

8/31/2023

Bull Case & Math w/o 280E

Cannabis Sector Equity Research



Key Highlights:

- Assessing scenarios and implementation.
- The next 9-12 months.
- Who benefits the most?

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

High Level Summary

What happened: According to a Bloomberg report on 8/30, “a top official at the Department of Health and Human Services wrote to Drug Enforcement Agency Administrator Anne Milgram calling for marijuana to be reclassified as a Schedule III drug under the Controlled Substances Act, according to a letter dated 29 Aug 2023 seen by Bloomberg News”. The MSOS ETF was up 21% for the day on Wednesday, with outliers like StateHouse up 74%, Columbia Care +38%, Jushi +32%, and AYR +29%. Because these companies have more stretched balance sheets and below cash flow metrics, their moves make sense.

Could there be more upside? Yes, significantly more, if in a best-case scenario, the Executive Branch (White House, DOJ, HHS, DEA) decides to: 1) move medical cannabis to Schedule III (without changes in FDA oversight), 2) take rec cannabis off Schedule I (without putting rec into another CSA schedule; essentially de-scheduling it), and, 3) allow states to continue to operate their respective cannabis programs (rec and or med) without federal interference or shipment of goods from other states. Importantly, under this best-case scenario logic, the benefits would go beyond tax relief (significant on their own if 280E no longer applies), as, theoretically, given this de facto legalization, banks with a federal charter could service the industry, and even US stock exchanges could uplist US plant touching companies.

But is this what President Biden was thinking when he directed the DOJ and HHS to “review expeditiously how marijuana is scheduled under federal law”? Of course, we do not know the answer to that question, but we wonder if the White House has mapped this out with the necessary level of detail required to address the points mentioned above. We are not sure that they have..., which (positively for the industry) probably leaves room for significant lobbying by the various players and interested parties to influence the eventual course of action. That said, while we believe the political will is there by the Executive Branch (and thus we expect the DEA to follow the HHS recommendation), it is not obvious to us that the best-case scenario will play out as articulated above. As such, that uncertainty alone may limit the near-term upside for the group (even though 8/30 certainly marks a step change, and stocks will likely find support here).

The path forward and the various issues that will need to be clearly defined,

- It took the HHS less than 11 months to issue its recommendation, and we assume the DEA will provide its answer (reaffirming the HHS recommendation) sometime by mid-2024. Yes, we think the timing of the election is a factor. But, other than an announcement (like the one from 8/30, via an inter-department letter shown to Bloomberg), we wonder if the necessary details will be addressed in the next 9-12 months - and several of those details could nuance the upside and even pose risks in some cases (see our report of 7/28 [On the](#)



[Rescheduling Question](#)). As per trade journal, Marijuana Moment, an HHS spokesperson was quoted saying, “while HHS’s scientific and medical evaluation is binding on DEA, the scheduling recommendation is not. DEA has the final authority to schedule a drug under the CSA (or transfer a controlled substance between schedules or remove such a drug from scheduling altogether) after considering the relevant statutory and regulatory criteria and HHS’ scientific and medical evaluation. DEA goes through a rulemaking process to schedule, reschedule or de-schedule the drug, which includes a period for public comment before DEA finalizes the scheduling action with a final rulemaking.” Right, so mid-2024, we say.

- If medical cannabis is moved to Schedule III, will it become a federally approved pharma product, like all other products in the CSA under Schedule II to V that are deemed to have medical benefits, but follow strict procedures regarding production, packaging, labelling, distribution, and prescribing (Rx). In this context, would this mean much greater FDA oversight on production? Would pharmacies be allowed to sell medical cannabis (and what about dispensaries? Would inter-state trade be allowed? At present, Drs. Issue “recommendations” for medical cannabis, but we think “Rx prescriptions” would follow a stricter process. We go back to the President’s request, it says “under federal law”. We do not think putting MMJ in Schedule III can be done without an accompanying federal regulatory framework, while just leaving all this to each respective state. That is our view, but we realize the debate is only now starting.
- By the same token, we continue to argue rec cannabis cannot be “rescheduled”, because that would mean (if rec goes to Schedule III) that a prescription would be needed. As such, we wonder if the HHS/DEA may decide to only re-schedule med cannabis. Or if they go as far as recommending that rec cannabis should not be in Schedule I, but neither in any CSA schedule, then the HHS/DEA would be recommending to “de-schedule” cannabis. Do they really want to go that far, and without an accompanying regulatory framework for rec? In fact, Senator Wyden (D-OR), a sponsor of the SAFE Banking Act, was quoted by the media yesterday stating, “ultimately, I believe that cannabis should be de-scheduled with strong federal regulations put in place to protect public health and safety”.
- States rights? In our interpretation, the President has implied he would leave rec “to the states”, which means rec would not be de-scheduled in our view. But the rescheduling of medical cannabis would be done under federal law. As such, we would not expect the current system of each state having their own medical program to survive if medical cannabis moves to Schedule III under the CSA (a federal construct).
- SAFE Banking (lending, cash management, payment services, advisory work by banks, custody by brokers)? Safe harbor for US exchanges to uplist US plant touching stocks? We think this would only apply if cannabis were legalized at the federal level, whether med and or rec. But neither (SAFE; safe harbor for exchanges) would apply if the present silo state system remains in place under a cloud of federal illegality.



