

The Data Heard

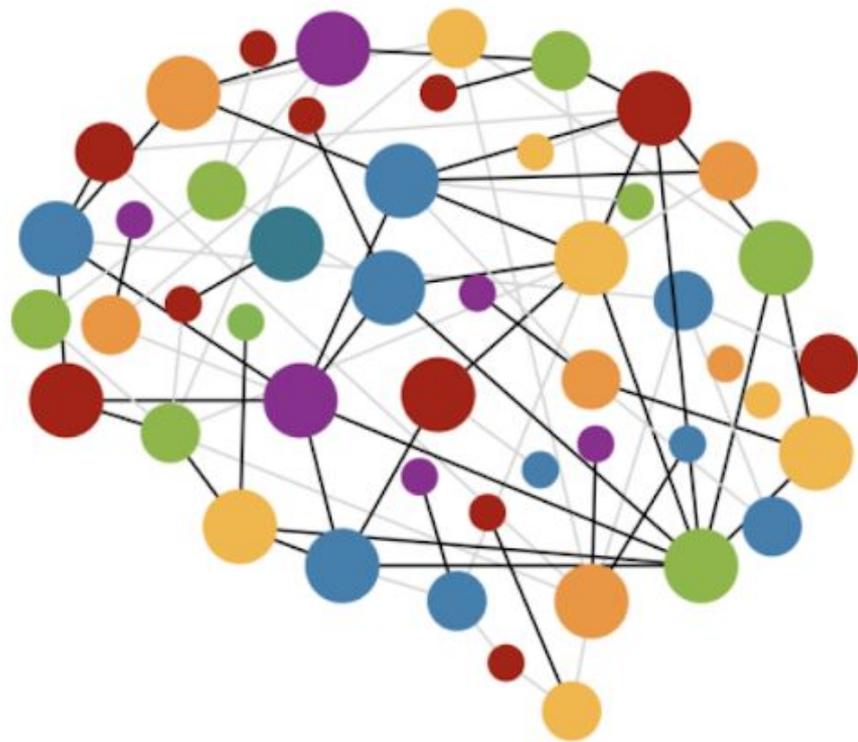


Monthly Insights
July 2023

New Mexico AU Market 8.23.23



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Market Analysis: By The Numbers

- ❑ 92 markets report to CCD
- ❑ \$34.077mm in July AU sales
- ❑ 5 markets in excess of \$2mm in July AU sales

+5% M/M sales growth in July (amongst top 20 sales markets):

Chaparral
Hobbs
Roswell
Ruidoso
Taos

M/M sales decline in July (amongst top 20 sales markets):

Albuquerque
Alamogordo
Las Cruces
Gallup

Market Forecast/Category Share



Our 2023 forecast (adjusted 5/23)

