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CA Retail Trends

Cannabis Sector Equity Research



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Dear reader: We launched our cannabis equity research service on 7/18 (see [Sector Launch report](#)). We will publish thematic/macro reports during the first few months, and then follow with equity stock coverage. A full list of our recent reports is shown at the end of this report.

A Look at CA Retail Trends and Economics

As New York state prepares to issue ~1,500 new licenses across the supply chain (we understand >800 will be dispensary licenses), we look at the retail environment in CA, where there are already over 1,000 retail stores (licensed). Big picture, revenue per store (>\$4Mn) is above other matured markets and varies widely by county (San Diego County is 2x the state average; smaller Santa Clara County is more than 5x the state average, but neighboring Monterey is below the state average at \$3Mn. Retail scale matters (especially in a context of narrowing retailer spreads for flower), as does a mix of “good” locations (preferably in less store-dense counties, with above average rev per store). Here we also review at the retail store network of Gold Flora and StateHouse.

Brief CA market update (\$5.3Bn run rate based on official sales data for 2Q23). Headset is predicting an 11% yoy drop in 3Q23 sales, and down 6% seq. But we would qualify that estimate as for 1H23 Headset estimated an 8% yoy drop, while 1H23 sales were down only 5% yoy, as per the official data (taxable sales) available through 2Q23. Bigger picture, the official data confirms what we have seen in other matured states: a large boost in CY21 due to stimulus and stay at home mandates, with sales in CY21 up 23% yoy (yes, partly a recovery from a depressed COVID base in 2020), and then drops after that (-7% yoy in CY22 and -5% yoy in 1H23). But we would argue sales are starting to stabilize. Importantly, flower retail prices were stable in 3Q23 vs. 2Q23 (as per Headset), although down 14% yoy (on top of a 21% drop in CY22). Interestingly, Cannabis Benchmarks points to stable wholesale flower prices in yoy terms for September. The Headset price and cost data is consistent with the notion of a retailer margin squeeze in flower, with spreads per gram at \$2.76 in 3Q23 vs. \$3.30 in 3Q22 (and \$4.65 in 3Q20; \$3.69 in 3Q21). At the brand level, as we have noted in other reports, flower remains a highly fragmented category (the #1 brand only has 3.7% share, and only five brands are above 2%), while manufactured lines like edibles (Kiva 30%; WYLD 22%) and vape (STIIIZY 24%) are concentrated; in pre-rolls, Jeeter is a distant #1 with 17% share, more than 3x the next player.

CA has over 1,200 stores but that is low vs. other states, relative to population and land mass.

- According to the official state website, there are 1,221 active “commercial retailer” licenses in California (another 105 have expired; 4 have been revoked; 60 have been surrendered), plus another 481 active “commercial retailer non-storefront” (delivery) licenses (another 242 have expired; 7 have been revoked; 65 have been surrendered). Some of the delivery licenses may be owned by retailers with store fronts.



- On a total population of 38.94mn, that means 29 storefronts per 1mn people (or 32,000 people per store). Compared to other states, CA has low store density relative to its population; OR is at 196 and CO at 182, but even among rec states 3 years or older, only IL has less stores per 1mn people (9). Add the fact that CA is a larger state in sq miles (164K), and the density is even less.
- We think this issue (plus higher taxes, and a large illicit trade) explains why CA lags other states in annual consumption per cap (\$135 vs \$320 in MI, \$270 in CO, and \$260 in MA).
- Note: yes, the large (and growing) number of stores and delivery operators is a positive sign for ancillary vendors like weedmaps (MAPS/not covered).

Rev/store varies widely across counties. Assuming zero sales for the delivery operators without storefront, annual sales per store in CA amount to \$4.3Mn taking the 2Q23 sales run rate for the state (if we assume standalone delivery operators account for 15% of the industry, then rev/store would be \$3.7Mn). While low vs. the “license-restricted” states of the east, the CA store average is towards the higher end compared with other “unrestricted” licensing states (MA \$4.5Mn; MI \$3.8Mn; WA \$2.9Mn; CO \$1.5Mn; OR \$1.2Mn). Importantly, due to several municipalities still not allowing storefronts in CA, sales by county vary widely.

