



7/29/2024

# Tilray Brands (TLRY)

Neutral

Sales	FY22a	FY23a	FY24a	Prev	FY25e	Prev	FY26e	Prev
1Q	168.0	153.2	176.9		215.2	209.6	248.3	224.0
2Q	155.2	144.1	193.8		216.0	206.5	254.2	224.0
3Q	151.9	145.6	188.3		212.0	198.3	250.2	218.0
4Q	153.3	<u>184.2</u>	<u>229.9</u>	<u>225.2</u>	<u>256.4</u>	<u>235.5</u>	<u>297.1</u>	<u>258.0</u>
FY	628.4	627.1	788.9	784.2	899.6	849.9	1,049.8	924.0
EBITDA	FY22a	FY23a	FY24a	Prev	FY25e	Prev	FY26e	Prev
1Q	12.7	12.8	10.7		24.0	16.9	30.4	21.0
2Q	13.8	11.0	10.1		25.8	16.7	34.5	26.0
3Q	10.1	13.3	10.2		28.8	17.6	41.0	34.0
4Q	8.4	<u>22.2</u>	<u>29.5</u>	<u>27.4</u>	<u>43.1</u>	<u>31.7</u>	<u>48.4</u>	<u>41.0</u>
FY	44.9	59.4	60.5	58.4	121.6	82.9	154.3	122.0

Share price (US\$)	1.83	<b>Perf.</b>	<b>TLRY</b>	<b>YOLO</b>	<b>S&amp;P500</b>	Stance:	<b>Neutral</b>
Share count (mn)	831.9	30d	8%	0%	0%		no price target
Market Cap (US\$Mn)	1,522	90d	3%	-9%	7%		FY=May
Ticker	TLRY	1yr	-14%	33%	20%		



\$Mn	FY24	FY25	FY26
Projected EV	1,661	1,643	1,628
EV/Sales	2.1x	1.8x	1.6x
EV/EBITDA	27.5x	13.5x	10.6x
	FY24	FY25	FY26
Net debt/Sales	-0.1x	-0.1x	0.0x
Net debt/EBITDA	-1.0x	-0.5x	-0.2x
Free Cash Flow	-60.2	6.2	18.5
Net debt	-61.3	-55.1	-36.6
Consensus	FY24	FY25	FY26
Sales	0.0	864.9	946.5
EBITDA	0.0	86.6	131.7
<b>Guidance FY25:</b>		n/a	

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## Update Post Release of 4Q24 (May) Results

*We attach our updated model post the release of 4Q24 results, plus brief commentary on the quarter and outlook. For a deeper dive, please see our recent initiation of coverage [report](#) from 6/27/24.*

**About 4Q24.** TLRY beat across all key metrics, with total revenues of \$230Mn vs. FactSet consensus of \$225Mn, and EBITDA of \$29.5Mn vs. \$27.5Mn. It also posted positive reported FCF for 4Q24 and positive adjusted FCF (ex-one offs) for FY24, as per guidance. After the 3Q24 miss, the beat as well as the sequential growth are encouraging.

- **Sales.** Total gross sales (before excise taxes) grew 20% QoQ to \$256Mn, driven by growth in B2B sales of cannabis in Canada (branded rec, domestic med, and international were stable), seasonal and organic gains in the alcohol drinks unit, and a rebound in CC Pharma. Of the \$42Mn in gross sales seq growth, those three units, respectively, added \$9Mn, \$22Mn, and \$9Mn. Wellness was up \$2Mn QoQ. Management noted the domestic B2B ramp in the May qtr was not a “new norm”.
- **Profitability.** Adjusted gross margins improved seq from 27.4% to 34.8%, with gains across all four divisions, most notably in drinks (38% to 53%); cannabis also improved to 36.5% from 33.2%. Despite a \$6Mn seq increase in recurring cash SGA to \$67Mn, adj EBITDA margins increased seq from 5.4% to 12.8%.
- **Balance sheet and cash flow.** Reductions in convertible debt and use of the at the market equity facility, helped to lower net debt to \$61Mn (Cash \$261Mn; financial debt \$322Mn). Net debt is manageable at 0.1x sales (fiscal 4Q24 annualized) and 2x EBITDA. Reported FCF (different from the company metric of adj FCF) for 4Q24 was +\$21Mn vs. negative \$25Mn in 3Q24, mainly due to improved earnings trends and working capital.
- **Share count.** This came in at 932mn at the end of May 2024 vs. 657mn a year ago. The new equity has helped to lower the convertible debt and strengthen the B/S. We note revenue/share (4Q24 vs. 4Q23) was mostly unchanged yoy.

**Outlook.** The most notable forward-looking commentary has to do with top line.

- FY25 calls for \$950Mn to \$1Bn in net sales vs. \$789Mn reported in FY24, although we note the proforma number for FY24 is \$855Mn (as if the company had owned the brands the full year). Guidance assumes mid-single digit organic growth (double-digit in drinks and cannabis; low SD in wellness; flat in CC Pharma). FactSet consensus for FY25 was at \$865Mn and we were at \$850Mn.
- We have increased our net sales estimates to \$900Mn (1.05 x \$855Mn), but we will remain a shade below guidance. Management has confirmed that the revenue guidance does not include potential future M&A. Note: the ABI craft deal closed on 10/9/23, so craft M&A will add over four months.



- Certainly, in our view, the main two drivers of growth in FY25 should be Germany (in particular, and Europe in general) and the US drinks business. A lot remains to be seen, but we are encouraged by TLRY saying its sales in Germany have grown 65% since 4/1. For modelling purposes, we now assume Germany is at an annualized run rate of almost \$400Mn by end of CY24, \$1.5Bn by end of CY25, and \$2.9Bn by end of CY26. In the case of US drinks, we expect better nurturing (vs. what ABI gave them) will result in market share gains for the craft brands acquired. Also, while too early to tell, the resurrection of Hi-Ball energy and entry into Delta 9 drinks could be quite additive to top line.
- There is no EBITDA guidance, but supposedly with a full year of integration of the acquired cannabis and drinks brands, plus organic growth (i.e., operating leverage), margins should be up. Management hinted that it is now in a position to take pricing in Canadian rec (it also pointed to strong pricing in Canadian rec B2B), and we expect ongoing product innovation should be margin accretive.
- Capex should be in the \$20-30Mn range (in line with the past two years).

**Valuation and stock performance.** We calculate a spot EV of US\$1.66Bn, which implies 1.8x the latest quarter (May) sales annualized. If we strip out the cannabis assets (see SOP analysis), we calculate the cannabis piece trades at 4x spot EV/sales, well above peers (~1x). We think that premium may be a strategic asset, if it can be properly utilized to position the company well ahead of key regulatory unlocks globally. Sure, there are plenty of cheaper stocks, but Tilray has the liquidity (one the two most liquid cannabis stocks, and one of the few for which investors can get bank/broker custody), a large market cap, and a significant cash balance, plus “assets in place” already, which, in our judgment, make the long-term investment case more credible. Indeed, management says it has the “strategy and assets in place to win” in the global cannabis industry. Yes, we believe TLRY should be a long-term holding in any global portfolio of cannabis stocks. As we stated in our initiation report, we have preferred to say Neutral (partly on valuation) until we have better line of sight on: a) actual international markets growth and how TLRY directly benefits (can it hold on to share); b) Tilray’s ability to reverse recent domestic rec market share loss, accretion, nature, and scope from future US deals, and c) progression of key financial metrics improve (FCF, EBITDA per share). All that said, the 4Q24 print and FY25 guidance should be reasons to start making investors (and us) more constructive.

