



AURORA[®]

Presentation to the City of Mississauga

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About Aurora Cannabis

Aurora Cannabis is a leading licensed producer of cannabis products, leveraging cutting edge technologies to provide premium, innovative products to patients and consumers globally.

Aurora's Ontario footprint includes approximately 500 employees across two EU-GMP production facilities in Markham and Bradford and a Distribution Centre in Brampton.

According to Statistics Canada, the licensed cannabis sector added \$4.9 billion to Canadian GDP in July 2020 (seasonally adjusted annual rates).

By 2023, the Government of Ontario is projected to receive \$565 million in cannabis related revenues and excise taxes.



City of Mississauga Cannabis Survey

Concerns of Residents Align with Public Policy Goals of Legalization

On behalf of the City of Mississauga, Forum Research was commissioned to conduct a random / representative telephone survey among residents of the City regarding their thoughts and opinions surrounding the recent legalization of cannabis. 68% of respondents supported Mississauga allowing licensed cannabis retail stores*.

The most common concerns were:

- Protecting Children and Youth
- Driving under the influence

Primary Goals of Legalization

- Keep cannabis out of the hands of children
- Combat the illicit market
- Protect public health

Overview – Ontario Rules for Cannabis Retail Stores

Must be 19+ to purchase or possess cannabis in Ontario

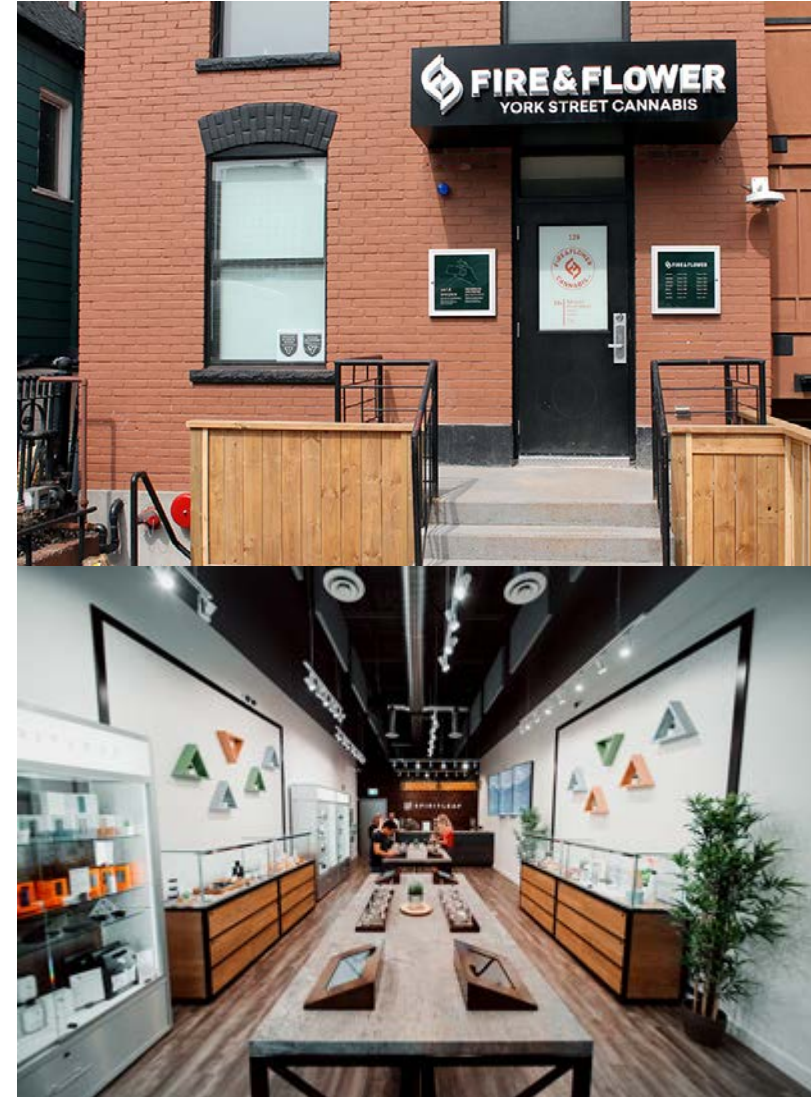
Licensees must obtain criminal background checks from employees as part of the hiring process

Cannabis sold in retail stores can only be purchased from the government-owned Ontario Cannabis Store (OCS)

Cameras and lighting must be positioned to clearly capture 24-hour coverage of the interior of the premises and immediately outside the premises. Video recordings must be made and retained for a minimum of 30 days and be made available to the AGCO upon request

All cannabis must be stored securely at all times and be accessible only by staff from receipt of product to point of sale, destruction, or return to the Ontario Cannabis Retail Corporation (OCRC) or the Licensed Producer

Licensees must ensure that cannabis and accessories are not visible from the exterior of the premises



Source: <https://www.agco.ca/cannabis/registrars-standards-cannabis-retail-stores>

Overview – Protecting Youth

Under the *Cannabis Act* it is prohibited to sell cannabis or a cannabis accessory that has an appearance, shape or other sensory attribute or a function that there are reasonable grounds to believe could be appealing to young persons.



