

Competitive landscape of cannabis sales drives the need for lab testing services which can deliver cost effective solutions which concurrently drive operational efficiency gains for clients

Client Profile

- **Adastra** has become one of Canada's leaders in the supply and manufacturing of ethnobotanical and cannabis products for lawful adult-use. It serves medical markets and engages in forward-looking therapeutic applications. With cannabis concentrate products sold through retailers at more than 2,000 locations across Canada, **Adastra's Phyto Extractions** and **Endgame Extracts** brands are now well established with a solid distribution presence. As a Health Canada licensed facility, it specializes in extraction, distillation and manufacturing of a range of cannabis-derived products.

Our Solution



Cost Effective

- Leverage advanced automation techniques and technological capabilities to reduce costs while simultaneously improving quality of service offering



Enhanced Speed & Consistency

- Redesigned workflows and innovative methodologies
- Enhanced testing speed alongside best-in-class, consistent and accurate results



Bespoke Service

- Tailored testing solutions were developed to meet client's specific requirements
- Review of client's processes resulted in reduction of overall testing
- Seamless integration into existing operations

Key Challenges

1. Inconsistent Pricing

- Fluctuating testing costs, impacting budget allocation and forecasting accuracy

2. Unpredictable Delivery Timelines

- Inconsistent turnaround times → delayed product releases

3. Lack of Established Processes

- Insufficient operating procedures affecting efficiency

Results



15% Increase in Revenue

Enhanced speed and consistency of lab services allowed **Adastra** to expedite final production processes and dramatically improve the proportion of orders delivered on-time.



Cut Testing Costs by 9%

Predictability of services translated to a reduction of Days in Inventory / more efficient allocation of capital + reduced hidden costs flowed through to the bottom-line.



Operational Excellence

- ✓ Improved operational efficiency
- ✓ Reduction in frequency of errors
- ✓ Enhanced staff productivity
- ↓ **Need for RETESTING reduced by 25%!**

Northern Scientific services delivered substantial savings for Adastra all while unlocking new growth potential for the business, translating to increased profit margins due to a 25% reduction in lab costs as a reflection of percentage of sales. 1.14% in F2023 down to 0.86% after Q2 2024 review.