



12/3/2024

# Decibel Cannabis Co. (DB-CA)

## Company Update

C\$Mn								
Sales	CY23a	CY24e	Prev	CY25e	Prev	CY26e	Prev	CY27e
1Q	24.9	21.0 A	21.0	25.1	26.6	35.5	35.5	42.2
2Q	30.9	22.2 A	22.2	29.7	30.2	37.6	37.6	43.8
3Q	30.2	24.1 E	23.7	34.0	34.6	41.3	41.3	48.1
4Q	29.9	25.0 E	26.1	35.9	35.9	40.1	40.1	38.5
FY	116.0	92.2	88.5	124.7	127.3	154.5	154.5	172.6
EBITDA	CY23a	CY24e	Prev	CY25e	Prev	CY26e	Prev	CY27e
1Q	6.8	3.6 A	3.6	5.2	3.5	7.9	6.1	9.7
2Q	7.3	3.9 A	3.9	5.9	4.7	8.3	6.6	10.0
3Q	6.5	5.1 E	4.5	6.8	5.9	9.0	7.1	11.1
4Q	5.4	5.1 E	5.3	7.1	4.6	8.8	6.5	9.1
FY	25.9	17.8	17.3	25.0	18.7	34.1	26.3	39.9

  

Share price (C\$)	0.06	Perf.	DB-CA	YOLO	S&P500	Stance:	Overweight
Share count (mn)	576.7	30d	-6%	-16%	4%		no price target
Market Cap (C\$Mn)	36.2	90d	-6%	-14%	7%		FY=Dec
Ticker	DB-CA	1yr	-52%	-7%	32%		



\$Mn	CY24	CY25	CY26
Projected EV	66	49	16
EV/Sales	0.7x	0.4x	0.1x
EV/EBITDA	3.7x	2.0x	0.5x

  

	CY24	CY25	CY26
Net debt/Sales	-0.3x	-0.1x	na
Net debt/EBITDA	-1.7x	-0.5x	na
Free Cash Flow	4.2	17.1	32.4
Net (debt) cash	-30.3	-13.1	19.3

  

Consensus	CY24	CY25	CY26
Sales	93.0	124.3	139.4
EBITDA	17.4	24.6	29.0
Guidance CY25:		130.0	25.0

**Pablo Zuanic**

ZUANIC & ASSOCIATES

pablo.zuanic@zuanicgroup.com

420Odyssey; www.zuanicassociates.com



## Company Update post 3Q and Corp Actions

**About 3Q and outlook.** When the AgMedica deal was announced in late Oct, Decibel had already given 3Q guidance (sales and EBITDA for 3Q hit the mid-point of that guidance). For CY25, the proforma guidance points to stable trends for the base business. Decibel expects CY25 proforma revenues of \$130Mn and EBITDA of \$25Mn. If we take out the AgMedica projections (of \$30Mn and \$4Mn EBITDA), that means the Decibel base business will generate sales of \$100Mn in CY25 vs. a current run rate of \$96Mn (4x3Q24), and EBITDA of \$21Mn vs. the current run rate of \$20Mn. In addition, DB is guiding for \$20Mn in FCF for CY25 and expects to reach debt to EBITDA below 1.4x by next year. The notion base business trends will stabilize as we enter 2025 (comparing with the 3Q24 annualized run rate) is comforting given soft retail trends as per Hifyre.

**Latest Hifyre data read (Oct/Nov).** Canadian rec market growth improved seq, per Hifyre, with Oct/Nov up 6.7% yoy vs. +4% yoy growth in 3Q24 and +5.2% in 2Q24 (+8% in 1Q24; +14.4% in CY23). However, sales continue to drop at a double-digit pace for Decibel (-23% for Oct/Nov yoy vs. -25% in 3Q24). Re the other top 10 players (in order based on the Nov month rec share): Tilray -21% yoy in Oct/Nov vs. -23% in 3Q24; OGI +13% vs. +16%; VFF +1% vs. +21%; Auxly +33% vs. +19%; Motif +10 vs. +1%; Cronos +4% vs. +20%; Cannara +67% vs. 41%; Weed Med +23% vs. -3%; Canopy -21% vs. -34%. Nov market shares (for the month): Tilray 9.1%; OGI 7.0%; VFF 6.2%; Auxly 5.6%; Motif 5.3%; Cronos 5.1%; Decibel 4.7%; Cannara 4.0%; Weed Me 2.9%; and Canopy 2.3%. As per Hifyre, pre-rolls accounted for 69% of Decibel's 3Q24 sales and vape for 27% (edibles 3%; flower 1%).

