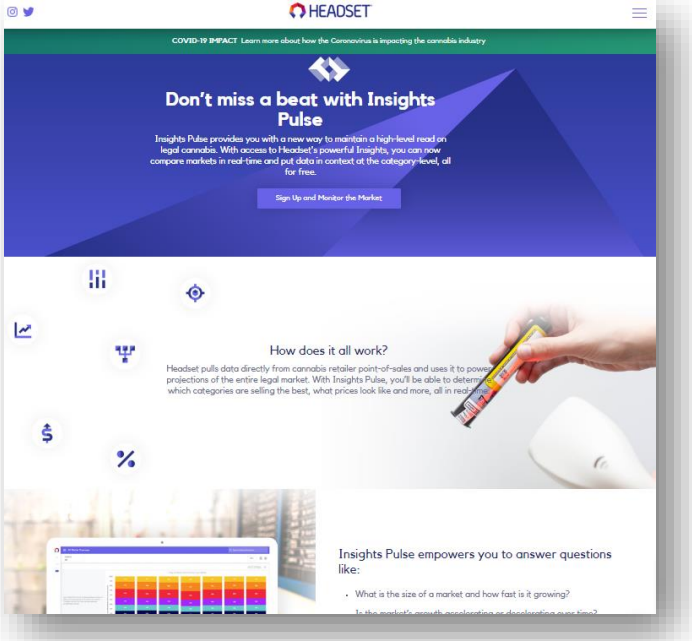


On most days in April 2020, discounts in WA were 18% to 21%. On 4/10 average discounts in Washington came in at 21% close to the discount level on 4/20/2019 (24%).

Headset Resources

Headset blog with frequent updates on Covid-19 impact on sales

Headset Insights Pulse with free market data in WA, CA, CO, NV, AB, BC, ON



Thank You!

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