Table 1: Stocks 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		GDNSF	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	Not rated
StateHouse Holdings Inc		STHZF	Neutral
TerrAscend		TSNDF	Not rated
TILT Holdings		TLLTF	Overweight
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	will cover
<b>Tech</b>			
Leafly		LFLY	Not rated
Springbig		SBIG	Not rated
WM Technology		MAPS	Neutral

Source: Z&amp;A ratings

Company name	Ticker	Rating
<b>Canada LPs</b>		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	not rated
Avant Brands	AVTBF	not rated
Avicanna	AVCN	will cover
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	will cover
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	will cover
Chicago Atlantic REFC	REFI	Overweight
Innovative Industrial Properties	IIPR	will cover
New Lake Capital Partners	NLCP	Overweight
RIV Capital	CNPOF	not rated
SHF Holdings	SHFS	not rated
Silver Spike Inv Corp	SSIC	will cover
<b>Other</b>		
Intercure	INCR	Overweight
Irwin Naturals	IWINF	Not rated
Ispire Technology	ISPR	will cover
Smooore International	SMORF	will cover



# Appendix I: Company Financials



## Exhibit 1: Financial Highlights

US\$ Mn	May FY22	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
<b>Net Sales (\$ Mn)</b>	628.4	627.1	176.9	193.8	188.3	229.9	788.9	215.2	216.0	212.0	256.4	899.6	1,049.8
qoq ch %	na	na	-4%	10%	-3%	22%	na	-6%	0%	-2%	21%	na	na
yoy ch %	22%	0%	15%	34%	29%	25%	26%	22%	11%	13%	12%	14%	17%
<i>guidance</i>													
<i>consensus Sales</i>								211.0	211.2	199.8	235.7	864.9	946.5
<b>Profit margins (on net sales)</b>													
Gross profit before FV adj	116.8	147.0	44.2	47.4	49.4	79.8	220.8	65.6	67.4	70.2	86.8	290.0	367.6
as % of sales	18.6%	23.4%	25.0%	24.5%	26.2%	34.7%	28.0%	30.5%	31.2%	33.1%	33.8%	32.2%	35.0%
Gross profit after FV adj	116.8	147.0	44.2	47.4	49.4	79.8	220.8	65.6	67.4	70.2	86.8	290.0	367.6
as % of sales	18.6%	23.4%	25.0%	24.5%	26.2%	34.7%	28.0%	30.5%	31.2%	33.1%	33.8%	32.2%	35.0%
Op exp	727.2	1,516.6	78.6	89.2	131.5	96.3	395.5	86.3	86.4	86.1	91.1	349.9	405.5
as % of sales	115.7%	241.8%	44.4%	46.0%	69.8%	41.9%	50.1%	40.1%	40.0%	40.6%	35.5%	38.9%	38.6%
EBIT	-610.4	-1,369.7	-34.4	-41.8	-82.1	-16.5	-174.7	-20.7	-19.0	-15.8	-4.3	-59.8	-37.9
as % of sales	-97.1%	-218.4%	-19.4%	-21.6%	-43.6%	-7.2%	-22.1%	-9.6%	-8.8%	-7.5%	-1.7%	-6.7%	-3.6%
adj EBITDA	44.9	58.7	10.7	10.1	10.2	29.5	60.5	24.0	25.8	28.8	43.1	121.6	154.3
as % of sales	7.2%	9.4%	6.1%	5.2%	5.4%	12.8%	7.7%	11.1%	11.9%	13.6%	16.8%	13.5%	14.7%
<i>guidance</i>							29-32	60-63	na	na	na	na	na
<i>consensus adj EBITDA</i>								16.6	18.1	17.3	30.4	86.6	131.7
<i>as % of sales</i>								7.8%	8.6%	8.7%	12.9%	10.0%	13.9%
<b>EPS</b>													
Pre tax income	-440.7	-1,450.2	-48.6	-49.6	-107.9	-43.0	-249.0	-26.1	-24.3	-21.1	-9.7	-81.3	-59.4
Tax rate assumption	-1.5%	-0.5%	14.9%	-6.8%	-2.7%	-64.2%	-10.7%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Net income	-476.8	-1,452.7	-71.5	-49.0	-92.7	-15.4	-236.2	-25.2	-23.5	-20.4	-9.3	-78.4	-57.3
Share count (FD) Mn	481.2	618.0	691.2	730.8	754.4	794.2	742.6	831.9	831.9	831.9	831.9	831.9	831.9
EPS	-0.99	-2.35	-0.10	-0.07	-0.12	-0.02	-0.32	-0.03	-0.03	-0.02	-0.01	-0.09	-0.07
<i>consensus</i>						-0.02	-0.29	-0.03	-0.03	-0.03	-0.03	-0.08	-0.09
<b>BS &amp; CF highlights</b>													
Operating cash flow	-177	8	-16	-30	-15	31	-31	16	8	14	-7	31	45
(-) Capex	-34	-21	-4	-6	-10	-10	-29	-6	-6	-6	-7	-25	-26
Free cash flow	-211	-13	-20	-36	-25	21	-60	10	2	8	-14	6	19
Ending net cash (debt)	-190	-131	-86	-193	-177	-61	-61	-51	-49	-41	-55	-55	-37
Net debt/Sales	-0.3x	-0.2x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.1x	-0.1x	0.0x	-0.1x	-0.1x	0.0x
Net debt/EBITDA	-4.2x	-2.2x	-2.0x	-4.8x	-4.4x	-0.5x	-1.0x	-0.5x	-0.5x	-0.4x	-0.3x	-0.5x	-0.2x
Equity	4,399	3,316	3,379	3,368	3,359	3,453	3,453	3,428	3,404	3,384	3,374	3,374	3,317