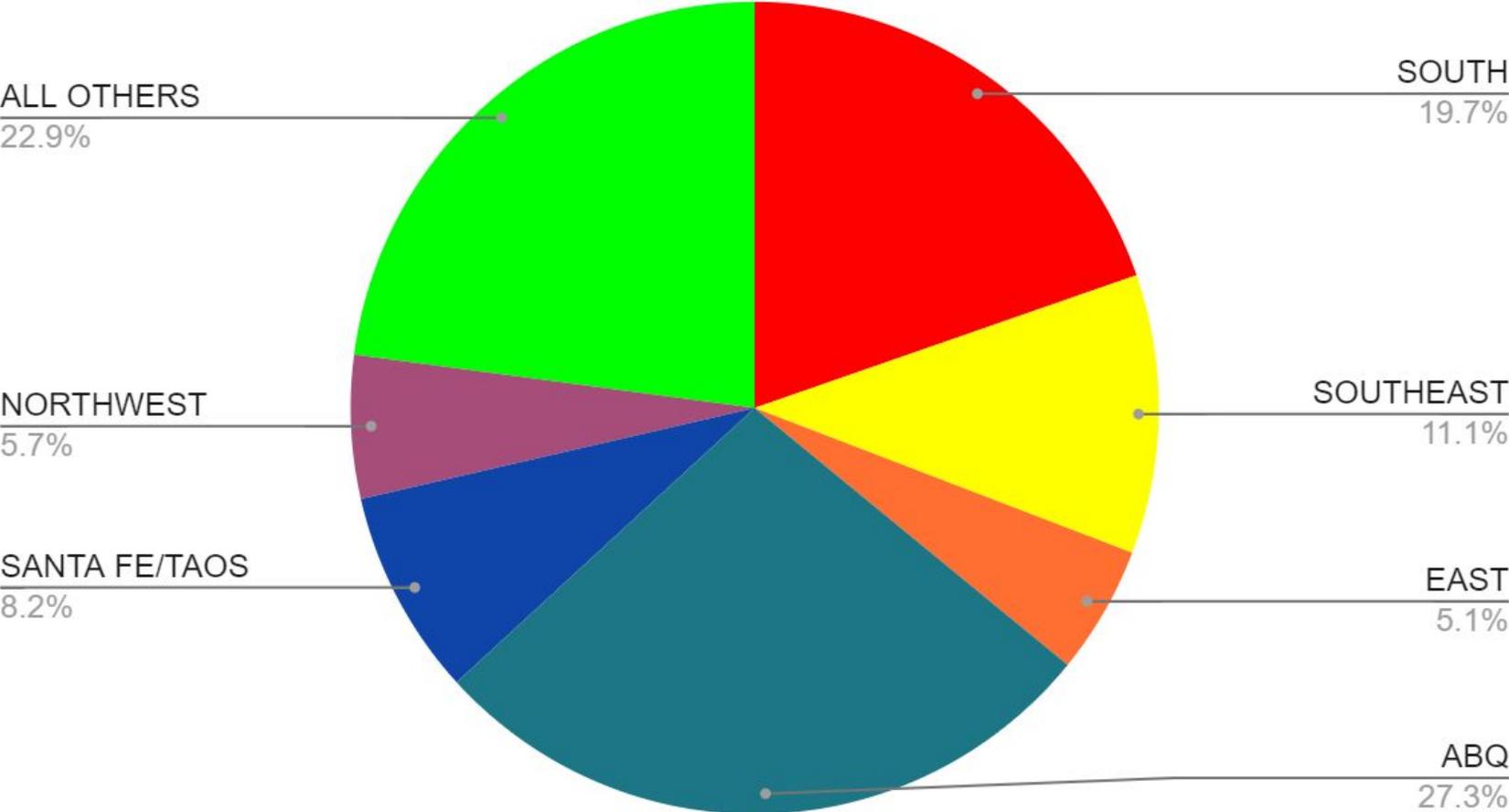
Year	Total Sales	2022 Flower (46.6%)	2022 Vapes (22.5%)	2022 Pre-Rolls (8.7%)	2022 Edibles (8.7%)
2022 Sales (launch 4/1)	\$214,015,115	\$99,731,044	\$48,153,401	\$18,619,315	\$18,619,315
		2023 Flower (46%)	2023 Vapes (22%)	2023 Pre-Rolls (10%)	2023 Edibles (9%)
2023 NM Market	\$370,959,533	\$170,641,385	\$81,611,097	\$37,095,953	\$33,386,358
		2024 Flower (45%)	2024 Vapes (21%)	2024 Pre-Rolls (11%)	Edibles (10% of NM Market)
2024 NM Market	\$408,055,486	\$183,624,969	\$85,691,652	\$44,886,103	\$40,805,549
		Flower (44%)	Vapes (21%)	Pre-Rolls (11% of NM Market)	Edibles (12% of NM Market)
2025 NM Market	\$428,458,260	\$188,521,635	\$89,976,235	\$47,130,409	\$51,414,991