Table 1: Sales and store data for California counties with 1mn people or more

Counties:	Los Angeles	San Diego	Orange	Riverside	San Bernardino	Alameda	Sacramento	Contra Costa	Fresno
Sales \$Mn	1,436.7	560.1	285.1	381.7	137.2	269.7	272.6	116.0	76.7
rev/store	3.7	8.4	5.6	2.9	5.3	7.3	7.6	6.1	4.3
pop (mn)	10.1	3.3	3.3	2.6	2.2	1.7	1.6	1.2	1.0
sq miles	4,084	4,526	948	7,209	20,105	813	994	716	6,011
# of stores	385	67	51	130	26	37	36	19	18
per 1mn pop	38	20	16	50	12	21	22	16	17
per 1k sq mile	94	15	54	18	1	46	36	27	3

Source: CA state data; Z&A calculations

- Among counties with 1mn people or more (nine in total, which account for 69% of CA’s population), six are well above the state average in terms of rev/store. San Diego County stores average \$8.4Mn rev/store pa (67 active store fronts); Sacramento \$7.6Mn (36); Alameda \$7.3Mn (37), Contra Costa \$6.1Mn (19); Orange County \$5.6Mn (51); San Bernardino \$5.3Mn (26). Among these nine most populous counties, Riverside at \$2.9Mn (130), had the lowest rev/store. Counties mostly in line with the state average: Fresno \$4.3Mn (18) and LA county \$3.7Mn (385).



- Among counties with populations between 400K and 1mn (another ten), the outliers were Kern County at \$8.3Mn rev/store (2 stores) and San Mateo at \$5.5Mn (12), at the top. At the bottom Santa Barbara (22 stores) and San Francisco County (72), each with \$3Mn rev/store; Monterey (22) and Ventura (28) also had low rev/store at \$3.1Mn (22). The rest of the counties in this population group were between \$4-5Mn rev/store: Stanislaus, San Joaquin, Tulare, Sonoma, Solano (from highest to lowest).
- Among the smaller counties, Santa Clara stands out (9 stores) with rev/store of \$21.3Mn; Marin (1) \$13.2Mn; Nevada (2) \$9.8Mn; San Luis Obispo (8) \$8.6Mn; Kings (4) \$7.4Mn; and Yolo (4) \$7Mn. But several small counties have rev/store below \$1.5Mn: Humboldt, Lake, Siskiyou, Inyo, Mendocino, Del Norte, Mono (from highest to lowest).

Brief look at StateHouse's store network

The company is the result of a four-part merger (stores, brands, cultivation): Harborside, Sublime, Loudpack, and urbn leaf. It reported \$25.3Mn in sales for 2Q23, of which retail was \$13Mn (manuf. rev was \$11Mn and the balance was wholesale); it disclosed 49% gross margins and adj EBITDA margins of 2.5%. The company has 230K sq ft of greenhouse cultivation, provides cultivation advisory services under MSAs, it distributes own and 3rd party brands (serves close to 800 accounts in CA), and it has 15 stores in CA (although we understand the Seaside location has been closed) plus a store in OR. On average this represents \$3.5Mn in sales per store. While this is below the state average, we think the store network has upside given the mix of counties (although we realize there may be municipality level nuances not captured in this analysis). As per the table below, taking county averages, we calculate StateHouse could aspire to ~\$8Mn rev/store.

