



4/9/2025

Tilray Brands (TLRY)

Company Update: Neutral

Sales	FY23a	FY24a	FY25e	Prev	FY26e	Prev	FY27e	Prev
1Q	153.2	176.9	200.0 A	200.0	214.7	225.2	224.4	237.3
2Q	144.1	193.8	211.0 A	211.0	214.9	224.5	226.2	237.0
3Q	145.6	188.3	185.8 A	211.6	194.8	222.2	204.6	234.6
4Q	<u>184.2</u>	<u>229.9</u>	<u>225.2</u> E	<u>255.4</u>	<u>230.4</u>	<u>263.0</u>	<u>242.0</u>	<u>278.4</u>
FY	627.1	788.9	821.9 E	878.0	854.7	934.9	897.2	987.3
EBITDA	FY23a	FY24a	FY25e	Prev	FY26e	Prev	FY27e	Prev
1Q	12.8	10.7	9.3 A	9.3	14.7	19.2	13.5	21.2
2Q	11.0	10.1	9.0 A	9.0	10.0	16.6	22.0	24.6
3Q	13.3	10.2	9.0 A	13.9	23.1	22.3	20.4	20.1
4Q	<u>22.2</u>	<u>29.5</u>	<u>22.2</u> E	<u>26.3</u>	<u>18.0</u>	<u>24.1</u>	<u>19.1</u>	<u>26.5</u>
FY	59.4	60.5	49.6 E	58.6	65.9	82.2	74.9	92.4

Share price (US\$)	0.46	Perf.	TLRY	YOLO	S&P500	Stance:	Neutral
Share count (mn)	1,006.2	30d	-34%	-25%	-14%		no price target
Market Cap (US\$Mn)	459	90d	-69%	-40%	-16%		FY=May
Ticker	TLRY	1yr	-82%	-65%	-4%		



\$Mn	FY25e	FY26e	FY27e
Projected EV	558	579	601
EV/Sales	0.7x	0.7x	0.7x
EV/EBITDA	11.2x	8.8x	8.0x
	FY25e	FY26e	FY27e
Net debt/Sales	0.0x	0.0x	-0.1x
Net debt/EBITDA	-0.4x	-0.6x	-0.8x
Free Cash Flow	-113.7	-20.2	-20.5
Net debt	-19.0	-39.2	-59.8
Consensus	FY25e	FY26e	FY27e
Sales	868.9	945.3	na
EBITDA	59.7	87.0	na
Guidance FY25:	850-900 <- Sales		

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Updated Views Post Fiscal 3Q25

The mix of a revenue miss (12% below), FY25 sales guidance cut (\$850-900Mn, down \$100Mn, and vs. FactSet consensus of \$894Mn), a \$699Mn non cash impairment (less relevant, in our view), and the continued rise in the share count (+18% YTD thru Feb, and +2% post qtr close), pulled TLRY shares down 21% yesterday (it reported Feb qtr results before the Tue open). Although we believe the pullback was overdone, we will continue to rate the stock Neutral until we get better visibility on key catalysts (at 0.8x sales, the valuation is attractive but generally in line with direct peers). Importantly, management is more focused on profitable sales growth, is rationalizing SKUs in beer and domestic rec cannabis (this will be offset over time with profit margin accretive innovation), and more cannabis production is being reallocated to exports (moving parts notwithstanding, with international mostly flat, the company's growth in Germany is impressive). To become more constructive, we want to see a ramp up in export growth and stabilization in \$ gross profits in the domestic rec cannabis and US beer units.

Our take on 3Q25 (Feb). At the divisional level, our focus is on absolute adj \$ gross profits (TLRY does not split EBITDA by business line). *Note: All numbers in US\$ unless noted otherwise.*

- Cannabis.** Total net sales fell 17% qoq and -14% yoy (-9% ex FX). Per management's math, ex FX, ex reallocation of domestic production to exports, and ex SKU adjustments in vape and pre-rolls, total cannabis sales would have been up yoy to \$64.7Mn from a base of \$63.4Mn (i.e., +2% yoy). About 3.2 tons of domestic production that could have been sold B2B domestically for ~C\$3.2Mn, has been funneled to exports and should be recognized in coming quarters for about \$10Mn in revenues (most in the May qtr). In domestic rec, the company decided not to price compete in the low end of vape and infused pre-rolls (domestic rec); this accounted for a \$4Mn hit to sales (this is supposed to be temporary as cost efficiencies kick in). Adj gross margins increased >800bp yoy to 40.5%, and management stated ~80% of MJ gross profits came from medical cannabis (international and Canada). The latter implies domestic rec/B2B gross margins in the low-teens, and global MMJ near 90%. The (relative) pivot to higher margin SKUs in domestic rec and production allocation to exports is positive, in our view, despite the short-term impact on top line numbers. Still, we would like to see a pickup on the international sales numbers. While TLRY's retail flower sales in Germany are up 79% since 4/1/24 (start of CanG Phase 1) and extracts +31% (as more doctors prescribe even in the reimbursed market), TLRY's international sales have remained stagnant at \$14Mn since the Feb'24 qtr (due to offsets in other markets including Poland).
- Beverages.** The company is innovating in non-alc drinks (HDD9; energy; sport drinks) and revamping the beer unit (SKU cuts; innovating in segments like low-calorie), in part by gradually consolidating distribution and going deeper at the regional level (with specific craft beer brands). But apparently, the low-margin tail from the craft businesses acquired from BUD (9/29/23) and TAP (9/1/24) is not small. SKU rationalization hurt sales this qtr