2023 YTD

AU Transactions	2023	AU Sales	AOV
621,719	January	\$26,503,867.33	\$42.63
0.74%	% Gain	-6.01%	-6.80%
626,721	February	\$27,713,580.95	\$44.22
0.80%	% Gain	4.37%	3.60%
725,544	March	\$32,359,270.41	\$44.60
13.62%	% Gain	14.36%	0.85%
706,235	April	\$31,236,778.58	\$44.23
-2.73%	% Gain	-3.59%	-0.84%
749,023	May	\$31,623,732.74	\$42.22
5.71%	% Gain	1.22%	-4.76%
782,535	June	\$33,617,699.16	\$42.96
4.28%	% Gain	5.93%	1.72%
799,768	July	\$34,077,883.74	\$42.61
2.15%	% Gain	1.35%	-0.82%
	August		
	% Gain		
	September		
	% Gain		
	October		
	% Gain		
	November		
	% Gain		
	December		
	% Gain		
5,011,544	2023 Totals	\$217,132,812.91	\$43.35



Retail Storefront Distribution





What does 87112 look like?

Level
 (Diamond: \$300k Monthly Sales,
 Platinum: >\$200k Monthly Sales,
 Gold: >\$100k Monthly Sales,
 Silver: >\$50k and <\$99.9k,
 Bronze: >\$25k and <\$49.9k, Dog:
 <\$25k/month)

	DISPO	1/23	2/23	MoM	3/23	MoM	4/23	MoM	5/23	MoM	6/23	MoM	7/23	MoM	Avg MoM	CITY	ZIP
BRONZE	Boutique High LLC	\$22.71	\$41.49	45.26%	\$46.86	11.46%	\$50.99	8.10%	\$47.26	-7.89%	\$45.43	-4.03%	\$42.91	-5.87%	7.84%	Albuquerque	87112
BRONZE	Elements Dispensary	\$17.10	\$22.29	23.28%	\$28.98	23.08%	\$30.39	4.64%	\$27.97	-8.65%	\$32.36	13.57%	\$31.65	-2.24%	8.95%	Albuquerque	87112
BRONZE	Loves Cannabis Dispensary	\$51.57	\$52.86	2.44%	\$59.90	11.75%	\$48.53	-23.43%	\$44.66	-8.67%	\$45.52	1.89%	\$34.73	-31.07%	-7.85%	Albuquerque	87112
BRONZE	Smoke Haven				\$0.40		\$14.87	97.31%	\$27.54	46.01%	\$31.04	11.28%	\$27.39	-13.33%	35.32%	Albuquerque	87112
DIAMOND	Oasis Cannabis Co	\$251.09	\$266.06	5.63%	\$325.95	18.37%	\$326.32	0.11%	\$312.99	-4.26%	\$336.57	7.01%	\$344.67	2.35%	4.87%	Albuquerque	87112
DOG	Just Jane	\$22.94	\$22.50	-1.96%	\$25.59	12.08%	\$17.03	-50.26%	\$19.93	14.55%	\$18.15	-9.81%	\$19.40	6.44%	-4.83%	Albuquerque	87112
DOG	Just Jane				\$0.56		\$2.57	78.21%	\$2.38	-7.98%	\$1.52	-56.58%	\$1.21	-25.62%	-2.00%	Albuquerque	87112
DOG	Leaf and Flower	\$15.33	\$13.25	-15.70%	\$15.23	13.00%	\$13.04	-16.79%	\$15.61	16.46%	\$16.91	7.69%	\$16.17	-4.58%	0.01%	Albuquerque	87112
PLATINUM	Dark Matter		\$34.15		\$166.15	79.45%	\$189.88	12.50%	\$209.31	9.28%	\$225.13	7.03%	\$238.40	5.57%	22.76%	Albuquerque	87112
DOG	The Jazz Club	\$21.38	\$20.06	-6.58%	\$22.38	10.37%	\$19.48	-14.89%	\$16.71	-16.58%	\$19.43	14.00%	\$14.25	-36.35%	-8.34%	Albuquerque	87112
DOG	The Private Stash				\$0.19		\$3.74	94.92%	\$5.45	31.38%	\$7.67	28.94%	\$9.91	22.60%	44.46%	Albuquerque	87112
DOG	Trident Cannabis Co.												\$9.67			Albuquerque	87112
DOG	Unbweedable Cannabis	\$1.46	\$1.87	21.93%	\$3.20	41.56%	\$4.95	35.35%	\$8.17	39.41%	\$7.86	-3.94%	\$6.06	-29.70%	17.43%	Albuquerque	87112
DOG	Herban Oasis				\$4.67		\$9.17	49.07%	\$8.74	-4.92%	\$8.52	-2.58%	\$9.46	9.94%	12.88%	Albuquerque	87112
SILVER	Seven Clover	\$112.69	\$123.21	8.54%	\$102.02	-20.77%	\$142.23	28.27%	\$83.26	-70.83%	\$74.20	-12.21%	\$74.35	0.20%	-11.13%	Albuquerque	87112
GOLD	Dreamz Cannabis	\$90.16	\$95.36	5.45%	\$104.66	8.89%	\$99.15	-5.56%	\$96.10	-3.17%	\$101.50	5.32%	\$100.99	-0.51%	1.74%	Albuquerque	87112
SILVER	Generation Health	\$77.08	\$76.14	-1.23%	\$75.44	-0.93%	\$78.14	3.46%	\$79.62	1.86%	\$77.57	-2.64%	\$69.99	-10.83%	-1.72%	Albuquerque	87112
SILVER	The Bad Company	\$101.75	\$93.25	-9.12%	\$94.25	1.06%	\$75.87	-24.23%	\$80.69	5.97%	\$82.17	1.80%	\$85.69	4.11%	-3.40%	Albuquerque	87112