- There is also the matter of tax collection. We calculate the US legal cannabis industry paid \$1.2-1.5Bn in income taxes in 2022. That is about 0.35% of total US corporate income tax collected in 2022 (\$425Bn). For context, US cannabis sales last year were ~\$25Bn, while total US retail sales were \$7.1Tr (i.e., tax about 6% of sales for both). We assume, those government officials removing 280E will want to come out with new sources of revenues (a federal excise tax on cannabis? but can that be done without federal legalization? would such a tax need a federal regulatory framework? one that would need to be passed by an act of Congress?). All this would obviously complicate and slow the process, even after a favorable review by the DEA.
- By the way, we discussed the points above in greater detail in this report of 7/28.

The Bull Case Narrative on “HHS Rescheduling”

As per this narrative, the rescheduling review mandated by the White House (via the DOJ to the HHS and DEA; the FDA is an HHS agency) would take out all cannabis (rec and med) out of Schedule I, and thus 280E would no longer apply (to the plant touching business of US cannabis companies). Also, the narrative implicitly assumes that the FDA’s federal rules on controlled substances (those prescribed as per Schedule II to V) would not apply to the respective states’ medical cannabis programs (i.e., as is the case at present), and that rec cannabis would not be part of the CSA.

- The argument is that “cannabis”, and its scheduling, is not currently bifurcated based on medical vs. rec (cannabis as a substance is currently a Schedule I substance). The HHS rescheduling process is not looking to create a distinction in whether cannabis is defined by a certain state as “medical cannabis” vs. rec, but rather on evaluating whether or not, “cannabis”, as a substance, is scheduled appropriately. *Note: Schedule I drugs are illegal, period..., so, the rec/med distinction is not relevant at present, but the rec/med distinction becomes relevant once the Executive Branch decides to legalize med (goes into CSA) and rec (de-scheduled, as they are not going to put rec in the CSA).*
- Hence (continuing with the bull case narrative), if they do reschedule “cannabis” to a Schedule III or higher (IV or V), any type of “cannabis” (regardless of various state designations of medical vs. rec) would be outside of the purview of 280E because cannabis would not be a Schedule I or II, and 280E only applies to the illegal trafficking of Schedule I and II drugs. *Note: even fentanyl (Schedule II) legally prescribed must abide by federal (FDA) rules. If so, why would medical cannabis be any different (if in Schedule III)?*
- The bull case narrative also assumes that all state-based medical and adult-use programs would continue to violate federal law because none of them comply with FDA/DEA licensing requirements and procedures for the legal sale of Schedule III drugs. The narrative assumes that conundrum will continue, but 280E would not apply to the illegal trafficking of a Schedule III designated cannabis whether via a state based medical program or adult-use.



- By the same token, the assumption (of this narrative) is that the scheduling review does not intend to create or can create a distinction (rec vs. med), as it goes beyond the intent of the Controlled Substances Act (CSA) as the CSA does not distinguish or address the intent of the consumer. The substance itself is at question, not the intended use. For example, oxycodone and fentanyl are Schedule II drugs whether prescribed for to treat pain or obtained by a consumer illegally for recreational purposes (Note: we would argue only legal fentanyl is Schedule II). A rescheduling of cannabis to Schedule III will not 'legalize' state cannabis programs at a federal level as none of the state programs are structured in a way that comply with the production/sale of Schedule III drugs, but it will remove cannabis operators from the reach and impact of 280E. *Note: We understand these arguments, but is this what the White House had in mind with the scheduling review?*

The Math: Cash Flow Impact Without 280E

All the above said, make no mistake, the removal of 280E from all legal cannabis sales would be a significant boost to company cash flows (all this before factoring the other potential benefits like banking and uplisting), with or without federal legalization of med and or rec.

