

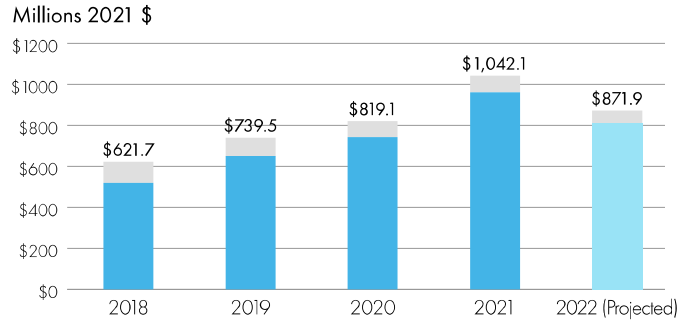
CANNABIS CREATES JOBS AND BUSINESS REVENUES

12,900 annualized direct jobs in 2021.

Nearly **18,400** agent cardholders (as of January 2023).

More than **\$1.0 billion** in final sales in 2021, but sales declined **16%** in 2022 and are down **19.5%** in FY 2023 year-to-date.

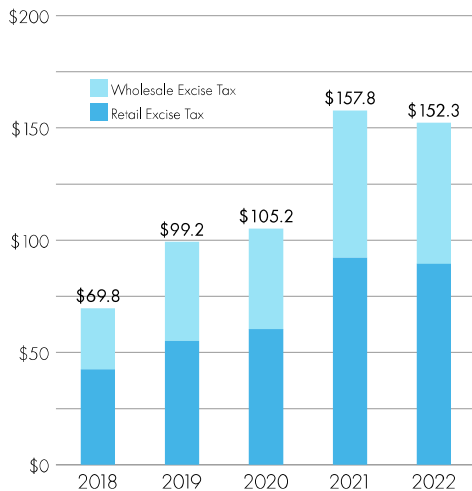
Recreational and Medical Cannabis Sales, Nevada, Calendar Years 2018-2021 and Projected for 2022



THE CANNABIS INDUSTRY SUPPORTS EDUCATION AND BROAD-BASED ECONOMIC ACTIVITY

Cannabis Wholesale and Retail Excise Taxes, Nevada, 2018-2022, Based on Fiscal Year

Millions \$ (Nominal)



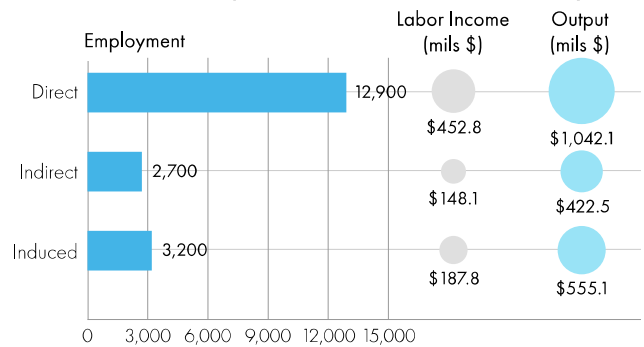
\$2.0 billion statewide economic impact (2021).

18,800 jobs (direct, indirect, and induced) in 2021.

\$152.3 million in state excise taxes (fiscal year 2022).

\$147 million for the Nevada's K-12 education fund (fiscal year 2022).

Statewide Economic Impacts of the Nevada Cannabis Industry, 2021



INDUSTRY CHALLENGES



Growth of unlicensed, unregulated illegal cannabis businesses.



The fair market value—used to compute wholesale excise tax payments—is detached from real market conditions, resulting in an excessive tax burden for cannabis businesses.

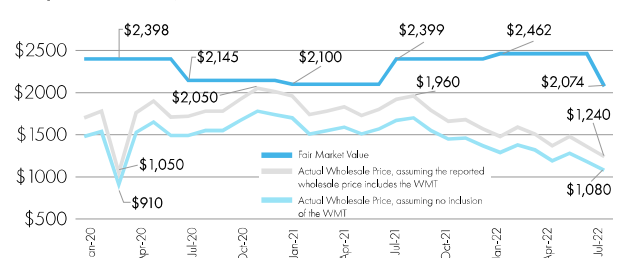


Excessive fines, fees, and time-and-effort charges.



Unable to write-off many standard business expenses due to IRS Code Section 280e.

Monthly Average Wholesale Price per Pound and Fair Market Value, "Marijuana Flowers/Buds," Nevada, 2020-2022



Nevada Cannabis Compliance Board Time-and-Effort Charges, Fiscal Years 2018-2023 (projected), Nominal \$

