ONTARIO CANNABIS STORE

A QUARTERLY REVIEW

January 1 – March 31, 2022

ABOUT THIS PUBLICATION

The Ontario Cannabis Store (OCS) publishes *A Quarterly Review (January 1 – March 31, 2022)* as a resource for the entire legal Ontario cannabis industry. This document is intended to provide historical key facts and figures for the period between January 1 and March 31, 2022.

This publication marks the eighth data report by the OCS following *A Quarterly Review (October 1 – December 31, 2021)*. This publication will evolve over time and feedback is welcome to help improve its value. Comments and feedback on this report can be submitted to **inquiries@OCS.ca**.

This publication is intended for general guidance and information purposes only. Under no circumstances is this publication intended to be considered any form of financial reporting or a recommendation to buy, sell or consume any of the products listed. The data provided is unaudited and has not been reconciled with official OCS data, and the OCS shall have no liability to any person resulting from the use of this publication.

Executive Summary

The final quarter of the 2021-22 OCS fiscal year demonstrated the resiliency of the legal cannabis marketplace in overcoming a difficult period of navigating the Omicron Covid-19 variant.

Despite the effects of the pandemic on the economy, legal cannabis sales continued to grow as the province gradually eased public health measures. A record 63.7 million grams of legal cannabis was sold in Ontario, representing over $405M in sales, an increase of 1.6 per cent compared to the previous quarter. Ontario once again sold more legal cannabis than any other province or territory, with 40 per cent of all legal cannabis sales in Canada occurring through Ontario's authorized retailers and OCS.ca.

As in previous quarters, consumers continued to favour in-store shopping, with over 96 per cent of all legal cannabis sales made through licensed retailers. Ontario's authorized stores generated over $390 million in revenue and sold over 61 million grams of cannabis products this quarter alone.

The rate of store openings continued to slow, with 1,460 authorized cannabis stores operating across the province at the close of Q4, an increase of 10 per cent from the previous quarter. Stores operated in 233 municipalities – an additional 16 communities from the previous quarter – providing adult consumers across the province with convenient access to safe, quality-controlled cannabis products.

To support growing demand and ever-changing consumer preferences, OCS added 265 new SKUs to its product catalogue this quarter, for a total of 2,014 unique cannabis products. Licensed producers continued to drive innovation with new and exciting products, influencing change in market share for some product categories. Dried flower experienced a one per cent increase in dollar share, the first increase in share for the category this fiscal year, as sales for milled flower increased at a higher rate than whole flower. Concentrates increased by one per cent dollar share compared to Q3, while pre-rolls dropped by two per cent after having experienced consistent category growth in previous quarters.

The data this quarter is evidence of a vibrant and resilient cannabis marketplace. With the legal market continuing to mature and settle in, large swings in macro data trends are less frequent. As a result, OCS will shift to publishing insights publications twice a year moving forward, while still evolving this publication to share interesting and relevant insights for the cannabis marketplace.

Table of Contents

THE BIG PICTURE

Ontario recreational cannabis market share by source: illegal vs. legal

Ontario's legal share of the recreational market in Q4, 2021 is 56.9%.
Note: Due to a lag in the release of December 2021 data, legal market share for Q3 should be viewed as an approximate value and will be removed from trending data. The calculation of the Ontario legal market share has been calculated from prior quarterly updates from Statistics Canada. The time period of reporting has been adjusted to reflect OCS fiscal periods compared to the calendar year used by Statistics Canada.

Source: Statistics Canada; calculated by OCS. "January 2022" accessed 22/04/2022; "February 2022" accessed 26/05/2022; "March 2022" accessed 21/06/2022

Total grams sold

63,700,000 g

Retail Stores **61,300,000 g**

OCS.ca **2,400,000 g**

Number of retail stores

1,460

Total sales in Ontario

Retail Stores	OCS.ca
$390,400,000	**$14,600,000**

$405,000,000

Note: All figures are unaudited and include both cannabis products and accessories. Sales exclude taxes (HST).

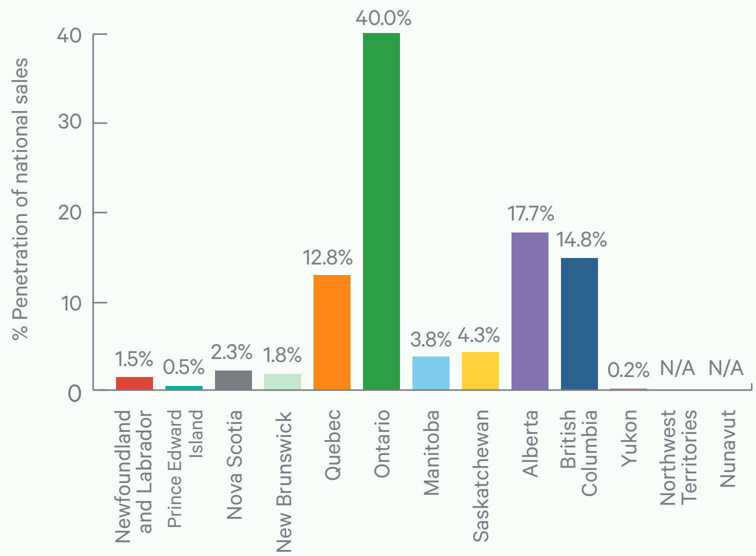
Listed and new items

Q4, 2020	**1,386**	268 NEW
Q1, 2021	**1,637**	256 NEW
Q2, 2021	**1,842**	389 NEW
Q3, 2021	**1,953**	350 NEW
Q4, 2021	**2,014**	265 NEW

The number of unique items available for sale continues to grow as the market matures. Includes active SKUs that were in-stock and excludes accessories.

Ontario share of national recreational sales

January 1 – March 31, 2022

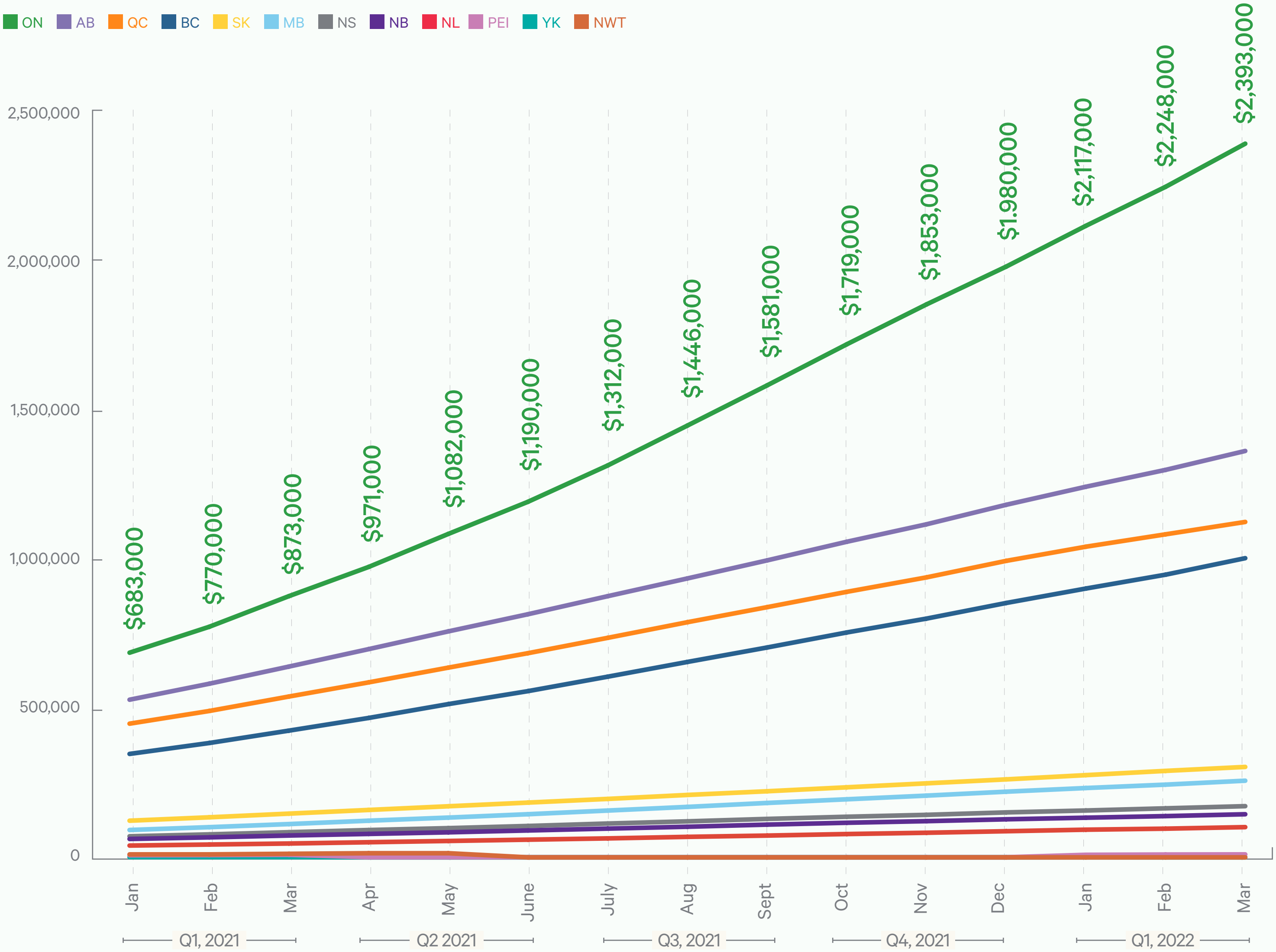


Ontario continues to lead national recreational sales with 40% of national market share with an increase by 2% points compared to Q3 2021. Note: As a result of revised December 2021 sales data, Ontario's share for Q3 2021 was readjusted to 38%.

