



Cannabis Retail Strategies for Ontario's Post-Lottery World

INTRODUCTION



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Processing
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Services



50%

of Canadian cannabis companies that have gone public

80%

of U.S. cannabis companies have gone public

80%

of international cannabis companies have gone public

300+

cannabis and ancillary cannabis clients firm wide

SERVICES



Assurance and Accounting



Technology and Cyber Security



Business Strategy Consulting



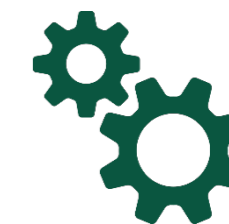
Tax and SR&ED



Valuations



Enterprise Risk Services



M&A and Due Diligence Services



The Post-Lottery World



Ontario's Cannabis Lottery Re-Cap



**December 13,
2018**

Gov't imposed temporary
cap of 25 Retail Store
Authorizations in Ontario



January 11, 2019

Winners of 1st lottery in
Ontario announced



July 3, 2019

Gov't announced that an
additional 50 retail stores
would be permitted in
Ontario



January 6, 2020

Cannabis retail lottery rules
in Ontario are eliminated.
AGCO accepts new
applicants on a first come,
first served basis



Are You Properly Licensed?



Retail Operator License
(ROL)



Retail Store
Authorization (RSA)



Cannabis Retail
Manager License
(CRML)



How Big is the Opportunity in Ontario?



Comparing Cannabis Retail Sales

	Alberta	Ontario
Population	4,371,316	14,566,547
# of ROLs	324	69
# of stores	312	25
Cannabis Sales (Sept 2019)	\$165,740,000	\$216,807,000
Sales per person (Sept 2019)	\$45	\$15

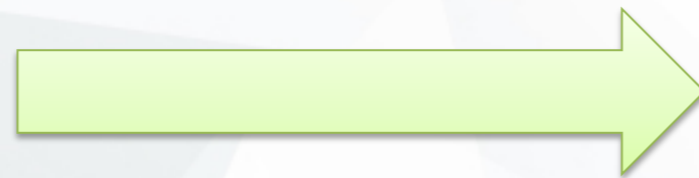


The Potential Retail Market in Ontario

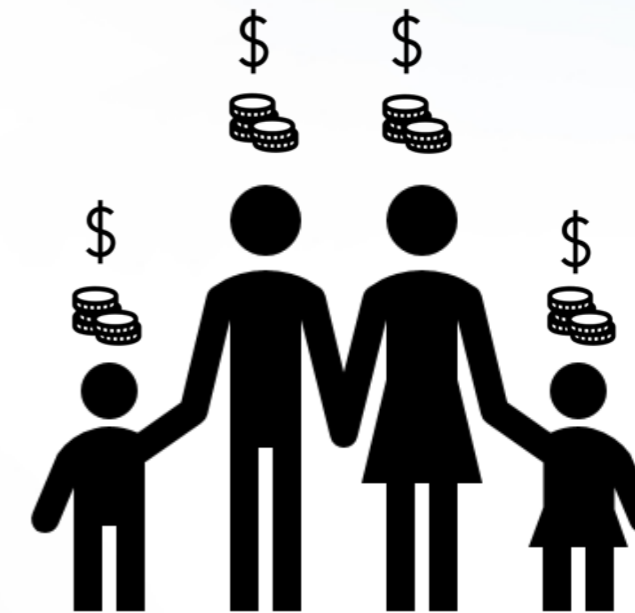
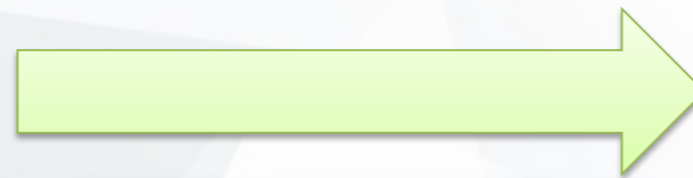
	Alberta	Ontario
Population	4,371,316	14,566,547
# of stores per capita (Sept 2019)	312	25
Cannabis Sales (Sept 2019)	\$165,740,000	\$216,807,000
Potential stores per capita (using AB's stores per capita figure)	N/A	1,040
Potential Cannabis Sales (using Alberta's per capita sales)	N/A	\$538,962,239



Tax Implications and Structuring



Tax Implications and Structuring





**ARE
YOU
READY?**

**Preparing for the post-
lottery world**

How Will You Stand Out?



Who Are Your Customers?



Choose the Right Product Mix



Flower		39%
Vapor pens		13%
Edible		14%
Concentrates		10%
Pre-roll		20%
Tincture & sublingual		1%
Topical		1%
Beverage		1%
Capsules		1%

Projected vapes and edibles sales in Canada

**2020
\$250M**

**2022
\$1.5B**



Choosing the Right Partners and Suppliers





START

An illustration of two hands holding a banner. The hands are wearing dark suit sleeves with white cuffs. The banner is orange and has the words 'THANK YOU' written in large, white, bold, sans-serif capital letters. The background is a solid light blue color.

**THANK
YOU**

A dark green rectangular box with the word 'Questions?' written in white, bold, sans-serif font.

Questions?