(as we saw in the case of domestic rec MJ), by about \$6Mn. The company does not share ex M&A sales growth data (the 12mo sales for the TAP craft brands were >\$65Mn prior to the acquisition) but even adjusting for the \$6Mn in SKU cuts, it would seem total beer sales were down ex M&A (reported at \$55.9Mn vs. a base of \$54.7Mn). Gross margins were down 250bp yoy to 35.8% mainly due to the TAP brands' lower margins and start-up costs for new drink lines. *Note: TLRY has astutely benefited from valuation deflation in the beer industry (this peaked with STZ [not covered] paying \$3,000/barrel for Ballast Point in 2015; in contrast, TLRY paid \$500/barrel for Sweetwater, \$300 for Montauk, \$125 for ABI craft, and \$80 for TAP craft), and it is now working on integrating these assets.*

- **Distribution and Wellness** together accounted for 19% of total adjusted gross profits. It seems management will seek to scale up the wellness business both organically and via M&A.

Re the B/S and cash flow: The company booked an impairment (non-cash) for \$699Mn. Reported FCF for 2Q25 was -\$20Mn (-\$18Mn ex items); while negative this is better than -\$46Mn in the Feb qtr and -\$42Mn in Aug. Net debt at the end of Feb was only \$29Mn on a reported basis (\$52Mn actual net debt owed), per the 10-Q, or less than 1x LTM12 EBITDA. In order to bring down the convertible debt due 6/15/27, TLRY has exchanged for stock \$58Mn (\$43.1Mn settled prior to end of Feb, and another \$15Mn in early March) of the original amount of \$172.5Mn, so the balance is now \$114.4Mn. TLRY has also used its ATM facility to build its cash war chest to make use of future strategic opportunities (per management, it has not used the ATM to bring down the convertible debt). So, in total, during the Feb qtr TLRY issued \$28Mn in stock (\$140Mn YTD vs. less than \$9Mn in FY24). The share count was 983.4mn at the end of Feb, up 6% from 929.3 end of Nov, and up 18% from 831.9mn end of FY24 (May'24); per the 10-Q, the share count was 1,006mn as of 4/5/25.

Valuation and stock performance, and investment thesis. The stock is down 69% in the last 3mo compared with -40% for the YOLO ETF (subset of large Canadian LPs is down 50%; S&P500 -16%). Taking the share price of US\$0.46 (share count of 1,006mn), we calculate a spot EV of US\$566Mn (Canadian LP valuation comps are shown in C\$ in this report's appendix), which implies 0.65x the midpoint of FY25 sales guidance. If we strip out the non-cannabis assets (beer/hemp at 1x sales, CCC Pharma at purchase price), we calculate the cannabis piece trades north of 0.8x spot EV/sales, in line with ACB and below CGC; US MSOs Curaleaf and Green Thumb trade at ~1.1x. Given the company's global potential, we could say the valuation is attractive. We maintain our Neutral stance, while keeping an eye on international, earnings growth in drinks, US HDD9 moves, and FCF trends. Our FY25 sales estimate is below the latest guidance range (and we realize that may remain a driver of sentiment in the short term).

Table 1: Stocks mentioned in this report

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	will cover
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
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
TerrAscend		TSNDF	will cover
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
Vireo Growth		VREOF	will cover
Finance (MJ) Companies			
AFC Gamma		AFCG	Overweight
Chicago Atlantic BDC		LIEN	Overweight
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	will cover
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated
Canada LPs			
Aurora Cannabis		ACB	Neutral
Auxly Cannabis Group		CBWTF	not rated
Avant Brands		AVTBF	will cover
Avicanna		AVCN	not rated
Ayurcann Holdings		AYURF	not rated
Cannara Biotech		LOVFF	not rated
Canopy Growth Corporation		CGC	Neutral
Cronos Group		CRON	not rated
Decibel Cannabis Co		DBCCF	Overweight
Organigram Holdings		OGI	not rated
Rubicon Organics		ROMJF	will cover
SNDL		SNDL	not rated
Tilray Brands		TLRY	Neutral
Village Farms Intl		VFF	Overweight
Other			
Agrify		AGFY	not rated
Canify AG		TBD	private
Cantourage AG		HIGH:FF	not rated
Flora Growth		FLGC	not rated
Grow Generation		GRWG	not rated
Intercure		INCR	not rated
Ispire Technology		ISPR	will cover
Leafly		LFLY	not rated
LFTD Partners Inc.		LIFD	Overweight
Smoores International		SMORF	will cover
Urban-gro		UGRO	not rated
WM Technology		MAPS	Neutral