Table 2: StateHouse retail network in CA (see appendix for more details)

StateHouse store network			Data for the county (not for the company)			Implied Rev
Municipality	# of stores	County	rev/store	total stores	pop mn	\$Mn
San Francisco	1	San Francisco	3.01	72	0.91	3.0
Redwood City	1	San Mateo	5.49	12	0.78	5.5
Oakland	1	Alameda	7.29	37	1.73	7.3
San Leandro	1	Alameda	7.29	37	1.73	7.3
San Jose	2	Santa Clara	21.30	9	0.13	42.6
Seaside	1	Monterey	3.14	22	0.45	3.1
Grover Beach	1	San Luis Obispo	8.60	8	0.28	8.6
West Hollywood	1	Los Angeles	3.73	385	10.07	3.7
Desert Hot Springs	1	Riverside	2.94	130	2.58	2.9
Vista	1	San Diego	8.36	67	3.32	8.4
La Mesa	2	San Diego	8.36	67	3.32	16.7
San Diego	1	San Diego	8.36	67	3.32	8.4
San Ysidro	1	San Diego	8.36	67	3.32	8.4
Total stores	15					
						<i>Implied total -></i> 125.9
						<i>Implied rev/store -></i> 8.4

Source: Company reports; Z&A calculations



Brief look at Gold Flora's store network

The company is the result of the merger between Gold Flora and The Parent Company. The proforma company has 107K sq ft of cultivation, a 10K sq ft manufacturing facility, it distributes 18 brands and owns 8 brands (Aviation, Caliva, Chill, Cruisers, Gold Flora, Jetfuel, Roll Bleezy, and Sword & Stone), and has a network of 15 stores (with two more under construction). Proforma revenues for 1H23 were \$68Mn (\$138Mn annualized). The merger closed on 7/10/23. At this point we do not have a divisional split to ascertain retail revenues. As we show below, based on county sales data, we calculate the company could aspire to close to >\$7Mn in rev/store (again, we realize our calculation are based on county level sales data, and thus our analysis may not capture nuances at the municipality level or for the respective locations).

Table 3: Gold Flora retail network in CA (see appendix for more details)

Gold Flora store network			Data for the county (not for the company)			Implied Rev
Municipality	# of stores	County	rev/store	total stores	pop mn	\$Mn
Vallejo	1	Solano	4.42	17	0.47	4.4
Concord	1	Contra Costa	6.11	19	1.20	6.1
Stockton	1	San Joaquin	4.83	12	0.79	4.8
Ceres	1	Stanislaus	4.89	28	0.56	4.9
San Jose	3	Santa Clara	21.30	9	0.13	63.9
Hollister	1	San Benito	na	1	0.07	na
Seaside	1	Monterey	3.14	22	0.45	3.1
Hanford	1	Kings	7.41	4	0.15	7.4
Santa Barbara	1	Santa Barbara	2.96	22	0.46	3.0
Long Beach	1	Los Angeles	3.73	385	10.07	3.7
Los Angeles	1	Los Angeles	3.73	385	10.07	3.7
Bellflower	1	Los Angeles	3.73	385	10.07	3.7
West Hollywood	1	Los Angeles	3.73	385	10.07	3.7
Costa Mesa	1	Orange	5.59	51	3.27	5.6
Corona	1	Riverside	2.94	130	2.58	2.9
Total stores	17					
						<i>Implied total -></i> 121.1
						<i>Implied rev/store -></i> 7.1

Source: Company reports; Z&A calculations



Links to our recent publications:

Roadmap to Dec 2024 (July 18)
2Q23 US MSO Trends (July 21)
Canadian LP Dynamics (Jul 25)
On the Rescheduling Question (July 28)
Canada Pre-Rolls: Deep Dive (Aug 7)
Med Sales Impact from Rec Start (Aug 16)
Canada Flower Prices and Share Trends (Aug 28)
HHS Rescheduling Recommendation (Aug 31)
Canada's Leading Exporters (9/5)
Maryland Wholesale Share Trends (9/13)
VidaCann Deal and FL Update (9/15)
A Detailed SAFE Roadmap (9/19)
MSO Debt Leverage and Potential Equity Raises (9/21)

Links to Recent Zoom Panels:

Benzinga Panel on Rescheduling (9/14)
Benzinga Chicago Panel on Institutional Flows (9/27)