All else equal, we calculate that those companies with positive operating cash flow (OCF) and positive profit before tax (PBT), end up accruing income tax rates equivalent to 70% of PBT vs. the standard 21% statutory tax rate that would apply without 280E. As we discuss below, while all US plant touching companies would benefit, those with stretched balance sheets (high debt) and below average cash flow and profitability metrics, would benefit the most. *Note: In our view, reported operating cash flows by the MSOs are distorted and not exactly comparable, as some companies do not pay 280E in full (or only make partial payments, or delay payments); others make use of deferred taxes or other accounting tools to lower the effective tax rate; some generate losses before tax which would imply no income tax accrual without 280E.*

More than focusing on the % lift to net income or cash flow (distorted due to negative or minimal numbers in some cases), we prefer to focus on the absolute cash flow lift, assume a 5x multiple on that benefit, and compare that with the current valuation. The list below is sorted based on this specific impact, as per our math.

StateHouse: +2200%

- It reported OCF of -\$37Mn in CY22 (+\$2.3Mn 1H23), with CY22 ST tax liabilities up \$20Mn yoy (it paid \$2.6Mn in income taxes in CY22).
- In CY22, it declared a net tax benefit of \$6.9Mn, or 16% of gross profits.



- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was -\$64Mn or -59% of revenues; 2) ST tax payables of \$30Mn compared with net debt of \$131Mn as of YE22; 3) June 2023 net debt of \$126Mn (1H23 EBITDA was -\$4.4Mn and reported OCF was +\$2.3Mn).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$8.8Mn, and a benefit of \$50.4Mn if calculated on PBT (due to negative PBT). So, the company would see a cash flow benefit of >\$59Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 55% of CY22 revenues (14% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to >2200% of the company's market cap (>500% taking the 1H23 annualized impact).

Ayr: +504%

- It reported OCF of -\$34Mn in CY22 (+\$5Mn 1H23), with CY22 ST tax liabilities up \$17Mn yoy (it paid \$31Mn in income taxes in CY22).
- In CY22, it declared a tax provision of \$45Mn, or +24% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was -\$6Mn or -1% of revenues; 2) ST tax payables of \$46Mn compared with net debt of \$352Mn as of YE22; 3) June 2023 net debt of \$379Mn was 3.4x 1H23 annualized EBITDA (or 38x annualized 1H23 OCF; the ratio does not really apply given the low OCF figure).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$40Mn, and a benefit of \$44Mn if calculated on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$84Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 18% of CY22 revenues (11% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 504% of the company's market cap (313% taking the 1H23 annualized impact).

Jushi: +317%

- It reported OCF of -\$21Mn in CY22 (-\$10Mn 1H23), with ST tax liabilities up \$13Mn yoy (it paid \$11.7Mn in income taxes in CY22).
- In CY22, it declared a combined tax provision of \$8.5Mn (current, deferred, change in valuation allowance), or +7% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was -\$26Mn or -9% of revenues; 2) ST tax payables of \$20Mn compared with net



debt of \$163Mn as of YE22; 3) June 2023 net debt of \$184Mn was 4.5x 1H23 annualized EBITDA (the net debt/OCF ratio for 1H23 does not apply given negative reported OCF).

- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$20Mn, and a benefit of \$41Mn on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$61Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 21% of CY22 revenues (11% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 317% of the company's market cap (150% taking the 1H23 annualized impact).

Columbia Care: +271%

- It reported OCF of -\$111Mn in CY22 (-\$4Mn 1H23), including a \$7Mn benefit from the yoy increase in ST tax liabilities (it paid \$51Mn in income taxes in CY22).
- In CY22, it declared a net tax benefit of \$11Mn, or +6% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was -\$130Mn or -25% of revenues; 2) ST tax payables of \$34Mn compare with net debt of \$281Mn, as of YE22; 3) June 2023 net debt of \$290Mn was 4x 1H23 annualized EBITDA (1H23 reported OCF was negative).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$42Mn, and a benefit of \$91Mn on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$133Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 26% of CY22 revenues (12% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 271% of the company's market cap (127% taking the 1H23 annualized impact).