Source: Statistics Canada. Table 20-10-0008-01 Retail trade sales by province and territory (x 1,000). "January 2022" accessed 22/04/2022; "February 2022" accessed 26/05/2022; "March 2022" accessed 21/06/2022.

THE BIG PICTURE

Cumulative monthly retail cannabis sales across all provinces and territories



Note: As a result of revised monthly sales data, Ontario's share has been readjusted to reflect updated sales. The time period of reporting used by Statistics Canada is based on a calendar year. Cumulative sales are rounded to the nearest thousand.

Source: Statistics Canada. Table 20-10-0008-01 Retail trade sales by province and territory (x 1,000). "January 2022" accessed 22/04/2022; "February 2022" accessed 26/05/2022; "March 2022" accessed 21/06/2022.

SALES DATA

In Q4, 63,700,000 grams of legal cannabis were sold in Ontario, an increase in volume of 7.2 per cent compared to the previous quarter. Brick-and-mortar stores sold 61,300,000 grams of cannabis across all product categories, capturing over 96 per cent of Ontario's legal recreational cannabis sales. Sales from OCS.ca represented less than four per cent of total sales.

The dried flower category increased in dollar share by one per cent from the previous quarter to assume 50 per cent of sales. Milled flower in particular drove that growth with an increase of 21.8 per cent from Q3. Product trends this quarter showed that smaller pack sizes of dried flower (7/10 g) and cannabis beverages were more successful in retail stores than on OCS.ca.

Dollar share for pre-rolls decreased by two per cent while concentrates increased by one per cent share, likely due to seasonality preferences from consumers. Other product categories including vapes, edibles, oils, beverages, capsules, topicals and seeds remained steady, and represented less than 30 per cent of total sales.

Total sales by product category

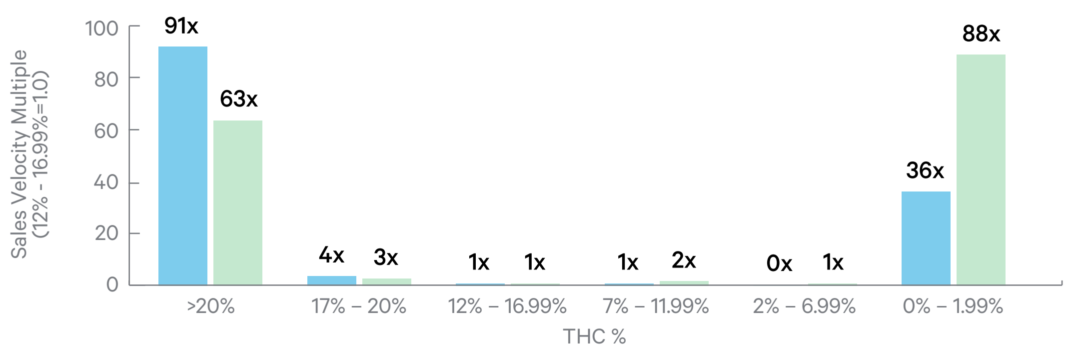
		Retail Stores	OCS.ca	% of Sales	Changes to Q3, 2021
Dried Flower	Milled Flower	$24,440,000	$401,000	50%	↑
	Whole Flower	$171,931,000	$5,640,000		
Pre-Rolled	Single Strain Packs	$69,266,000	$1,107,000	18%	↓
	Sample Packs	$979,000	$12,000		
Vapes	510 Thread Vape Cartridges	$58,929,000	$2,137,000	16%	—
	510 Thread Vape Kits	$632,000	$38,000		
	Disposable Vape Pens	$1,852,000	$203,000		
	Proprietary Systems Vape Cartridges	$1,580,000	$188,000		
Edibles	Baked Goods and Baking	$614,000	$55,000	5%	—
	Chocolate	$3,190,000	$236,000		
	Hard Edibles	$310,000	$73,000		
	Soft Chews	$15,555,000	$902,000		
Concentrates	Distillates	$1,006,000	$33,000	5%	↑
	Hash	$7,604,000	$224,000		
	Kief and Sift	$2,115,000	$31,000		
	Resin and Rosin	$7,535,000	$204,000		
	Shatter	$2,894,000	$59,000		
	Wax	$343,000	$14,000		
	Isolates	$27,000	$9,000		
Oils	Bottled Oils	$6,514,000	$1,005,000	2%	—
	Oral Sprays	$195,000	$87,000		
	Topicals	—	—		
Beverages	Cold Beverages	$6,671,000	$244,000	2%	—
	Dealcoholized Drinks	$331,000	$14,000		
	Hot Beverages	$289,000	$36,000		
Capsules	Softgels	$3,681,000	$70,000	1%	—
	Capsules and Tablets	$1,177,000	$610,000		
Topicals	Bath	$323,000	$24,000	1%	—
	Lotions and Creams	$1,473,000	$214,000		
Seeds	Seed Packs	$289,000	$206,000	<1%	—

Note: Average prices are weighted by sales and include taxes. Sub-category sales do not add to total sales due to rounding. For more details see appendix.

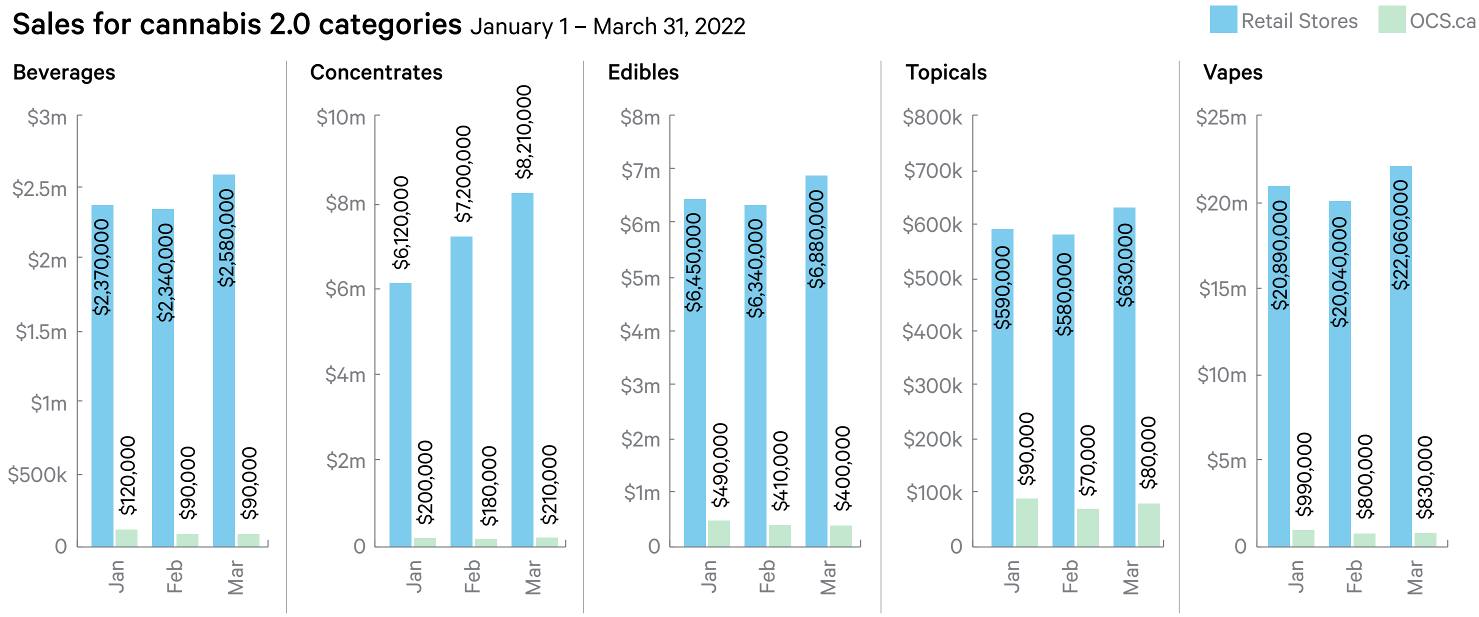
Sales velocity for dried flower by THC %

Sales velocity references units per day for OCS.ca and units sold per day per average store for retail.