Legal/Regulated Products



CBC NEWS

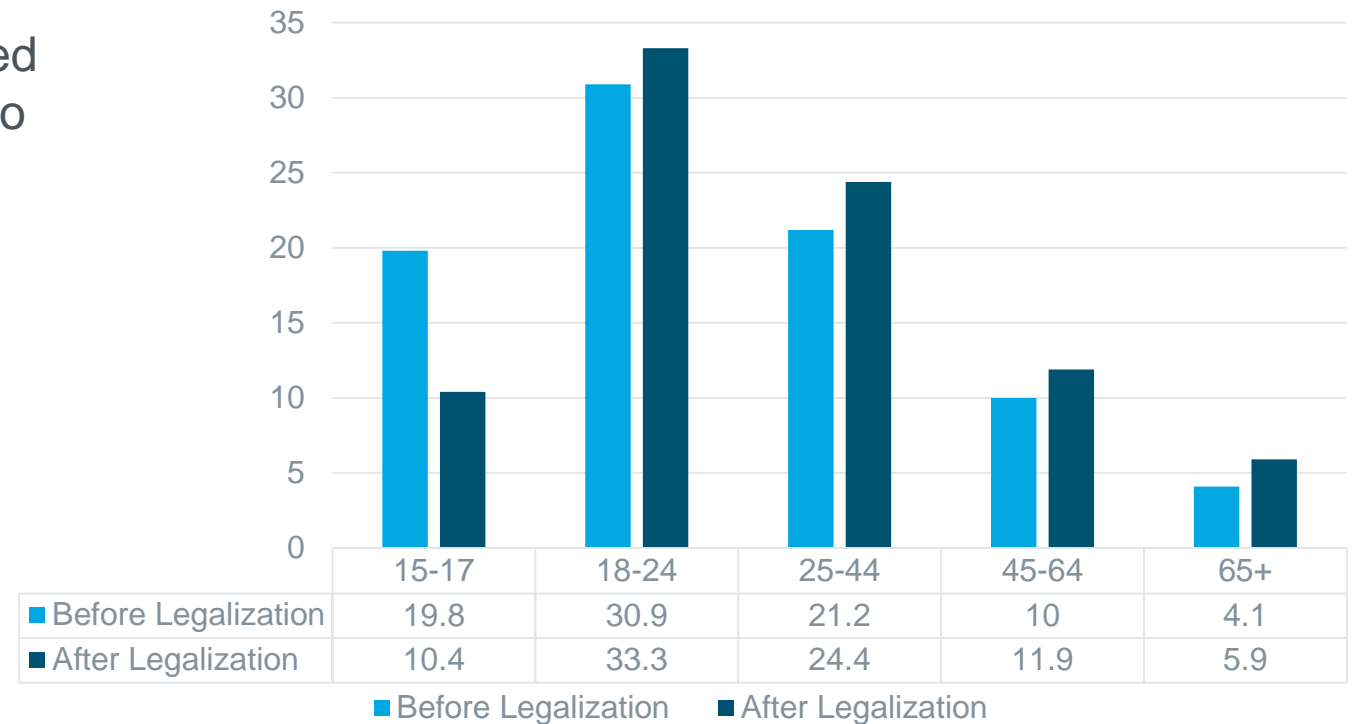
Illegal/Unregulated Products

Protecting Youth

Cannabis use among 15-17 year-olds has been nearly cut in half from 19.4% before legalization to 10.4% after legalization. The average age to initiate cannabis use has risen from 18.9 in 2018 to 20.0 in 2020

- Legal cannabis products can only be purchased in provincially licensed, age-gated (19+) cannabis stores or through the Ontario government online store.
- Cannabis products and accessories cannot be sold in a manner that may be seen by a young person.
- While there is much work to do, progress is being made to protect children and youth.

Cannabis Use (Any) in the Past 3 Months



Source: Statistic Canada: Prevalence of cannabis use and daily or almost daily use in the past 3 months, by before or after legalization and selected demographics, household population aged 15 or older, Canada (provinces only), 2018 and 2019

Cannabis and Driving

Peel Regional Police reported 44 Impaired by Cannabis driving charges in 2020, up from 36 charges in 2019. Since the legalization of cannabis, there has been a significant investment into roadside testing training programs

Under Ontario's cannabis laws, "no person shall consume cannabis in any manner in a vehicle or boat while the person is driving or has care or control of the vehicle or boat, regardless of whether [it] is in motion."

Aurora has partnered with The Centre for Addiction and Mental Health (CAMH) for research studies on Cannabis, Alcohol & Driving.