Schwazze: +153%

- It reported OCF of +\$11Mn in CY22 (+\$2Mn 1H23), with CY22 ST tax liabilities up \$5Mn yoy (it paid \$12Mn in income taxes in CY22).
- In CY22, it declared a tax provision of \$15Mn, or +18% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$21Mn or 13% of revenues; 2) ST tax payables of \$7Mn compared with net debt of \$89Mn as of YE22; 3) June 2023 net debt of \$136Mn was 2.4x 1H23 annualized EBITDA (or 37x annualized 1H23 OCF; the ratio does not really apply here given the low OCF figure).



- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$18Mn, and a benefit of \$0.8Mn if calculated on PBT (due to negative PBT). So, the company would see a cash flow benefit of ~\$19Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 12% of CY22 revenues (11% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 153% of the company's market cap (147% taking the 1H23 annualized impact).

Ascend: +126%

- It reported OCF of -\$38Mn in CY22 (+\$31Mn 1H23), while CY22 ST tax liabilities were down \$1.5Mn yoy (it paid \$49Mn in income taxes in CY22).
- In CY22, it declared a tax provision of \$42Mn, or 31% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$5Mn or +1% of revenues; 2) ST tax payables of \$35Mn compared with net debt of \$256Mn (both YE22); 3) June 2023 net debt of \$242Mn was 2.7x 1H23 annualized EBITDA (and 3.9x annualized 1H23 reported OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$28Mn, and a benefit of \$8Mn if calculated on PBT (due to negative PBT). So, the company would see a cash flow benefit of >\$36Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 9% of CY22 revenues (6% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 126% of the company's market cap (97% taking the 1H23 annualized impact).

Cresco Labs: +104%

- It reported OCF of \$19Mn in CY22 (\$21Mn 1H23), including a \$48Mn benefit from the yoy increase in ST tax liabilities (it paid \$54Mn in income taxes in CY22, yet ST tax liabilities were up).
- In CY22, it declared net taxes of \$89Mn, or 22% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was \$60Mn or 7% of revenues; 2) ST tax payables of \$95Mn (CY22) compare with net debt of \$366Mn; 3) June 2023 net debt of \$415Mn was 3x 1H23 annualized EBITDA (9.8x 1H23 annualized reported OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$85Mn, and a benefit of \$27Mn on PBT (due to negative PBT). So, the company would



see a cash flow benefit of \$112Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 13% of CY22 revenues (11% on 1H23).

- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 104% of the company's market cap (83% taking the 1H23 annualized impact).

4Front: +100%

- It reported OCF of +\$9Mn in CY22 (-\$4Mn 1H23), ST tax liabilities up \$13Mn yoy (it paid \$2.1Mn in income taxes in CY22).
- In CY22, it declared a tax provision of \$10Mn, or +24% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$6Mn or 5% of revenues; 2) ST tax payables of \$37Mn compared with net debt of \$69Mn as of YE22; 3) June 2023 net debt of \$79Mn was 7.2x 1H23 annualized EBITDA (the net debt/OCF ratio for 1H23 does not apply given negative reported OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$8.6Mn, and a benefit of \$7.8Mn on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$16.4Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 14% of CY22 revenues (13% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 100% of the company's market cap (98% taking the 1H23 annualized impact).

Trulieve: +99%

- It reported OCF of \$23Mn in CY22 (-\$23Mn 1H23). The latter included a \$22Mn benefit from the yoy increase in ST tax liabilities (despite paying \$147Mn in taxes). In other words, OCF would have been near break even if the company had paid taxes accrued.
- In CY22, it declared net taxes (accrued minus deferred) of \$162Mn, or 24% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$163Mn or 13% of revenues; 2) CY22 ST tax payables of \$50Mn compared with net debt of \$578Mn, as of YE22; 3) the company had net debt of \$631Mn as of June 2023, about 2x 1H23 annualized EBITDA (1H23 reported OCF was negative, so the net debt to OC ratio does not apply).



- If we use our math, and apply 21% on CY22 gross profits (-\$143Mn) and on PBT (+\$19Mn, given negative PBT), the company would see a cash flow benefit of \$162Mn the latter is equivalent to 13% of CY revenues (23% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 99% of the company's market cap (162% taking the 1H23 annualized impact).