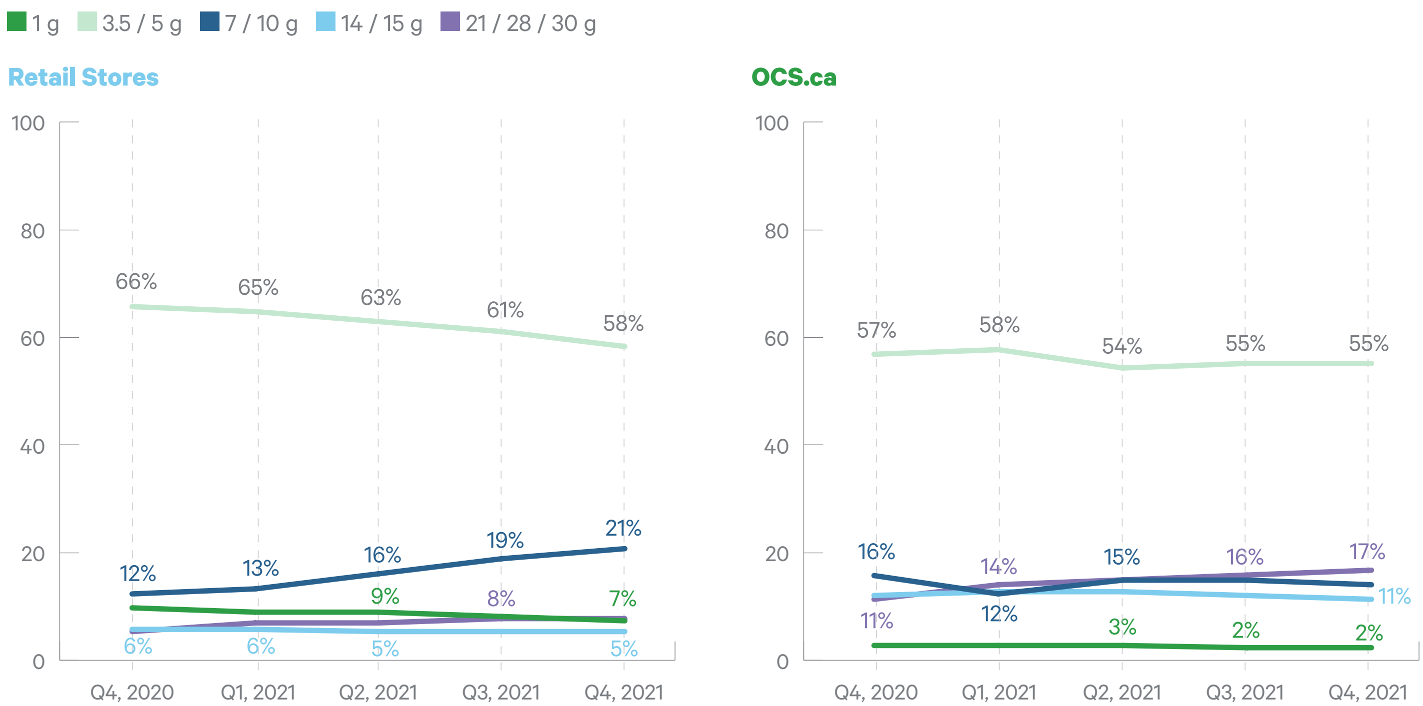
Retail Stores
OCS.ca



Sales for cannabis 2.0 categories January 1 – March 31, 2022



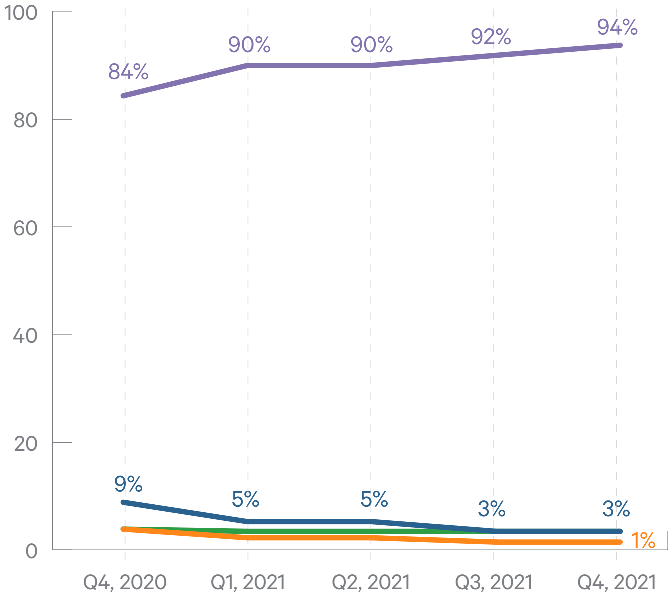
Sales proportion by quarter, size and channel for dried flower



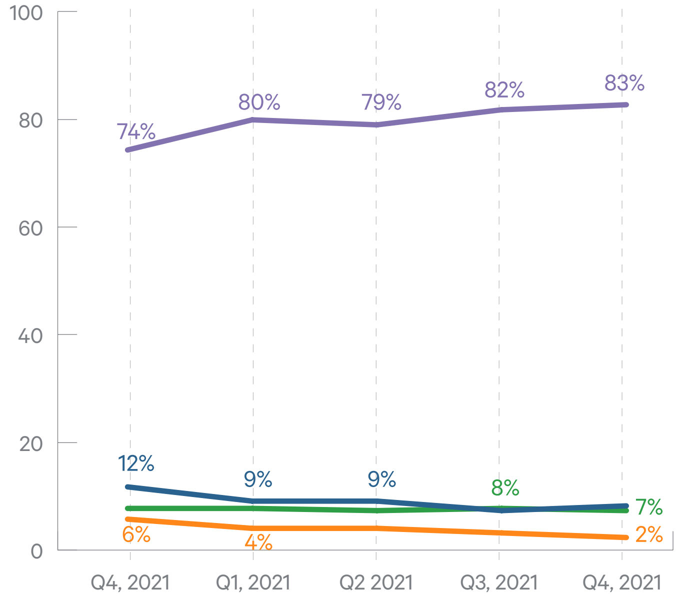
Sales proportion by quarter, type and channel for vapes

510 Thread Vape Cartridges | 510 Thread Vape Kits | Disposable Vape Pens | Proprietary Systems Vape Cartridges

Retail Stores



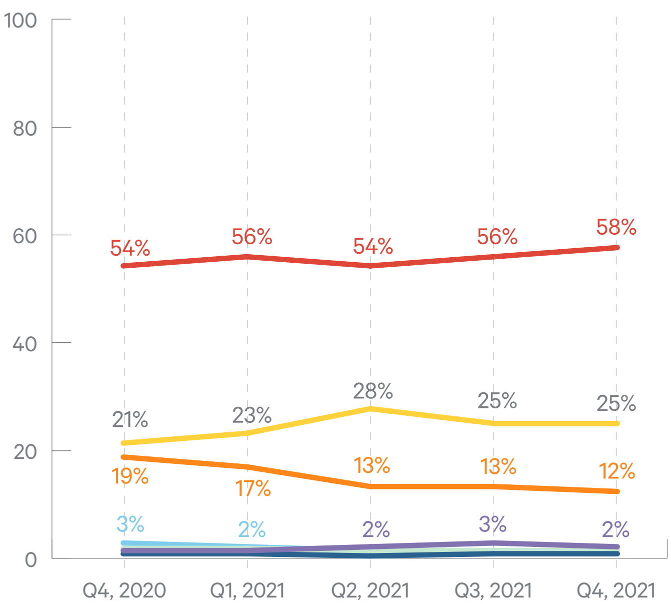
OCS.ca



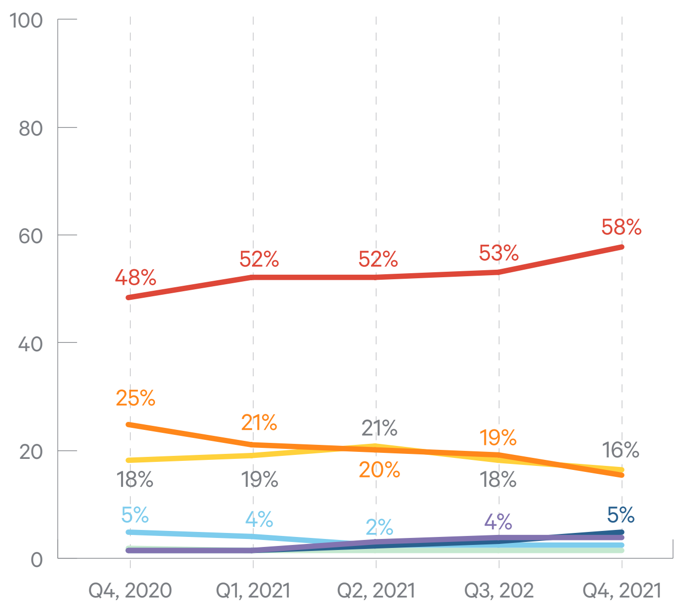
Sales proportion by quarter, type, and channel for edibles and beverages

Baked Goods | Chocolate | Hard Edibles | Soft Chews | Cold Beverages | Dealcoholized Drinks | Hot Beverages