Source: Z&A ratings

Appendix I: Company Financials

9 April 2025

Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 1: Financial Highlights

US\$ Mn	May FY23	May FY24	Aug 1Q25	Nov 2Q25	Feb 3Q25	May 4Q25e	May FY25e	Aug 1Q26e	Nov 2Q26e	Feb 3Q26e	May 4Q26e	May FY26e	May FY27e
Net Sales (\$ Mn)	627.1	788.9	200.0	211.0	185.8	225.2	821.9	214.7	214.9	194.8	230.4	854.7	897.2
qoq ch %	na	na	-13%	5%	-12%	21%	na	-5%	0%	-9%	18%	na	na
yoy ch %	0%	26%	13%	9%	-1%	-2%	4%	7%	2%	5%	2%	4%	5%
guidance						253-303	850-900Mn	na	na	na	na	na	na
consensus Sales						272.2	868.9	224.5	227.0	225.0	281.5	945.3	997.5
Profit margins (on net sales)													
Gross profit before FV adj	147.0	220.8	59.7	61.2	52.0	79.2	252.1	66.9	61.6	67.8	76.7	273.0	300.1
as % of sales	23.4%	28.0%	29.8%	29.0%	28.0%	35.2%	30.7%	31.1%	28.7%	34.8%	33.3%	31.9%	33.5%
Gross profit after FV adj	147.0	220.8	59.7	61.2	52.0	79.2	252.1	66.9	61.6	67.8	76.7	273.0	300.1
as % of sales	23.4%	28.0%	29.8%	29.0%	28.0%	35.2%	30.7%	31.1%	28.7%	34.8%	33.3%	31.9%	33.5%
Op exp	1,516.6	395.5	96.3	103.4	811.9	97.4	1,089.1	92.0	91.6	83.5	99.7	366.8	388.2
as % of sales	241.8%	50.1%	48.1%	49.0%	437.0%	43.3%	132.5%	42.9%	42.6%	42.9%	43.3%	42.9%	43.3%
EBIT	-1,369.7	-174.7	-36.6	-42.2	-759.9	-18.2	-836.9	-25.2	-30.0	-15.7	-23.0	-93.7	-88.1
as % of sales	-218.4%	-22.1%	-18.3%	-20.0%	-409.0%	-8.1%	-101.8%	-11.7%	-13.9%	-8.0%	-10.0%	-11.0%	-9.8%
adj EBITDA	58.7	60.5	9.3	9.0	9.0	22.2	49.6	14.7	10.0	23.1	18.0	65.9	74.9
as % of sales	9.4%	7.7%	4.7%	4.3%	4.9%	9.9%	6.0%	6.9%	4.6%	11.9%	7.8%	7.7%	8.4%
guidance		60-63	na	na	na	na	na	na	na	na	na	na	na
consensus adj EBITDA						32.3	59.7	12.4	12.4	15.1	42.3	87.0	123.5
as % of sales						11.9%	6.9%	5.5%	5.5%	6.7%	15.0%	9.2%	12.4%
EPS													
Pre tax income	-1,450.2	-249.0	-33.8	-83.2	-792.3	-22.7	-932.1	-29.4	-34.2	-19.8	-27.2	-110.6	-104.9
Tax rate assumption	-0.5%	-10.7%	2.6%	2.4%	0.2%	-0.5%	0.4%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Net income	-1,452.7	-236.2	-53.1	-85.3	-793.5	-21.9	-953.9	-28.3	-33.0	-19.1	-26.2	-106.7	-101.3
Share count (FD) Mn	618.0	742.6	831.9	865.0	-912.1	1,006.2	447.7	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2
EPS	-2.35	-0.32	-0.06	-0.10	0.87	-0.02	-2.13	-0.03	-0.03	-0.02	-0.03	-0.11	-0.10
consensus						-0.02	0.69	-0.04	-0.05	-0.05	-0.02	-0.09	-0.02
BS & CF highlights													
Operating cash flow	8	-31	-35	-41	-6	0	-81	8	-6	26	-31	-3	-3
(-) Capex	-21	-29	-7	-5	-14	-6	-32	-4	-4	-4	-5	-17	-18
Free cash flow	-13	-60	-42	-46	-20	-5	-114	4	-10	22	-36	-20	-21
Ending net cash (debt)	-131	-61	-42	-53	-29	-19	-19	-15	-26	-3	-39	-39	-60
Net debt/Sales	-0.2x	-0.1x	-0.1x	-0.1x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.1x
Net debt/EBITDA	-2.2x	-1.0x	-1.1x	-1.5x	-0.8x	-0.2x	-0.4x	-0.3x	-0.6x	0.0x	-0.5x	-0.6x	-0.8x
Equity	3,316	3,443	3,478	3,473	2,730	2,723	2,723	2,695	2,662	2,642	2,616	2,616	2,515

Source: Z&A estimates, company reports

9 April 2025

Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 2: Divisional Split

	May FY23	May FY24	Aug 1Q25	Nov 2Q25	Feb 3Q25	May 4Q25e	May FY25e	Aug 1Q26e	Nov 2Q26e	Feb 3Q26e	May 4Q26e	May FY26e	May FY27e
US\$Mn													
Total net sales	627.1	788.9	200.0	211.0	185.8	225.2	821.9	214.7	214.9	194.8	230.4	854.7	897.2
cannabis	220.4	272.8	61.2	65.7	54.3	58.3	239.5	61.0	64.9	60.2	63.0	249.2	277.4
beverage alcohol	95.1	202.1	56.0	63.1	55.9	87.1	262.0	68.5	65.4	56.8	85.1	275.8	280.2
pharma distribution	258.8	258.7	68.1	67.6	61.5	62.7	259.9	69.1	68.6	62.4	63.7	263.8	267.8
hemp food	52.8	55.3	14.8	14.6	14.1	17.1	60.5	16.1	15.9	15.4	18.6	66.0	71.9
Gross Profits	147.0	220.8	59.7	61.2	52.0	79.2	252.1	66.9	61.6	67.8	76.7	273.0	300.1
cannabis	57.7	87.7	24.2	23.2	22.0	22.2	91.5	24.7	23.6	25.0	24.6	97.9	111.7
beverage alcohol	46.3	88.6	22.9	25.2	19.9	44.4	112.4	28.3	24.4	30.1	38.3	121.1	132.1
pharma distribution	27.5	28.1	7.9	8.4	5.6	7.5	29.4	9.0	8.9	8.1	8.3	34.3	34.8
hemp food	15.5	16.4	4.7	4.5	4.5	5.1	18.8	4.8	4.8	4.6	5.6	19.8	21.6
Mix of Gross Profits	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
cannabis	39%	40%	41%	38%	42%	28%	36%	37%	38%	37%	32%	36%	37%
beverage alcohol	32%	40%	38%	41%	38%	56%	45%	42%	40%	44%	50%	44%	44%
pharma distribution	19%	13%	13%	14%	11%	10%	12%	13%	14%	12%	11%	13%	12%
hemp food	11%	7%	8%	7%	9%	6%	7%	7%	8%	7%	7%	7%	7%

