

CCX CANADIAN BULK WHOLESALE CANNABIS PRICING REPORT FEBRUARY 2024



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Dried Flower Pricing

The average price of dried flower fell from \$1.19/gram in January to an average of \$0.98/gram in February.

Lower pricing is due to high volumes of aged product, comprising 36.5% of trade volume in February, compared to 23.5% in January. CCX expects average pricing to recover in March, rising to \$1.20/gram.



Index Highlights

Although average flower prices fell 22.4% in February, Index 6 and Index 5 demonstrated strong price resilience. Index 6 fell by a narrow 7.1% to \$1.71/gram, and Index 5 slid by just 2.6% to an average of \$1.12/gram.

By contrast, Index 4 fell by 30.9% in February to \$0.67/gram, and Index 3 retreated 75.0% to settle at \$0.25/gram.



Age of Flower

Average pricing was down in February in part due to increased volumes of aged (>6 months) flower transacting, particularly in Index 4 and Index 3.

Recently harvested (<6 months) flower has demonstrated price resiliency, however, capturing a premium of \$0.49/gram (+75%) in February, compared to a premium of \$0.44/gram (+51%) one month prior.



Extracts Pricing

THC Distillate settled at \$1,266/kg in February, falling 33.4% from January's \$1,900/kg settlement, as only sub-90% THC potency product transacted. The weighted average price for sub-90% THC product was \$1,314/kg over the latter half of 2023.

Shatter traded at an average price of \$1,750/kg in February, a record low. The previous low was \$3,160 in November 2023.

Unpaid Cannabis Excise Tax: A Looming Crisis for Canada's Cannabis Industry

Erin Butler

Unpaid Cannabis Taxes Soar to \$273.4 Million: CRA takes unprecedented action.

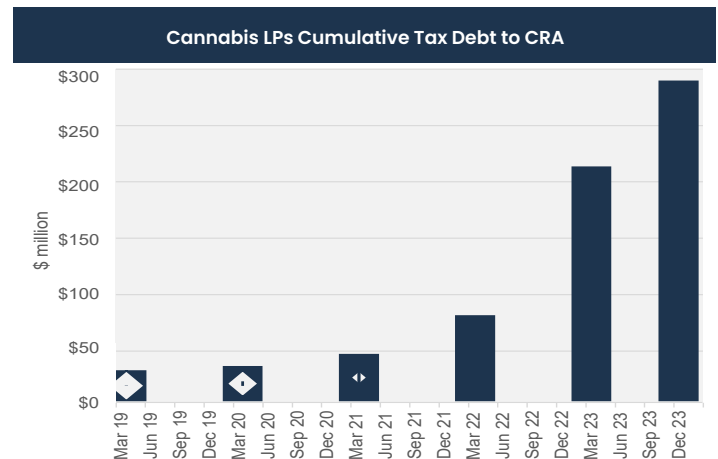
Since 2021, the unpaid Canada Revenue Agency ("CRA") excise tax has been a growing concern for the government agency and unpaid amounts ballooned to \$273.4 million in 2023¹. In response to the increasing amount of unpaid taxes, the CRA has announced it will force the provincially owned cannabis wholesalers to garnish payments intended for licensed producers in arrears².

While this is an unprecedented move it speaks to the challenges pervasive across the industry. As per MJBizDaily, in March 2023 69.8% of cannabis corporations required to pay excise tax had failed to pay them in full³. This level of delinquency is a signal that the industry taxation model is disconnected from the industry's profitability model. In recent cannabis LPs' CCAA filings, the CRA has been named among the largest unsecured creditors. For example, in BZAM Group's filings, there was \$4.44 million excise tax in arrears⁴.

In cannabis, excise rates are the same for all LPs, regardless of size: \$1.00/gram or 10% of the value of the gram, whichever is greater. Compared to beer producers, excise payments are dependent upon commercial scale: a rate of \$0.3087/litre for the first 200,000 litres produced, \$0.6174/litre for the next 300,000 litres produced, rising incrementally to \$2.6240/litre for production over 5,000,000 litres⁵.

If we dig further the overall percentage of excise tax as compared to retail sales is also drastically higher in cannabis as opposed to beer and wine. Although excise tax is not calculated based on retail pricing, these figures provide an objective comparison between industries. In 2022-23 beer and wine excise tax combined was \$887.7 million with retail sales reaching \$26.3 billion, making the beer and wine excise tax 3.4% of total sales. In the same period, cannabis retail sales reached \$4.7 billion and cannabis excise tax was \$894.6 million or 19% of total sales^{6,7}.

The federal government has also recently announced that the annual alcohol excise tax increase on beer, spirits, and wine will remain at two percent for an additional two years, despite



Source: Canadian Revenue Agency

originally being set to rise on April 1 by 4.7 percent, tied to inflation. "In recent years, we've seen that the cost of key ingredients for beer ... are rising due to the impact of global inflation, and that's been a real challenge for brewers in Canada," Finance Minister Chrystia Freeland said. "Our government really recognizes the value, particularly of small businesses ... and we also recognize the affordability challenges, so that's why we've taken this decision."⁸

The Canadian cannabis industry, which is also comprised of small businesses impacted by increasing costs, is looking for similar support from the federal government. Broadly the industry is looking for the implementation of a 10% flat tax, recommendation #329 from the House of Commons Standing Committee on Finance⁹.