Stocks Mentioned in This Report

StateHouse Holdings (CSE:STHZ / Not covered)
Gold Flora (NEO:GRAM / Not covered)



Appendix I: Company Data

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Exhibit 1: StateHouse

Statewide Retail Presence

Omnichannel Strategy, Connecting to Customers Through Market Leading Storefronts and DTC Delivery



One Unified Retail Banner

Consolidation of retail portfolio under the **Urbn Leaf** banner¹ for simplicity of operations and statewide recognition in both SoCal and NorCal with 15 total retail locations

Leading In-Store Customer Experience

Sleek industrial aesthetic interior design, experienced budtenders with in-depth product knowledge

Ease of Accessibility and Delivery

Statewide retail presence covering all major population hubs, coupled with in-house direct-to-consumer cannabis delivery services

Diversified Product Offering and Private Label Opportunities

Stocked with a variety of products across multiple brands, form factors, and price points with more than 40% of retail store sales expected to be generated from in-house brands

Source: Company reports. Note: Seaside store has been closed



Exhibit 2: Gold Flora (proforma post-merger with TPCO)



Source: Company reports. Note: two stores are under construction



Exhibit 3: CA counties



Source: Maptive

Exhibit 4: Cannabis Retailing Stats by County

Counties:	\$Mn Sales	\$Mn Rev Per Store	# of Stores	Stores per 1mn pop	Stores per 1k sq ml	Population 000s	Ares sq miles
Alameda	269.7	7.3	37	21	46	1,734	813
Calaveras	11.6	2.9	4	88	4	45	1,037
Contra Costa	116.0	6.1	19	16	27	1,201	716
Del Norte	4.2	0.8	5	182	4	27	1,230
El Dorado	44.4	4.4	10	51	6	194	1,786
Fresno	76.7	4.3	18	17	3	1,032	6,011
Humboldt	33.8	1.4	25	183	6	136	4,052
Imperial	33.9	2.8	12	55	3	218	4,482
Inyo	5.7	1.1	5	261	0	19	10,227
Kern	16.5	8.3	2	2	0	930	8,163
Kings	29.6	7.4	4	26	3	152	1,392
Lake	10.0	1.3	8	116	6	69	1,329
Los Angeles	1,436.7	3.7	385	38	94	10,073	4,084
Marin	13.2	13.2	1	4	2	265	520
Mendocino	19.8	1.0	20	216	5	93	3,878
Merced	36.4	4.6	8	28	4	289	1,979
Mono	4.6	0.9	5	385	2	13	3,132
Monterey	69.0	3.1	22	49	6	446	3,771
Napa	18.7	2.1	9	65	11	138	789
Nevada	19.5	9.8	2	20	2	102	974
Orange	285.1	5.6	51	16	54	3,268	948
Riverside	381.7	2.9	130	50	18	2,576	7,209
Sacramento	272.6	7.6	36	22	36	1,635	994
San Bernardino	137.2	5.3	26	12	1	2,226	20,105
San Diego	560.1	8.4	67	20	15	3,319	4,526
San Francisco	217.0	3.0	72	79	1,536	910	47
San Joaquin	58.0	4.8	12	15	8	788	1,426
San Luis Obispo	68.8	8.6	8	29	2	278	3,300
San Mateo	65.9	5.5	12	15	27	778	449
Santa Barbara	65.0	3.0	22	48	6	456	3,789
Santa Clara	191.7	21.3	9	68	7	132	1,291
Santa Cruz	66.0	3.3	20	73	33	273	607
Shasta	38.2	4.2	9	49	2	184	3,847
Siskiyou	6.1	1.2	5	114	1	44	6,347
Solano	75.2	4.4	17	37	19	466	909
Sonoma	115.9	4.5	26	54	17	478	1,575
Stanislaus	137.0	4.9	28	50	18	564	1,515
Tulare	60.8	4.7	13	27	3	482	4,839
Undisclosed	79.7	na	na	na	na	na	na
Ventura	86.0	3.1	28	9	13	3,268	2,208
Yolo	27.9	7.0	4	18	4	221	1,024