Source: Z&A estimates, company reports

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 3: Cannabis Projections

	May FY23	May FY24	Aug 1Q25	Nov 2Q25	Feb 3Q25	May 4Q25e	May FY25e	Aug 1Q26e	Nov 2Q26e	Feb 3Q26e	May 4Q26e	May FY26e	May FY27e
US\$Mn													
Total net sales	220.4	272.8	61.2	65.7	54.3	58.3	239.5	61.0	64.9	60.2	63.0	249.2	277.4
Canadian rec	152.9	171.5	37.9	38.2	31.2	30.3	137.6	31.9	33.1	31.0	30.9	127.0	136.2
Canadian med	22.5	22.7	5.6	6.0	5.3	5.8	22.7	5.8	5.8	5.8	5.8	23.0	23.0
Canadian bulk	1.4	25.3	5.5	6.6	3.9	4.2	20.2	4.6	4.7	4.4	4.4	18.1	19.5
International	43.6	53.3	12.2	14.9	13.9	18.0	59.0	18.8	21.3	19.0	21.9	81.0	98.7
YoY ch %	-7%	24%	-13%	-2%	-14%	-19%	-12%	0%	-1%	11%	8%	4%	11%
Canadian rec	3%	12%	-16%	-16%	-24%	-24%	-20%	-16%	-13%	-1%	2%	-8%	7%
Canadian med	-18%	1%	2%	6%	-8%	0%	0%	2%	-4%	10%	0%	2%	0%
Canadian bulk	-79%	1665%	4%	54%	41%	-68%	-20%	-17%	-28%	14%	5%	-10%	7%
International	-19%	22%	-14%	25%	0%	37%	11%	54%	43%	36%	21%	37%	22%
Mix %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Canadian rec	69%	63%	62%	58%	57%	52%	57%	52%	51%	52%	49%	51%	49%
Canadian med	10%	8%	9%	9%	10%	10%	9%	9%	9%	10%	9%	9%	8%
Canadian bulk	1%	9%	9%	10%	7%	7%	8%	7%	7%	7%	7%	7%	7%
International	20%	20%	20%	23%	26%	31%	25%	31%	33%	32%	35%	33%	36%

Source: Z&A estimates, company reports

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 4: Canadian Cannabis Rec Market Assumptions

Mn	2019	2020	2021	2022	2023	1Q24e	2Q24e	3Q24e	4Q24e	2024e	2025e	2026e	2027e	2028e
Our projections														
Rec (US\$)	926	1,955	3,092	3,470	3,826	887	919	1,012	998	3,816	3,814	4,002	4,210	4,378
Rec (C\$)	1,188	2,620	3,875	4,518	5,163	1,196	1,258	1,380	1,396	5,230	5,491	5,766	6,054	6,296
yoy ch %	679%	121%	48%	17%	14%	1%	-1%	0%	5%	1%	5%	5%	5%	4%
qoq ch %	na	na	na	na	na	-10%	5%	10%	1%	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	1,231	1,362	1,356	5,187	5,468	5,741	6,103	6,375
yoy ch %		125%	55%	16%	16%	4%	-2%	0%	2%	1%	5%	5%	6%	4%
qoq ch %	na	na	na	na	na	-7%	-1%	11%	0%	na	na	na	na	na
Sales by province	1,188	2,620	3,875	4,518	5,163	1,196	1,258	1,380	1,396	5,230	5,491	5,766	6,054	6,296
Ontario	254	722	1,423	1,803	2,125	457	477	533	557	2,025				
Alberta	286	575	717	797	894	223	223	242	63	750				
British Columbia	255	370	551	670	797	175	188	212	54	629				
Quebec	97	496	601	586	623	160	183	185	250	778				
Rest	296	457	583	662	723	180	326	149	525	1,048				
YoY ch %		121%	48%	17%	14%	1%	-1%	1%	5%	1%				
Ontario		184%	97%	27%	18%	-6%	-9%	-75%	22%	-5%				
Alberta		101%	25%	11%	12%	8%	0%	-73%	-72%	-16%				
British Columbia		45%	49%	21%	19%	-3%	-6%	-73%	-69%	-21%				
Quebec		412%	21%	-2%	6%	10%	18%	-70%	56%	25%				
Rest		54%	28%	14%	9%	10%	86%	-79%	191%	45%				