A flat 10% tax would bring tax parity to the cannabis industry compared to other Canadian industries, allowing for stabilization of margins which would stop the flood of bankruptcies in the sector. The move by the CRA to garnish whole invoice payments as opposed to a percentage by the provincial wholesalers will drive an increase in LPs that will be forced to shutter or seek creditor protection. CCX expects to see an uptick in wholesale activity as LPs look to diversify their revenue streams and ensure cash flows. B2B sales allow LPs to collect funds faster and reinvest in their next grow cycle versus the longer lead times required to retail.

¹<https://mjbizdaily.com/canada-unpaid-cannabis-taxes-soar-to-almost-ca300-million/>

²<https://mjbizdaily.com/canadian-cannabis-wholesalers-must-garnish-payments-over-unpaid-taxes/>

³<https://mjbizdaily.com/canadian-cannabis-wholesalers-must-garnish-payments-over-unpaid-taxes/>

⁴<http://cfcana.ca/fticonsulting.com/bzam/docs/BZAM%20-%20Initial%20Factum.pdf>

⁵<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/edrates/excise-duty-rates.htm>

⁶<https://www150.statcan.gc.ca/n1/daily-quotidien/240306/dq240306a-eng.htm>

⁷ <https://mjbizdaily.com/canadian-federal-cannabis-tax-revenue-outpaces-beer-wine/>

⁸ <https://www.cbc.ca/news/politics/alcohol-excise-tax-capped-two-years-1.7139374>

⁹<https://www.ourcommons.ca/documentviewer/en/44-1/FINA/report-16/page-123#33>

Dried Flower

Flower pricing dipped by 17.4% in February from January's \$1.19/gram to an average of \$0.98/gram driven by large volumes of older flower.

CCX forecasts market prices will rebound in March, rising 22.4% to an average price of \$1.20/gram, just above the January settlement of \$1.19/gram.

Steady price improvement in December and January saw flower prices rise by a cumulative 21.4%, but the average market price was down in February, falling 17.4% from January's \$1.19/gram to an average of \$0.98/gram. Lower average pricing can be attributed to an uptick in volume of aged product, which represented 36.5% of transaction volume in February, compared to 23.5% of January trade volume.

Market supply has continued to tighten in early 2024, and increased competition has resulted in higher transaction prices on recently harvested (<6 months) flower lots. As buy-side interest has been stronger in recently harvested flower, such product has shown the greatest pricing strength, capturing a premium of \$0.49/gram (+75%) in February, compared to \$0.44/gram (+51%) in January. The premium typically trends higher when greater volumes of aged (>6 months) flower transact.

CCX forecasts that market prices will rebound in March, rising 22.4% to an average price of \$1.20/gram, just above the January settlement of \$1.19/gram.

INDEX 6 (30%+ THC) settled at a weighted average price of \$1.71/gram in February, falling 7.1% from January's \$1.84/gram average price, after posting small consecutive gains over the three preceding months. Since November, Index 6 has settled within a relatively narrow band between

Average Settled Price by Index			
Flower \$/gram	Jan-24 Wtd Avg. Price	Feb-24 Wtd Avg. Price	Mar-24 Forecast
Index 6 (30%+)	1.84	1.71	1.92
Index 5 (25-30%)	1.15	1.12	1.23
Index 4 (20-25%)	0.97	0.67	0.97
Index 3 (15-20%)	1.00	0.25	0.70
Average: Index 3-6	1.19	0.98	1.20
Trim /gram	Jan-24 Wtd Avg. Price	Feb-24 Wtd Avg. Price	Mar-24 Forecast
Index 3 (15-20%)	0.12*	0.12*	0.12
Index 2 (10-15%)	0.09*	0.05*	0.07
Index 1 (0-10%)	0.10	0.05	0.06
Average: Index 1-3	0.10	0.05	0.10
Extracts \$/kg	Jan-24 Wtd Avg. Price	Feb-24 Wtd Avg. Price	Mar-24 Forecast
THC Distillate	1,900	1,266	1,578

* Price shown is indicative - no trades were executed in that period
Source: Canadian Cannabis Exchange

\$1.71/gram and \$1.84/gram. Index 6 pricing has become more stable because most of the flower that transacts in Index 6 is recently harvested, minimizing the impact of age-weighted pricing skew.

Top-end pricing (\$2.00-\$2.90/gram) was achieved in forward lots coming to delivery, as well as in just-harvested premium craft flower available on the spot market, including a 32kg spot lot of Munyunz sold at \$2.40/gram.

Index 6 is expected to rise in March, reversing the price decline from February, rising 12.3% to settle at \$1.92/gram. The bullish forecast relies on an expectation that amid increased scrutiny of lab testing results, 30%+ THC flower has become less achievable, spurring buy-side competition for the lots that are available. In addition, listings for older (lower priced) flower have become scarcer, which should raise floor pricing.

INDEX 5 (25-30% THC) traded at an average price of \$1.12/gram in February, falling 2.6% from January's \$1.15/gram average. After experiencing considerable price variability through 2023 (102% annualized volatility), Index 5 pricing has been unusually stable over the past three months, settling between \$1.12/gram and \$1.15/gram.

\$0.49

PER GRAM

February Premium
for Recently
Harvested Flower
(under 6 months in age)

\$1.20

PER GRAM

Average Flower Price:
March Forecast

Dried Flower

Index 5 (25-30% THC) pricing has been increasingly stable over the past three months, settling between \$1.12/gram and \$1.15/gram, however CCX anticipates that pricing will rise 9.8% in March to \$1.23/gram, driven by increased competition for supply.