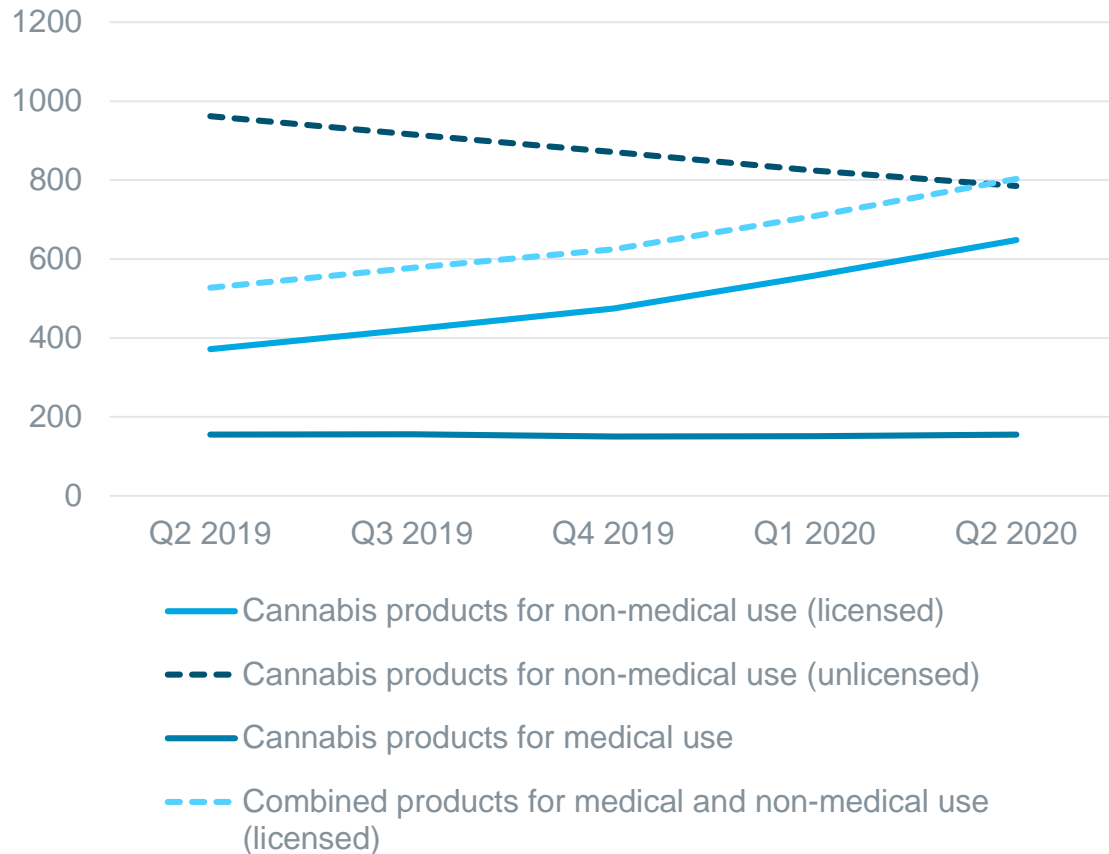
Prior to legalization, cannabis producer Tweed partnered with MADD and Uber for a national awareness campaign focused on educating Canadians on the dangers of impaired driving.

There continues to be a need for public education and awareness about the impact of cannabis use on driving.

Illicit Market Conversion

Several data points show a positive trend in favour of the regulated market; but tracking illicit market conversion is not an exact science.

Statistics Canada Detailed Household Consumption Expenditure,
Quarterly, Canada, (x1,000,000)



- Statistics Canada reports in Q2 2020 that, for the first time, Canadians spent more on licensed medical and non-medical cannabis (\$803M) vs. unregulated cannabis (\$785M).
- The Ontario Cannabis Store (OCS) reported in March 2020 that 40.3% of recreational cannabis sales in Ontario are now occurring through legal channels while in Sept 2020 the SQDC estimated it had transitioned more than 40% of the unregulated market in Quebec to legal channels.
- In July 2020, 51% of British Columbian cannabis consumers say that all of their product was acquired at a licensed retailer to compared to 31% in October 2019.

Why Are Retail Stores Important?

Aurora has invested heavily in data-driven market research to better understand our current and future consumers. A large portion of this research is aimed at consumers who currently purchase from the illicit market and developing products to suit their needs and behaviors.

Our research shows that 71% of consumption (legal and illicit) comes from heavy consumers who used cannabis before and after legalization. For these consumers, most of their cannabis is sourced from illegal channels primarily due to price and convenience.

According to the Ontario Cannabis Store data, approximately 87% of legal sales are at brick-and-mortar retail stores compared to 13% of sales at the ocs.ca

Permitting brick and mortar cannabis retail stores is a key tool towards converting consumers from the illegal market.



Closing

Canadians are among the most prolific consumers of cannabis in the world, even prior to legalization.

Public health risks are reduced through good manufacturing and harm reduction practices such as: product testing and information on ingredients and potency.

Regulated cannabis products provide a higher quality and safer alternative to the illicit market through hardware and ingredient testing and the ability for product recalls should the need ever arise.

Strict regulations ensure legal regulated cannabis products are kept out of the hands of children.

Allowing licensed cannabis retail stores is a key tool to combat the illicit market and to protect children and youth.