TerrAscend: +82%

- It reported OCF of -\$22Mn in CY22 (+\$12Mn 1H23), including a \$13Mn benefit from the yoy increase in ST tax liabilities (it paid \$10Mn in income taxes in CY22).
- In CY22, it declared a net tax benefit of \$11Mn, or +11% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was -\$46Mn or -19% of revenues; 2) ST tax payables of \$23Mn compares with net debt of \$179Mn (both YE22); 3) June 2023 net debt of \$186Mn was 3.7x 1H23 annualized EBITDA (and 15x annualized 1H23 reported OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$21Mn, and a benefit of \$65Mn on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$86Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 35% of CY22 revenues (12% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 82% of the company's market cap (33% taking the 1H23 annualized impact).

Planet 13: +63%

- It reported OCF of +\$4Mn in CY22 (-\$7Mn 1H23), including a \$2Mn benefit from the yoy increase in ST tax liabilities (it paid \$8Mn in income taxes in CY22).
- In CY22, it declared a net tax charge of \$9Mn (-\$11Mn from current provision, and a \$2Mn benefit for deferred taxes), or 18% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$7Mn or 7% of revenues; 2) ST tax payables of \$3Mn compare with net cash of \$51Mn, as of YE22; 3) the company had net cash of \$40Mn as of June 2023.
- If we use our math and apply a 21% statutory corporate tax rate on CY22 gross profits the tax charge would be \$10Mn, and a benefit of \$8Mn on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$18.5Mn (on CY22 numbers) if 280E were to



be removed. The latter would have been equivalent to 18% of CY22 revenues (12% on 1H23).

- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 63% of the company's market cap (40% taking the 1H23 annualized impact).

Verano: +58%

- It reported OCF of \$94Mn in CY22 (\$42Mn 1H23), including a \$96Mn benefit from the CY22 increase in ST tax liabilities (despite paying \$71Mn in taxes). In other words, OCF would have been negative if the company had paid taxes accrued.
- In CY22, it declared net taxes (accrued minus deferred) of \$105Mn (it declared \$168Mn minus a deferred benefit of \$62Mn), or 25% of gross profits (oddly, ex-deferred benefits, the ratio would have been 40%, well above the statutory tax rate of 21%).
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$102Mn or 12% of revenues; 2) CY22 ST tax payables of \$253Mn compare with net debt of \$328Mn, as of YE22; 3) the company had net debt of \$318Mn as of June 2023, about 1x 1H23 annualized EBITDA and 3.8x annualized 1H23 reported OCF.
- If we use our math, and apply the 21% tax rate on CY22 gross profits (-\$89Mn) and on PBT (+\$34Mn, given negative PBT), the company would see a cash flow benefit of \$123Mn, about 14% of CY22 revenues (9% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 58% of the company's market cap (38% taking the 1H23 annualized impact).

Vext: +56%

- It reported OCF of +\$5.9Mn in CY22 (-\$3.4Mn 1H23), with zero ST tax liabilities.
- In CY22, it declared a net tax benefit of \$4.2Mn, or +20% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$1.7Mn or 5% of revenues; 2) ST tax payables were zero at YE22 and net debt was \$31Mn; 3) June 2023 net debt of \$35Mn was 4.4x 1H23 annualized EBITDA (and 5x annualized reported 1H23 OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$4.4Mn, and \$1.4Mn if on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$3Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 8% of CY22 revenues (10% on 1H23).



- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 56% of the company's market cap (71% taking the 1H23 annualized impact).

Curaleaf: +37%

- It reported OCF of +\$46Mn in CY22 (+\$37Mn 1H23), while ST tax liabilities increased by \$24Mn in CY22 (it paid \$156Mn in income taxes in CY22).
- In CY22, it declared a tax provision of \$151Mn in the P&L (including a \$26Mn benefit from deferred taxes), or 26% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$173Mn or 13% of revenues; 2) ST tax payables of \$163Mn compared with net debt of \$459Mn (both YE22); 3) June 2023 net debt of \$489Mn was 1.7x 1H23 annualized EBITDA (and 6.7x annualized 1H23 OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$122Mn, and a tax benefit of \$48Mn given negative PBT. So, the company would see a cash flow benefit of \$169Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 13% of CY22 revenues (12% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 37% of the company's market cap (31% taking the 1H23 annualized impact).