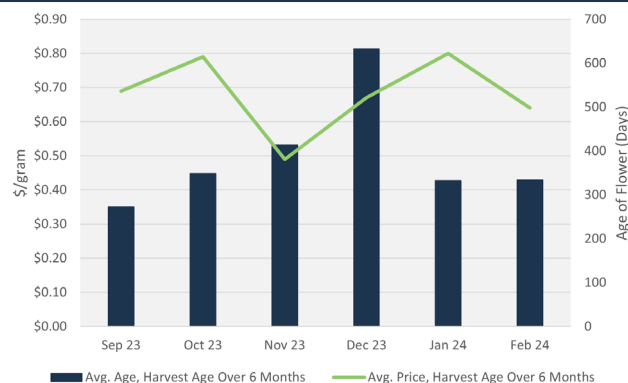
The highest prices (\$1.30-\$2.20/gram) were realized in recently harvested (< 6 months) flower, primarily in lots tested over 27% THC. Strong market pricing was spurred by competition amongst buyers seeking to fulfill needs for existing retail SKUs. Lower-end pricing (\$0.50-\$0.80/gram) was achieved primarily in flower aged over 6 months, most of which had lab-tested below 27% THC.

While predictable and stable pricing may be helpful in maintaining financial forecasts, the historical volatility of Index 5 suggests that is unlikely to continue. CCX anticipates that Index 5 will rise 9.8% in March to \$1.23/gram, driven by increased competition for supply. In addition, as buy-side competition in the spot market increases, expect to see more buyers seeking contract grows or supply agreements to ensure SKU needs are fulfilled.

INDEX 4 (20-25% THC) settled at \$0.67/gram in February, falling 30.9% from January's \$0.97/gram average price, and marking the lowest settlement in the index since August 2023 (\$0.64/gram). The lower average price is primarily due to a large quantity of aged (>6 months) flower transacting, comprising 61% of Index 4 volume.

Prices on the high end (\$0.90-\$1.50/gram) were achieved in recently harvested (<6 months) flower, most of which had lab-tested over 22% THC, including a 20 kg craft lot of Legacy Cheese that sold at \$1.50/gram. Bottom-end pricing

Aged Flower (>6 months), Average Age (Days) vs. Average Price (\$/gram)



Source: Canadian Cannabis Exchange

(\$0.25-\$0.50/gram) was achieved primarily in flower aged more than six months, but several recently harvested lots also sold between \$0.35/gram and \$0.50/gram as a couple of motivated sellers accepted lower bids to move multiple lots to a single buyer.

CCX forecasts that Index 4 will reverse course in March, trading at an average price of \$0.97/gram, in effect erasing February's decline.

INDEX 3 (15-20% THC) achieved an average price of \$0.25/gram in February, a decrease of 75.0% from January's \$1.00/gram average. The market price had exceeded expectations in January, and as such CCX had forecast that the average price would fall to \$0.87/gram in February. The market more than corrected, however, and the much lower February average price is due to all the Index 3 flower traded in February being over 6 months in age; in fact, the average age was 16 months post-harvest. By contrast, in January, the average age was just over 3 months. Index 3 comprises a small proportion of the market (4.5% of dried flower volume in 2023, 1.3% year to date) so the Index can be easily distorted, depending upon its composition of recently harvested and aged product.

CCX expects that Index 3 will rebound in March, rising to \$0.70/gram. Underlying this forecast is a risk that trading in the Index will again skew heavily towards aged flower, which could keep the index below \$0.50/gram.

\$1.12
PER GRAM

February: Index 5
(25-30% THC)
Settled Price

\$0.67
PER GRAM

February: Index 4
(20-25% THC)
Settled Price

Trim & Extracts

THC DISTILLATE settled at \$1,266/kg in February, falling 33.4% from January's \$1,900/kg average price, due to lower potency THC distillate transacting, as all volume was below 90% THC. CCX has forecast an average price of \$1,578/kg for March, which takes into consideration a range product potency.

TRIM

Trim transacted at a weighted average price of \$0.05/gram in February, falling 50.0% from the January settlement of \$0.10/gram. All the trim that traded in February was from untested mixed lots, and over the past six months mixed trim has sold between \$0.02/gram and \$0.10/gram (weighted average price of \$0.06/gram).

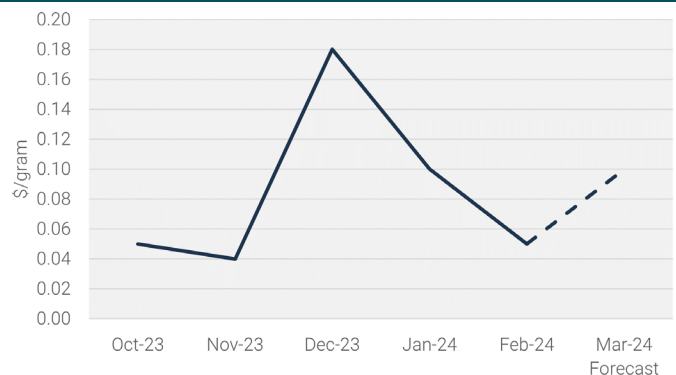
Extractor demand for trim has been strong recently, with recurring buyers seeking to procure larger (100kg+) lots every month. For sellers seeking to clear out vault space, such demand presents an opportunity to monetize unused inventory. CCX encourages any sellers sitting on large volumes of trim to bring those listings to the exchange. Since mid-2023, tested trim lots (avg. THC 17.6%) have sold at a weighted average price of \$0.09/gram, a significant premium to untested lots, which have averaged \$0.05/gram.

