



from **Soil**  
to **SALE**

62025 Airport Rd, Building 3 - Suite 303 Mississauga, Ontario L4W 1E3	\$ 25.00
1x Tincture	\$ 10.00
1x Gummies	\$ 10.00
1x Energy Drink	\$ 10.00
2x Cannabis Energy Drink	\$ 15.00
1x Balm	\$ 15.00
1x Cannabeer	\$ 15.00
<b>TOTAL AMOUNT</b>	<b>\$ 95.00</b>
	\$ 100.00
	\$ 5.00

# The Potential of Retail CANNABIS

Part 7 ●●●●●●●●

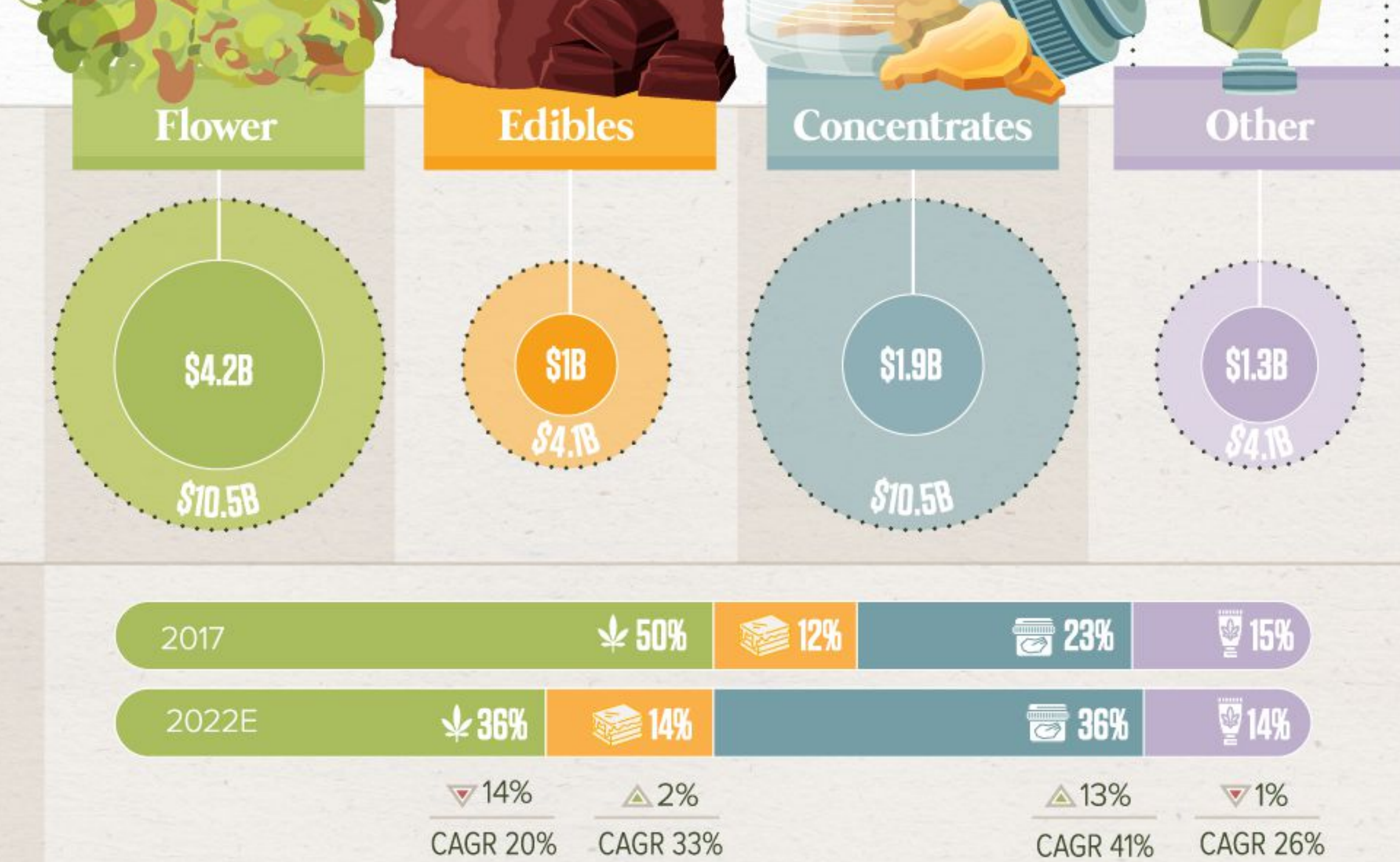
**Consumers are calling the shots in a booming cannabis industry across North America.**

Conscious and discerning consumers seek retail cannabis products with wide variety, and high quality.