- **Decibel continues to lose share in its core infused pre-roll segment.** Pre-rolls continue to drive overall market growth (up low teens yoy), and as a category are as big as flower now (35% of the market each). While the infused segment had been a key driver of segment growth, it is now growing at a clip slightly below the total category. The infused segment accounted for 31% of total Canada rec pre-roll sales in 3Q24 (per Hifyre: infused joints 26%; variety infused >3%; infused blunts >2%), after peaking at 33% in 3Q23 (16% in 3Q22) and mostly staying there through 1H24. Over 97% of Decibel pre-roll sales come from the infused segment (3Q24), where Decibel has seen share erosion; after peaking at 57% in 2Q23, this was 35% in 3Q24 (1Q24 48%; 2Q24 41%).
- **Decibel total vape share fell to 9.7% in 3Q24 from 11.8% in 3Q23.** Vape, as a category, remains at 16% of the market (well below the >26% we see in the more developed US markets), with growth driven by all-in ones (22% of the vape market in 3Q24 vs. 11% in 3Q23) and larger sized cartridges (carts over 1ml were 17% of all vape sales in 3Q24 vs. less than 15% in 3Q23). Decibel has adapted well in AIOs (now 29% of its vape sales) and is #3 in the AIO segment with 13% share (Auxly 37%, Motif 18%; in 3Q23 this was Motif 35%, Decibel 15%, Auxly 13%), but has been slower in large cart sizes (>1ml is only 5% of its vape sales). Note: See our recent report on [vape AIOs](#).

**Recent corporate actions,**

- See our report on the [AgMedica deal](#), reviewing the transaction and also how it will help significantly expand Decibel's international business. Per the deal (all-share, valued at C\$6.3Mn) DB has issued 114.5mn shares for AgMedica to Callisto Capital (the Decibel common share count as of 9/30/24 was 409mn), valued at C\$0.055.
- Decibel has also closed on two non-brokered private placements (which closed on 11/4 and 11/25, respectively), raising gross proceeds of C\$3 and issuing 53.15mn shares. Proceeds will be used to assist with the integration of AgMedica BioScience and for general working capital purposes. Not: while the offering price was maintained (C\$0.06), DB originally planned to raise C\$3.5Mn.
- So, the new share count is 577mn (409mn + 114.5mn + 53.2mn).

**We remain Overweight.** At the current share price of C\$0.06, Decibel has a market cap of C\$37Mn (577mn shares plus RSUs) and an EV of C\$70Mn (factoring proforma net debt and leases). For now, we take guidance for CY25 at face value. On FCF guidance of \$20Mn for CY25, the stock offers 54% FCF yield (on the proforma count) and, based on the latest proforma CY25 guidance, it trades at only 0.5x sales and 2.8x EBITDA. With a leading franchise in Canadian pre-rolls (the category is as big as flower in Canada rec now), a top 3 position in vape, and now a top 4 position (proforma) among the Canadian exporters, we believe Decibel should trade more in line with the larger market cap LP stocks (especially with debt leverage projected below 1.4x for next year). Although we do not set price targets, at 1-2x our CY26 sales estimates, the stock could be 6-10x higher by Dec'25 vs. current levels. Note: All numbers are in C\$ unless noted otherwise.

Table 1: Companies mentioned in this report.

Company name	Ticker	Ticker	Rating
<b>US MSOs</b>			
4Front Ventures		FFNTF	not rated
Acreage Holdings		ACRDF	not rated
Ascend Wellness		AAWH	not rated
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Cansortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	not rated
Gold Flora		GRAM	Overweight
Goodness Growth		GDNF	not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	not rated
Jushi Holdings		JUSHF	Overweight
MariMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	will cover
StateHouse Holdings Inc		STHZF	not rated
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
<b>Tech</b>			
Leafly		LFLY	not rated
Springbig		SBIG	not rated
WM Technology		MAPS	Neutral