Spotlight: Jal

- ❑ Jal is **ideally geo-located**, only 8 miles west and 11 miles north of the TX border. Low cost of living index of only 73.8 (NM: 88.4, USA: 100)
- ❑ Only **four** operational and open **storefronts**.
- ❑ July **AOV** in Jal is an eye-popping **\$85.17!!**
- ❑ Features **two of our "green growth" retail stores**: Grey Moon and Happy Smiles
- ❑ Jal registered a **5.81% monthly sales growth in June, and 6.67% in July.**
- ❑ Median monthly revenue for the dispensaries is \$81k (vs. a median of top-20 markets of \$67.08)
- ❑ **Currently, no dominant and far away leading storefront** (although Grey Moon owns 44.7% of the market (sales \$) and registered four successive months of impressive sales growth





ABQ

- ❑ % of NM AU Market: 27.8
- ❑ 6th lowest AOV at \$38.09
- ❑ Sales off 1% last month
- ❑ MMJ = \$5.35mm (#1 in state) & 36.55% of total sales
- ❑ 52.7% of licensed storefronts reported sales to CCD last month
- ❑ 19 **Reds** and 18 **Greens**
- ❑ **JULY: Avg Sales = \$48.6k, Median Sales = \$28.6k (no one/few dominant dispos, despite 9 platinums and 1 diamond)**



Retailers: By The Numbers

- ❑ 1,040 licensed retail stores
- ❑ 594, or 57.1%, are operational and reported to the CCD in July
- ❑ Widening Gap: 77.3% of all licensed (open and not open) dispos earn < \$50k. Conversely, the # of platinum (>\$200k &< \$300k) and diamond level (>\$300K) licensed dispos ↓ 2.3% in June. These 24 dispos = \$7.47mm.
- ❑ Dark Matter in Sunland Park hit \$867k in sales (June: \$754k). This one dispo recorded more revenue than all but 10 markets.

	January 2023	April 2023	July 2023
AU SALES	\$26.503	\$31.236	\$34.077
%		15.2%	8.3%
DISPOS REPORTING	458	553	594
%		17.2%	6.9%
<25K July Sales	151	201	224
%		24.9%	10.3%
BRONZE	117	136	144
%		14.0%	5.6%
SILVER	102	119	127
%		14.3%	6.3%
GOLD	65	71	74
%		8.5%	4.1%
PLATINUM	14	16	16
%		12.5%	0%
DIAMOND	6	8	8
%		25%	0%



Retail SKU Inventories

Among the leading individual dispensaries that we track across all key markets in NM, we've observed the following **inventory %'s available in-store for purchase**.

Md # of SKUs: 247, up from 184 in February.