## The Allure of RETAIL PRODUCTS

**Increasing social acceptance of cannabis** is driving up the value of cannabis-derived products.

**Cannabis consumer spending growth**  
by industry type  
(North America)



**Trend**  
Share of total cannabis market by percentage

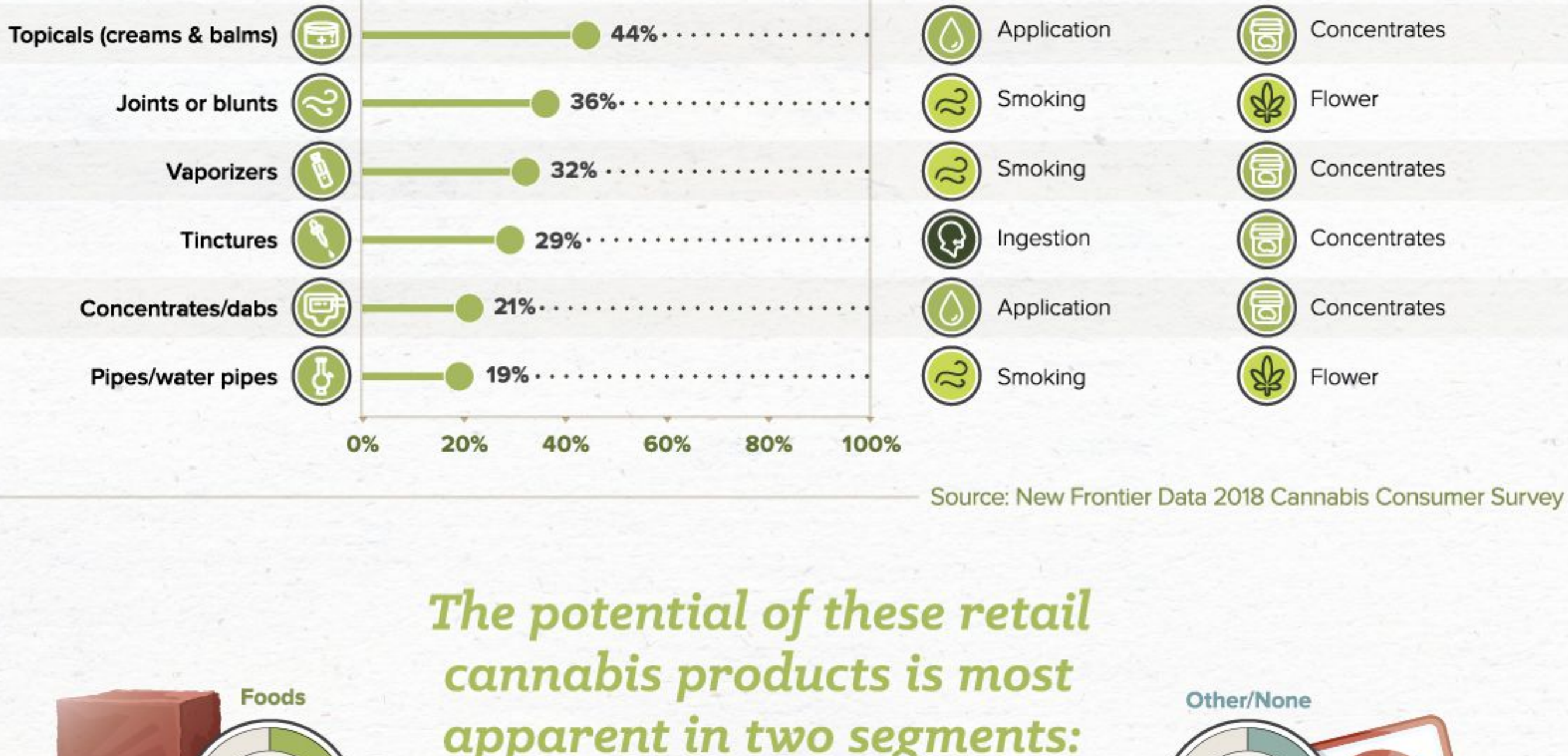


Source: Arcview and BDS Analytics

**The market reflects the new shifts in consumer demand** – potential cannabis users are drawn not just to dried cannabis flower, but also a variety of retail products.