Source: Z&A estimates, company reports

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 5: Cash Flow

SUMMARY CASH FLOW	May FY23	Aug 1Q24	Nov 2Q24	Feb 3Q24	May 4Q24	May FY24	Aug 1Q25	Nov 2Q25	Feb 3Q25	May 4Q25e	May FY25e	May FY26e	May FY27e
US\$ 000s													
Net earnings	-1,443,000	-55,863	-46,183	-104,983	-15,375	-222,404	-34,652	-85,275	-793,534	-21,921	-935,382	-106,684	-101,265
(+) D&A	130,149	30,789	31,552	32,842	31,730	126,913	31,814	34,050	33,546	26,938	126,348	108,326	109,161
Cash earnings	-1,312,851	-25,074	-14,631	-72,141	16,355	-95,491	-2,838	-51,225	-759,988	5,017	-809,034	1,642	7,896
(-) Working capital changes	14,400	5,571	-13,059	-21,397	18,736	-10,149	-36,767	-18,285	3,578	-4,717	-56,191	-4,749	-10,481
(-) Other operating flows	1,306,357	3,661	-2,719	78,177	-4,384	74,735	4,298	28,786	750,649	0	783,733	0	0
Net cash used in operating activities	7,906	-15,842	-30,409	-15,361	30,707	-30,905	-35,307	-40,724	-5,761	300	-81,492	-3,107	-2,585
(-) net capex	-20,800	-4,152	-5,859	-9,528	-9,710	-29,249	-6,736	-5,436	-14,414	-5,629	-32,215	-17,094	-17,943
Free cash flow	-12,894	-19,994	-36,268	-24,889	20,997	-60,154	-42,043	-46,160	-20,175	-5,329	-113,707	-20,202	-20,528
(-) acquisitions	-26,718	22,956	-83,582	0	0	-60,626	0	-18,210	0	0	-18,210	0	0
(-) divestitures	4,304	342	23	801	7,343	8,509	28	603	202	0	833	0	0
(+) other	-35,663	41,480	13,290	39,976	78,867	173,613	-5,244	7,845	15,996	0	18,597	0	0
(+) share issuance	129,593	0	0	0	8,619	8,619	66,472	45,045	28,221	15,000	154,738	0	0
(+) share repurchase	-1,189	0	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	0
Change in net	58,622	44,784	-106,537	15,888	115,826	69,961	19,213	-10,877	24,244	9,671	42,251	-20,202	-20,528
Ending net (debt)	-131,243	-86,459	-192,996	-177,108	-61,282	-61,282	-42,069	-52,946	-28,702	-19,031	-19,031	-39,233	-59,761
Cash/inv/sec	448,529	466,465	261,367	225,858	260,522	260,522	280,055	252,249	248,414	225,080	225,080	205,242	185,517
Gross debts/loans/bonds	579,772	552,924	454,363	402,966	321,804	321,804	322,124	305,195	277,116	244,111	244,111	244,475	245,278

Source: Z&A estimates, company reports

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Exhibit 6: Forward EV estimates and multiples, consolidated and derived for Cannabis

	May FY23	May FY24	Aug 1Q25	Nov 2Q25	Feb 3Q25	May 4Q25e	May FY25e	Aug 1Q26e	Nov 2Q26e	Feb 3Q26e	May 4Q26e	May FY26e	May FY27e
US\$m													
EV													
Total company EV (US\$m)	474	469	517	552	566	555	558	556	565	542	576	579	601
Market cap (US\$m)	312	392	411	436	471	471	471	471	471	471	471	471	471
FD share count (Mn)	683	858	902	955	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
common shares	656.7	831.9	875.4	929.3	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2	1,006.2
RSUS and derivatives in the	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1
Share price (US\$)	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Broadly defined net debt	-163	-78	-105	-116	-95	-84	-87	-85	-94	-71	-105	-108	-130
net (debt)	-131		-42	-53	-29	-19	-19	-15	-26	-3	-39	-39	-60
leases/other	-4	-63	-48	-48	-52	-50	-50	-51	-51	-51	-50	-50	-50
contingent consideration	-27	-15	-15	-15	-15	-15	-18	-18	-17	-17	-16	-19	-20
Non controlling interest													
Consolidated Multiples													
EV/Sales	0.8x	0.6x	0.6x	0.7x	0.8x	0.6x	0.7x	0.6x	0.7x	0.7x	0.6x	0.7x	0.7x
EV/EBITDA	8.1x	7.8x	13.8x	15.3x	15.7x	6.2x	11.2x	9.4x	14.1x	5.9x	8.0x	8.8x	8.0x
Sum of the Parts (1yF)													
Total EV		469	517	552	566	555	558	556	565	542	576	579	601
Non-Cannabis		306	371	371	371	371	371	390	390	390	390	390	400
alcohol		202						262				276	280
hemp food		55						61				66	72
pharma distribution		48						48				48	48
Implied cannabis EV		164	146	181	196	184	187	166	175	153	186	189	201
EV/Sales		0.6x	0.6x	0.7x	0.9x	0.8x	0.8x	0.7x	0.7x	0.6x	0.7x	0.8x	0.7x
EV/EBITDA		na	na	na	na	na	na	na	na	na	na	na	na

Source: Z&A estimates, company reports



Appendix II: Valuation Comps

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 7: Canadian LPs Valuation Multiples