Source: CA state data; Z&A calculations. Note: Some smaller counties do not disclose sales data



Appendix II: Valuation Comps

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Exhibit 5: Valuation Comps – Part I

US\$Mn		10/3/2023	Mkt		Net	Ent	Last Qtr Annualized		1yr Forward Consensus		Consensus		Cons	Net debt	
Company name	Ticker	Price	Cap	(mn)			EV/Sales	EV/EBITDA	EV/Sales	EV/EBITDA	1yF Estimates (US\$Mn)		EBITDA	to Cons	
	Listing	US\$	US\$MN	Shares	(Debt)	Value					Sales	EBITDA	mgn %	1yF EBITDA	
US MSOs															
4Front Ventures Corp.	FFNTF	US OTC	0.24	156	648.6	-79	235	1.9x	29.6x	1.8x	8.0x	133	29	22%	-2.7x
Acreage Holdings, Inc. Class I	ACRDF	US OTC	0.49	67	138.1	-214	281	1.2x	10.3x	1.2x	7.2x	235	39	17%	-5.4x
Ascend Wellness Holdings LL	AAWH	US OTC	0.91	194	212.9	-242	436	0.9x	5.1x	0.8x	3.7x	548	117	21%	-2.1x
Ayr Wellness, Inc.	AYRWF	US OTC	2.30	178	77.2	-379	556	1.2x	4.7x	1.1x	4.2x	524	134	25%	-2.8x
Cannabist Company Holdings	CCHWF	US OTC	0.86	361	419.3	-290	651	1.3x	8.0x	1.2x	6.2x	558	105	19%	-2.8x
Cresco Labs, Inc.	CRLBF	US OTC	1.94	845	436.5	-415	1,260	1.6x	7.8x	1.6x	7.6x	772	167	22%	-2.5x
Curaleaf Holdings, Inc.	CURLF	US OTC	4.31	3,097	718.7	-489	3,586	2.6x	12.8x	2.5x	10.4x	1,416	344	24%	-1.4x
Glass House Brands Inc	GLASF	US OTC	4.48	-4	-1.0	-44	40	na	na	0.2x	1.4x	168	29	17%	-1.5x
Gold Flora Corporation	GRAMF	US OTC	0.14	40	288.4	14	26	0.2x	na	na	na	na	na	na	na
Goodness Growth Holdings, I	GDNSF	US OTC	0.17	24	143.1	-124	148	1.8x	13.0x	1.5x	8.2x	96	18	19%	-6.9x
Green Thumb Industries Inc.	GTBIF	US OTC	10.65	2,543	238.8	-141	2,684	2.7x	7.5x	2.5x	8.2x	1,083	329	30%	-0.4x
Jushi Holdings Inc Class B	JUSHF	US OTC	0.86	169	196.6	-141	310	1.2x	6.1x	1.0x	5.1x	299	61	20%	-2.3x
MariMed Inc	MRMD	US OTC	0.42	154	371.6	-38	192	1.3x	7.6x	1.1x	4.4x	169	44	26%	-0.9x
Planet 13 Holdings Inc	PLNHF	US OTC	0.85	190	222.2	40	150	1.5x	-64.2x	1.0x	8.8x	147	17	12%	2.3x
Schwazze	SHWZ	US OTC	0.75	53	70.6	-136	189	1.1x	3.4x	0.9x	2.6x	213	72	34%	-1.9x
StateHouse Holdings Inc	STHZF	US OTC	0.06	14	256.3	-126	140	1.4x	55.0x	na	na	na	na	na	na
TerrAscend Corp.	TSNDF	US OTC	1.98	694	350.5	-186	880	3.1x	17.2x	2.5x	11.3x	350	78	22%	-2.4x
TILT Holdings, Inc.	TLTTF	US OTC	0.06	21	378.5	-53	74	0.4x	12.1x	0.4x	8.6x	182	9	5%	-6.2x
Trulieve Cannabis Corp.	TCNNF	US OTC	5.90	1,097	186.0	-631	1,728	1.5x	5.5x	1.5x	5.4x	1,135	322	28%	-2.0x
Verano Holdings Corp. Class	VRNOF	US OTC	4.37	1,499	343.4	-318	1,817	1.9x	5.6x	1.8x	5.6x	1,015	324	32%	-1.0x
Vext Science, Inc.	VEXTF	US OTC	0.21	32	151.1	-35	67	1.8x	15.9x	1.2x	3.9x	55	17	31%	-2.0x