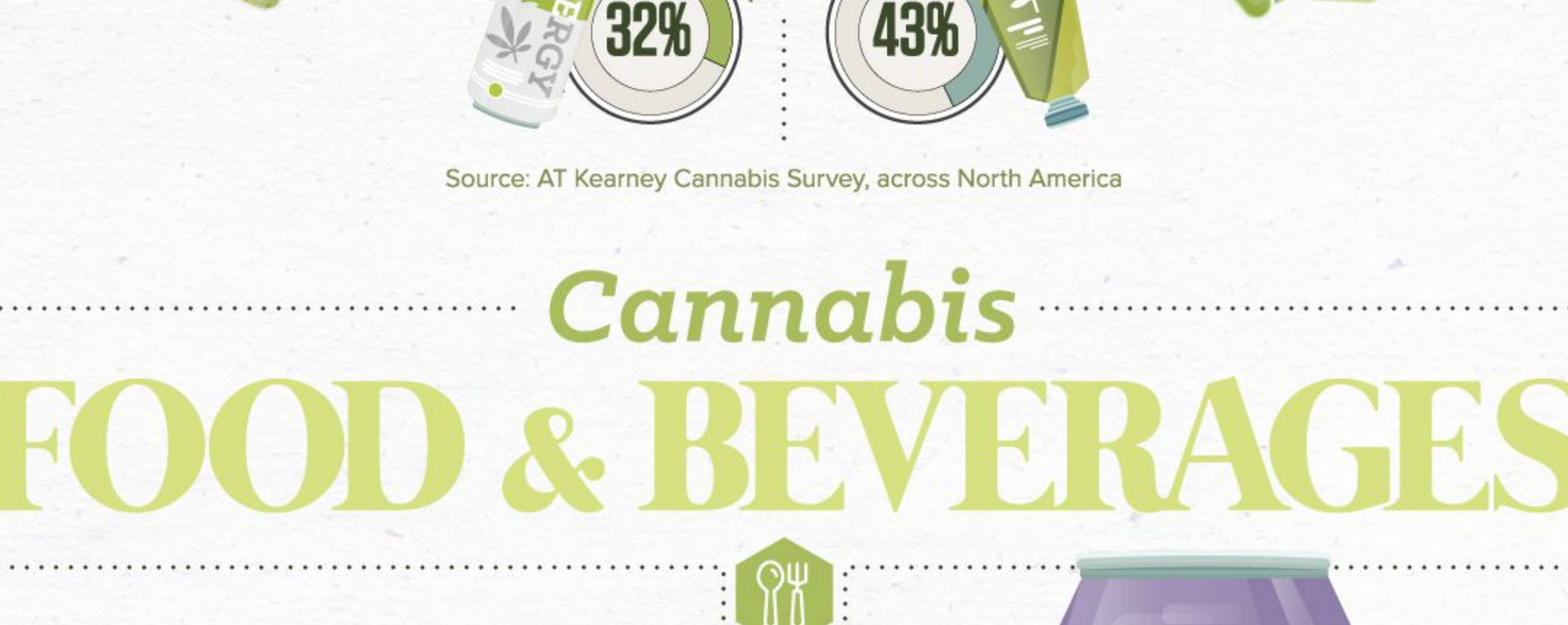


### Product types appealing to potential U.S. consumers



Source: New Frontier Data 2018 Cannabis Consumer Survey

**The potential of these retail cannabis products is most apparent in two segments:** food and beverages, and health and wellness.