Source: Z&amp;A estimates, company reports



29 July 2024

Tilray Brands: Company Update

Exhibit 2: Divisional Split

	May FY22	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
US\$Mn													
<b>Total net sales</b>	<b>628.4</b>	<b>627.1</b>	<b>176.9</b>	<b>193.8</b>	<b>188.3</b>	<b>229.9</b>	<b>788.9</b>	<b>215.2</b>	<b>216.0</b>	<b>212.0</b>	<b>256.4</b>	<b>899.6</b>	<b>1,049.8</b>
cannabis	237.5	220.4	70.3	67.1	63.4	71.9	272.8	69.6	73.9	76.4	86.1	305.9	431.8
beverage alcohol	71.5	95.1	24.2	46.5	54.7	76.7	202.1	62.6	60.7	64.2	87.8	275.3	294.6
pharma distribution	259.7	258.8	69.2	67.2	56.8	65.6	258.7	69.5	68.2	57.6	66.5	261.9	265.9
hemp food	59.6	52.8	13.3	12.9	13.4	15.7	55.3	13.6	13.2	13.7	16.0	56.4	57.5
<b>Gross Profits</b>	<b>116.8</b>	<b>147.0</b>	<b>44.2</b>	<b>47.4</b>	<b>49.4</b>	<b>79.8</b>	<b>220.8</b>	<b>65.6</b>	<b>67.4</b>	<b>70.2</b>	<b>86.8</b>	<b>290.0</b>	<b>367.6</b>
cannabis	42.7	57.7	19.8	20.6	20.9	26.3	87.7	25.0	27.3	29.0	32.7	114.1	172.7
beverage alcohol	39.5	46.3	12.9	16.0	18.9	40.8	88.6	28.2	27.9	30.2	41.3	127.6	143.0
pharma distribution	16.5	27.5	7.7	7.1	5.6	7.8	28.1	8.3	8.2	6.9	8.0	31.4	34.6
hemp food	18.2	15.5	3.8	3.7	4.1	4.9	16.4	4.1	4.0	4.1	4.8	16.9	17.3
<b>Mix of Gross Profits</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
cannabis	37%	39%	45%	44%	42%	33%	40%	38%	41%	41%	38%	39%	47%
beverage alcohol	34%	32%	29%	34%	38%	51%	40%	43%	41%	43%	48%	44%	39%
pharma distribution	14%	19%	17%	15%	11%	10%	13%	13%	12%	10%	9%	11%	9%
hemp food	16%	11%	9%	8%	8%	6%	7%	6%	6%	6%	6%	6%	5%

Source: Z&A estimates, company reports



29 July 2024

Tilray Brands: Company Update

Exhibit 3: Cannabis Projections

	May FY22	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
US\$Mn													
<b>Total net sales</b>	<b>237.5</b>	<b>220.4</b>	<b>70.3</b>	<b>67.1</b>	<b>63.4</b>	<b>71.9</b>	<b>272.8</b>	<b>69.6</b>	<b>73.9</b>	<b>76.4</b>	<b>86.1</b>	<b>305.9</b>	<b>431.8</b>
Canadian rec	149.2	152.9	45.3	45.2	40.9	40.0	171.5	44.4	47.0	44.3	46.0	181.6	197.4
Canadian med	27.5	22.5	5.5	5.7	5.7	5.8	22.7	5.8	5.8	5.8	5.8	23.0	23.0
Canadian bulk	6.9	1.4	5.3	4.3	2.8	13.0	25.3	5.4	5.6	5.2	5.3	21.5	22.6
International	53.9	43.6	14.3	11.9	14.0	13.1	53.3	14.0	15.5	21.2	29.1	79.9	188.8
<b>YoY ch %</b>		<b>-7%</b>	<b>20%</b>	<b>35%</b>	<b>33%</b>	<b>12%</b>	<b>24%</b>	<b>-1%</b>	<b>10%</b>	<b>20%</b>	<b>20%</b>	<b>12%</b>	<b>41%</b>
Canadian rec		3%	8%	25%	27%	-6%	12%	-2%	4%	8%	15%	6%	9%
Canadian med		-18%	-6%	-1%	5%	6%	1%	4%	2%	1%	0%	2%	0%
Canadian bulk		-79%	1251%	1717%	4666%	1632%	1665%	3%	31%	87%	-60%	-15%	5%
International		-19%	37%	55%	44%	-17%	22%	-2%	30%	52%	122%	50%	136%
<b>Mix %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Canadian rec	63%	69%	64%	67%	65%	56%	63%	64%	64%	58%	53%	59%	46%
Canadian med	12%	10%	8%	8%	9%	8%	8%	8%	8%	8%	7%	8%	5%
Canadian bulk	3%	1%	8%	6%	4%	18%	9%	8%	8%	7%	6%	7%	5%
International	23%	20%	20%	18%	22%	18%	20%	20%	21%	28%	34%	26%	44%

Source: Z&A estimates, company reports





## Exhibit 4: Canadian Cannabis Rec Market Assumptions

Mn	2019	2020	2021	2022	2023	1Q24e	2Q24e	3Q24e	4Q24e	2024e	2025e	2026e	2027e	2028e
<b>Our projections</b>														
Rec (US\$)	926	1,955	3,092	3,470	3,826	892	947	1,032	997	3,868	3,945	4,024	4,105	4,187
Rec (C\$)	1,188	2,620	3,875	4,518	5,163	1,203	1,277	1,391	1,344	5,214	5,318	5,425	5,533	5,644
yoy ch %	679%	121%	48%	17%	14%	2%	0%	1%	1%	1%	2%	2%	2%	2%
qoq ch %	na	na	na	na	na	-9%	6%	9%	-3%	na	na	na	na	na
	Nov	Nov	Nov	Nov	Nov	Feb	May	Aug	Nov	Nov	Nov	Nov	Nov	Nov
Rec (C\$)	1,097	2,470	3,819	4,448	5,140	1,237	1,252	1,353	1,359	5,202	5,416	5,535	5,658	5,784
yoy ch %		125%	55%	16%	16%	4%	0%	-1%	2%	1%	4%	2%	2%	2%
qoq ch %	na	na	na	na	na	-7%	1%	8%	0%	na	na	na	na	na
<b>Sales by province</b>	<b>1,188</b>	<b>2,620</b>	<b>3,875</b>	<b>4,518</b>	<b>5,163</b>	<b>1,203</b>	<b>1,277</b>	<b>1,391</b>	<b>1,344</b>	<b>5,214</b>	<b>5,318</b>	<b>5,425</b>	<b>5,533</b>	<b>5,644</b>
Ontario	254	722	1,423	1,803	2,125									
Alberta	286	575	717	797	894									
British Columbia	255	370	551	670	797									
Quebec	97	496	601	586	623									
Rest	296	457	583	662	723									
<b>YoY ch %</b>		<b>121%</b>	<b>48%</b>	<b>17%</b>	<b>14%</b>									
Ontario		184%	97%	27%	18%									
Alberta		101%	25%	11%	12%									
British Columbia		45%	49%	21%	19%									
Quebec		412%	21%	-2%	6%									
Rest		54%	28%	14%	9%									
<b>QoQ ch %</b>		<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>									

Source: Z&amp;A estimates, company reports



29 July 2024

Tilray Brands: Company Update

Exhibit 5: International Cannabis Sales Assumptions

	May FY22	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
US\$Mn													
<b>Intl markets size</b>													
Germany			36.0	38.0	41.9	62.8	178.6	81.0	90.5	149.2	223.9	544.6	1,677.3
Australia			110.0	120.0	125.0	145.0	500.0	123.2	134.4	140.0	162.4	560.0	627.2
Israel			88.5	92.3	94.1	99.5	374.4	106.1	119.4	126.0	132.6	484.1	630.0
Other													
<b>Tilray share %</b>													
Germany						23%		23%	23%	23%	23%	23%	23%
Australia						10%		10%	10%	10%	10%	10%	10%
Israel						3%		3%	3%	3%	3%	3%	3%
Other													
<b>Tilray sales (0.4x factor)</b>													
Germany	53.9	43.6	14.3	11.9	14.0	13.1	53.3	14.0	15.5	21.2	29.1	79.9	188.8
Australia						5.8		7.5	8.3	13.7	20.6	50.1	154.3
Israel						5.8		4.9	5.4	5.6	6.5	22.4	25.1
Other						1.2		1.3	1.4	1.5	1.6	5.8	7.6
						0.3		0.4	0.4	0.4	0.4	1.5	1.9