EXTRACTS/CONCENTRATES

THC DISTILLATE settled at \$1,266/kg in February, falling 33.4% from January's \$1,900/kg average price, and marking the lowest settlement since November (\$1,122/kg). The decrease in price is due to lower potency THC distillate transacting, as all volume was below 90% THC. CCX has forecast an average price of \$1,578/kg for March, which takes into consideration a range of product potency.

CBD ISOLATE traded at a weighted average price of \$1,653/kg in February, falling 10.1% from the January settlement of \$1,839/kg. The lower price is due to a larger volume lot selling at a discounted \$1,600/kg, the lowest transaction price in this product since March 2021 (\$1,000/kg).

Average Trim Settled Price (\$/gram)



Source: Canadian Cannabis Exchange

Since the beginning of October, CBD Isolate has traded between \$1,600/kg and \$2,000/kg, and CCX has forecast that the price will recover in March, to an average of \$1,821/kg. Large-volume discounted sales could present a risk to this forecast, but the relative infrequency of such transactions and the recent stability in CBD Isolate pricing suggests that the risk is low.

CBN ISOLATE transacted at \$8,000/kg in February, marking the first time that product has transacted on CCX since February 2023, when it settled at \$11,000/kg. An increasing number of buyers have taken an interest in cannabinoid extracts for infusions, seeking to create differentiated product SKUs in a crowded and highly competitive retail market.

SHATTER traded at a weighted average price of \$1,750/kg in February, a record low, shattering the previous low settlement of \$3,160/kg, which was established in November 2023. The product sold in February was from the same lot as that sold in November, but a motivated seller was willing to accept a reduced price to clear out and monetize the remainder of a couple of lots produced in early 2023. CCX expects to see shatter prices remain in the \$2,700/kg to \$4,000/kg range over the coming months, in line with pricing through the latter half of 2023.

Featured Listings



Kush Mint (Lot#24618)

Available Volume - 104 KG THC - 30.17%
Harvest Date - 02/05/24 CBD - N/A
Opening Price - \$1.85/g Terpenes - 2.55%



LA Wedding Pop (Lot#24615)

Available Volume - 54 KG THC - 33.69%
Harvest Date - 02/01/24 CBD - N/A
Opening Price - \$2.35/g Terpenes - 2.49%



Munyunz (Lot#24544)

Available Volume - 40 KG THC - 29.31%
Harvest Date - 01/29/24 CBD - N/A
Opening Price - \$3.00/g Terpenes - 3.66%



Tucked Off (Lot#22788)

Available Volume - 11.9 KG THC - 27.83%
Harvest Date - 12/23/23 CBD - N/A
Opening Price - \$2.25/g Terpenes - 2.37%



Diesel Domme (Lot#24548)

Available Volume - 9.5KG THC - 31.22%
Harvest Date - 01/15/24 CBD - N/A
Opening Price - \$2.00/g Terpenes - 2.35%



Grape Gorilla (Lot#21571)

Available Volume - 37 KG THC - 22.53%
Harvest Date - 12/08/23 CBD - N/A
Opening Price - \$2.15/g Terpenes - 2.14%

Equipment Listings

LOUDLION
— SUPPLY —

Juana Roll Filler + Compressor



Mobius Compact Grinder
All-Purpose Mill



ANDEN A710V3 DEHUMIDIFIER



Swiftly Bagger Mini



Thompson Dule - MCF1
Semi-Automatic Filling Machine

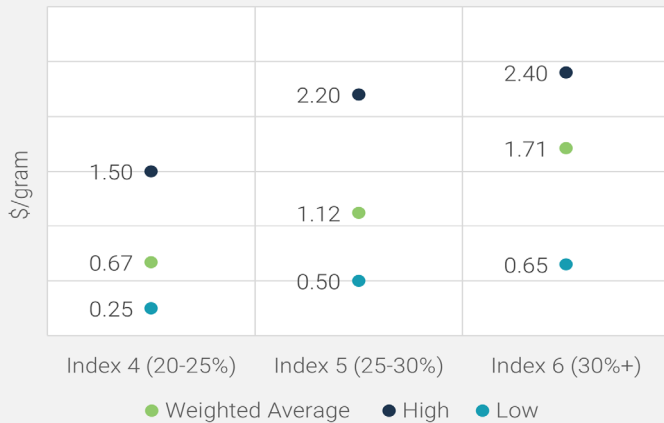


Direct To Pouch Printer - Flow 3000



Appendix: Dried Flower Pricing

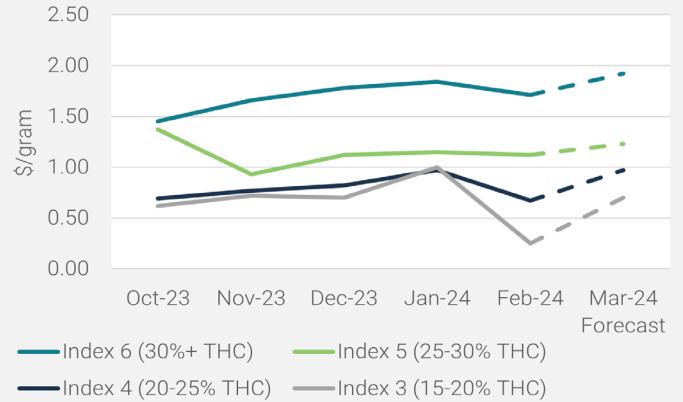
1 February Dried Flower Price, High Low, and Weighted Average (\$/gram)



Weighted Average, Low and High Prices during the month of February, spanning Indices 4-6. Index 6 captures a significant premium due to the relative scarcity of 30%+ THC flower.