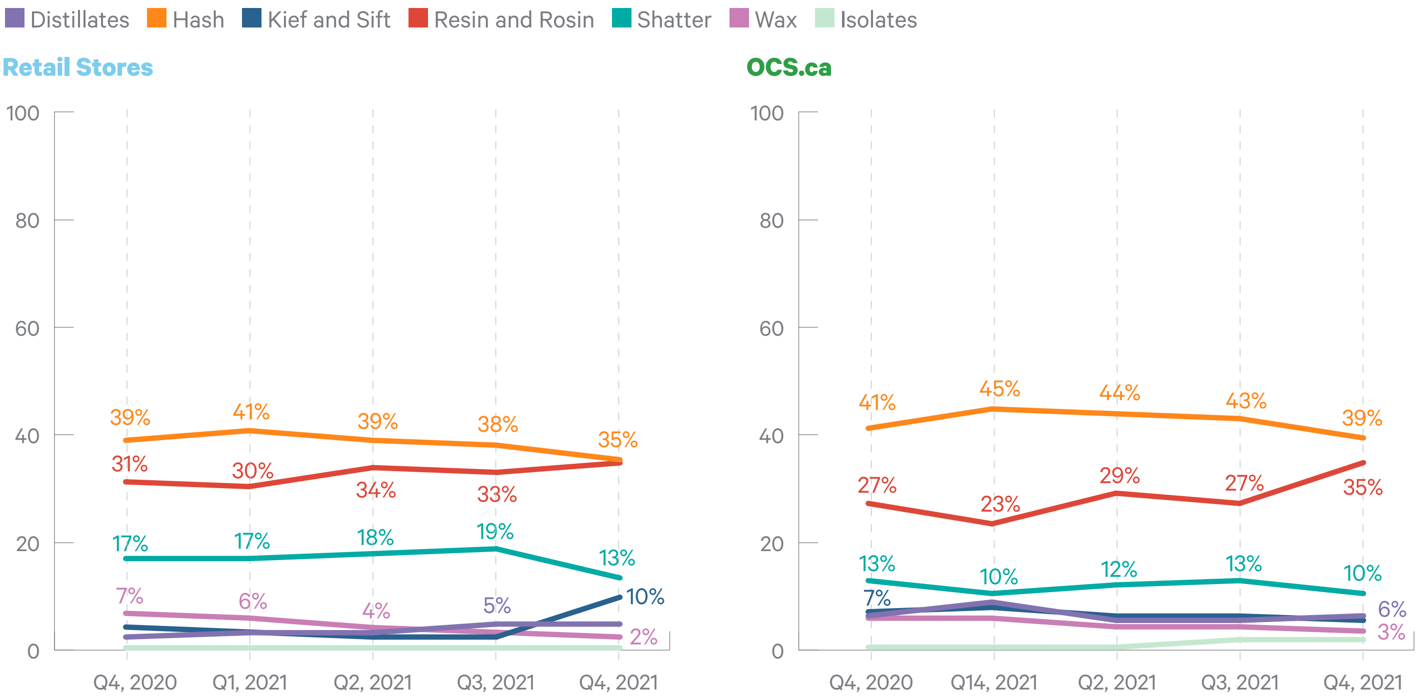
Retail Stores



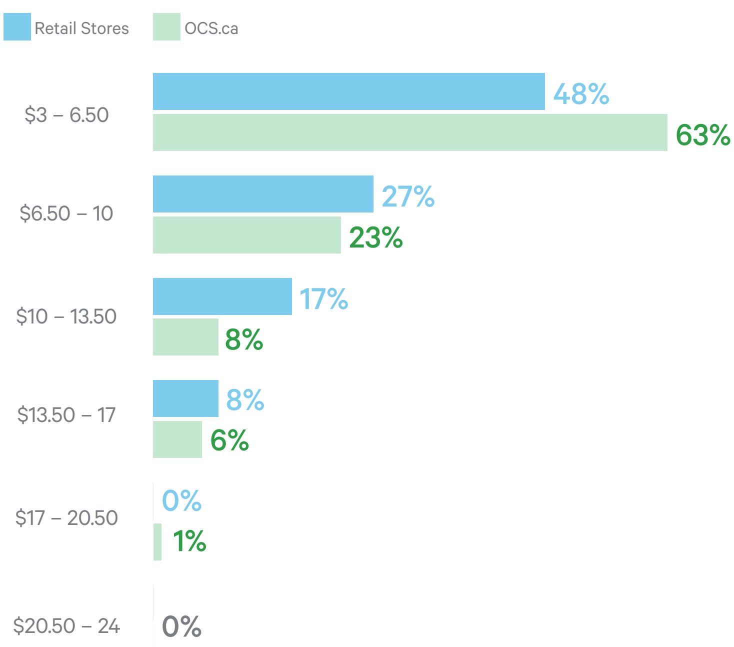
OCS.ca



Sales proportion by quarter, type and channel for concentrates



Sales proportion by price per gram for dried flower



Top five brands per category based on sales January 1 – March 31, 2022

Retail Stores

Beverages

XMG	16%
Collective Project	13%
Tweed	12%
PHRESH	5%
Quatreau	5%

Concentrates

VORTEX	12%
General Admission	10%
Good Supply	10%
Kolab Project	8%
Original Stash	7%

Edibles

Wana	22%
Spinach	13%
SHRED'EMS	11%
Bhang	10%
Chowie Wowie	4%

Pre-Rolls

Good Supply	15%
Redecan	9%
Hiway	7%
Pure Sunfarms	5%
Carmel	3%

Topicals

Proofly	14%
Eve & Co.	13%
Tidal	10%
Dosecann	10%
Wildflower	7%

Capsules

Redecan	44%
Edison Jolts	21%
Tweed	11%
Mood Ring	4%
Kin Slips	4%

Dried Flower

Pure Sunfarms	11%
SHRED	10%
Spinach	7%
Redecan	5%
Back Forty	4%

Oils

Redecan	45%
MediPharm Labs	12%
Pure Sunfarms	5%
Dosecann	5%
Solei	4%

Seeds

34 Street Seed Co.	50%
Humboldt Seed Company	8%
CRG Pharma	7%
Dutch Passion	6%
Pristine	6%

Vapes

Back Forty	14%
Good Supply	10%
General Admission	10%
Hexo	5%
Pure Sunfarms	5%

OCS.ca

Beverages

Tweed	20%
Ripple by TGOD	9%
Everie	7%
Quatreau	7%
Mollo	5%

Concentrates

VORTEX	11%
Original Stash	6%
Good Supply	6%
HASHCO	5%
Shatterizer	5%

Edibles

SHRED'EMS	13%
Chowie Wowie	9%
Wana	9%
Bhang	7%
Foray	6%

Pre-Rolls

Redecan	8%
Original Stash	6%
Divvy	6%
TWD.	5%
Good Supply	4%

Topicals

Proofly	18%
Tidal	12%
Dosecann	10%
Eve & Co.	5%
Simply Soak by Fleurish	5%

Capsules

Tweed	30%
Redecan	22%
Daily Special	7%
Dosecann	6%
Emprise Canada	6%

Dried Flower

Pure Sunfarms	9%
Good Supply	8%
Redecan	4%
Spinach	4%
Back Forty	4%

Oils

Redecan	24%
Solei	13%
Five Founders	8%
MediPharm Labs	5%
Tweed	5%

Seeds

34 Street Seed Co.	31%
Pristine	13%
Parkland Flower Inc.	10%
Autoflower Breeder's Club	9%
Dutch Passion	9%

Vapes

Good Supply	10%
General Admission	7%
TWD.	6%
Pure Sunfarms	5%
Hexo	5%

Note: Sales market share by category indicated is for the fiscal quarter and may differ from snapshots that were available to licensed producers through the OCS Data Program before the quarter fully closed.

Top ten SKUs by units sold in retail stores by region

Units sold are rounded to the nearest thousand.

TOTAL	SHRED	Tropic Thunder	7 g	197,000
	SHRED	Funk Master	7 g	180,000
	Good Supply	Jean Guy Pre-Roll	1 x 1 g	162,000
	Good Supply	Grower's Choice Indica Pre-Roll	1 x 1 g	155,000
	Spinach	GMO Cookies	3.5 g	150,000
	Pure Sunfarms	Pink Kush	3.5 g	145,000
	SHRED	Gnarberry	7 g	134,000
	Spinach	SOURZ by Spinach - Blue Raspberry Watermelon Indica	5 x 5 g	132,000
	Wana	Pomegranate Blueberry Acai 5:1 Sour Soft Chews	2 x 4.5 g	132,000
	Good Supply	Grower's Choice Sativa Pre-Roll	1 x 1 g	127,000

TORONTO	Good Supply	Jean Guy Pre-Roll	1 x 1g	57,000
	Pure Sunfarms	Pink Kush	3.5 g	54,000
	Good Supply	Grower's Choice Indica Pre-Roll	1 x 1 g	45,000
	Good Supply	Grower's Choice Sativa Pre-Roll	1 x 1 g	41,000
	SHRED	Tropic Thunder	7 g	40,000
	SHRED	Funk Master	7 g	35,000
	Wana	Pomegranate Blueberry Acai 5:1 Sour Soft Chews	2 x 4.5 g	34,000
	Spinach	GMO Cookies	3.5 g	32,000
	Redecan	Wappa	1 g	30,000
	Pure Sunfarms	Jet Fuel Gelato	3.5 g	27,000

NORTH	SHRED	Tropic Thunder	7 g	18,000
	SHRED	Funk Master	7 g	16,000
	Hiway	Scott's OG PRJ Pre-Roll	1 x 0.5 g	12,000
	Hiway	The Flav PRJ Pre-Roll	1 x 0.5 g	12,000
	Redecan	Black Cherry Punch Redees	10 x 0.4 g	11,000
	SHRED	Gnarberry	7 g	11,000
	Spinach	SOURZ by Spinach - Blue Raspberry Watermelon Indica	5 x 5 g	11,000
	Back Forty	Big League Sour Kush Milled Flower	7 g	10,000
	SHRED'EMS	Wild Berry Blaze Soft Chews	4 x 4.5 g	10,000
	Wana	Pomegranate Blueberry Acai 5:1 Sour Soft Chews	2 x 4.5 g	9,000