Source: Z&A estimates, company reports



29 July 2024

Tilray Brands: Company Update

Exhibit 6: Income Statement

INCOME STATEMENT	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
<i>US\$ 000s</i>												
<b>Net revenue</b>	<b>627,124</b>	<b>176,949</b>	<b>193,771</b>	<b>188,340</b>	<b>229,882</b>	<b>788,942</b>	<b>215,229</b>	<b>216,036</b>	<b>211,951</b>	<b>256,411</b>	<b>899,628</b>	<b>1,049,841</b>
(-) product costs	-480,164	-132,753	-146,362	-138,944	-150,083	-568,142	-149,605	-148,617	-141,716	-169,652	-609,591	-682,244
<b>Gross profit</b>	<b>146,960</b>	<b>44,196</b>	<b>47,409</b>	<b>49,396</b>	<b>79,799</b>	<b>220,800</b>	<b>65,624</b>	<b>67,419</b>	<b>70,235</b>	<b>86,759</b>	<b>290,036</b>	<b>367,597</b>
(-) General and administrative	-165,159	-40,516	-43,313	-39,940	-41,038	-164,807	-41,000	-41,000	-41,000	-41,000	-164,000	-206,978
(-) Selling	-34,840	-6,859	-7,583	-9,995	-12,796	-37,233	-11,192	-11,234	-11,021	-13,333	-46,781	-49,247
(-) Amortization	-93,489	-22,225	-21,917	-21,558	-19,052	-84,752	-21,176	-21,244	-21,313	-21,380	-85,113	-86,274
(-) Marketing and promotion	-30,937	-8,535	-9,208	-11,191	-12,999	-41,933	-12,914	-12,962	-12,717	-15,385	-53,978	-62,990
(-) Research and development	-682	-79	-56	-106	-394	-635	0	0	0	0	0	0
(-) Change in fair value of contingent cor	-855	11,107	-300	5,983	-1,000	15,790	0	0	0	0	0	0
(-) Impairments	-934,000	0	0	0	0	0	0	0	0	0	0	0
(-) Other than temporary change in FV of	-246,330	0	0	-42,681	0	-42,681	0	0	0	0	0	0
(-) Litigation costs	505	-2,034	-3,042	-3,363	188	-8,251	0	0	0	0	0	0
(-) Restructuring costs	-9,245	-915	-2,655	-5,178	-6,833	-15,581	0	0	0	0	0	0
(-) Transaction costs	-1,613	-8,502	-1,094	-3,465	-2,401	-15,462	0	0	0	0	0	0
<b>Operating income</b>	<b>-1,369,685</b>	<b>-34,362</b>	<b>-41,759</b>	<b>-82,098</b>	<b>-16,526</b>	<b>-174,745</b>	<b>-20,657</b>	<b>-19,022</b>	<b>-15,816</b>	<b>-4,340</b>	<b>-59,835</b>	<b>-37,892</b>
(+) FX gain	0	0	0	0	0	0	0	0	0	0	0	0
(-) Interest expense, net	-13,587	-9,835	-8,625	-8,517	-9,456	-36,433	-5,444	-5,322	-5,319	-5,343	-21,428	-21,475
(+) Change in fair value of warrant liabilit	0	0	0	0	0	0	0	0	0	0	0	0
(+) Non-operating income	-66,909	-4,402	821	-17,239	-17,022	-37,842	0	0	0	0	0	0
<b>Loss before provision for income taxes</b>	<b>-1,450,181</b>	<b>-48,599</b>	<b>-49,563</b>	<b>-107,854</b>	<b>-43,004</b>	<b>-249,020</b>	<b>-26,101</b>	<b>-24,344</b>	<b>-21,135</b>	<b>-9,683</b>	<b>-81,263</b>	<b>-59,366</b>
(-) deferred income tax recovery	0	0	0	0	0	0	783	730	634	290	2,438	1,781
(-) current income tax expense	7,181	-7,264	3,380	2,871	27,629	26,616	131	122	106	48	406	297
<b>Net income before min int</b>	<b>-1,443,000</b>	<b>-55,863</b>	<b>-46,183</b>	<b>-104,983</b>	<b>-15,375</b>	<b>-222,404</b>	<b>-25,188</b>	<b>-23,492</b>	<b>-20,395</b>	<b>-9,344</b>	<b>-78,419</b>	<b>-57,288</b>
(-) min int	-9,656	-15,662	-2,825	12,282	-7,630	-13,835	0	0	0	0	0	0
<b>Net income</b>	<b>-1,452,656</b>	<b>-71,525</b>	<b>-49,008</b>	<b>-92,701</b>	<b>-15,375</b>	<b>-236,239</b>	<b>-25,188</b>	<b>-23,492</b>	<b>-20,395</b>	<b>-9,344</b>	<b>-78,419</b>	<b>-57,288</b>
Basic EPS	-2.35	-0.10	-0.07	-0.12	-0.02	-0.32	-0.03	-0.03	-0.02	-0.01	-0.09	-0.07
<b>Diluted EPS</b>	<b>-2.35</b>	<b>-0.10</b>	<b>-0.07</b>	<b>-0.12</b>	<b>-0.02</b>	<b>-0.32</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.02</b>	<b>-0.01</b>	<b>-0.09</b>	<b>-0.07</b>
Basic # of shares (Mn)	618.0	691.2	730.8	754.4	794.2	742.6	831.9	831.9	831.9	831.9	831.9	831.9
Diluted # of shares (Mn)	618.0	691.2	730.8	754.4	794.2	742.6	831.9	831.9	831.9	831.9	831.9	831.9