Source: Canadian Cannabis Exchange

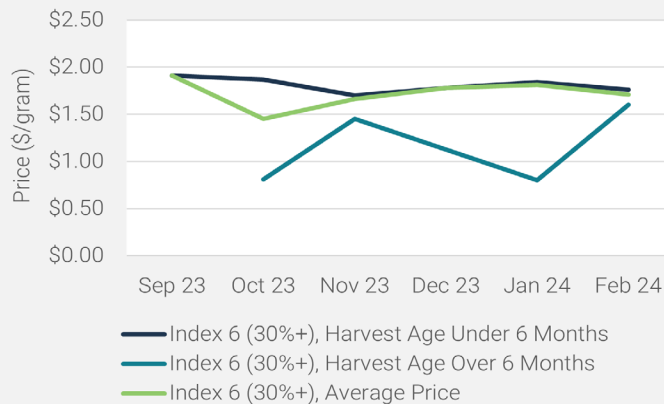
2 Dried Flower Weighted Average Price by Index (\$/gram)



Weighted average price for dried flower over the past 6 calendar months. Indices 3 and 4 were down significantly in February, but all Indices are forecast to rise over the coming months.

Source: Canadian Cannabis Exchange

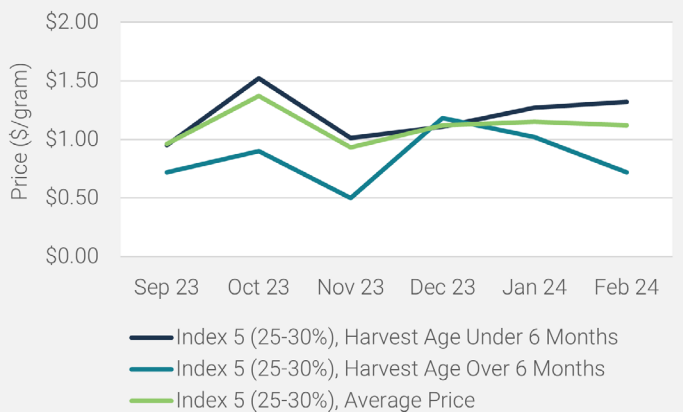
3 Dried Flower Index 6 Weighted Average Price by Age of Product (\$/gram)



Average Pricing in Dried Flower Index 6 over the past 6 calendar months. Recently-harvested product often trades at a significant premium, but older product also fetched strong prices in February.

Source: Canadian Cannabis Exchange

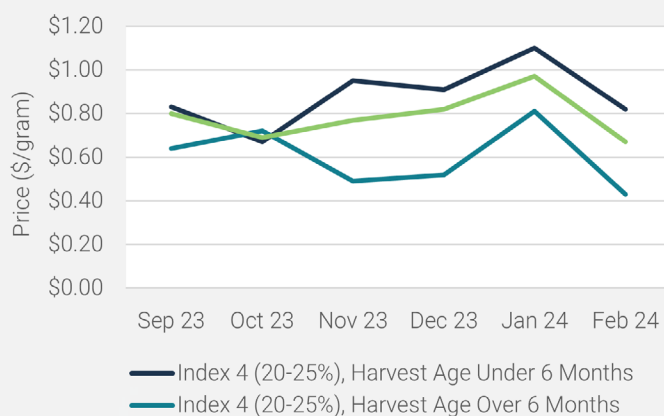
4 Dried Flower Index 5 Weighted Average Price by Age of Product (\$/gram)



Average Pricing in Dried Flower Index 5 over the past 6 calendar months. The premium for recently-harvested product diminished in December and January, but widened again in February.

Source: Canadian Cannabis Exchange

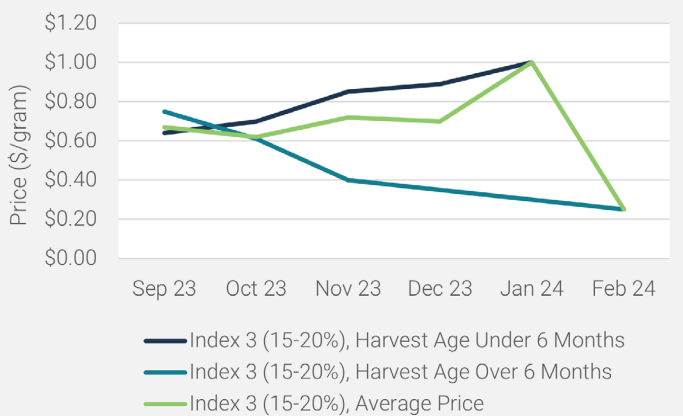
5 Dried Flower Index 4 Weighted Average Price by Age of Product (\$/gram)



Average Pricing in Dried Flower Index 4 over the past 6 calendar months. Recently-harvested product trades at a significant premium, making Oct-23 an outlier.

Source: Canadian Cannabis Exchange

6 Dried Flower Index 3 Weighted Average Price by Age of Product (\$/gram)



Average Pricing in Dried Flower Index 3 over the past 6 calendar months. Most of the product that traded was aged less than 6 months, but in February all Index 3 product was aged 6 months or more.