Multiples 9-Apr-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Stock Performance		
	Current	2025	2026	Current	2025	2026	to Sales		to EBITDA		30-day	90-day	1-year
							Current	CY25	Current	CY25			
Aurora Cannabis	1.0x	0.9x	0.8x	4x	5x	5x	na	na	na	na	-18%	-17%	-41%
Auxly Cannabis Group	1.5x	na	na	10x	na	na	-0.3x	na	-2.2x	na	-10%	81%	-68%
Avant Brands	0.6x	na	na	3x	na	na	-0.1x	na	-0.6x	na	-11%	51%	38%
Cannara Biotech	1.6x	na	na	7x	na	na	-0.4x	na	-1.8x	na	-5%	58%	35%
Canopy Growth	1.4x	1.4x	1.3x	-30x	111x	31x	-0.7x	-0.7x	14.7x	-55.2x	-29%	-71%	-92%
Cronos Group	-3.6x	-3.0x	-2.8x	-2x	50x	-169x	na	na	na	na	-19%	-20%	-40%
Decibel Cannabis	0.7x	0.6x	0.5x	3x	3x	2x	-0.3x	-0.3x	-1.6x	-1.3x	-15%	-21%	-56%
Organigram Holdings	0.7x	0.5x	0.4x	-34x	9x	5x	na	s	na	na	-17%	-48%	-58%
Rubicon Organics	0.6x	na	na	5x	na	na	na	na	na	na	13%	2%	17%
SNDL	0.3x	0.3x	0.3x	-1x	17x	na	na	na	na	na	-19%	-35%	-42%
Tilray Brands	0.7x	0.6x	0.5x	15x	6x	4x	0.0x	0.0x	-0.8x	-0.3x	-34%	-69%	-82%
Village Farms International	0.3x	0.2x	0.2x	-6x	4x	4x	-0.1x	-0.1x	1.4x	-1.0x	-31%	-42%	-65%

1) We take FactSet consensus estimates for CY25e and CY26e, if available; 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net cash

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

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 8: Canadian LPs EV Calculations

C\$Mn 9-Apr-25	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	261	353	5.56	54.9	1.2	312	51	-43		-10		-2	39
Auxly Cannabis Group	215	160	0.08	1,285.7	133.4	108	-36	-14		-2		-52	
Avant Brands	277	27	1.03	10.6	0.2	11	-6	-10				-16	
Cannara Biotech	85	156	1.25	90.0	0.0	112	-43	0	-1			-44	
Canopy Growth	na	412	1.19	173.4	1.4	207	-204					-204	
Cronos Group	-270	-613	2.32	266.9	0.0	619	1,234	-2				1,233	
Decibel Cannabis	63	70	0.06	576.7	16.3	37	-34	0				-33	
High Tide	na	194	2.45	80.7	0.7	199	8	-2				6	
Organigram Holdings	69	121	1.26	134.0	19.3	193	124		0			124	52
Rubicon Organics	32	32	0.51	56.8	6.7	32	0	0				0	
SNDL	236	296	1.82	263.0	12.4	501	242	-37				205	
Tilray Brands	716	777	0.65	1,006.2	26.1	675	-41	-74		-21		-136	-34
Village Farms International	99	122	0.69	112.3	0.3	78	-29	-2				-30	14

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

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 9: US MSO Valuation Multiples

US\$Mn 9-Apr-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
							Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
US MSOs	1.2x	1.0x	0.8x	6.1x	4.9x	4.1x								
Ascend Wellness	0.9x	1.1x	1.0x	3.9x	4.9x	4.4x	-0.4x	-0.4x	-1.6x	-2.0x	-0.8x	-0.9x	-3.4x	-4.3x
Ayr Wellness	1.2x	1.2x	1.2x	7.0x	5.6x	5.5x	-0.9x	-0.9x	-5.2x	-4.1x	-1.1x	-1.2x	-6.8x	-5.5x
Cannabist Co	1.0x	1.1x	1.0x	14.1x	10.8x	7.3x	-0.7x	-0.7x	-9.5x	-7.3x	-1.0x	-1.0x	-13.5x	-10.3x
Consortium	1.1x	na	na	3.8x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na
Cresco Labs	1.2x	1.2x	1.2x	5.1x	5.2x	4.6x	-0.5x	-0.5x	-2.0x	-2.0x	-0.9x	-0.9x	-3.6x	-3.7x
Curaleaf	1.4x	1.4x	1.3x	6.2x	6.1x	5.5x	-0.5x	-0.5x	-2.2x	-2.2x	-0.9x	-0.9x	-3.9x	-3.8x
4Front Ventures	1.9x	na	na	7.0x	na	na	-1.0x	na	-3.9x	na	-1.8x	na	-6.7x	na
Glass House	2.4x	2.3x	1.8x	14.1x	12.2x	8.0x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.6x
Goodness Growth	1.7x	1.7x	na	7.1x	7.0x	na	-0.5x	-0.5x	-2.1x	-2.1x	-0.9x	-0.9x	-3.7x	-3.6x
Green Thumb	1.1x	1.1x	1.1x	3.4x	3.8x	3.5x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.5x	na	na	2.3x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.2x	na	na	8.8x	na	na	-0.9x	na	-6.6x	na	-1.0x	na	-6.9x	na
Jushi	1.4x	1.3x	1.2x	11.4x	7.2x	6.0x	-0.6x	-0.6x	-5.2x	-3.3x	-1.2x	-1.2x	-9.8x	-6.2x
MariMed	0.9x	0.8x	0.8x	6.0x	5.5x	4.1x	-0.4x	-0.4x	-2.8x	-2.6x	-0.6x	-0.5x	-3.8x	-3.5x
Planet 13	0.6x	0.6x	0.6x	10.8x	13.6x	9.4x	0.1x	0.1x	2.3x	2.9x	-0.1x	-0.1x	-1.9x	-2.4x
Schwazze	1.1x	1.0x	na	4.7x	na	na	-0.9x	na	-3.8x	na	-1.1x	na	-4.6x	na
TerrAscend	1.4x	1.4x	1.4x	7.0x	6.6x	6.0x	-0.6x	-0.6x	-2.9x	-2.7x	-1.0x	-1.0x	-5.1x	-4.9x
TILT	1.1x	na	na	50.8x	na	na	-0.6x	na	-28.6x	na	-1.1x	na	-49.9x	na
Trulieve	1.2x	1.2x	1.2x	3.2x	3.5x	3.5x	-0.3x	-0.3x	-0.7x	-0.8x	-0.7x	-0.7x	-1.8x	-2.0x
Verano	1.0x	1.0x	0.9x	3.4x	3.3x	3.2x	-0.4x	-0.4x	-1.3x	-1.3x	-0.8x	-0.8x	-2.6x	-2.6x
Vext	1.4x	1.2x	0.9x	4.5x	4.1x	2.2x	-0.8x	-0.6x	-2.4x	-2.2x	-0.8x	-0.6x	-2.4x	-2.2x

1) Current is based on the latest reported qtr annualized (Sales and EBITDA); 2) We take FactSet consensus estimates for CY25e and CY26e multiples, if available.