Source: FactSet, company reports, and Z&A estimates

Exhibit 6: Valuation Comps – Part II

US\$Mn		10/3/2023		Mkt				Last Qtr Annualized		1yr Forward Consensus		Consensus		Cons	Net debt
Company name	Ticker	Listing	Price	Cap	(mn)	Net	Ent	EV/Sales	EV/EBITDA	EV/Sales	EV/EBITDA	1yF Estimates (US\$Mn)		EBITDA	to Cons
			US\$	US\$MMN	Shares	(Debt)	Value					Sales	EBITDA	mgn %	1yF EBITDA
Canada															
Aurora Cannabis Inc.	ACB	NASDAQ	0.54	214	394.7	36	179	0.8x	28x	0.9x	10.8x	208	17	8%	2.2x
Auxly Cannabis Group Inc.	CBWTF	US OTC	0.01	14	1,265.9	-134	148	2.0x	52x	1.4x	-86.7x	107	-2	-2%	78.5x
Avant Brands Inc	AVTBF	US OTC	0.13	34	260.8	-6	40	1.7x	8.0x	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
BZAM Ltd	BZAMF	US OTC	0.11	19	181.0	-25	44	0.8x	-2.5x	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Canopy Growth Corporation	CGC	NASDAQ	0.69	497	718.9	-352	849	2.6x	-4.9x	2.8x	-10.7x	299	-80	-27%	4.4x
Cronos Group Inc	CRON	NASDAQ	1.96	760	388.9	839	-78	-1.0x	1.2x	-0.8x	2.4x	94	-32	-34%	-26.0x
Decibel Cannabis Company I	DBCCF	US OTC	0.12	47	409.0	-29	76	0.8x	3.5x	0.6x	2.1x	137	36	26%	-0.8x
Entourage Health Corp	ETRGF	US OTC	0.01	5	306.7	-91	96	na	na	na	na	na	na	na	na
High Tide, Inc.	HITI	NASDAQ	1.67	129	76.9	-9	138	1.5x	43.7x	0.3x	3.8x	543	36	7%	-0.3x
Nova Cannabis Inc	NVACF	US OTC	0.47	27	57.2	-5	32	0.2x	1.9x	na	na	na	na	na	na
OrganiGram Holdings Inc	OGI	NASDAQ	1.23	101	81.7	39	62	0.6x	-7.1x	0.5x	5.5x	127	11	9%	3.5x
Rubicon Organics, Inc.	ROMJF	US OTC	0.33	21	63.1	59	-38	-1.1x	-7.2x	-0.7x	-3.8x	52	10	19%	5.9x
SNDL Inc.	SNDL	NASDAQ	1.70	422	248.8	162	260	0.4x	39.9x	0.4x	12.4x	709	21	3%	7.8x
Tilray Brands, Inc.	TLRY	NASDAQ	2.27	1,596	703.3	-131	1,728	9.4x	77.7x	2.3x	22.3x	761	78	10%	-1.7x
Village Farms International, I	VFF	NASDAQ	0.75	82	110.2	-23	106	0.3x	5.9x	0.4x	10.5x	291	10	3%	-2.3x