Source: Canadian Cannabis Exchange

Appendix: Monthly Pricing

7 Market Flower Pricing – February 2024 (\$/gram)													
THC Index	Nov-23		Dec-23			Jan-24			Feb-24			Mar-24	
	Settled	Indicative	Settled	Indicative	MoM Δ	Settled	Indicative	MoM Δ	Settled	Indicative	MoM Δ	Forecasted	MoM Δ
30%+ 6	\$1.66	-	\$1.78	-	▲ 7.2%	\$1.84	-	▲ 3.4%	\$1.71	-	▼ -7.1%	\$1.92	▲ 12.3%
25 - 30% 5	\$0.93	-	\$1.12	-	▲ 20.4%	\$1.15	-	▲ 2.7%	\$1.12	-	▼ -2.6%	\$1.23	▲ 9.8%
20 - 25% 4	\$0.77	-	\$0.82	-	▲ 6.5%	\$0.97	-	▲ 18.3%	\$0.67	-	▼ -30.9%	\$0.97	▲ 44.8%
15 - 20% 3	\$0.72	-	\$0.70	-	▼ -2.8%	\$1.00	-	▲ 42.9%	\$0.25	-	▼ -75.0%	\$0.70	▲ 180.0%
0 - 15% 2	\$0.15	-	No Trade	\$0.60	▲ 300.0%	\$0.37	-	▼ -38.3%	\$0.80	-	▲ 116.2%	\$0.59	▼ -26.3%
Average	\$0.98		\$1.09		▲ 11.7%	\$1.19		▲ 9.2%	\$0.98		▼ -17.4%	\$1.20	▲ 22.4%

8 Market Trim Pricing – February 2024 (\$/gram)													
THC Index	Nov-23		Dec-23			Jan-24			Feb-24			Mar-24	
	Settled	Indicative	Settled	Indicative	MoM Δ	Settled	Indicative	MoM Δ	Settled	Indicative	MoM Δ	Forecasted	MoM Δ
20% + 4-5	No Trade	\$0.11	No Trade	\$0.13	▲ 18.2%	No Trade	\$0.13	■ 0.0%	No Trade	\$0.13	■ 0.0%	\$0.13	■ 0.0%
15 - 20% 3	No Trade	\$0.10	\$0.18	-	▲ 80.0%	No Trade	\$0.12	▼ -33.3%	No Trade	\$0.12	■ 0.0%	\$0.12	■ 0.0%
10 - 15% 2	\$0.02	-	No Trade	\$0.06	▲ 200.0%	No Trade	\$0.09	▲ 50.0%	No Trade	\$0.05	▼ -44.4%	\$0.07	▲ 40.0%
0 - 10% 1	\$0.04	-	No Trade	\$0.05	▲ 25.0%	\$0.10	-	▲ 100.0%	\$0.05	-	▼ -50.0%	\$0.06	▲ 20.0%
Average	\$0.04		\$0.18		▲ 350.0%	\$0.10		▼ -44.4%	\$0.05		▼ -50.0%	\$0.10	▲ 100.0%

9 Market Extracts Pricing – February 2024 (\$/gram)													
Category	Nov-23		Dec-23			Jan-24			Feb-24			Mar-24	
	Settled	Indicative	Settled	Indicative	MoM Δ	Settled	Indicative	MoM Δ	Settled	Indicative	MoM Δ	Forecasted	MoM Δ
Distillate THC	\$1,122	-	\$2,200	-	▲ 96.1%	\$1,900	-	▼ -13.6%	\$1,266	-	▼ -33.4%	\$1,578	▲ 24.6%
Distillate CBD	No Trade	\$1,884	No Trade	\$1,729	▼ -8.2%	No Trade	\$1,994	▲ 15.3%	\$750	-	▼ -62.4%	\$1,595	▲ 112.7%
Isolate CBD	\$2,000	-	\$1,850	-	▼ -7.5%	\$1,839	-	▼ -0.6%	\$1,653	-	▼ -10.1%	\$1,821	▲ 10.2%

10 YoY Flower Pricing (\$/gram)						
	February			March		
	2023	2024	YoY Δ	2023	2024	YoY Δ
	SP	SP		SP	Forecast	
25 - 30% 6	1.44	1.71	▲ 18.8%	1.79	1.92	▲ 7.3%
20 - 25% 5	1.32	1.12	▼ -15.2%	0.79	1.23	▲ 55.7%
15 - 20% 4	0.91	0.67	▼ -26.4%	0.63	0.97	▲ 54.0%
0 - 15% 3	0.40	0.25	▼ -37.5%	0.40	0.70	▲ 75.0%
Average	1.11	0.98	▼ -11.7%	0.86	1.20	▲ 40.3%

11 YoY Extracts Pricing (\$/gram)						
Category	February			March		
	2023	2024	YoY Δ	2023	2024	YoY Δ
	SP	SP		SP	Forecast	
Distillate THC	2,350	1,266	▼ -46.1%	2,239	1,578	▼ -29.5%
Distillate CBD	1,906*	750	▼ -60.7%	2,448*	1,595	▼ -34.8%
Isolate CBD	3,279*	1,653	▼ -49.6%	2,400	1,821	▼ -24.1%

Appendix: Detailed Flower Data

12 Weighted Avg. Index Price by Age of Product, February 2024 (\$/gram)			
Dried Flower Index	Harvest Age		%Δ
	Over 6 months	Under 6 months	
Index 6 (30%+)	\$1.60	\$1.76	+10%
Index 5 (25-30%)	\$0.72	\$1.32	+83%
Index 4 (20-25%)	\$0.43	\$0.82	+91%
Average: Index 4-6	\$0.65	\$1.14	+75%

February 2024 Dried Flower weighted average price by Index and Age of product. Recently harvested product transacts at a significant premium; the premium is reduced in Index 6 due to the relative scarcity of 30%+ THC product.