Source: Z&A estimates, company reports



29 July 2024

Tilray Brands: Company Update

Exhibit 7: Cash Flow

SUMMARY CASH FLOW	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
<i>US\$ 000s</i>												
Net earnings	-1,443,000	-55,863	-46,183	-104,983	-15,375	-222,404	-25,188	-23,492	-20,395	-9,344	-78,419	-57,288
(+) D&A	130,149	30,789	31,552	32,842	31,730	126,913	31,710	31,812	31,915	32,016	127,454	129,192
<b>Cash earnings</b>	<b>-1,312,851</b>	<b>-25,074</b>	<b>-14,631</b>	<b>-72,141</b>	<b>16,355</b>	<b>-95,491</b>	<b>6,522</b>	<b>8,321</b>	<b>11,520</b>	<b>22,672</b>	<b>49,035</b>	<b>71,903</b>
(-) Working capital changes	14,400	5,571	-13,059	-21,397	18,736	-10,149	9,763	-537	2,721	-29,622	-17,675	-27,129
(-) Other operating flows	1,306,357	3,661	-2,719	78,177	-4,384	74,735	0	0	0	0	0	0
<b>Net cash used in operating activities</b>	<b>7,906</b>	<b>-15,842</b>	<b>-30,409</b>	<b>-15,361</b>	<b>30,707</b>	<b>-30,905</b>	<b>16,285</b>	<b>7,783</b>	<b>14,241</b>	<b>-6,950</b>	<b>31,359</b>	<b>44,774</b>
(-) net capex	-20,800	-4,152	-5,859	-9,528	-9,710	-29,249	-6,026	-6,049	-5,935	-7,180	-25,190	-26,246
<b>Free cash flow</b>	<b>-12,894</b>	<b>-19,994</b>	<b>-36,268</b>	<b>-24,889</b>	<b>20,997</b>	<b>-60,154</b>	<b>10,258</b>	<b>1,734</b>	<b>8,307</b>	<b>-14,130</b>	<b>6,170</b>	<b>18,528</b>
(-) acquisitions	-26,718	22,956	-83,582	0	0	-60,626	0	0	0	0	0	0
(-) divestitures	4,304	342	23	801	7,343	8,509	0	0	0	0	0	0
(+) other	-35,663	41,480	13,290	39,976	78,867	173,613	0	0	0	0	0	0
(+) share issuance	129,593	0	0	0	8,619	8,619	0	0	0	0	0	0
(+) share repurchase	-1,189	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	0	0	0	0	0	0	0	0	0	0	0	0
<b>Change in net</b>	<b>58,622</b>	<b>44,784</b>	<b>-106,537</b>	<b>15,888</b>	<b>115,826</b>	<b>69,961</b>	<b>10,258</b>	<b>1,734</b>	<b>8,307</b>	<b>-14,130</b>	<b>6,170</b>	<b>18,528</b>
<b>Ending net (debt)</b>	<b>-131,243</b>	<b>-86,459</b>	<b>-192,996</b>	<b>-177,108</b>	<b>-61,282</b>	<b>-61,282</b>	<b>-51,024</b>	<b>-49,289</b>	<b>-40,983</b>	<b>-55,112</b>	<b>-55,112</b>	<b>-36,584</b>
Cash/inv/sec	448,529	466,465	261,367	225,858	260,522	260,522	256,738	258,528	266,553	255,486	255,486	276,819
Gross debts/loans/bonds	579,772	552,924	454,363	402,966	321,804	321,804	307,762	307,817	307,536	310,599	310,599	313,403

Source: Z&A estimates, company reports



## Exhibit 8: Balance Sheet

BALANCE SHEET	May FY23	May FY24e	Aug 1Q25e	Nov 2Q25e	Feb 3Q25e	May 4Q25e	May FY25e	May FY26e
<i>US\$ 000s</i>								
Cash and cash equivalents	206,632	228,340	224,556	226,346	234,371	223,304	223,304	244,637
Marketable securities	241,897	32,182	32,182	32,182	32,182	32,182	32,182	32,182
Accounts receivable	86,227	101,695	95,213	95,570	93,763	113,431	113,431	131,443
Held for sale	0	32,074	30,030	30,142	29,572	35,775	35,775	41,456
Inventory	200,551	250,487	234,521	235,400	230,949	279,394	279,394	323,761
Prepaid expenses and other current as:	37,722	31,332	29,335	29,445	28,888	34,948	34,948	40,497
<b>Current assets</b>	<b>773,029</b>	<b>676,110</b>	<b>645,836</b>	<b>649,084</b>	<b>649,726</b>	<b>719,034</b>	<b>719,034</b>	<b>813,978</b>
Capital ssets	429,667	558,248	551,561	544,795	537,811	531,972	531,972	505,014
Right of use assets	5,941	16,101	16,101	16,101	16,101	16,101	16,101	16,101
Intangible assets	973,785	915,469	896,472	877,475	858,478	839,481	839,481	763,493
Goodwill	2,008,843	2,008,884	2,008,884	2,008,884	2,008,884	2,008,884	2,008,884	2,008,884
Interest in equity investees	4,576	0	0	0	0	0	0	0
Long-term investments	7,795	7,859	7,859	7,859	7,859	7,859	7,859	7,859
Convertible notes receivable	103,401	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Other assets	222	5,395	5,395	5,395	5,395	5,395	5,395	5,395
<b>TOTAL ASSETS</b>	<b>4,307,259</b>	<b>4,220,066</b>	<b>4,164,109</b>	<b>4,141,593</b>	<b>4,116,254</b>	<b>4,160,726</b>	<b>4,160,726</b>	<b>4,152,724</b>
Bank indebtedness	23,381	18,033	5,000	5,000	5,000	5,000	5,000	5,000
Accounts payable and accrued liabilities	190,682	239,080	223,841	224,680	220,432	266,670	266,670	309,017
Contingent consideration	16,218	15,000	14,044	14,097	13,830	16,731	16,731	19,388
Warrant liability	1,817	3,253	3,046	3,057	2,999	3,628	3,628	4,205
Escrow payable	0	0	0	0	0	0	0	0
Current portion of lease liabilities	2,423	5,091	4,767	4,784	4,694	5,679	5,679	6,580
Current portion of long-term debt	24,080	15,506	14,518	14,572	14,297	17,295	17,295	20,042
Current portion of convertible debent	174,378	330	309	310	304	368	368	427
<b>Total current liabilities</b>	<b>432,979</b>	<b>296,293</b>	<b>265,524</b>	<b>266,500</b>	<b>261,556</b>	<b>315,372</b>	<b>315,372</b>	<b>364,658</b>
Contingent consideration	10,889	0	0	0	0	0	0	0
Lease liabilities	7,936	60,422	60,422	60,422	60,422	60,422	60,422	60,422
Long-term debt	136,889	158,352	158,352	158,352	158,352	158,352	158,352	158,352
Convertible debentures payable	221,044	129,583	129,583	129,583	129,583	129,583	129,583	129,583
Deferred tax liabilities	167,364	130,870	130,870	130,870	130,870	130,870	130,870	130,870
Other liabilities	215	90	90	90	90	90	90	90
<b>Total liabilities</b>	<b>977,316</b>	<b>775,610</b>	<b>744,841</b>	<b>745,817</b>	<b>740,873</b>	<b>794,689</b>	<b>794,689</b>	<b>843,975</b>
Convertible preferred stock	66	83	83	83	83	83	83	83
Preferred stock	0	0	0	0	0	0	0	0
Class 1 common stock	5,777,743	0	0	0	0	0	0	0
Class 2 common stock	-46,610	0	0	0	0	0	0	0
Class 3 common stock	0	0	0	0	0	0	0	0
Capital stock	0	0	0	0	0	0	0	0
Additional paid-in capital	0	6,146,810	6,146,810	6,146,810	6,146,810	6,146,810	6,146,810	6,146,810
Accumulated other comprehensive inc	0	-42,271	-42,271	-42,271	-42,271	-42,271	-42,271	-42,271
Accumulated deficit	-2,415,507	-2,651,746	-2,676,934	-2,700,426	-2,720,821	-2,730,165	-2,730,165	-2,787,454
<b>Total stockholders equity</b>	<b>3,315,692</b>	<b>3,452,876</b>	<b>3,427,688</b>	<b>3,404,196</b>	<b>3,383,801</b>	<b>3,374,457</b>	<b>3,374,457</b>	<b>3,317,168</b>
Non controlling interest	14,251	-8,420	-8,420	-8,420	-8,420	-8,420	-8,420	-8,420
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,307,259</b>	<b>4,220,066</b>	<b>4,164,109</b>	<b>4,141,593</b>	<b>4,116,254</b>	<b>4,160,726</b>	<b>4,160,726</b>	<b>4,152,724</b>