Source: AT Kearney Cannabis Survey, across North America

## Cannabis FOOD & BEVERAGES



**The best-known cannabis edibles are baked goods, candy, and chocolate.**

**Cannabis also comes in the form of drinks, both alcoholic and non-alcoholic.**

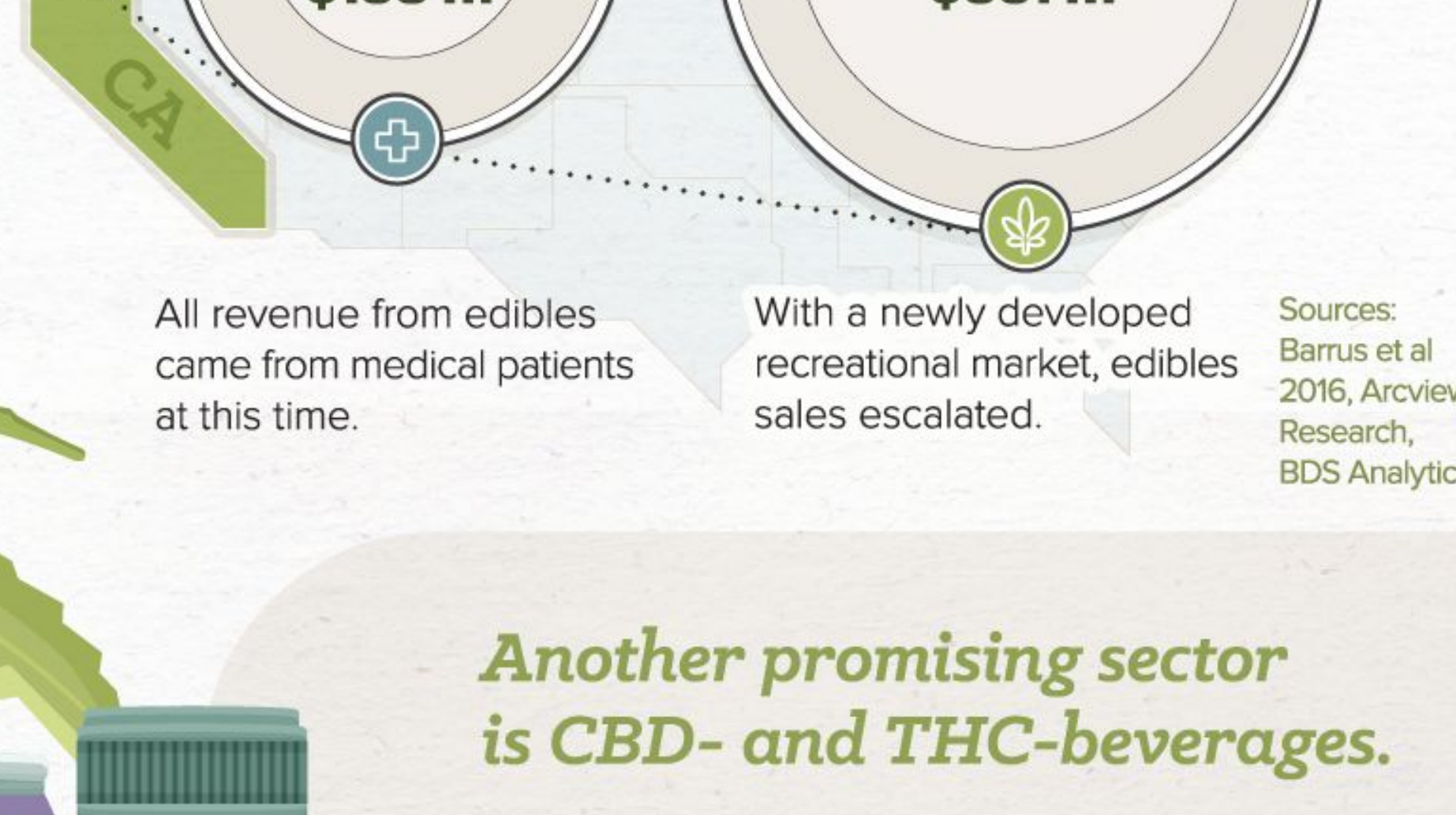
Edibles and beverages attract "canna-curious" novice users who want:

- A discreet, convenient, and controlled dose of cannabis
- A 'high' without the health risks associated with smoking

Source: Health Canada

As more U.S. states legalize cannabis, sales of edibles are skyrocketing - and being embraced by medical and recreational users alike.