Flower: Md: 15.7% of total SKUs (up from 12.5% - February)

Vapes: Md: 18.4% of total SKUs (down from 25% - February)

Pre-Rolls: Md: 16.4% of total SKUs (up from 11.8% in February)

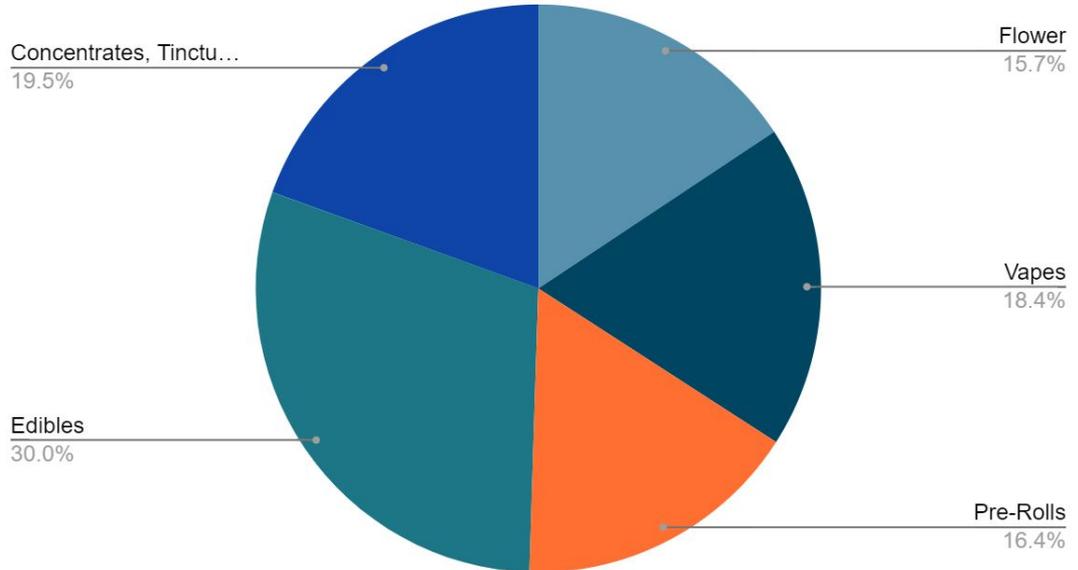
Edibles: Md: 30% of total SKUs available in-store are edibles (down from 35.8% in February)