Source: Z&amp;A estimates, company reports



# Appendix II: Valuation Comps



Exhibit 9: Canadian LPs Valuation Multiples

Multiples 29-Jul-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 Inc.	1.7x	1.5x	1.4x	61.4x	24.1x	13.7x	na	na	na	na	0.1x	na	5.2x	na
Auxly Cannabis Group Inc.	1.1x	na	na	12.5x	na	na	-0.4x	na	-5.0x	na	-0.6x	na	-6.8x	na
Avant Brands Inc	1.0x	na	na	2.1x	na	na	-0.2x	na	-0.4x	na	-0.5x	na	-1.1x	na
BZAM Ltd	0.6x	na	na	-1.6x	na	na	-0.4x	na	1.0x	na	-0.5x	na	1.4x	na
Cannara Biotech	1.3x	na	na	7.5x	na	na	-0.6x	na	-3.3x	na	-0.6x	na	-3.3x	na
Canopy Growth Corporation	1.1x	4.5x	2.9x	-5.8x	-65.2x	180.2x	-0.3x	-1.2x	1.5x	17.4x	-0.3x	-1.0x	1.3x	15.1x
Cronos Group Inc	0.8x	0.8x	0.5x	-1.8x	-2.4x	-47.4x	na	na	na	na	8.4x	8.2x	-20.0x	-25.7x
Decibel Cannabis Company Inc	0.7x	0.6x	0.5x	4.2x	3.2x	2.4x	-0.4x	-0.4x	-2.6x	-2.0x	-0.4x	-0.4x	-2.6x	-2.0x
High Tide, Inc.	0.4x	0.4x	0.4x	4.9x	5.2x	4.1x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.1x	-0.1x
Nova Cannabis Inc	0.3x	0.3x	0.3x	4.7x	3.8x	2.6x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.5x	-0.4x
OrganiGram Holdings Inc	1.0x	0.9x	0.8x	-10.2x	74.1x	15.8x	na	na	na	na	0.5x	0.5x	-5.0x	36.6x
Rubicon Organics, Inc.	0.9x	na	na	-18.8x	na	na	-0.1x	na	1.7x	na	-0.1x	na	1.7x	na
SNDL Inc.	0.8x	0.7x	0.7x	16.2x	60.1x	na	na	na	na	na	0.2x	0.2x	4.3x	16.0x
Tilray Brands, Inc.	2.2x	1.9x	1.8x	41.2x	18.7x	13.5x	-0.1x	-0.1x	-1.5x	-0.7x	-0.2x	-0.1x	-3.1x	-1.4x
Village Farms International, Inc.	0.5x	0.5x	0.5x	11.0x	10.5x	6.6x	-0.1x	-0.1x	-1.3x	-1.2x	-0.1x	-0.1x	-1.3x	-1.3x

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

Exhibit 10: Canadian LPs EV Calculations

C\$Mn 29-Jul-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 BDND	Pref Stock Min Int
Aurora Cannabis Inc.	406	465	8.20	54.5	1.8	462	56	-17		0		39	42
Auxly Cannabis Group Inc.	162	112	0.03	1,250.3	249.9	52	-45	-16		0		-61	
Avant Brands Inc	21	31	0.05	278.6	2.0	15	-6	-10				-16	
BZAM Ltd	118	51	0.04	180.8	0.2	6	-31	-14				-45	
Cannara Biotech	85	105	0.65	90.0	0.0	58	-46	0	-1			-46	
Canopy Growth Corporation	na	1,362	10.08	102.5	1.3	1,046	-364				48	-316	
Cronos Group Inc	101	107	3.27	382.0	7.8	1,276	1,171	-2				1,169	
Decibel Cannabis Company Inc	60	60	0.06	409.0	15.8	23	-38	1				-37	
High Tide, Inc.	208	204	2.55	78.6	0.4	201	0	-3				-3	
Nova Cannabis Inc	1	84	1.31	57.3		75	-1	-8				-9	
OrganiGram Holdings Inc	147	147	2.20	94.5	5.0	219	72		0			72	
Rubicon Organics, Inc.	32	32	0.48	56.2	4.1	29	-3	0				-3	
SNDL Inc.	551	666	3.07	263.2	10.9	843	217	-40				177	
Tilray Brands, Inc.	2,200	2,291	2.51	831.9		2,085	-84	-68		-21		-172	34
Village Farms International, Inc.	190	216	1.52	110.2		168	-25	-1				-26	22