Source: Z&amp;A

Company name	Ticker	Rating
<b>Canada LPs</b>		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	will cover
Avant Brands	AVTBF	will cover
Avicanna	AVCN	not rated
BZAM	BZAMF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth Corporation	CGC	will cover
Cronos Group	CRON	not rated
Decibel Cannabis Co	DBCCF	Overweight
Organigram Holdings	OGI	not rated
Rubicon Organics	ROMJF	not rated
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
<b>Finance Companies</b>		
AFC Gamma	AFCG	Overweight
Chicago Atlantic BDC	LIEN	will cover
Chicago Atlantic REFC	REFI	Overweight
Innovative Industrial Properties	IIPR	not rated
New Lake Capital Partners	NLCP	Overweight
RIV Capital	CNPOF	not rated
SHF Holdings	SHFS	not rated
<b>Other</b>		
Intercure	INCR	not rated
LFTD Partners Inc.	LIFD	Overweight
Ispire Technology	ISPR	will cover
Smoores International	SMORF	will cover



# Appendix I: Company Financials

3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 1: Financial highlights

C\$ 000s	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
<b>Sales</b>	79.3	116.0	21.0	22.2	24.1	25.0	92.2	25.1	29.7	34.0	35.9	124.7	154.5	172.6
qoq ch %	na	na	-30%	6%	9%	4%	na	0%	18%	15%	6%	na	na	na
yoy ch %	51%	46%	-16%	-28%	-20%	-17%	-20%	20%	34%	41%	44%	35%	24%	12%
guidance							na					na	na	na
consensus						26.0	93.0	26.8	29.6	32.9	35.2	124.3	139.4	na
<b>Profit margins</b>														
Gross profit before FV ax	34.0	51.6	10.0	9.3	12.7	11.2	43.3	11.3	13.4	15.3	16.2	56.1	71.1	81.1
as % of sales	42.9%	44.5%	47.9%	41.9%	52.7%	45.0%	46.9%	45.0%	45.0%	45.0%	45.0%	45.0%	46.0%	47.0%
Gross profit after FV adj	26.4	41.9	10.2	8.8	10.1	11.2	40.3	11.3	13.4	15.3	16.2	56.1	71.1	81.1
as % of sales	33.3%	36.1%	48.5%	39.7%	41.8%	45.0%	43.7%	45.0%	45.0%	45.0%	45.0%	45.0%	46.0%	47.0%
Op exp	27.1	40.4	8.5	7.8	9.9	8.3	34.5	8.4	9.8	10.9	11.4	40.5	46.5	51.1
as % of sales	34.2%	34.9%	40.4%	35.4%	40.9%	33.4%	37.4%	33.7%	32.9%	32.0%	31.8%	32.5%	30.1%	29.6%
EBIT	-0.7	1.4	1.7	1.0	0.2	2.9	5.8	2.8	3.6	4.4	4.7	15.6	24.6	30.1
as % of sales	-0.9%	1.2%	8.1%	4.3%	0.9%	11.6%	6.3%	11.3%	12.1%	13.0%	13.2%	12.5%	15.9%	17.4%
adj EBITDA	17.0	25.9	3.6	3.9	5.1	5.1	17.8	5.2	5.9	6.8	7.1	25.0	34.1	39.9
as % of sales	21.4%	22.3%	17.1%	17.8%	21.3%	20.4%	19.3%	20.7%	19.9%	20.0%	19.8%	20.0%	22.1%	23.1%
Consensus EBITDA						4.8	17.4	5.1	5.9	6.4	6.7	24.6	29.0	na
as % of sales						18.6%	18.7%	19.2%	20.0%	19.5%	19.0%	19.8%	20.8%	na
<b>EPS</b>														
Pre tax income	-4.5	-1.8	0.2	0.1	-0.5	2.2	1.9	2.2	2.9	3.8	4.1	13.0	22.2	28.0
Tax rate assumption	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-4.5	-1.8	0.2	0.1	-0.5	2.2	1.9	2.2	2.9	3.8	4.1	13.0	22.2	28.0
Share count (FD) Mn	404.2	408.1	424.0	419.0	409.0	576.7	457.2	576.7	576.7	576.7	576.7	576.7	576.7	576.7
EPS	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.02	0.04	0.05
<b>BS &amp; CF highlights</b>														
Operating cash flow	8.3	7.1	0.9	1.0	0.0	2.6	4.5	-4.3	6.3	11.7	4.3	18.0	33.4	37.1
(-) Capex	-3.3	-1.5	-0.3	-0.1	0.2	-0.2	-0.3	-0.2	-0.2	-0.3	-0.3	-0.9	-1.0	-2.0
Free cash flow	5.0	5.6	0.6	0.9	0.3	2.4	4.2	-4.5	6.1	11.4	4.1	17.1	32.4	35.1
Ending net cash (debt)	-40.8	-37.5	-37.6	-37.2	-35.9	-30.3	-30.3	-34.7	-28.7	-17.2	-13.1	-13.1	19.3	54.4
LTM EBITDA	17.0	25.9	22.7	19.4	18.1	17.8	17.8	19.4	21.3	23.0	25.0	25.0	34.1	39.9
Net debt/Sales	-0.5	-0.3	-0.4	-0.4	-0.4	-0.3	-0.3	-1.4	-1.0	-0.5	-0.4	-0.1	0.1	0.3
Net debt/EBITDA	-2.4	-1.4	-1.7	-1.9	-2.0	-1.7	-1.7	-1.8	-1.3	-0.7	-0.5	-0.5	0.6	1.4
Equity	47.2	46.2	42.9	43.1	42.5	54.2	54.2	56.4	59.3	63.1	67.2	67.2	89.4	117.4