Concentrates, tinctures and topicals make up the balance

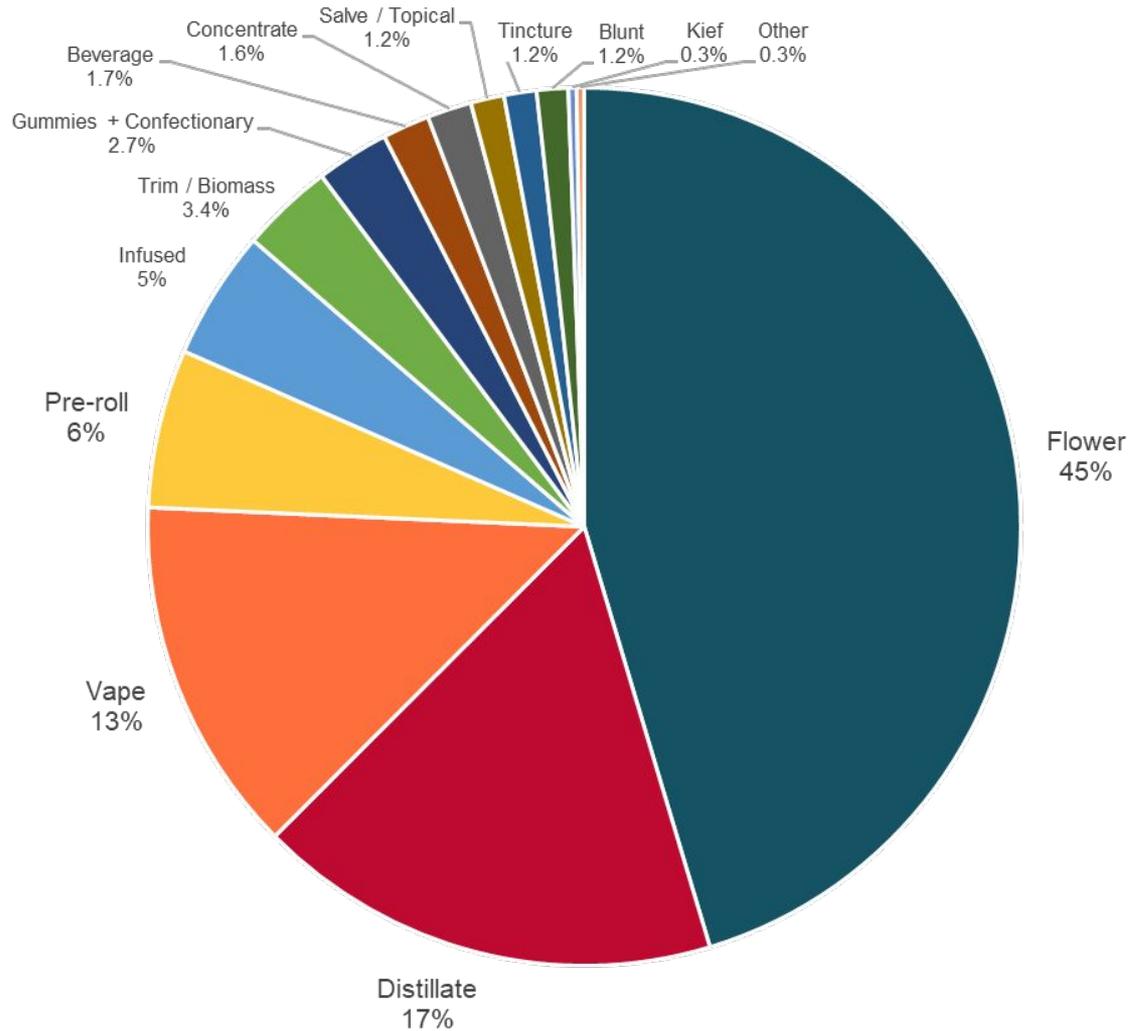
Key Retailers: Best Daze, ABQ-Coors/ Everest, Santa Fe/ Pecos Valley Production, Las Cruces/ R Greenleaf, Roswell/ High Desert Relief, Santa Fe/ Urban Wellness, ABQ/ Oui'd, ABQ/ Dark Matter, Sunland Park/ Grey Moon, Jal/ Pecos Valley Production, Hobbs/ Oasis Cannabis, Farmington/ High Valley Cannabis, Chaparral/ OSO, Roswell/ Stoned Ape Canna Co, Carlsbad/ Leaf Republic, Los Lunas



SKU Analysis



Wholesale Transactional Summary (July) *courtesy Ziaventures*





RED

69 dispos have landed on our ● list, indicating several sequential monthly sales declines, and/or an overall avg monthly sales loss of nearly 10% in '23.

21 Ultrahealth, 8 OSO, and 3 each of R Greenleaf, Seven Clover and Keyway Marketplace stores on this list.

Retailers with multiple RED stores:

Bryan's Green Care
Enchantment Growth
Everest
Keyway Marketplace
OSO Cannabis
R Greenleaf
Seven Clover
Ultrahealth



GREEN

65 dispos are on our ✓
list, with 4 each from
Oasis Cannabis and
Pecos Valley Production
leading the way. These
dispos have logged
multiple sequential
months of sales gain
PLUS feature an overall
avg. M/M gains of
nearly 10% and greater.

Retailers with multiple GREEN stores:

Dark Matter
Oasis Cannabis Company
Pecos Valley Production
Score 420
Verdes Foundation



Spotlight: Oasis Cannabis Co.