WEST	SHRED	Tropic Thunder	7 g	58,000
	SHRED	Funk Master	7 g	53,000
	Good Supply	Grower's Choice Indica Pre-Roll	1 x 1 g	50,000
	Spinach	GMO Cookies	3.5 g	47,000
	Good Supply	Jean Guy Pre-Roll	1 x 1 g	41,000
	Spinach	SOURZ by Spinach - Blue Raspberry Watermelon Indica	5 x 5 g	41,000
	SHRED	Gnarberry	7 g	40,000
	Good Supply	Grower's Choice Sativa Pre-Roll	1 x 1 g	39,000
	Collective Project	Blood Orange Yuzu & Vanilla Sparkling Juice	1 x 355 ml	38,000
	SHRED'EMS	Wild Berry Blaze Soft Chews	4 x 4.5 g	38,000

EAST	SHRED	Tropic Thunder	7 g	56,000
	SHRED	Funk Master	7 g	53,000
	SHRED	Gnarberry	7 g	39,000
	Spinach	GMO Cookies	3.5 g	37,000
	Spinach	SOURZ by Spinach - Blue Raspberry Watermelon Indica	5 x 5 g	36,000
	Wana	Pomegranate Blueberry Acai 5:1 Sour Soft Chews	2 x 4.5 g	35,000
	SHRED'EMS	Wild Berry Blaze Soft Chews	4 x 4.5 g	34,000
	Spinach	SOURZ by Spinach - Peach Orange 1:1	5 x 5 g	33,000
	Spinach	SOURZ by Spinach - Strawberry Mango Sativa Soft Chews	5 x 5 g	33,000
	Good Supply	Jean Guy Pre-Roll	1 x 1 g	32,000

GTA	Good Supply	Jean Guy Pre-Roll	1 x 1 g	26,000
	Spinach	GMO Cookies	3.5 g	25,000
	SHRED	Tropic Thunder	7 g	24,000
	Pure Sunfarms	Pink Kush	3.5 g	23,000
	SHRED	Funk Master	7 g	23,000
	Good Supply	Grower's Choice Indica Pre-Roll	1 x 1 g	21,000
	SHRED'EMS	Wild Berry Blaze Soft Chews	4 x 4.5 g	19,000
	Spinach	SOURZ by Spinach - Blue Raspberry Watermelon Indica	5 x 5 g	19,000
	Spinach	SOURZ by Spinach - Strawberry Mango Sativa Soft Chews	5 x 5 g	18,000
	Wana	Pomegranate Blueberry Acai 5:1 Sour Soft Chews	2 x 4.5 g	17,000

OCS ONTARIO CANNABIS STORE

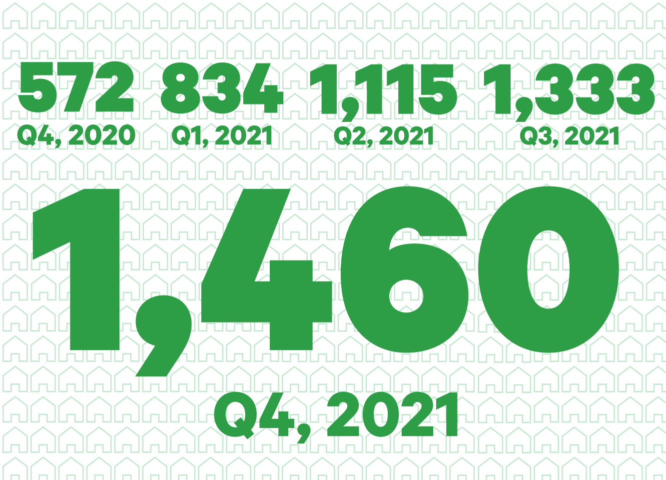
GROWING ACCESS POINTS

At the close of the fourth quarter, the total number of authorized retail stores open for business in Ontario was 1,460, an increase of 127 stores from Q3. Stores operated in 233 municipalities across the province – an additional 16 communities from the previous quarter – with the average distance for consumers to a retail store decreasing by 0.2 km to 4 km.

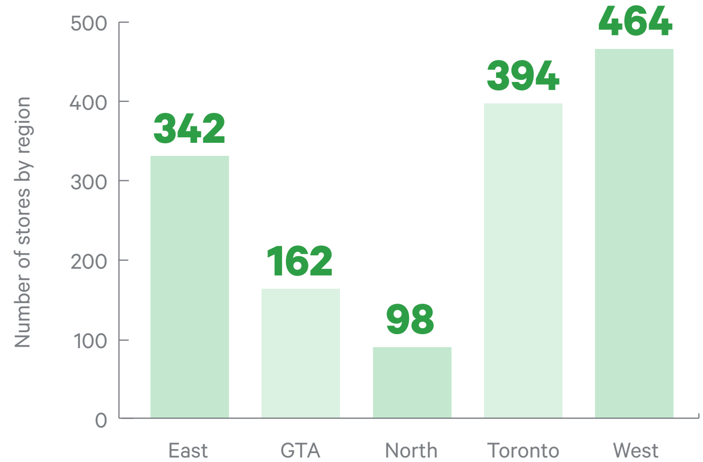
With more stores open in closer proximity to consumers, the average number of grams sold per store decreased by 18 per cent. Western and Eastern Ontario regions led the province with $117.1M and $102.4M in sales respectively. Total sales in Toronto reached $86.7M, a 1.7 per cent decrease from the previous quarter.

New visitors to OCS.ca decreased by 27 per cent to 800,000, compared to 1.1 million new visitors the previous quarter. Conversion on the site grew to almost nine per cent, illustrating that more visitors to OCS.ca made a purchase in Q4. This can be attributed to the end of the marketing campaign launched the previous quarter, which highlighted the value of purchasing cannabis through legal channels and drove many new visitors to the site for informational purposes.

Growing number of retail stores

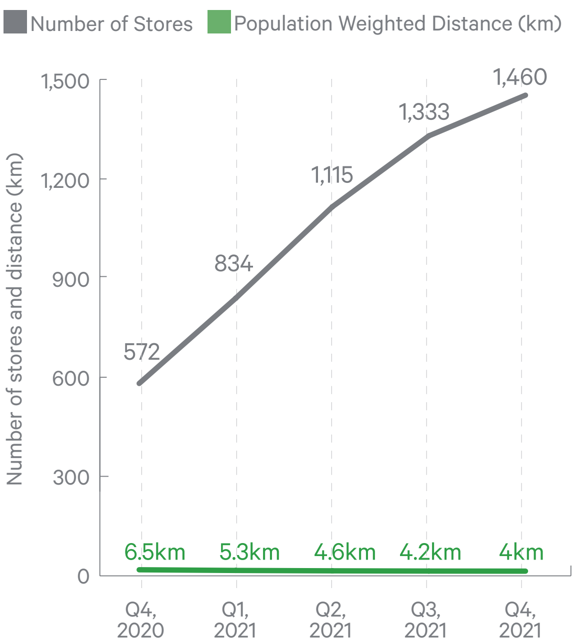


Number of stores by region and municipality



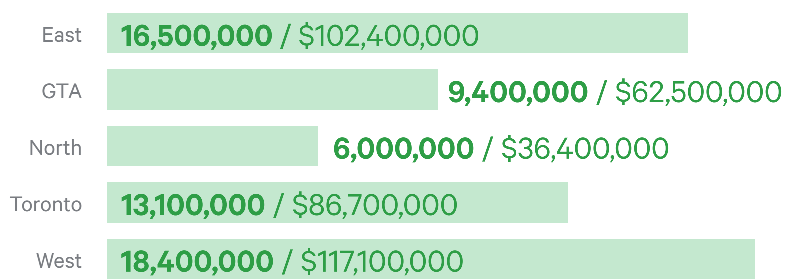
Note: See appendix for the full list of number of stores by municipality.

Average distance for consumers to a retail store

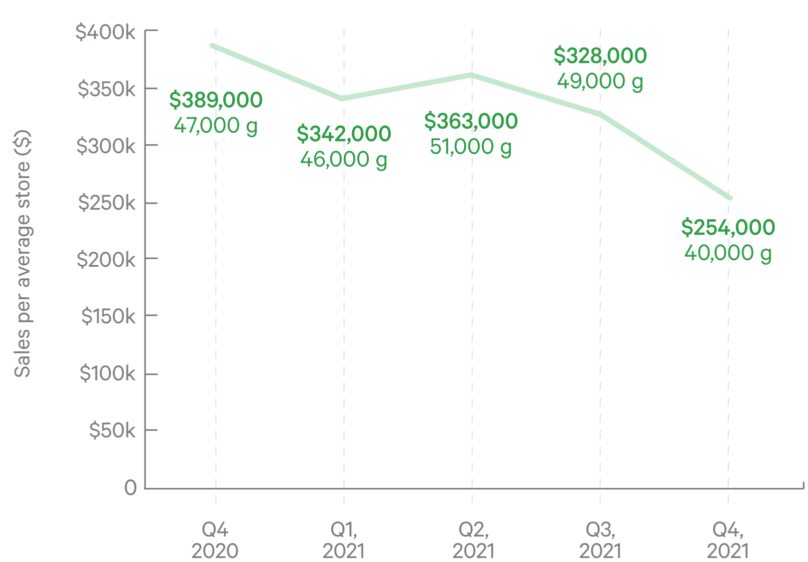


The average distance to a store decreased by 0.17 kilometres, with the number of stores increasing by 9% compared to last quarter.