Source: Canadian Cannabis Exchange

13 Flower Weighted Avg. Price by Age of Product and Origin Hub, Last 6 Months (\$/gram)					
Dried Flower Index	BC	AB	ON	QC	Rest of Canada
Index 6 (30%+)	\$1.13	\$1.52	\$1.55	\$2.09	\$2.08
Index 5 (25-30%)	\$1.26	\$1.24	\$1.02	\$1.25	\$0.87
Index 4 (20-25%)	\$0.84	\$0.98	\$0.88	\$0.67	\$0.58
Index 3 (15-20%)	-	\$0.94	\$0.74	\$0.33	\$0.62
Average: Index 3-6	\$1.14	\$1.20	\$0.98	\$1.04	\$0.74

Flower average price by Index and Origin Hub over the past 6 calendar months. Quebec-sourced product fetched sizable premiums in Indices 5 and 6 relative to other regions, but traded at a discount relative to other regions in Indices 3 and 4.

Source: Canadian Cannabis Exchange

14 Weighted Avg. Price by Age of Product, Dried Flower Index 4-6 (\$/gram)			
Month Traded	Harvest Age		%Δ
	Over 6 months	Under 6 months	
Sep-23	\$0.69	\$1.01	+46%
Oct-23	\$0.80	\$1.09	+36%
Nov-23	\$0.50	\$1.00	+100%
Dec-23	\$0.70	\$1.04	+49%
Jan-24	\$0.87	\$1.31	+51%

Flower weighted average price by age over the past 6 calendar months. The premium for recently-harvested (<6 months) product is typically higher when the age of aged flower (>6 months) is greatest.

Source: Canadian Cannabis Exchange

15 Flower Weighted Avg. Price by Age of Product and Trim Method, Last 6 Months (\$/gram)						
Dried Flower Index	Harvest Age					
	Over 6 months			Under 6 months		
	Hand Trim	Machine w/ Hand Finish	Machine Trim	Hand Trim	Machine w/ Hand Finish	Machine Trim
Index 6 (30%+)	\$1.18	\$0.96	-	\$1.85	\$1.31	\$1.00
Index 5 (25-30%)	\$0.85	\$0.91	\$0.63	\$1.38	\$0.91	\$0.99
Index 4 (20-25%)	\$0.52	\$0.66	\$0.71	\$0.92	\$0.85	\$0.93
Index 3 (15-20%)	\$0.53	\$0.50	\$0.30	\$0.92	\$0.71	-
Average: Index 3-6	\$0.66	\$0.79	\$0.69	\$1.32	\$0.88	\$0.96

Flower average price by Index, Age and Trim Method over the past 6 calendar months. Hand-trimmed flower trades at a premium, more so in Indices 5 and 6. The premium is reduced for flower aged more than 6 months.

Source: Canadian Cannabis Exchange

16 Indoor-Grown Flower Weighted Avg. Price by Age of Product, Last 6 Months (\$/gram)			
Dried Flower Index, Indoor Grown	Harvest Age Over 6 months	Harvest Age Under 6 months	Average, Indoor Grown
Index 6 (30%+)	\$1.09	\$1.71	\$1.60
Index 5 (25-30%)	\$0.85	\$1.37	\$1.25
Index 4 (20-25%)	\$0.52	\$0.85	\$0.72
Index 3 (15-20%)	\$0.49	\$0.84	\$0.70
Average: Index 3-6	\$0.66	\$1.22	\$1.05

Indoor-Grown Flower average price by Index and Age over the past 6 calendar months. Price differences across indices are greater for recently-harvested product.

Source: Canadian Cannabis Exchange

17 Greenhouse-Grown Flower Weighted Avg. Price by Age of Product, Last 6 Months (\$/gram)			
Dried Flower Index, Greenhouse Grown	Harvest Age Over 6 months	Harvest Age Under 6 months	Average, Greenhouse Grown
Index 6 (30%+)	\$0.80	\$2.70	\$2.65
Index 5 (25-30%)	\$0.80	\$0.89	\$0.88
Index 4 (20-25%)	\$0.80	\$0.92	\$0.90
Average: Index 4-6	\$0.80	\$0.96	\$0.94

Greenhouse-Grown Flower average price by Index and Age over the past 6 calendar months. The higher price level for Index 6 is attributed to forward contracts coming to delivery.

Source: Canadian Cannabis Exchange

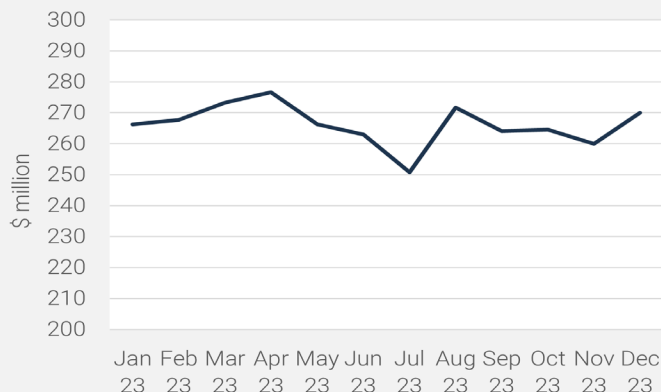
Appendix: Macro Data

18 Canadian Cannabis Monthly Wholesale Sales (\$ million)



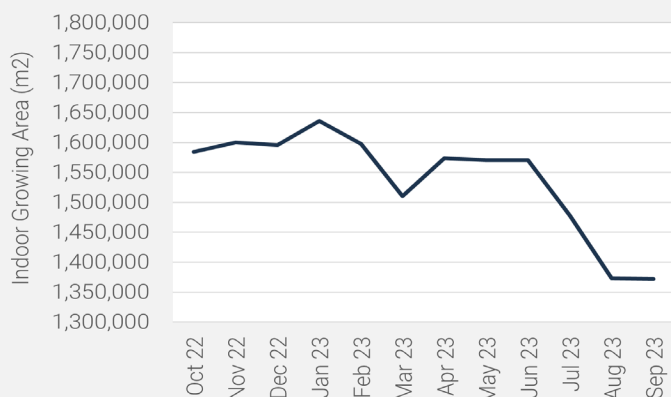
Estimated monthly value (CAD \$million) of wholesale trade in cannabis, as reported through Statistics Canada's Monthly Wholesale Trade Survey ("MWTS"). The MWTS provides information on the performance of the wholesale trade sector.
Source: Statistics Canada