Source: FactSet, company reports, and Z&A estimates

Exhibit 7: Valuation Comps – Part III

US\$m	Company name	Ticker	Listing	10/3/2023	Mkt		Net	Ent	Consensus		Cons		Net debt	
				Price	Cap	(mn)			1yr Forward	Consensus	1yF Estimates (US\$m)	EBITDA	to Cons	
				US\$	US\$MN	Shares	(Debt)	Value	EV/Sales	EV/EBITDA	Sales	EBITDA	mgn %	1yF EBITDA
Service Providers														
	AFC Gamma, Inc.	AFCG	NASDAQ	11.01	224	20.4	-17	241	3.5x	#N/A	69	#N/A	#N/A	#N/A
	Chicago Atlantic Real Estate I	REFI	NASDAQ	14.51	258	17.8	-52	310	5.1x	#N/A	61	#N/A	#N/A	#N/A
	GrowGeneration Corp.	GRWG	NASDAQ	2.72	166	61.0	23	143	0.6x	-40.7x	229	-4	-2%	-6.6x
	Hydrofarm Holdings Group, I	HYFM	NASDAQ	1.12	51	45.2	-165	215	0.9x	22.8x	240	9	4%	-17.4x
	Innovative Industrial Propert	IIPR	NYSE	72.57	2,030	28.0	-14	2,044	6.6x	8.2x	309	248	80%	-0.1x
	Leafly Holdings, Inc.	LFLY	NASDAQ	6.82	15	2.2	-4	18	0.4x	-9.0x	46	-2	-4%	1.8x
	NewLake Capital Partners, In	NLCP	US OTC	13.45	288	21.4	42	246	5.4x	#N/A	46	#N/A	#N/A	#N/A
	RiverNorth Opportunities Fu	RIV	NYSE	10.45	193	18.5	18	175	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	SHF Holdings Inc Class A	SHFS	NASDAQ	0.80	19	23.7	7	12	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	Scotts Miracle-Gro Company	SMG	NYSE	47.12	2,615	55.5	-3,183	5,798	1.6x	11.1x	3,579	522	15%	-6.1x
	Silver Spike Investment Corp	SSIC	NASDAQ	9.56	59	6.2	85	-25	-1.7x	#N/A	15	#N/A	#N/A	#N/A
	SpringBig Holdings, Inc.	SBIG	US OTC	0.14	4	26.7	-6	9	0.3x	5.5x	34	2	5%	-3.3x
	urban-gro Inc	UGRO	NASDAQ	1.25	13	10.8	6	8	0.1x	-9.4x	110	-1	-1%	-6.6x
	WM Technology, Inc. Class A	MAPS	NASDAQ	1.30	213	163.7	25	188	0.9x	7.2x	204	26	13%	0.9x
CBD, CPG, Pharma, International														
	Charlotte's Web Holdings, In	CWBHF	US OTC	0.30	45	152.1	9	36	0.5x	-4.7x	79	-8	-10%	-1.1x
	Clever Leaves Holdings, Inc.	CLVR	NASDAQ	3.11	5	1.5	4	1	0.0x	-0.1x	28	-6	-23%	-0.6x
	CV Sciences, Inc.	CVSI	US OTC	0.04	6	152.1	-1	7	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	IM Cannabis Corp	IMCC	NASDAQ	0.64	5	7.6	-7	12	0.3x	4.7x	44	2	6%	-2.7x
	InterCure Ltd.	INCR	NASDAQ	1.60	73	45.6	-2	75	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	Jazz Pharmaceuticals Public I	JAZZ	NASDAQ	126.98	8,027	63.2	-4,936	12,963	3.2x	6.8x	4,002	1,893	47%	-2.6x
	Little Green Pharma Ltd.	LGPPF	US OTC	#N/A	#N/A	297.9	0	#N/A	#N/A	#N/A	41	4	10%	0.0x
	PharmaCielo Ltd.	PCLOF	US OTC	0.13	21	155.0	-9	30	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
	Turning Point Brands Inc	TPB	NYSE	22.45	393	17.5	-314	707	1.7x	7.6x	420	93	22%	-3.4x