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

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 10: US MSOs EV Calculations

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
9-Apr-25	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
US MSOs													
Ascend Wellness	554	580	0.30	214.5	13.3	68	-241	-134	-137			-512	
Ayr Wellness	599	536	0.12	116.2	3.4	14	-394	-5	-123	0	0	-522	
Cannabist Co	463	398	0.04	472.7	8.2	18	-269	-26	-86			-380	
Cansortium	140	114	0.06	304.9	5.6	17	-59	-9	-29			-97	
Cresco Labs	679	846	0.54	441.2	8.9	245	-332	-56	-202	-10		-600	
Curaleaf	1,438	1,866	0.74	750.1	11.0	560	-670	-46	-416	-41		-1,173	132
4Front Ventures	227	146	0.01	915.2	3.8	7	-81	-11	-42	-5	0	-139	
Glass House	312	507	4.00	82.1	6.9	356	-21	0	-23	-20		-65	86
Goodness Growth	120	173	0.36	230.3	4.1	84	-51	-10	-29			-89	
Green Thumb	1,415	1,333	5.00	235.9	7.7	1,218	-83	-29	-2	0	0	-115	
Grown Rogue	75	48	0.34	143.5		49	5	-2	-2			1	
iAnthus	45	209	0.01	6,745.7	0.3	45	-157	-7				-164	
Jushi	301	364	0.25	196.7	1.3	50	-167	-2	-146			-314	
MariMed	133	142	0.08	382.2	7.7	33	-68	-1	-22			-90	19
Planet 13	97	79	0.20	325.2	0.3	65	17	-10	-16	-5		-14	
Schwazze	173	187	0.01	80.2		1	-151	-2	-33	0		-186	
StateHouse	144	200	0.02	256.4	138.6	6	-114	-10	-54	-22	7	-192	2
TerrAscend	307	420	0.30	356.7	3.1	110	-172	-5	-128	-4		-310	
TILT	108	110	0.01	390.6	4.4	2	-62	-44	-2			-108	
Trulieve	1,071	1,426	3.26	191.0	3.2	633	-318	-23	-445	-6		-793	
Verano	622	855	0.52	358.7	6.3	190	-326	-9	-329	-1		-666	
Vext	54	58	0.11	247.6	0.0	27	-31	0				-31	

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

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Tilray Brands: Updated Views and Estimates Post Fiscal 3Q25

Exhibit 11: CPG Comps

08-Apr-25										US\$ Mn			
Company name	Ticker	Listing	Price	Mkt	(mn)	Net	Ent	EV/Sales	EV/EBITDA	1yF Estimates		EBITDA	Net debt
			US\$	Cap	Shares	(Debt)	Value	1yF	1yF	Sales	EBITDA	mgn %	EBITDA
US Consumer Staples													
Procter & Gamble Company	PG	NYSE	158.39	373,325	2,357	-23,887	397,212	4.6x	16.0x	87,036	24,864	29%	-1.0x
Coca-Cola Company	KO	NYSE	68.42	294,343	4,302	-31,164	325,507	6.7x	19.7x	48,673	16,507	34%	-1.9x
PepsiCo, Inc.	PEP	NASDAQ	140.30	192,492	1,372	-38,485	230,977	2.5x	12.5x	92,721	18,545	20%	-2.1x
Phillip Morris International Inc.	PM	NYSE	149.23	232,030	1,555	-41,868	273,898	6.8x	15.6x	40,477	17,585	43%	-2.4x
Anheuser-Busch InBev SA/NV Sponsored /	BUD	NYSE	58.52	102,608	1,753	-60,774	163,382	2.7x	7.5x	61,018	21,791	36%	-2.8x
Mondelez International, Inc. Class A	MDLZ	NASDAQ	64.06	84,420	1,318	-17,144	101,564	2.7x	15.1x	38,004	6,717	18%	-2.6x
Monster Beverage Corporation	MNST	NASDAQ	55.01	53,529	973	1,099	52,430	6.4x	21.3x	8,137	2,458	30%	0.4x
Keurig Dr Pepper Inc.	KDP	NASDAQ	33.57	45,543	1,357	-16,725	62,268	3.8x	12.6x	16,300	4,935	30%	-3.4x
Kraft Heinz Company	KHC	NASDAQ	27.69	33,090	1,195	-19,085	52,175	2.1x	8.5x	25,103	6,124	24%	-3.1x
Constellation Brands, Inc. Class A	STZ	NYSE	170.96	31,267	183	0	31,267	3.0x	7.7x	10,470	4,044	39%	0.0x
General Mills, Inc.	GIS	NYSE	56.70	31,701	559	-12,897	44,598	2.3x	11.7x	19,287	3,817	20%	-3.4x
Estee Lauder Companies Inc. Class A	EL	NYSE	50.06	11,671	233	-6,431	18,102	1.2x	8.3x	14,743	2,183	15%	-2.9x
Hershey Company	HSY	NYSE	159.10	23,510	148	-4,717	28,227	2.5x	12.5x	11,495	2,256	20%	-2.1x
Kellanova	K	NYSE	81.69	28,192	345	-5,648	33,840	2.6x	14.3x	12,961	2,371	18%	-2.4x
Clorox Company	CLX	NYSE	136.40	16,941	124	-2,735	19,676	2.7x	13.3x	7,176	1,475	21%	-1.9x
Tyson Foods, Inc. Class A	TSN	NYSE	57.65	16,480	286	-8,754	25,234	0.5x	7.2x	54,097	3,505	6%	-2.5x
Campbell's Company	CPB	NASDAQ	36.82	10,972	298	-7,434	18,406	1.8x	9.4x	10,205	1,957	19%	-3.8x
Molson Coors Beverage Company Class B	TAP	NYSE	58.51	11,158	191	-5,385	16,543	1.4x	6.6x	11,650	2,512	22%	-2.1x
J.M. Smucker Company	SJM	NYSE	110.18	11,700	106	-8,497	20,198	2.3x	9.6x	8,930	2,109	24%	-4.0x
Celsius Holdings, Inc.	CELH	NASDAQ	33.89	7,965	235	870	7,095	3.3x	15.7x	2,146	453	21%	1.9x
Coty Inc. Class A	COTY	NYSE	4.69	4,070	868	-3,943	8,013	1.3x	6.9x	6,095	1,156	19%	-3.4x
Boston Beer Company, Inc. Class A	SAM	NYSE	228.10	2,113	9	173	1,940	0.9x	7.7x	2,067	254	12%	0.7x