Grams and sales sold by region



Average sales and grams sold by a store



Note: Sales figures include cannabis products and accessories. Taxes (HST) are excluded.

Top ten retailers by store count
As of March 31, 2022

Retailer	Stores	
Tokyo Smoke	**60**	
ShinyBud Cannabis Co.	**44**	
ShinyBud Cannabis Co.		39
Budget Bud		3
MIHI		2
Spiritleaf	**43**	
Sessions Cannabis	**42**	
Fire & Flower	**37**	
Fire & Flower		22
Friendly Stranger		10
Happy Dayz		4
Hotbox		1
True North Cannabis Co.	**36**	
High Tide	**33**	
Canna Cabana		28
Meta Cannabis		5
One Plant	**25**	
Miss Jones	**21**	
Value Buds	**19**	

New vs. returning OCS.ca visitors

Conversion rate on OCS.ca January 1 – March 31, 2022

Q4, 2021
8.92%

Q4, 2020	Q1, 2021
10%	10%

Q2, 2021	Q3, 2021
9.43%	7.97%

CONSUMER INSIGHTS

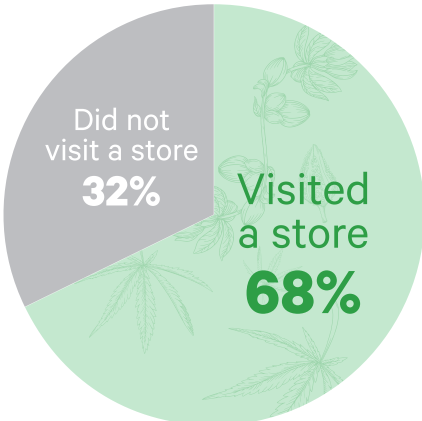
Consumers have consistently demonstrated a preference for shopping in-store. Two thirds of OCS.ca shoppers also reported having visited a brick-and-mortar retail store in the past three months, and nearly one in four shoppers solely made a purchase at an authorized retail store.

Based on a survey conducted by Emplifi about pre-purchase research, consumers reported an increased reliance on budtender insights and product information listed in store. Less shoppers looked to cannabis review sites, cannabis blogs and unlicensed online store websites to make their purchasing decision than in the previous quarter.

The most important attribute for customers when purchasing cannabis this quarter was quality, followed closely by potency, price and product descriptions. Survey results showed new customers value a wider range of product attributes.

This quarter, the "Intro to Vaping" article was viewed the most by new visitors on ocs.ca, demonstrating growing interest in accessing information about newer product categories and dosing.

OCS.ca shoppers who visited an authorized retail store in past 3 months



Of those who visited a retail store, they purchased from:

Authorized store only	38%
Online only	11%
Both	49%
Does not apply to me	2%

Similar to Q3, two thirds of OCS.ca shoppers also visited a retail store in the past three months.

Of those who also visited a store, while half continue to purchase from both channels, nearly one in four purchased solely from authorized stores.

Pre-purchase research

January 1 – March 31, 2022

OCS.ca	**59%**
Family/friends	**39%**
Cannabis review websites	**38%**
Authorized retail store website	**38%**
Budtender	**35%**
Social media (e.g. Reddit)	**34%**
Product info listed in store	**20%**
Cannabis blogs/online magazines	**19%**
Unlicensed online store websites	**9%**
Medical professional	**8%**
General media	**8%**
Health Canada	**7%**
Other online sources	**5%**
Other	**3%**

OCS.ca shoppers who may have also visited a retail store reported using OCS.ca, cannabis review websites, friends and family and authorized retail store websites as their top sources for pre-purchase information.

New visitors are more likely to look at authorized retail stores and cannabis review websites for information, whereas returning visitors lean on OCS.ca and family/friends.

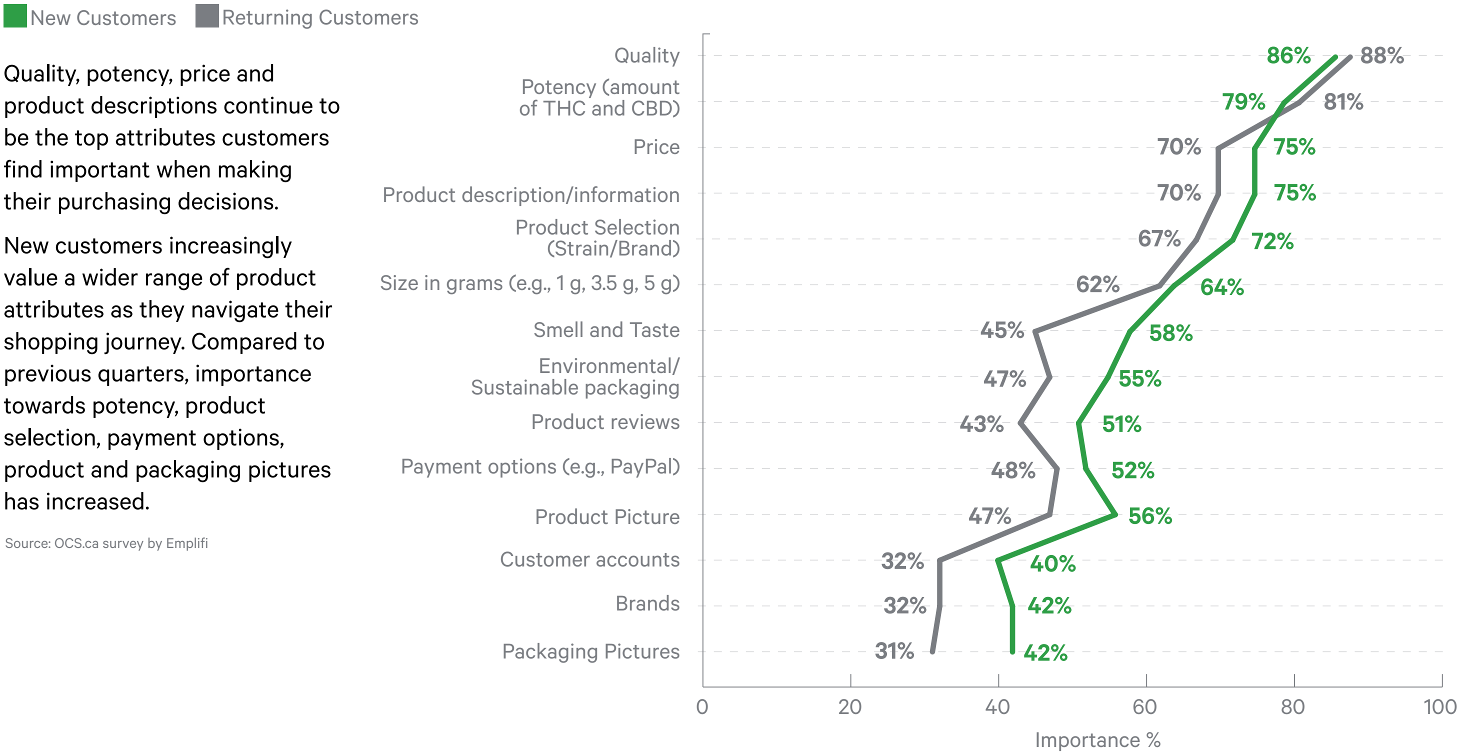
Source: OCS.ca survey by Emplifi

Product attribute importance ranking for shoppers who visit OCS.ca January 1 – March 31, 2022

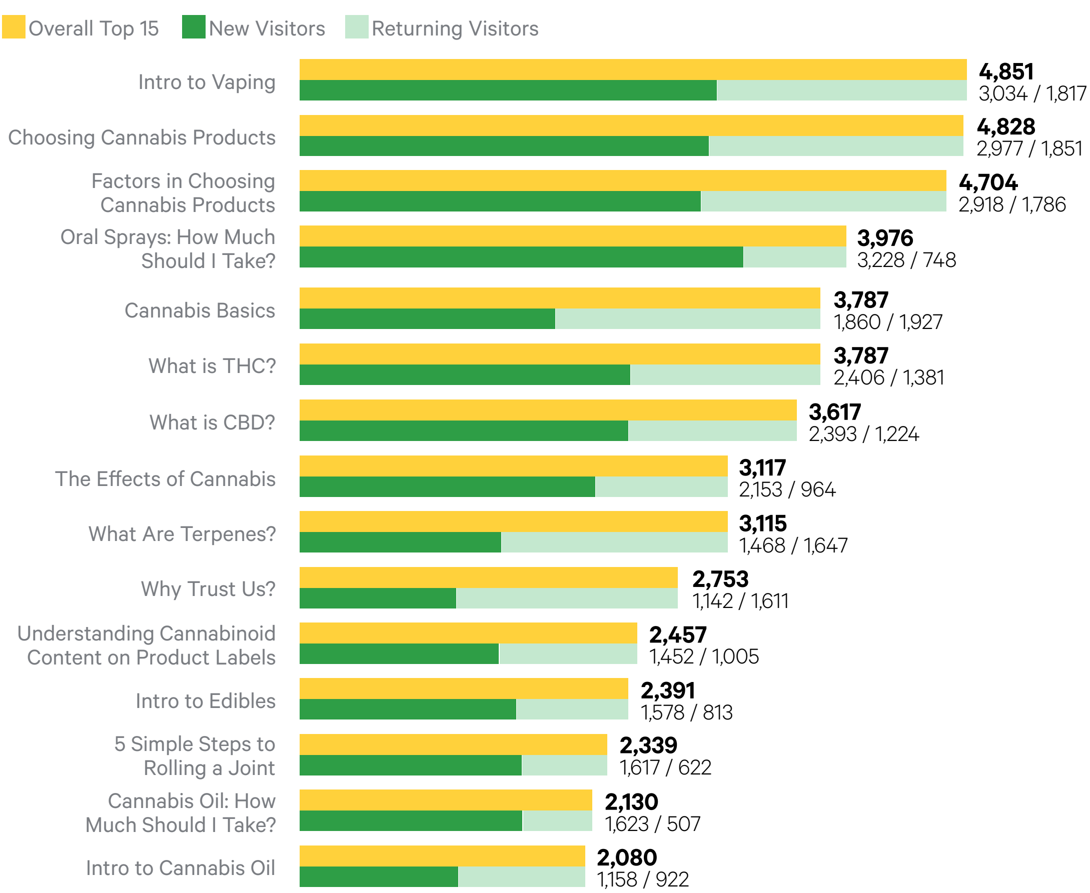
Quality, potency, price and product descriptions continue to be the top attributes customers find important when making their purchasing decisions.