Source: Z&A estimates, company reports

3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 2: Sales

C\$Mn	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
<b>Net Sales</b>	<b>79.3</b>	<b>116.0</b>	<b>21.0</b>	<b>22.2</b>	<b>24.1</b>	<b>25.0</b>	<b>92.2</b>	<b>25.1</b>	<b>29.7</b>	<b>34.0</b>	<b>35.9</b>	<b>124.7</b>	<b>154.5</b>	<b>172.6</b>
Domestic rec	68.6	105.8	20.6	22.1	23.8	22.5	89.0	20.1	22.2	25.1	24.9	92.3	107.8	121.3
Exports	1.9	3.7	0.4	0.0	0.3	2.5	3.2	5.0	7.5	8.9	11.0	32.4	46.7	51.4
Retailing	8.9	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Sales and market share assumptions</b>														
Canada rec sales	4,518	5,163	1,196	1,258	1,391	1,370	5,214	1,255	1,321	1,460	1,386	5,423	5,640	5,865
market (0.4x)	1,807	2,065	478	503	556	548	2,086	502	528	584	554	2,169	2,256	2,346
total market % share	4.2%	5.1%	4.3%	4.4%	4.2%	4.1%	4.2%	4.0%	4.2%	4.3%	4.5%	4.3%	4.8%	5.2%