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





Exhibit 11: US MSO Valuation Multiples

US\$Mn 29-Jul-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt				
	2023	2024	2025	2023	2024	2025	Sales		EBITDA		Sales		EBITDA		
							CY24	Current	CY24	Current	CY24	Current	CY24	Current	
<b>US MSOs</b>	<b>1.8x</b>	<b>1.7x</b>	<b>1.4x</b>	<b>11.3x</b>	<b>8.7x</b>	<b>7.0x</b>									
Acreage Holdings	0.3x	1.2x	na	2.9x	5.9x	na	-0.8x	-0.9x	-4.2x	-8.1x	-1.0x	-1.1x	-4.9x	-9.5x	
Ascend Wellness	1.3x	1.2x	1.1x	6.5x	5.4x	4.8x	-0.4x	-0.4x	-1.9x	-2.0x	-0.8x	-0.8x	-3.7x	-4.0x	
Ayr Wellness	1.4x	1.3x	1.2x	5.6x	5.2x	4.6x	-0.8x	-0.8x	-3.1x	-3.4x	-0.7x	-0.7x	-2.8x	-3.0x	
Cannabist Co	0.9x	0.9x	0.8x	6.3x	6.2x	4.3x	-0.5x	-0.5x	-3.8x	-3.3x	-0.7x	-0.7x	-4.8x	-4.2x	
Cansortium	1.2x	na	na	3.4x	na	na	na	na	na	na	na	na	na	na	
Cresco Labs	1.6x	1.7x	1.6x	7.3x	6.1x	5.8x	-0.5x	-0.5x	-1.9x	-2.0x	-0.7x	-0.7x	-2.7x	-2.8x	
Curaleaf	3.1x	3.0x	2.8x	13.8x	12.5x	10.8x	-0.5x	-0.5x	-2.0x	-3.2x	-0.8x	-0.8x	-3.3x	-5.3x	
4Front Ventures	2.3x	2.5x	na	22.5x	13.8x	na	-0.9x	-0.9x	-4.8x	-5.7x	-1.5x	-1.5x	-8.2x	-9.7x	
Glass House	5.0x	3.7x	na	32.7x	15.8x	na	-0.1x	na	-0.5x	na	-0.3x	-0.4x	-1.5x	-1.8x	
Gold Flora	0.8x	0.7x	0.7x	na	16.7x	3.4x	na	-0.2x	na	na	na	-0.5x	na	na	
Goodness Growth	0.9x	0.8x	na	4.6x	3.6x	na	-0.5x	-0.5x	-2.3x	-1.8x	-0.6x	-0.6x	-2.7x	-2.1x	
Green Thumb	2.8x	2.6x	2.4x	9.0x	8.3x	7.9x	-0.1x	-0.1x	-0.4x	-0.4x	-0.2x	-0.2x	-0.6x	-0.6x	
Grown Rogue	4.2x	na	na	18.0x	na	na	na	na	na	na	na	na	na	na	
iAnthus	1.5x	na	na	na	na	na	na	-0.8x	na	-7.5x	na	-0.9x	na	-8.0x	
Jushi	1.5x	1.5x	1.4x	10.1x	7.5x	6.5x	-0.7x	-0.7x	-3.2x	-8.4x	-1.1x	-1.1x	-5.4x	-13.9x	
MariMed	1.0x	0.9x	0.7x	6.1x	5.9x	3.3x	-0.3x	-0.3x	-2.1x	-2.2x	-0.4x	-0.5x	-2.7x	-2.9x	
Planet 13	1.6x	1.3x	0.9x	-6.8x	15.6x	5.5x	0.1x	0.1x	0.9x	10.4x	0.0x	-0.1x	-0.6x	-6.6x	
Schwazze	1.1x	1.1x	na	3.6x	4.9x	na	-0.8x	-0.7x	-3.5x	-2.4x	-0.9x	-0.8x	-4.0x	-2.8x	
StateHouse	1.8x	na	na	na	na	na	na	-1.1x	na	-57.5x	na	-1.8x	na	-92.6x	
TerrAscend	2.5x	2.3x	2.1x	11.4x	11.2x	9.6x	-0.6x	-0.5x	-2.7x	-1.9x	-0.8x	-0.7x	-3.7x	-2.7x	
TILT	0.7x	0.7x	0.6x	53.7x	na	19.3x	-0.4x	-0.3x	-41.9x	-6.7x	-0.7x	-0.6x	-76.4x	-12.1x	
Trulieve	2.3x	2.1x	2.1x	7.9x	6.7x	6.7x	-0.5x	-0.5x	-1.4x	-1.7x	-0.5x	-0.6x	-1.7x	-2.1x	
Verano	2.0x	2.1x	1.9x	6.3x	6.7x	6.0x	-0.3x	-0.3x	-0.9x	-0.8x	-0.6x	-0.5x	-1.8x	-1.5x	
Vext	2.1x	1.8x	na	13.2x	7.3x	na	-0.9x	-1.1x	-3.5x	-8.1x	-0.9x	-1.1x	-3.5x	-8.1x	

1) By "current", we mean the latest reported qtr annualized; 2) Multiples calculated using FactSet consensus (when available) for 2023, 2024, and 2025

3) As there are no consensus estimates for Cansortium, Grown Rogue, iAnthus, and StateHouse, we take "current" sales for each of them

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

Exhibit 12: US MSOs EV Calculations

US\$Mn 29-Jul-24	FactSet Spot EV	Z&A Spot EV	US\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	Income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int
<b>US MSOs</b>													
Acreage Holdings	250	303	0.31	139.9	29.7	53	-214	-2	-34			-250	
Ascend Wellness	708	695	1.00	211.5	13.3	225	-238	-134	-99			-470	
Ayr Wellness	718	638	2.08	114.0	31.1	302	-382	5	-13	0	55	-336	
Cannabist Co	607	439	0.23	429.3		98	-272	-23	-45	0		-340	
Cansortium	140	118	0.12	298.3	6.3	37	-49	-7	-26			-81	
Cresco Labs	1,081	1,264	1.58	438.2	9.8	708	-395	-56	-98	-7		-556	
Curaleaf	3,559	4,211	3.99	738.1	7.9	2,977	-672	-18	-345	-81		-1,115	119
4Front Ventures	288	226	0.10	916.2	20.2	92	-79	-8	-40	-6	0	-134	
Glass House	556	802	8.29	75.7	3.2	654	-26	0	-21	-29		-76	72
Gold Flora	130	98	0.14	287.6	0.2	40	-32	-9	-13	-4		-58	
Goodness Growth	113	78	0.44	45.3		20	-50	-8				-58	
Green Thumb	2,761	2,932	11.21	236.1	7.1	2,726	-147	-23	-11	-33	9	-206	
Grown Rogue	75	106	0.62	170.8		106	4	-3	0	0		0	
iAnthus	104	259	0.02	6,510.5		104	-146	-9				-155	
Jushi	384	410	0.58	196.6	1.1	115	-179	1	-117			-295	
MariMed	144	151	0.16	379.6	5.7	62	-53	-1	-16			-70	19
Planet 13	117	161	0.48	321.8	0.3	155	10	-6	-5	-5		-6	
Schwazze	188	195	0.21	171.3		36	-138	-3	-18	0		-159	
StateHouse	141	186	0.00	255.6	141.0	0	-114	-13	-39	-24	7	-184	2
TerrAscend	641	782	1.43	351.2	15.3	524	-186	-7	-59	-6		-258	
TILT	114	111	0.02	384.8	10.9	8	-56	-43	-3			-102	
Trulieve	1,830	2,542	10.06	186.0	3.3	1,903	-537	-16	-81	-4		-639	
Verano	1,727	1,922	3.95	343.5	9.8	1,395	-271	-4	-248	-4		-527	
Vext	54	73	0.17	217.5	0.4	38	-35	0				-35	