New customers increasingly value a wider range of product attributes as they navigate their shopping journey. Compared to previous quarters, importance towards potency, product selection, payment options, product and packaging pictures has increased.

Source: OCS.ca survey by Emplifi



Education content and articles most visited on OCS.ca



In Q4, the "Intro to Vaping" article gained highest number of page views, led by new visitors.

Articles related to cannabis basics continue to be of interest to both new and returning visitors, who are looking to understand foundational information related to CBD, THC and in-depth topics like terpenes.

New visitors displayed more interest towards education on dosing of oral sprays, dosing of cannabis oil and steps to rolling a joint compared to returning visitors.

Source: Google Analytics

SUPPLY CHAIN

By the end of the fourth quarter, order-to-ship lead time for wholesale orders decreased to 1.79 days, despite 127 stores added to the growing retail store network. The average SKU count per wholesale order remained consistent with the previous quarter.

Order-to-ship lead time for wholesale customers

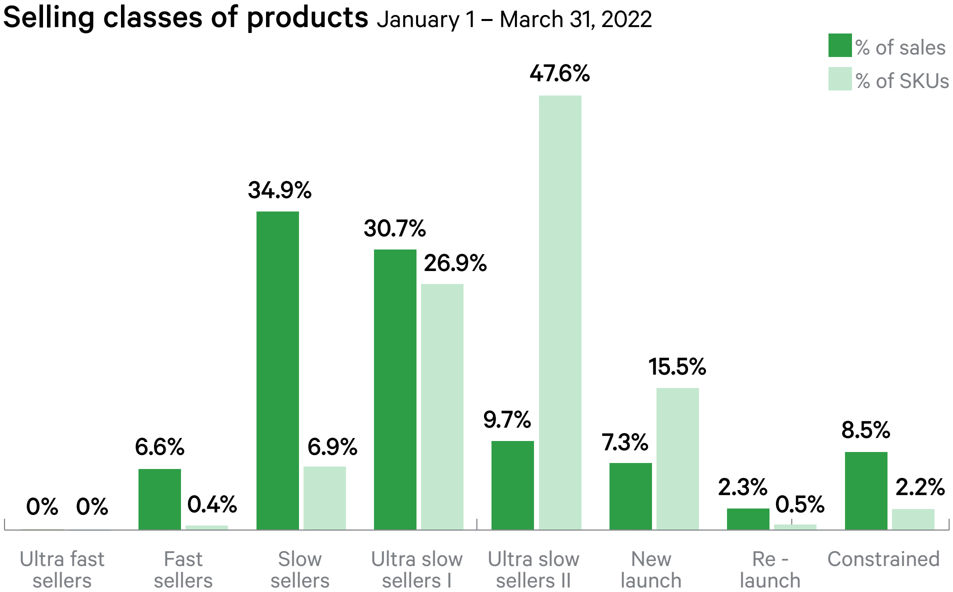
1.79 days

Note: Average from January 1 – March 31, 2022. Orders do not include Farmgate or Flow-Through orders.

Average SKU count per wholesale order

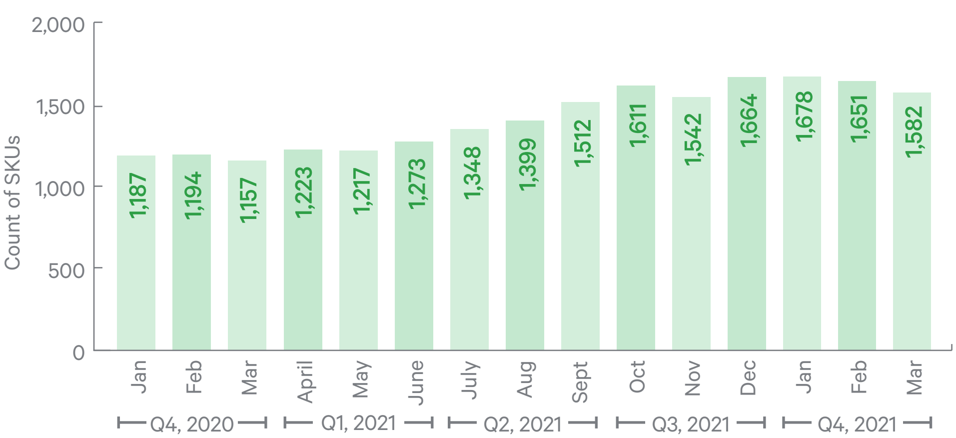
Q4, 2020	Q1, 2021	Q2, 2021	Q3, 2021	Q4, 2021
76	65	67	63	63

Selling classes of products January 1 – March 31, 2022



Note: SKU classes are based on the unit rate of sale for a SKU per store per week. Sales include Wholesale and exclude accessories.
Constrained: Runner Product with Long Term Supply Constraint. The "Constrained" class represents SKUs where market demand far exceeds producer supply capability.

Unique SKUs ordered by month



Average wholesale basket size

Includes unique number of SKUs by category.

22	Dried Flower
12	Pre-Rolled
10	Edibles
9	Vapes
5	Beverages
4	Concentrates
1	Capsules
1	Oils
0	Topicals
0	Seeds

Note: The average wholesale basket size by category does not add to the average SKU count per wholesale order due to rounding.

ONTARIO CANNABIS STORE

QUALITY ASSURANCE

Ontario was unaffected by product recalls this quarter, despite one country-wide recall triggered by labelling and packaging issues that affected other provinces.

As the OCS continues to list new products from a wide range of licensed producers, all product labels and packaging are reviewed for compliance by OCS Quality Assurance. OCS Quality Assurance works with producers to help them understand packaging and labelling requirements before submission to OCS for product listing. A compliant cannabis label and packaging includes but is not limited to: THC/CBD content, child-resistant packaging, and a health warning message. During Q4, a total of 586 regulatory reviews were completed, with 74 per cent of submissions meeting OCS requirements within the first round of reviews.

Additionally, a total of 3,768 incoming product inspections were completed at the warehouse with 97 per cent of shipments meeting OCS requirements within the first delivery – a one per cent increase from the previous quarter.

The OCS analyzes complaint rates through the number of complaints per million units sold (CMPU) for each respective category. While vapes continued to have the highest number of complaints compared to other product categories, complaints for vapes dropped by 29 per cent compared to the previous year. OCS shares product-specific details of quality complaints directly with licensed producers and improvements in this area can likely be attributed to producers undertaking measures to ensure corrective and preventative action. OCS also created trouble shooting guides for retailers to support customers with product issues and provided consumers with educational content on OCS.ca.

The increase in CPMU for cannabis topicals year-over-year can be attributed to the growing number of these products introduced into the market over the last 12 months. The number of complaints for these products is likely to reduce or stabilize over time.

Total recalls in Ontario vs Canada

Despite there being one country-wide recall during this quarter, it did not affect Ontario.

Regulatory reviews completed

During Q4, a total of 586 regulatory reviews were completed, with 74% submissions meeting OCS requirements within the first round of reviews.

74%

A compliant cannabis label and packaging includes, but is not limited to:

- THC/CBD Content
- Ingredients List
- Child-Resistant Packaging
- Health Warning Message

Areas of improvement

Note: Vendors are provided an opportunity to resubmit to ensure adherence to all relevant product regulations.

Top complaint categories

This information is shared with licensed producers to ensure resolution can be provided to the direct consumer and improvement plans can be made as a response to consumer feedback.

OCS Top Complaint Categories Q4 2021	
Vapes	Clogged/No Vapour
	Leaking
	Damaged/Cracked
All Other Products	Empty Container
	Packaging/Container Issues
	Leaking

Recall trends

Labeling and Packaging

Leading cause of recalls during this period

Extracts

Largest class of cannabis recalls

Warehouse compliance

During Q4, a total of 3768 warehouse inspections were completed, with 97% shipments meeting OCS requirements within the first delivery.