Source: Z&A estimates, company reports

3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 3: Cash Flow

C\$ 000s	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net earnings	-4,462	-1,770	156	58	-745	2,181	1,650	2,151	2,895	3,791	4,128	12,965	22,224	28,025
(+) D&A	3,669	3,110	1,243	1,179	-1,203	1,098	2,317	1,168	1,172	1,177	1,182	4,699	4,780	4,895
<b>Cash earnings</b>	<b>-793</b>	<b>1,340</b>	<b>1,399</b>	<b>1,237</b>	<b>-1,948</b>	<b>3,279</b>	<b>3,967</b>	<b>3,319</b>	<b>4,067</b>	<b>4,968</b>	<b>5,310</b>	<b>17,664</b>	<b>27,004</b>	<b>32,920</b>
(-) Working capital changes	-1,214	-6,077	-2,023	-3,056	3,534	-646	-2,191	-7,600	2,221	6,721	-988	355	6,441	4,162
(-) Other operating flows	10,276	11,836	1,529	2,774	-1,540	0	2,763	0	0	0	0	0	0	0
<b>Net cash used in operating activities</b>	<b>8,269</b>	<b>7,099</b>	<b>905</b>	<b>955</b>	<b>46</b>	<b>2,633</b>	<b>4,539</b>	<b>-4,280</b>	<b>6,289</b>	<b>11,689</b>	<b>4,322</b>	<b>18,019</b>	<b>33,445</b>	<b>37,082</b>
(-) net capex	-3,266	-1,453	-284	-90	241	-200	-333	-200	-200	-250	-250	-900	-1,000	-2,000
<b>Free cash flow</b>	<b>5,003</b>	<b>5,646</b>	<b>621</b>	<b>865</b>	<b>287</b>	<b>2,433</b>	<b>4,206</b>	<b>-4,480</b>	<b>6,089</b>	<b>11,439</b>	<b>4,072</b>	<b>17,119</b>	<b>32,445</b>	<b>35,082</b>
(-) acquisitions	-556	-704	-239	0	239	-6,300	-6,300	0	0	0	0	0	0	0
(-) divestitures	47	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-1,702	-2,014	-543	-793	792	0	-544	0	0	0	0	0	0	0
(+) share issuance	0	0	0	0	0	9,500	9,500	0	0	0	0	0	0	0
(-) stock options/warrants	1	356	0	356	0	0	356	0	0	0	0	0	0	0
<b>Change in net</b>	<b>2,793</b>	<b>3,284</b>	<b>-161</b>	<b>428</b>	<b>1,318</b>	<b>5,633</b>	<b>7,218</b>	<b>-4,480</b>	<b>6,089</b>	<b>11,439</b>	<b>4,072</b>	<b>17,119</b>	<b>32,445</b>	<b>35,082</b>
<b>Ending net (debt)</b>	<b>-40,767</b>	<b>-37,483</b>	<b>-37,644</b>	<b>-37,216</b>	<b>-35,898</b>	<b>-30,265</b>	<b>-30,265</b>	<b>-34,745</b>	<b>-28,657</b>	<b>-17,218</b>	<b>-13,146</b>	<b>-13,146</b>	<b>19,299</b>	<b>54,381</b>
Cash/inv/sec	2,966	3,481	2,636	2,404	3,021	8,674	8,674	4,194	10,282	21,721	25,793	25,793	58,238	93,320
Gross debts/loans/bonds	43,733	40,964	40,280	39,620	38,919	38,939	38,939	38,939	38,939	38,939	38,939	38,939	38,939	38,939

Source: Z&A estimates, company reports



3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 4: Projected EV

C\$ 000s	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
EV calculation (C\$Mn)	66	63	63	62	61	66	66	70	64	53	49	49	16	-19
Market cap (C\$Mn)	26	26	26	26	26	36	36	36	36	36	36	36	36	36
Share price (C\$)	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Share price (US\$)	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
FD share count (Mn)	409.0	409.0	409.0	409.0	409.0	576.7	576.7	576.7	576.7	576.7	576.7	576.7	576.7	576.7
common shares	409.0	409.0	409.0	409.0	409.0	576.7	576.7	576.7	576.7	576.7	576.7	576.7	576.7	576.7
RSU/DSUs	17.2	17.7	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3
derivatives in the m	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Broadly defined net debt	-41	-37	-37	-37	-35	-30	-30	-34	-28	-17	-13	-13	20	55
net financial debt	-41	-37	-38	-37	-36	-30	-30	-35	-29	-17	-13	-13	19	54
leases	0	1	1	1	1	1	1	1	1	1	1	1	1	1
other debt/deferred taxes														
warrant/option/convert inflow														
Note: our comp tables use a static definition of EV (i.e. the current one); but in this table we used projected EV														
Multiples (Z&A)														
EV/Sales	0.8x	0.5x	0.7x	0.7x	0.6x	0.7x	0.7x	0.7x	0.5x	0.4x	0.3x	0.4x	0.1x	-0.1x
EV/EBITDA	3.9x	2.4x	4.4x	4.0x	3.0x	3.2x	3.7x	3.4x	2.7x	1.9x	1.7x	2.0x	0.5x	-0.5x

Source: Z&A estimates, company reports

Note: The common shares of Decibel ("Common Shares") trade on the TSX-Venture Exchange ("TSX-V") under the ticker symbol "DB" and on the OTCQB Venture Market under the symbol "DBCCF".

The Company's warrants trade on the TSX-V under the trading symbol "DB.WT.A".