### Cannabis edibles sales growth



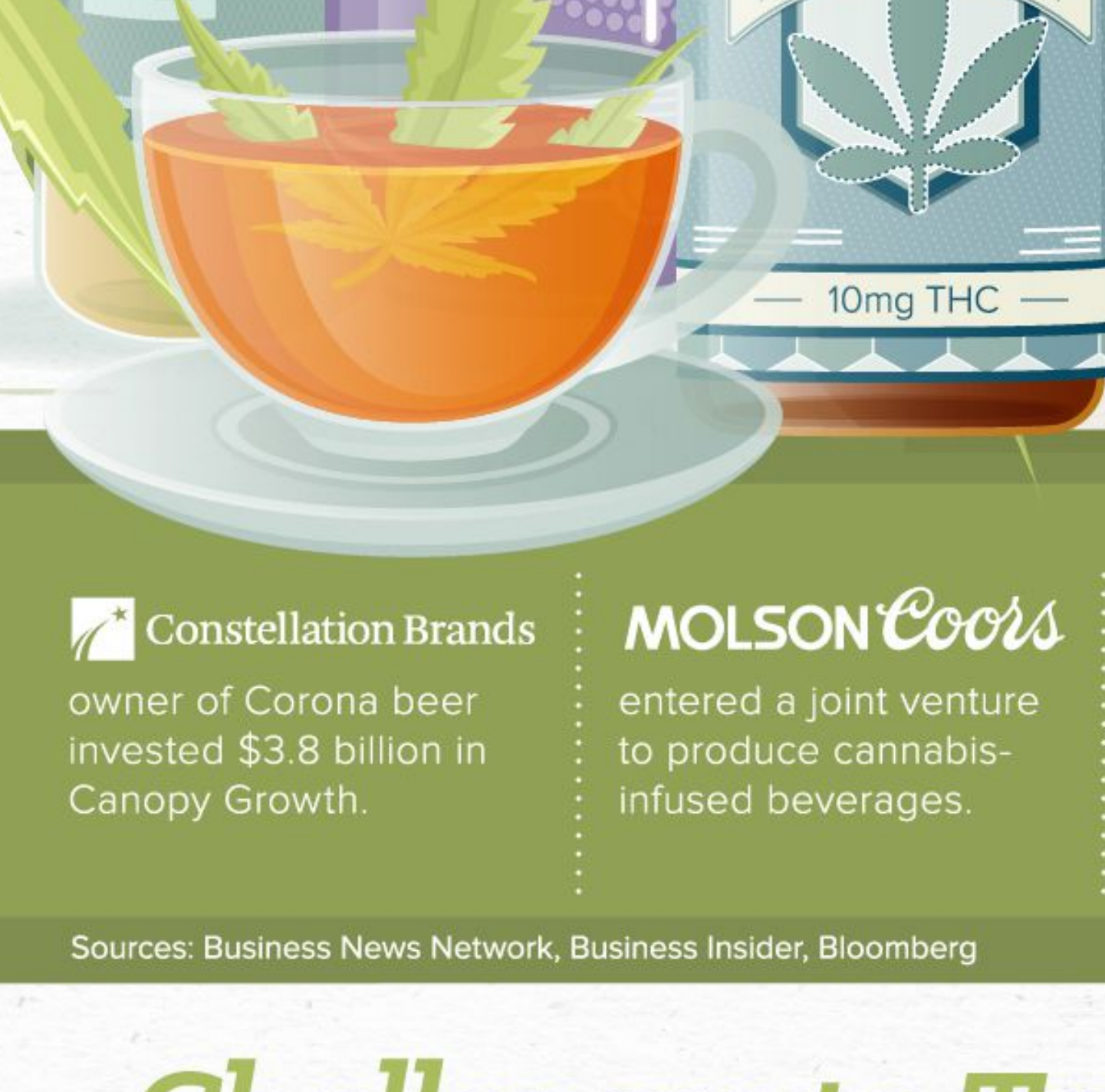
All revenue from edibles came from medical patients at this time.

With a newly developed recreational market, edibles sales escalated.

Source: Bannix et al 2016, Arcview Research, BDS Analytics

**Another promising sector is CBD- and THC-beverages.**

- Alcohol is a big focus, but it makes up a fraction of the total market potential.
- Water, juice, tea, coffee, and even kombucha strains are being rolled out across grocery stores.
- Established companies are paying attention to the growing opportunity.



- Constellation Brands**: owner of Corona beer invested \$3.8 billion in Canopy Growth.
- MOLSON-Coors**: entered a joint venture to produce cannabis-infused beverages.
- Heineken**: subsidiary Lagunitas debuted a THC-infused sparkling water.
- Coca-Cola**: in "serious talks" with cannabis giant Aurora to develop CBD-infused beverages.

Sources: Business News Network, Business Insider, Bloomberg

## Challenges to Tackle



The standardized serving limit for edibles is 10mg of THC per package, but there are caveats:

### Delayed effects

Edibles take up to 1 hour to be felt, but they can last several hours. This initial delay may lead to consumers misjudging the recommended doses.

### Product consistency

As edibles aren't legal everywhere, products are not always consistent. Consumers may sometimes be exposed to higher potency products from the grey market.