19 Canadian Cannabis Monthly Wholesale Inventories (\$ million)



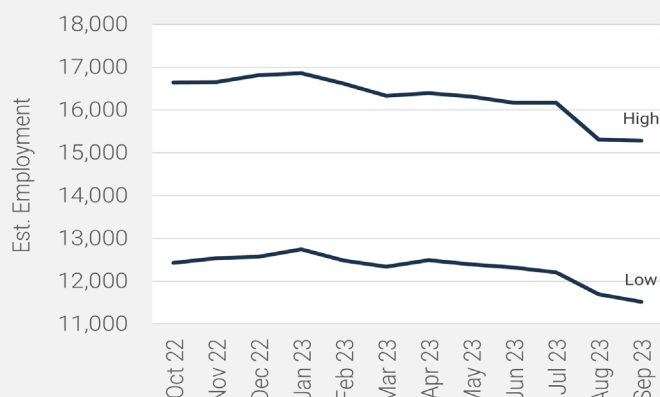
Estimated monthly value (CAD \$million) of wholesale cannabis inventories, as reported through Statistics Canada's Monthly Wholesale Trade Survey ("MWTS"). The MWTS provides information on the performance of the wholesale trade sector.
Source: Statistics Canada

20 Canadian Cannabis Licensed Indoor Growing Area (m²)



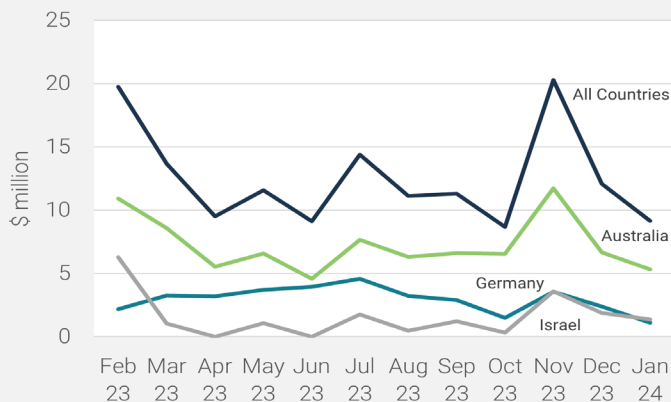
Licensed Indoor Growing Area in square meters, as reported by Health Canada. Totals have been steadily in decline since mid-2021.
Source: Health Canada

21 Canadian Cannabis Industry Employment Estimate



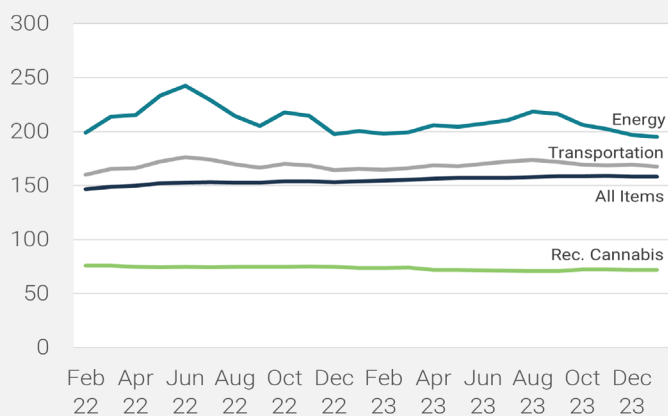
Estimated Canadian Cannabis Industry employment (high/low), as reported by Health Canada.
Source: Health Canada

22 Canadian Exports of Cannabis Flower by Month (\$ million)



Estimated monthly value (CAD \$million) of internationally exported cannabis flower, as reported by Statistics Canada.
Source: Statistics Canada

23 Consumer Price Index, Canada, Not Seasonally Adjusted



The Consumer Price Index (CPI) is an indicator of changes in consumer prices experienced by Canadians. Recreational cannabis prices have remained stable over the past two years, but energy and transportation, significant costs within the cannabis industry, have varied considerably.
Source: Statistics Canada

Methodology

PRICING

The report includes two different pricing methodologies:

- 1. Settled Price: The weighted average of all transacted deals in each index in the given period. If no deals were transacted, "No Trade" will be shown.
- 2. Indicative Price: Weighted average of all bids, offers, and transacted prices in each index in the given period. To eliminate outliers and obtain true market values, the highest and lowest prices are removed from bids and offers.

Indicative pricing can be used to understand the pricing the market expects and leveraged in planning and evaluation models.

Effective June 2023, the average Settled Price for Dried Flower will be calculated as follows: 16% Index 6, 44% Index 5, 28% Index 4, and 12% Index 3. This change is more representative of recent historical activity in the market.

INDEX RANGES

THC Index Values: Flower

INDEX	THC %
1	0-10%
2	10-15%
3	15-20%
4	20-25%
5	25-30%
6	30%+

THC Index Values: Trim

INDEX	THC %
1	0-10%
2	10-15%
3	15-20%

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