# Appendix II: Valuation Comps

3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 5: LPs Valuation Multiples

Multiples 3-Dec-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	2024	2025	Current	2024	2025	Current	CY24	Current	CY24	Current	CY24	Current	CY24
Aurora Cannabis	1.3x	1.3x	1.2x	10.2x	12.5x	8.3x	na	na	na	na	0.0x	na	-0.4x	na
Auxly Cannabis Group	0.5x	na	na	2.8x	na	na	-0.4x	na	-2.0x	na	-0.5x	na	-2.8x	na
Avant Brads	0.5x	na	na	1.7x	na	na	-0.1x	na	-0.4x	na	-0.4x	na	-1.2x	na
BZAM	0.3x	na	na	3.4x	na	na	-0.2x	na	-2.4x	na	-0.3x	na	-3.4x	na
Cannara Biotech	0.9x	na	na	6.7x	na	na	0.0x	na	0.0x	na	0.0x	na	0.0x	na
Canopy Growth	4.1x	3.7x	3.4x	-48.5x	-56.9x	2487.2x	-1.3x	-1.2x	15.3x	17.9x	-1.3x	-1.2x	15.3x	17.9x
Cronos Group	-2.4x	-2.2x	-1.8x	6.1x	7.5x	87.1x	na	na	na	na	7.8x	7.0x	-19.5x	-24.0x
Decibel Cannabis	0.8x	0.8x	0.6x	4.5x	4.1x	2.9x	-0.4x	-0.4x	-2.1x	-1.9x	-0.4x	-0.4x	-2.1x	-1.9x
Nova Cannabis	0.4x	na	na	12.1x	na	na	0.0x	na	-0.1x	na	0.0x	na	-0.9x	na
Organigram Holdings	0.9x	na	na	-13.0x	na	na	na	na	na	na	0.5x	na	-7.4x	na
Rubicon Organics	0.5x	na	na	7.0x	na	na	0.0x	na	-0.4x	na	0.0x	na	-0.4x	na
SNDL	0.6x	0.6x	0.6x	15.2x	398.5x	na	na	na	na	na	0.2x	0.2x	4.4x	116.3x
Tilray Brands	1.1x	1.0x	1.0x	10.6x	13.7x	10.1x	0.0x	0.0x	-0.3x	-0.4x	-0.1x	-0.1x	-0.9x	-1.2x
Village Farms International	0.2x	0.3x	0.3x	-6.3x	10.8x	4.1x	0.0x	0.0x	1.0x	-1.6x	0.0x	0.0x	1.0x	-1.7x

1) We take FactSet consensus estimates for CY24e and CY25e multiples; 2) By "current", we mean the latest reported qtr annualized

Source: FactSet and company reports

3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 6: LPs EV Calculations

C\$Mn 3-Dec-24	FactSet Spot EV	Z&A Spot EV	C\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	ST income tax liab.	Conting Cons.	ITM deriv inflow	Total BOND	Pref Stock Min Int
Aurora Cannabis	331	414	6.39	54.9	1.2	358	27	-43		0		-16	40
Auxly Cannabis Group	168	58	0.04	0.0	0.0	0	-41	-15		-2		-58	
Avant Brads	135	18	0.49	10.5	0.3	5	-5	-8				-13	
BZAM	112	45	0.00	180.8	0.2	0	-31	-14				-45	
Cannara Biotech	85	74	0.82	90.0	0.0	74	0	0	0			0	
Canopy Growth	na	1,024	5.27	131.6	1.5	701	-323					-323	
Cronos Group	-48	-367	2.89	274.6	6.3	812	1,181	-2				1,179	
Decibel Cannabis	63	70	0.06	576.7	16.3	37	-34	0				-33	
Nova Cannabis	1	119	1.77	62.1		110	-1	-8				-9	
Organigram Holdings	140	140	2.12	103.8	0.0	220	80		0			80	
Rubicon Organics	26	24	0.38	56.2	4.3	23	-1	0				-1	
SNDL	457	586	2.70	264.3	16.2	758	209	-38				171	
Tilray Brands	1,232	1,320	1.87	628.9	0.0	1,173	-42	-49		-21		-112	35
Village Farms International	145	124	1.11	80.3		89	-19	-1				-19	15