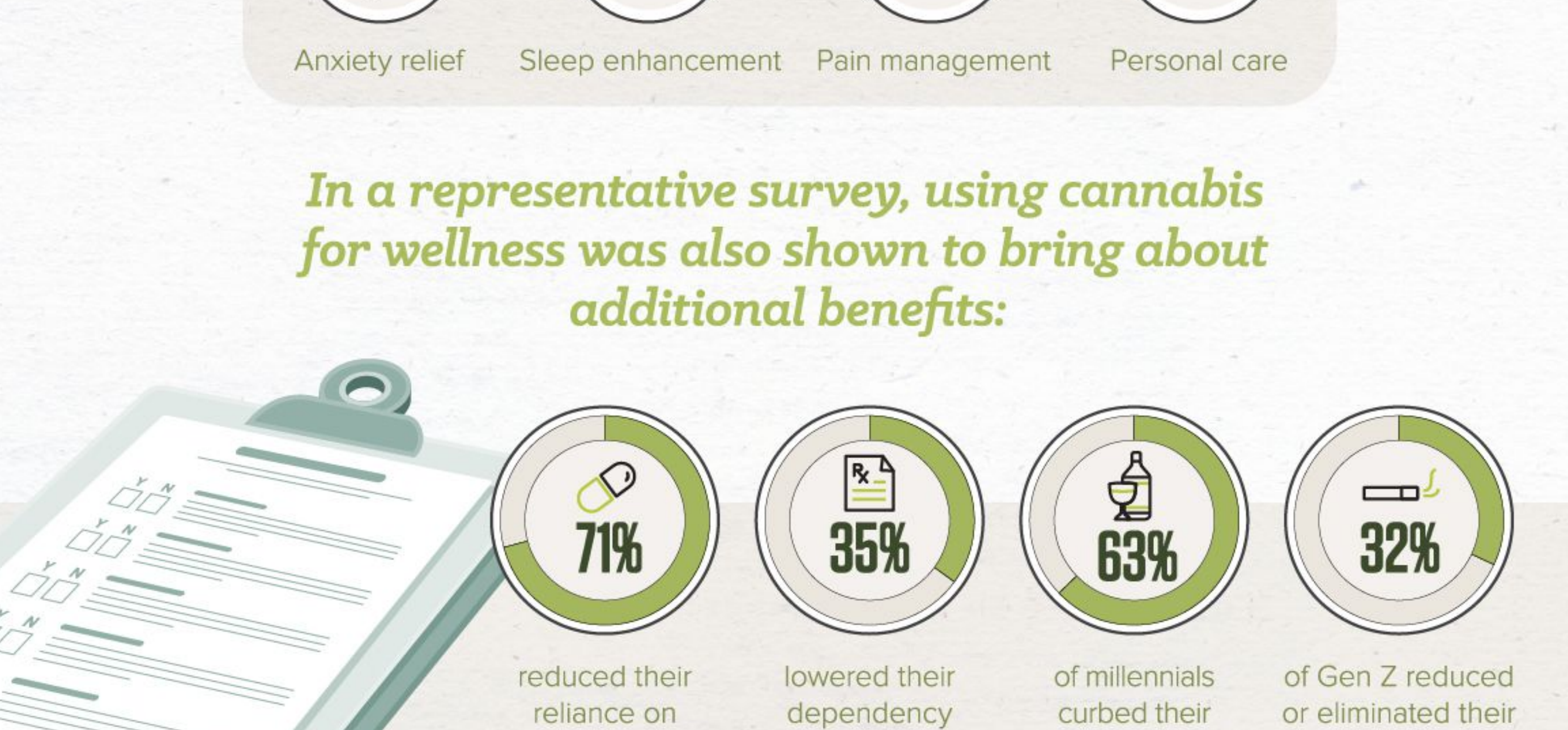
**Stricter regulations and appropriate product labeling are needed.**

This will ensure that high quality edibles and beverages can continue to be safely sold to consumers.

## Cannabis for HEALTH & WELLNESS

Beyond recreational uses, consumers are also exploring the therapeutic benefits of cannabis - creating an emerging intersection with the wellness industry.

**Consumers are using CBD-infused products such as lotions or creams for daily lifestyle applications:**



- Anxiety relief
- Sleep enhancement
- Pain management
- Personal care

**In a representative survey, using cannabis for wellness was also shown to bring about additional benefits:**



Source: Eaze Insights

**Retail products are exploding right out of the gate, and canna-consumers are spoiled for choice.**

As the industry matures, the strong consumer demand for cannabis-infused retail products will continue to encourage investors.

from **Soil** to **SALE**  
Part 8 ●●●●●●●●



Presented by **THE GREEN ORGANIC DUTCHMAN** EST. 2012 TSX: TGOB US: TGOBF

MAKING *Life* BETTER