Level (Diamond: \$300k Monthly Sales, Platinum: >\$200k Monthly Sales, Gold: >\$100k Monthly Sales, Silver:>\$50k and <\$99.9k, Bronze: >\$25k and <\$49.9k, Dog: <\$25k/month)	DISPO	1/23	2/23	MoM	3/23	MoM	4/23	MoM	5/23	MoM	6/23	MoM	7/23	MoM	Avg MoM
DIAMOND	Oasis Cannabis Co	\$251.09	\$266.06	5.63%	\$325.95	18.37%	\$326.32	0.11%	\$312.99	-4.26%	\$336.57	7.01%	\$344.67	2.35%	4.87%
PLATINUM	Oasis Cannabis Co	\$12.48	\$88.18	85.85%	\$163.73	46.14%	\$186.15	12.04%	\$197.84	5.91%	\$225.36	12.21%	\$242.82	7.19%	28.22%
PLATINUM	Oasis Cannabis Co	\$100.28	\$108.62	7.68%	\$104.85	-3.60%	\$161.84	35.21%	\$170.96	5.33%	\$202.52	15.58%	\$210.30	3.70%	10.65%
DIAMOND	Oasis Cannabis Co	\$153.67	\$186.52	17.61%	\$237.14	21.35%	\$260.33	8.91%	\$273.06	4.66%	\$304.10	10.21%	\$333.83	8.91%	11.94%

Keys to Success:

- ❑ High value that they place on the team
- ❑ Their retail-centric culture (over 80 years of combined management experience in retail)
- ❑ Uniquely positioned brand (carries a legacy that resonates with Oasis Cannabis customers, having started with Oasis Smoke Shops, then Oasis Vape, and now Oasis Cannabis).

*All four storefronts on our green growth list. Retail storefronts are ranked #6, #7, #14 and #20 statewide for July AU sales



The NM AU Cannabis Consumer

New Mexico Cannabis Demand Modeling, 2022 (released 3/23)

1,150 participants from 31 counties

 - up 5.3% from a year ago

 - up 2.2% since April '23

 (rent) - up 7.9% from a year ago

 (electricity) - up 8.9% from a year ago

\$ Federal Reserve has raised rates to the highest level in 22 years. The cost of loans, credit cards, and mortgages all continue to climb, further damaging wallets.

53% of respondents indicated a daily, or near daily, consumption

what is important to the consumer?

1st: Price

2nd: THC or CBD Potency

3rd: Cannabis Strain

4th: Convenience (time, distance, or access)

5th: Source

6th: Safety

7th: Whether it can be delivered

Strong Confidence that the NM AU Consumer seeks value, high potency in mainly smokeables.

smoking (75%), ingesting edibles (52%), and vaping cannabis (51%) were the three most popular form factors.

spent an average of \$151 on cannabis over the past month and 21% of respondents visited a dispo at least 4x last month

Key DTC Analysis



- ❑ Attractive to the mobile delivery consumer - *e.g. they are regular users of DoorDash*
- ❑ 90% retention / repurchase rate
- ❑ AOV's in the range of \$100 to \$115
- ❑ Greater likelihood for premium edibles and “plus ones”



Summary: Top 5 July Insights July



1. 61.9% of reporting dispos earned <\$25k in AU sales in July. These 368 reporting dispos recorded \$7.65mm (22.5% of the entire AU \$ market for July). Top 24 dispos (w/ sales > \$200k last month) were responsible for \$7.47mm, or 21.9% of the AU market, with the top 10 at 12.49% (June: 12.37%) of AU retail sales in July, totaling \$4.26mm (June: \$4.12mm).
2. Top 10 markets registered 68.8% of all AU sales in July.
3. NM AOV \$42.61 (June: \$42.96). The five lowest AOV markets are Gallup, Las Cruces, Farmington, Espanola, and Alamogordo. ABQ has the state's 6th lowest at \$38.09 (as recently as April, ABQ AOV was \$40.33). Top over-indexed top-20 AOV markets include Jal at \$85.17 (June: \$83.12), Hobbs at \$81.93 (June: \$85.14), and Tucumcari at \$59.34 (June: \$59.43).
4. 77.3% of all licensed (operating and not open) dispos earn < \$50k in sales per month.
5. Dark Matter in Sunland Park hit \$867k in sales (June: \$754k). This one dispo recorded more revenue than all but 10 markets. Comparable sales to Rio Rancho (11 licensed dispos, 7 reporting to CCD).