Source: FactSet and company reports

3 December 2024

## Decibel Holdings: Company Update Post Recent Corporate Actions

### Exhibit 7: Stock Performance

3-Dec-24			
	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>US MSOs</b>			
Ascend	-55%	-60%	-72%
Ayr	-70%	-60%	-70%
Cannabist	-50%	-53%	-69%
Consortium	-30%	-23%	9%
Cresco	-22%	-26%	-32%
Curaleaf	-34%	-33%	-45%
4Front	-30%	-44%	-76%
GlassHouse	-10%	-18%	45%
Gold Flora	-55%	-63%	-70%
Vireo Growth	-13%	-23%	55%
Grown Rogue	1%	8%	148%
Green Thumb	-7%	-4%	-11%
iAnthus	-57%	-72%	-87%
Jushi	-29%	-33%	-47%
MarlMed	-12%	-23%	-52%
Planet13	-29%	-29%	-45%
Schwazze	-9%	-9%	-82%
StateHouse	MIN/A	-42%	-1%
Trulieve	-49%	-32%	7%
TerrAscend	-27%	-37%	-53%
Vext	-3%	-23%	-32%
Verano	-56%	-57%	-67%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>Canadian LPs</b>			
Aurora	-19%	-25%	0%
Avant	-45%	-63%	-89%
Auxly	-6%	-13%	97%
Cannara	11%	19%	-8%
Canopy	-24%	-27%	-32%
Cronos	-2%	-8%	3%
Decibel	-6%	-6%	-52%
Entourage	8%	-14%	-23%
High Tide	21%	70%	128%
Nova	0%	-1%	143%
OIGI	-15%	-18%	19%
Rubicon	2%	-21%	-35%
SNOL	-9%	-2%	36%
Tilray	-21%	-22%	-26%
VFF	-10%	-23%	1%
<b>CBD</b>			
CVSI	-17%	-24%	7%
CWEB	-8%	-17%	-37%
LFID	-17%	19%	-77%
<b>International</b>			
InterCure	-25%	-24%	7%
PharmaCielo	-9%	55%	170%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>MJ Fincos</b>			
AFCG	-2%	-6%	-14%
CNPOF	-37%	-17%	24%
IIPR	-16%	-11%	35%
NLCP	-1%	-5%	43%
SHFS	13%	-27%	-36%
LIEN	-1%	12%	35%
REFI	5%	1%	4%
<b>Tech</b>			
LFLY	-20%	-23%	-72%
SBIG	0%	-3%	-46%
MAPS	70%	36%	62%
<b>Vape parts</b>			
GNLN	-40%	-66%	-71%
ISPR	3%	-15%	-41%
SMORF	16%	16%	64%
TLLTF	-35%	-57%	-74%
<b>Index</b>			
S&P 500	4%	7%	32%
S&P 477	4%	2%	21%
Nasdaq	9%	14%	47%
MSOS ETF	-33%	-29%	-34%
YOLO ETF	-16%	-14%	-7%

Source: FactSet



# Appendix III: Bio and Disclaimers



## Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (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. 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 Zuanic can be contacted via the company's portal [www.zuanicassociates.com](http://www.zuanicassociates.com); via email [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com); or via X @420Odysseus.*



## 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.

**Analyst Certification:** The publishing analyst, whose name appears on the front page of this report, certifies that the views expressed in this independent research report accurately reflects his personal views about the subject securities or issuers discussed in this report. His opinions and estimates are based on his best judgement at the time of publication and are subject to change without notice. As per the company's policy, the author of this report does not own shares in any company he covers.

**Other:** This report is for use by professional and or institutional investors only, and it is deemed impersonal investment advice, published on a bona fide and regular basis. This report is for informational purposes only and is based on publicly available data believed to be reliable, but no representation is made whether such data are accurate or complete. As such, this report should not be regarded by its recipients as a substitute for obtaining independent investment advice and/or exercise of their own judgement. When making an investment decision this information should be viewed as just one factor in the investment decision process. Neither the publishing analyst, nor any of the company's officers and directors, accept any liability for any loss or damage arising out of the use of all or any part of the analyst's research.

**Risks:** The financial instruments mentioned in this report may not be suitable for all investors and investors must make their own investment decisions based on their specific investment objectives. Past performance should not be taken as an indication or guarantee of future performance. The price, value of and income from, any of the financial instruments featured in this report can rise as well as fall and be affected by changes in political, financial, and economic factors. If a financial instrument is denominated in a currency other than the investor's currency, a change in exchange rates may adversely affect the price or value of, or income derived from, the financial instrument, and such investors effectively assume currency risk.

**Disclosure:** Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. The company discussed in this report is a paying customer of the services provided by the firm.

**Copyright:** No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the author.