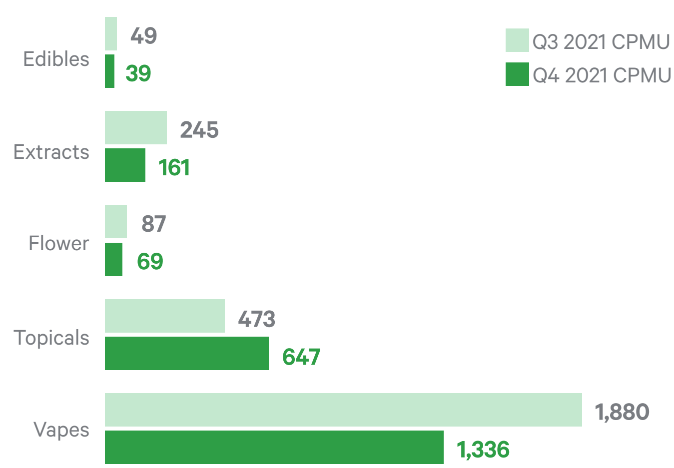
97%

A compliant purchase order at the OCS includes, but is not limited to:

- Legible and correct barcodes
- Accurate case counts and case dimensions
- Adherence to OCS packaging date standards

Complaints-per-million-units (CPMU)

CPMU measure is used to gauge how a product is performing in the Ontario market. For every million units sold within each category, the CPMU represents the number of complaints received by OCS when normalized to sales for the respective product category.



ONTARIO CANNABIS STORE

APPENDIX

Total sales and grams sold by product categories

		Retail Stores		OCS.ca		% of Sales
Dried Flower	Milled Flower	**$24,440,000**	6,021,000 g	**$401,000**	104,000 g	**50%**
	Whole Flower	**$171,931,000**	28,643,000 g	**$5,640,000**	1,113,000 g	
Pre-Rolled	Single Strain Packs	**$69,266,000**	8,794,000 g	**$1,107,000**	171,000 g	**18%**
	Sample Packs	**$979,000**	129,000 g	**$12,000**	2,000 g	
Vapes	510 Thread Vape Cartridges	**$58,929,000**	5,298,000 g	**$2,137,000**	210,000 g	**16%**
	510 Thread Vape Kits	**$632,000**	35,000 g	**$38,000**	2,000 g	
	Disposable Vape Pens	**$1,852,000**	98,000 g	**$203,000**	9,000 g	
	Proprietary Systems Vape Cartridges	**$1,580,000**	84,000 g	**$188,000**	10,000 g	
Edibles	Baked Goods and Baking	**$614,000**	145,000 g	**$55,000**	14,000 g	**5%**
	Chocolate	**$3,190,000**	568,000 g	**$236,000**	52,000 g	
	Hard Edibles	**$310,000**	29,000 g	**$73,000**	7,000 g	
	Soft Chews	**$15,555,000**	2,398,000 g	**$902,000**	169,000 g	
Concentrates	Distillates	**$1,006,000**	107,000 g	**$33,000**	4,000 g	**5%**
	Hash	**$7,604,000**	1,911,000 g	**$224,000**	53,000 g	
	Kief and Sift	**$2,115,000**	537,000 g	**$31,000**	8,000 g	
	Resin and Rosin	**$7,535,000**	985,000 g	**$204,000**	23,000 g	
	Shatter	**$2,894,000**	322,000 g	**$59,000**	7,000 g	
	Wax	**$343,000**	29,000 g	**$14,000**	1,000 g	
	Isolates	**$27,000**	3,000 g	**$9,000**	1,000 g	
Oils	Bottled Oils	**$6,514,000**	95,000 g	**$1,005,000**	18,000 g	**2%**
	Oral Sprays	**$195,000**	2,000 g	**$87,000**	1,000 g	
	Topicals	—	—	—	—	
Beverages	Cold Beverages	**$6,671,000**	4,216,000 g	**$244,000**	187,000 g	**2%**
	Dealcoholized Drinks	**$331,000**	281,000 g	**$14,000**	17,000 g	
	Hot Beverages	**$289,000**	28,000 g	**$36,000**	2,000 g	
Capsules	Softgels	**$3,681,000**	219,000 g	**$70,000**	9,000 g	**1%**
	Capsules and Tablets	**$1,177,000**	69,000 g	**$610,000**	52,000 g	
Topicals	Bath	**$323,000**	175,000 g	**$24,000**	12,000 g	**1%**
	Lotions and Creams	**$1,473,000**	48,000 g	**$214,000**	7,000 g	
Seeds	Seed Packs	**$289,000**	32,000 g	**$206,000**	26,000 g	**<1%**

Number of stores by region and municipality

Number of Stores by Municipality

Acton	2
Ajax	8
Alexandria	2
Alliston	3
Almonte	3
Amherstburg	2
Amherstview	1
Ancaster	5
Angus	4
Apsley	1
Arnprior	2
Arthur	2
Atikokan	1
Aurora	10
Aylmer	1
Bancroft	2
Barrie	21
Barry's Bay	1
Beamsville	3
Beaverton	1
Beeton	2
Belle River	1
Belleriver	1
Belleville	7
Binbrook	1
Blenheim	1
Blue Mountain	1
Bobcaygeon	2
Bowmanville	5
Bracebridge	2
Bradford	5
Brampton	40
Brantford	15
Bridgenorth	1
Brights Grove	1
Brockville	5
Burford	1
Burk's Falls	1
Burlington	22
Calabogie	1
Caledonia	1
Cambridge	18
Campbellford	2
Campbellville	1
Cannington	1
Carleton Place	3
Carlisle	1
Cavan	1
Chatham	9
Chelmsford	2
Chesterville	1
Coboconk	1
Cobourg	4
Cochrane	1
Colborne	1
Collingwood	6
Combermere	1
Cookstown	1
Cornwall	7
Courtice	1
Crystal Beach	1
Deep River	1
Delhi	1
Dorchester	1
Dryden	2
Dundas	2
Dunnville	1
East York	12
Elliot Lake	2
Elmvale	1
Embrun	2
Erin	2
Espanola	3
Essex	2
Etobicoke	31
Fenelon Falls	2
Fonthill	1
Fort Erie	5
Fort Frances	2
Gananoque	1
Georgetown	8
Geraldton	1
Glencoe	1
Gloucester	9
Goderich	3
Gormley	1
Grand Bend	2
Grand Valley	1
Gravenhurst	5
Guelph	16
Hagersville	1
Haliburton	1
Hamilton	65
Hanmer	1
Hannon	1
Hanover	4
Harrow	1
Havelock	2
Hawkesbury	2
Hearst	1
Hillsdale	1
Huntsville	6
Innisfil	2
Jacksons Point	1
Kanata	10
Kapuskasing	2
Kemptville	4
Kenora	3
Keswick	2
Kincardine	2
Kingston	15
Kingsville	1
Kirkland Lake	2
Kitchener	22
Komoka	2
Lakefield	1
Lakeshore	1
Lansdowne	1
Lasalle	3
Leamington	2
Lindsay	3
Listowel	2
London	39
Longbow Lake	1
Madoc	1
Manotick	1
Marathon	1
Markdale	2
Meaford	1
Merrickville	1
Midland	4
Milton	11
Minden	3
Missisauga	
First Nation	1
Mitchell	3
Morrisburg	1
Mount Forest	2
Napanee	3
Nepean	11
New Hamburg	2
New Liskeard	2
Newcastle	2
Niagara Falls	19
Niagara Falls,	1
Nipigon	1
North Bay	14
North York	52
Northbrook	1
Oldcastle	1
Omemee	1
Orangeville	6
Orillia	7
Orleans	11
Oshawa	21
Ottawa	60
Owen Sound	5
Pakenham	1
Paris	1
Parry Sound	3
Pembroke	4
Penetanguishene	3
Perth	2
Petawawa	3
Peterborough	14
Petrolia	2
Pickering	10
Picton	2
Plantagenet	1
Port Burwell	1
Port Colborne	3
Port Dover	2
Port Elgin	2
Port Hope	5
Port Perry	2
Port Sydney	1
Prescott	1
Rama	1
Red Lake	1
Renfrew	3
Ridgetown	1
Rockland	5
Rockwood	2
Rosseau	1
Russell	1
Rutherglen	1
Sarnia	12
Sauble Beach	1
Sault Ste. Marie	8
Scarborough	50
Schomberg	1
Scotland	1
Shelburne	3
Simcoe	5
Smiths Falls	3
South Dundas	1
South Lancaster	1
Southampton	1
Springwater	1
St Catharines	24
St Thomas	7
Stirling	1
Stittsville	2
Stoney Creek	8
Stouffville	6
Stratford	6
Strathroy	2
Sturgeon Falls	2
Sudbury	12
Tecumseh	2
Temagami	1
Thamesford	1
Thornbury	2
Thornton	1
Thorold	2
Thunder Bay	17
Tilbury	1
Tillsonburg	6
Timmins	5
Toronto	234
Tottenham	1
Trenton	4
Turkey Point	1
Tweed	2
Uxbridge	3
Val Caron	3
Vanier	2
Walkerton	2
Wallaceburg	2
Warren	1
Wasaga Beach	7
Waterdown	4
Waterford	1
Waterloo	16
Watford	1
Welland	9
Wellington	1
Wiarton	1
Winchester	1
Windsor	31
Wingham	2
Woodstock	6
Woodview	1
York	15

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