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

Exhibit 13: Cannabis Ancillary Stocks Valuation

US\$m			7/29/24	Mkt	(mn)	Net	Ent	Last Qtr Annualized		1yr Forward Consensus		Consensus		Cons	Net debt
	Company name	Ticker	Price	Cap				EV/Sales	EV/EBITDA	EV/Sales	EV/EBITDA	1yF Estimates (US\$m)	EBITDA	to Cons	
		Listing	US\$	US\$ MN	Shares	(Debt)	Value					Sales	EBITDA	mgn %	1yF EBITDA
<b>Service Providers</b>															
AFC Gamma, Inc.	AFCG	NASDAQ	8.97	184	20.5	-8	192	<i>finco</i>	2.9x	#N/A	65	#N/A	#N/A	#N/A	#N/A
Agrify Corp.	AGFY	NASDAQ	0.28	0	1.7	-23	23	<i>finco</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Chicago Atlantic Real Estate Finance, Inc.	REFI	NASDAQ	15.99	291	18.2	-58	349	<i>finco</i>	5.8x	#N/A	60	#N/A	#N/A	#N/A	#N/A
Innovative Industrial Properties Inc	IIPR	NYSE	123.52	3,476	28.1	-139	3,615	<i>finco</i>	11.3x	14.2x	319	255	80%	-0.5x	
NewLake Capital Partners, Inc.	NLCP	US OTC	19.45	399	20.5	24	375	<i>finco</i>	7.3x	#N/A	51	#N/A	#N/A	#N/A	#N/A
Power REIT	PW	NYSE America	1.26	4	3.4	-32	36	<i>finco</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
RIV Capital, Inc. Class A	CNPOF	US OTC	0.11	15	136.2	-42	57	<i>finco</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
SHF Holdings Inc Class A	SHFS	NASDAQ	0.61	34	54.6	-12	45	<i>finco</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Silver Spike Investment Corp.	SSIC	NASDAQ	11.65	72	6.2	33	40	<i>finco</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Leafly Holdings, Inc.	LFLY	NASDAQ	2.29	5	2.2	-14	19	<i>tech</i>	0.5x	-5.6x	36	-3	-10%	4.1x	
SpringBig Holdings, Inc.	SBIG	US OTC	0.14	6	45.3	-6	13	<i>tech</i>	0.4x	2.1x	32	6	18%	-1.1x	
WM Technology, Inc. Class A	MAPS	NASDAQ	1.13	63	55.5	0	63	<i>tech</i>	0.3x	1.9x	187	33	18%	0.0x	
Greenlane Holdings, Inc. Class A	GNLN	NASDAQ	0.29	1	3.7	-9	10	<i>vape parts</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
GrowGeneration Corp.	GRWG	NASDAQ	2.31	142	61.5	23	120	<i>pix &amp; shovel</i>	0.6x	-255.4x	207	0	0%	-48.1x	
Hydrofarm Holdings Group, Inc.	HYFM	NASDAQ	0.64	29	45.8	-154	183	<i>pix &amp; shovel</i>	0.9x	25.5x	201	7	4%	-21.4x	
Scotts Miracle-Gro Company Class A	SMG	NYSE	70.42	3,979	56.5	-2,874	6,853	<i>pix &amp; shovel</i>	1.9x	12.0x	3,615	570	16%	-5.0x	
urban-gro Inc	UGRO	NASDAQ	1.43	17	12.1	-4	21	<i>pix &amp; shovel</i>	0.2x	24.5x	94	1	1%	-4.8x	
<b>CBD, CPG, Pharma, International</b>															
Charlotte's Web Holdings, Inc.	CWBHF	US OTC	0.17	26	154.3	-13	39	<i>CBD</i>	0.7x	-2.5x	58	-15	-26%	0.8x	
Clever Leaves Holdings, Inc.	CLVR	US OTC	2.40	4	1.7	4	0	<i>CBD</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
CV Sciences, Inc.	CVSI	US OTC	0.05	8	161.7	1	7	<i>CBD</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Turning Point Brands Inc	TPB	NYSE	37.69	664	17.6	-260	924	<i>CPG</i>	2.3x	9.1x	397	102	26%	-2.6x	
IM Cannabis Corp	IMCC	NASDAQ	2.46	5	2.2	-9	15	<i>Intl</i>	0.3x	-10.5x	43	-1	-3%	6.6x	
InterCure Ltd.	INCR	NASDAQ	2.24	102	45.6	-24	126	<i>Intl</i>	1.2x	9.7x	106	13	12%	-1.8x	
Ispire Technology, Inc.	ISPR	NASDAQ	7.12	386	54.2	45	341	<i>Intl</i>	1.2x	15.2x	274	22	8%	2.0x	
Little Green Pharma Ltd.	LGPPF	US OTC	#N/A	#N/A	300.1	0	#N/A	<i>Intl</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
PharmaCielo Ltd.	PCLOF	US OTC	0.10	16	169.1	-14	30	<i>Intl</i>	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Smooere International Holdings Limited	SMORF	US OTC	1.22	7,470	6,101.8	2,171	5,299	<i>Intl</i>	0.4x	1.9x	14,536	2,788	19%	0.8x	
Jazz Pharmaceuticals Public Limited Con	JAZZ	NASDAQ	111.11	6,917	62.3	-4,170	11,087	<i>pharma</i>	2.6x	6.0x	4,221	1,843	44%	-2.3x	

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

## Exhibit 14: Stock Performance

29-Jul-24	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
AAWH	5%	-23%	67%
ACRDF	2%	-30%	29%
AYRWF	-6%	-12%	125%
CBSTF	24%	-12%	-45%
CNTMF	-10%	-24%	58%
CRLBF	-7%	-23%	1%
CURLF	-2%	-20%	23%
CXXIF	0%	-9%	0%
FFNTF	5%	2%	-24%
GLASF	15%	-5%	168%
GRAMF	-7%	-23%	-12%
GDNSF	-7%	0%	222%
GRUSF	-7%	-14%	254%
GTBIF	-10%	-8%	69%
ITHUF	-11%	-14%	7%
JUSHF	-11%	-13%	38%
LOWLF	-52%	-61%	-93%
MRMD	-14%	-40%	-57%
PLNH	-8%	-24%	-13%
SHWZ	-48%	-66%	-77%
STHZF	-90%	-97%	-97%
TCNNF	2%	-5%	155%
TLTFF	-4%	-31%	-36%
TSNDF	-5%	-14%	5%
VEXTF	8%	0%	-17%
VRNOF	0%	-20%	52%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
ACB	26%	-11%	22%
AVTBF	-23%	-39%	-74%
BZAMF	-20%	162%	-81%
CBWTF	32%	-33%	73%
CGC	11%	-17%	80%
CRON	3%	-8%	34%
DBCCF	-8%	-58%	-59%
ETRGF	-6%	0%	-26%
HITI	-15%	-8%	56%
LOVFF	-9%	-23%	-37%
NVACF	13%	-5%	121%
OGI	6%	-13%	18%
ROMJF	23%	28%	-1%
SNDL	18%	12%	53%
TLRY	8%	3%	-14%
VFF	12%	-18%	90%
<b>Cannabis - International</b>			
CLVR	-19%	-16%	-44%
IMCC	-13%	-42%	-63%
INCR	2%	33%	14%
LGPPF	na	na	na
PCLOF	-14%	33%	60%
<b>Tech</b>			
LFLY	2%	12%	-66%
SBIG	2%	6%	-52%
MAPS	11%	7%	15%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	-23%	-24%	-37%
CNPOF	11%	33%	19%
IIPR	13%	26%	65%
NLCP	-3%	5%	53%
PW	45%	189%	-25%
SHFS	13%	-19%	12%
SSIC	-2%	4%	46%
REFI	1%	2%	6%
<b>Pix &amp; Shovel</b>			
AGFY	-25%	-2%	-90%
GRWG	3%	4%	-35%
HYFM	-10%	-22%	-40%
SMG	5%	4%	2%
UGRO	21%	-18%	10%
<b>Vape parts</b>			
GNLN	-21%	-54%	-67%
ISPR	-2%	37%	-27%
SMORF	-3%	40%	13%
TLLTF	-4%	-31%	-36%
<b>Index</b>			
S&P 500	0%	7%	20%
S&P 477	2%	4%	7%
Nasdaq	14%	13%	35%
MSOS ETF	-4%	-14%	47%
YOLO ETF	0%	-9%	33%

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, Canada, Germany, Australia, 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 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. Now, more than a year since its inception, the firm has collaborated with over 25 companies (in North America and overseas; plant touching and service providers; public and private), both on an on-going basis as well for specific projects. At various points in his career, Pablo Zuanic 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 at [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com); or via X @420Odysseus.*



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