Source: FactSet, company reports, and Z&A estimates

Exhibit 8: Stock Performance

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
US MSOs			
FFNTF	53%	52%	-26%
ACRDF	92%	144%	-49%
AAWH	17%	43%	-50%
AYRWF	56%	149%	-3%
CXXIF	2%	4%	67%
CCHWF	14%	93%	-31%
CRLBF	17%	24%	-29%
CURLF	12%	31%	-13%
GLASF	0%	38%	98%
GNRS	-98%	-100%	-100%
GRAMF	-9%	-27%	-77%
GDNSF	-4%	5%	-82%
GTBIF	12%	30%	14%
GRUSF	17%	17%	487%
JUSHF	35%	80%	-30%
LOWLF	-6%	-33%	-83%
MRMD	-2%	1%	-4%
PLNHF	-3%	39%	-23%
RWBYF	233%	nm	-51%
SHWZ	-10%	-31%	-26%
STHZF	-3%	27%	-56%
TSNDF	-2%	2%	55%
TLLTF	41%	72%	-59%
TCNNF	2%	40%	-31%
VRNOF	16%	36%	-6%
VEXTF	6%	5%	8%

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
Canada			
ALEAF	#N/A	-18%	-56%
ACB	15%	-6%	-56%
CBWTF	-20%	-19%	-65%
AVTBF	-17%	22%	-16%
BZAMF	0%	-34%	-73%
CGC	26%	17%	-75%
CRON	-1%	-4%	-31%
DBCCF	-10%	13%	97%
ETRGF	39%	57%	-38%
HITI	23%	28%	20%
NVACF	15%	-1%	-33%
OGI	-20%	-25%	-65%
ROMJF	-4%	-14%	-40%
SNDL	-4%	19%	-22%
TLRY	-24%	34%	-17%
VFF	-16%	17%	-61%
CBD, CPG, Pharma, International			
CBDHF	na	9900%	-100%
CRDL	-20%	-11%	-22%
CLVR	-28%	-51%	-83%
CVSI	10%	5%	2%
CWBHF	8%	61%	-27%
GNLN	-35%	-42%	-96%
IMCC	-23%	-31%	-84%

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
Service Providers			
AFCG	-17%	-13%	-28%
AGFY	-21%	-35%	-97%
CXXIF	2%	4%	67%
REFI	-5%	-4%	1%
GRWG	-16%	-24%	-22%
HYFM	-5%	35%	-42%
IIPR	-17%	-2%	-18%
LFLY	-33%	9%	-50%
NLCP	-6%	-2%	0%
PW	-15%	-52%	-93%
RIV	-8%	-9%	-13%
SMG	-14%	-27%	10%
SSIC	-3%	16%	-4%
SBIG	-27%	-69%	-85%
UGRO	-3%	-3%	-55%
MAPS	-16%	48%	-19%
CBD, CPG, Pharma, International			
INCR	3%	-6%	-64%
JAZZ	-12%	2%	-5%
LGPPF	na	na	na
PCLOF	0%	-6%	-55%
TPB	-9%	-6%	6%
YCBD	-9%	-28%	-90%

Source: FactSet



Appendix III: ETF

Zuanic & Associates



Exhibit 9: MSOS ETF since 7/31/20



Source: FactSet, company reports, and Z&A estimates



Appendix IV: Bio and Disclaimers

Zuanic & Associates



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past four years he launched coverage of over 35 companies (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as specific reports on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short term consulting and research advisory projects (www.zuanicassociates.com). At various points in his career, Pablo was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. Pablo can be contacted at pablo.zuanic@zuanicgroup.com.



Disclosures and Disclaimers

About the firm: Zuanic & Associates is a domestic limited liability company (LLC) registered in the state of New Jersey. The company's registered address is Five Greentree Centre, 525 Route 73, N Suite 104, Marlton, New Jersey 08053, USA. Pablo Zuanic is the registered agent. The firm publishes equity research on selected stocks in the cannabis and psychedelics sector, as well as thematic macro industry notes. The firm also provides consulting and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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