

# Edibles and Infused Beverages

## Overcoming Challenges

October 2019 – Proprietary and Confidential

# Agenda

- Introduction to NexTec
- Market Overview
- Marketing Challenges
- Operational Challenges
- Distribution Challenges
- Demo

# About NexTec

## An award-winning business technology consultancy

ERP, CRM, BI, cloud and on-premise solutions for small and mid-sized businesses

Over 600 customers nationwide across multiple platforms

Industries:

- Cannabis / agriculture
- Food and beverage
- Pharmaceuticals / nutritional supplements
- Chemical
- Distribution / supply chain management



ESTABLISHED IN  
**1994**



**10** provinces supported  
**50** USA states supported



**95%**  
annual client retention rate

**50%**  
of clients  
chose NexTec  
after working with  
another provider

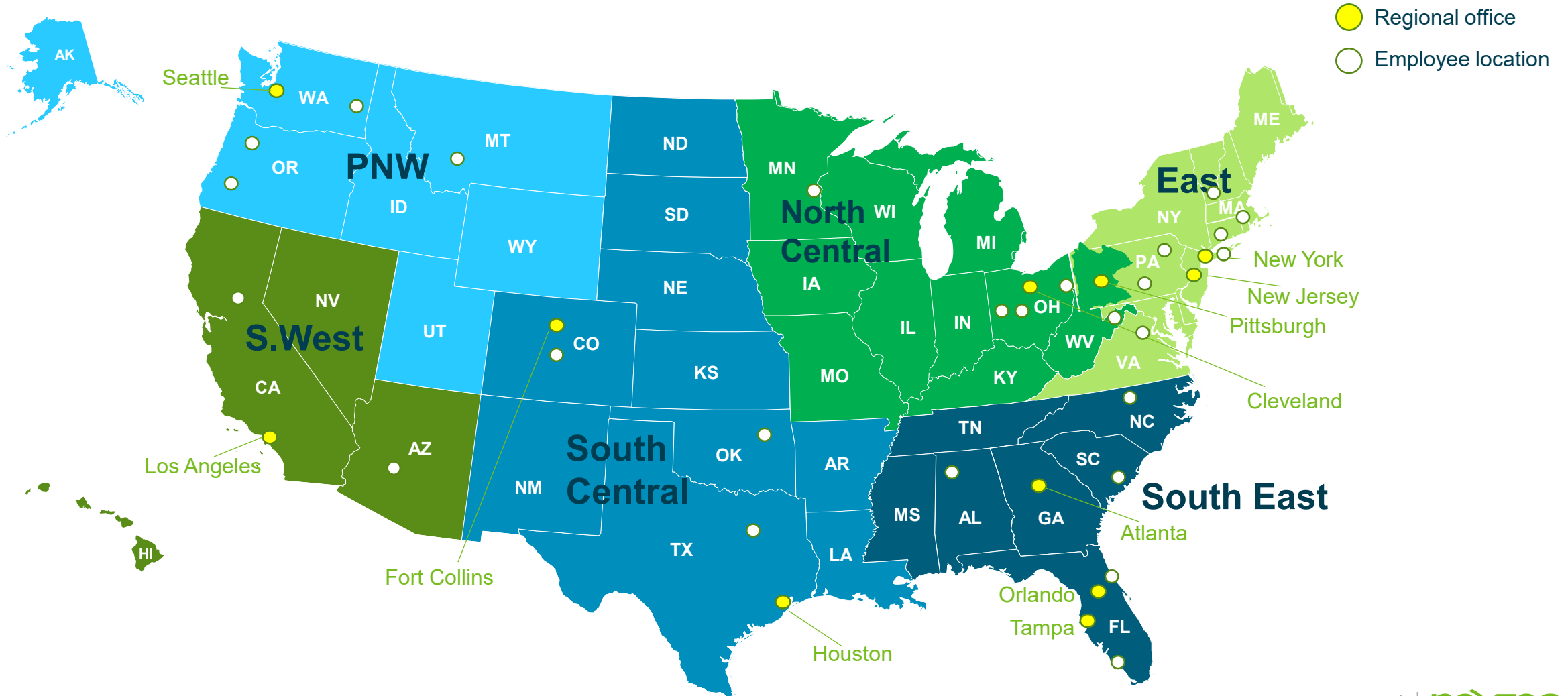
**12**  
countries supported

**600+**  
Acumatica, Microsoft, Sage  
and Salesforce customers

**25** years helping  
mid-sized business  
with ERP, CRM & BI software

# NexTec North American presence

Consultants across the US, supported by regional offices



# NexTec North American presence

Consultants across Canada, supported by regional offices



# Global Partner Network

Implementations around the world



# A single platform to manage your cannabis business

Financial and  
Operational  
Management

Governance and  
Compliance

Seed-to-Sale  
and Traceability

Client  
Management

Distribution, Inventory  
and Product Recall  
Management

- Enterprise financials
- Multi-
  - Company
  - Language
  - Currency
  - Legislation
  - Ledger

- GMP standards
- Global compliance and scalability
- Supports US state and Health Canada compliance reporting (CTLS)
- ACMPR compliant

- Plant production, Plant processing
- Traceability
- Real-time access to operational and financial insights
- Production scheduling
- Quality control

- Integrated CRM for client management
- B2B & B2C eCommerce

- Global warehousing & logistics
- Integration to other control systems
- Automated product recall management
- Streamlines CAPA process





# The Market

- Overall total market growth from 2018-2022 is 158%
- In the US, edibles accounted for 26% of all non-combustible cannabis sales. Larger % estimated in Canada due to scalability.
- 35% of people would use edibles/drinkables as an alternative to alcohol
- Edibles and infused beverages can be sold at a premium
- Overall differentiation point based on quality and safety





# Marketing Challenges

- Many restrictions on marketing, varies based on geography
- In some states, no advertising is allowed
- Edibles restricted in shape, cannot appeal to children
- Packaging must be plain, child resistant and food grade
- Association with alcohol, tobacco or vaping product may be prohibited
- Beverages may be referred to as wine or cocktail, cannot use existing brands
- Establish and tell a story



# Formulation Challenges

- Properties of extract contribute to inhomogeneity
- Taste masking
- Poor and variable oral absorption
- Long onset time
- Additional shelf life considerations
- Volatility and variability
- Isolates





# Operational Challenges

- Volatile compounds affected during large scale manufacturing
- Scaled manufacturing – cannot be produced in existing facilities unless they are dedicated
- Many food safety requirements



# Distribution Challenges

- Cannot deliver in same trucks as food or beverage
- Restrictions on display prevent impulse buys



# Overall

- Lots of challenges with regulations, variable compounds, additional processing steps and distribution
- An ERP that is designed for cannabis and food and beverage with strong process manufacturing and quality management can help



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# Demo

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nextec

# Questions?

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