Source: FactSet

Exhibit 12: Stock Performance

9-Apr-25			
Stock Performance			
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	2%	-32%	-78%
Ayr	-43%	-77%	-96%
Cannabist	-27%	-50%	-89%
Consortium	-4%	-37%	-76%
Cresco	-28%	-46%	-76%
Curaleaf	-27%	-55%	-87%
4Front	-46%	-47%	-93%
GlassHouse	-23%	-31%	-52%
Gold Flora	-7%	42%	-87%
Vireo Growth	3%	-33%	-14%
Grown Rogue	-37%	-46%	-35%
Green Thumb	-29%	-38%	-64%
iAnthus	-16%	17%	-67%
Jushi	-14%	-17%	-65%
MariMed	-22%	-27%	-67%
Planet13	-40%	-47%	-68%
Schwazze	67%	0%	-99%
StateHouse	na	na	-69%
Trulieve	-23%	-38%	-74%
TerrAscend	-35%	-55%	-85%
Verano	-28%	-61%	-91%
Vext	3%	-17%	-48%
International			
InterCure	-18%	-11%	-21%
PharmaCielo	-7%	-2%	101%

Stock Performance			
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-18%	-17%	-41%
Avant	-10%	81%	-68%
Auxly	-11%	51%	38%
Ayurcann	-18%	6%	-47%
Cannara	-5%	58%	35%
Canopy	-29%	-71%	-92%
Cronos	-19%	-20%	-40%
Decibel	-15%	-21%	-56%
Entourage	18%	-24%	-33%
High Tide	-29%	-47%	-32%
OGI	-17%	-48%	-58%
Rubicon	13%	2%	17%
SNDL	-19%	-35%	-42%
Tilray	-34%	-69%	-82%
VFF	-31%	-42%	-65%
Tech			
LFLY	-28%	-90%	-95%
SBIG	-25%	-8%	-64%
MAPS	-25%	-31%	-22%
Vape parts			
GNLN	-55%	-85%	-96%
ISPR	-26%	-32%	-45%
SMORF	2%	2%	45%
TLLTF	-44%	-17%	-86%

Stock Performance			
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-46%	-45%	-62%
IIPR	-34%	-28%	-52%
NLCP	-10%	-17%	-24%
SHFS	-66%	-71%	-86%
LIEN	-7%	-10%	12%
REFI	-17%	-12%	-15%
Pix & Shovel			
AGFY	6%	-32%	240%
GRWG	-23%	-49%	-69%
HYFM	-52%	-77%	-84%
SMG	-22%	-28%	-36%
UGRO	-53%	-63%	-77%
CBD			
CVSI	-10%	-11%	-21%
CWEB	-38%	-51%	-75%
LFID	-6%	-44%	-84%
Index			
S&P 500	-14%	-16%	-4%
S&P 477	-7%	0%	6%
Nasdaq	-11%	-13%	7%
MSOS ETF	-28%	-46%	-79%
YOLO ETF	-25%	-40%	-65%
Simple Group Averages			
Large Canada LP:	-28%	-50%	-70%
Tier 1 MSOs	-27%	-47%	-78%

Source: FactSet



Appendix III: Bio and Disclaimers



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the broader cannabinoids (THC cannabis, hemp derivatives, CBD) and consumer sectors. Over the past six years he has launched coverage of over 40 companies in the US, Canada, and overseas; plant-touching as well as service providers (tech; finance); and has also worked with several private companies. He follows closely the reform process in the US, Canada, Germany, Australia, and elsewhere, and relies on a fundamental and data-driven approach to keep track of sectoral trends. His firm Zuanic & Associates publishes equity research, both from a macro/sectoral level in a thematic manner, as well as on listed stocks. The research service is aimed at institutional investors, corporations, and regulators. The firm is also available for short-term consulting and research advisory projects. Approaching the third 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 ranked in the Institutional Investor magazine surveys, and he was 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. *He can be contacted via the company's portal www.zuanicassociates.com; via email at 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, research, and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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