MariMed: +34%

- It reported OCF of +\$7Mn in CY22 (-\$3Mn 1H23), while ST tax liabilities fell by \$5Mn in CY22 (it paid \$15Mn in income taxes in CY22).
- In CY22, it declared a tax provision of \$6Mn in the P&L, or 9% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$18Mn or 14% of revenues; 2) ST tax payables of \$11Mn compares with net debt of \$20Mn (both YE22); 3) June 2023 net debt of \$38Mn was only 1.4x 1H23 annualized EBITDA (1H23 OCF was negative so the net debt to OCF ratio does not apply).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$13Mn, and -\$4Mn on PBT. So, the company would see a cash flow benefit of \$9Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 7% of CY22 revenues (9% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 34% of the company's market cap (44% taking the 1H23 annualized impact).

**Green Thumb: +21%**

- It reported OCF of \$159Mn in CY22 (\$93Mn 1H23), including a minor \$3Mn benefit from the yoy increase in ST tax liabilities (it paid \$118Mn in income taxes in CY22).
- In CY22, it declared net taxes of \$95Mn, or 19% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was \$251Mn or 25% of revenues (best among MSOs); 2) ST tax payables of \$4Mn (CY22) were minor vs. net debt of \$98Mn; 3) YE22 net debt was only 0.6x OCF (0.3x adj EBITDA).
- If we use our math, and apply 21% on CY22 gross profits (-\$106Mn) and on PBT (-\$23Mn; it has positive PBT), the company would see a cash flow benefit of \$83Mn if 280E is removed. The latter would have been equivalent to 8% of CY22 revenues (7% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to 21% of the company's market cap (18% taking the 1H23 annualized impact).

Tilt: Analysis less applicable, relatively speaking.

- It reported OCF of +\$8.6Mn in CY22 (+\$0.4Mn 1H23), with ST tax liabilities up \$1Mn yoy (it paid \$32.5Mn in income taxes in CY22).
- In CY22, it posted a tax provision of \$3Mn, or 8% of gross profits.
- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was +\$10.6Mn or 6% of revenues; 2) ST tax payables of <\$1Mn compared with net debt of \$56Mn as of YE22; 3) June 2023 net debt of \$53Mn was 18x 1H23 annualized EBITDA (the net debt/OCF ratio for 1H23 does not apply given 1H23 OCF of \$0.4Mn).
- The company's Jupiter unit is not subject to 280E, and Tilt does not split gross profits between divisions (it reports gross margins for the US and Canada operations, but not between cannabis and non-cannabis). So, we do not have enough data to judge the impact on cash flow for Tilt from the removal of 280E.

Acreege: +780% (distorted due to the blended share class)

- It reported OCF of -\$50Mn in CY22 (-\$9Mn 1H23), with stable yoy ST tax liabilities (it paid \$32.5Mn in income taxes in CY22).
- In CY22, it declared a net tax benefit of \$14Mn, or +10% of gross profits.



- Although not the focus here, 1) the company's OCF before total accrued income taxes in CY22 was -\$40Mn or -17% of revenues; 2) ST tax payables of \$24Mn compared with net debt of \$191Mn as of YE22; 3) June 2023 net debt of \$214Mn was 6.1x 1H23 annualized EBITDA (the net debt/OCF ratio for 1H23 does not apply given negative reported OCF).
- If we use our math and apply 21% on CY22 gross profits the tax would be a charge of \$21Mn, and a benefit of \$33Mn on PBT (due to negative PBT). So, the company would see a cash flow benefit of \$55Mn (on CY22 numbers) if 280E is removed. The latter would have been equivalent to 23% of CY22 revenues (13% on 1H23).
- If we put a 5x multiple on that cash flow benefit, that would be equivalent to nearly 780% of the company's market cap (400% taking the 1H23 annualized impact).

Links to our recent publications

[Roadmap to Dec 2024](#) (July 18)

[2Q23 US MSO Trends](#) (July 21)

[Canadian LP Dynamics](#) (Jul 25)

[On the Rescheduling Question](#) (July 28)

[Canada Pre-Rolls: Deep Dive](#) (Aug 7)

[Benchmarking the Start of Maryland's Rec Sales](#) (Aug 16)

[Canada Flower Prices and Share Trends](#) (Aug 28)

**Table 1: Stocks mentioned in this report.**

| Name | Ticker | Rating |
|-------------------------|---------------|---------------|
| 4Front Ventures | FFNTF | Not rated |
| Acreage Holdings | ACRDF | Not rated |
| Ascend Wellness | AAWH | Not rated |
| AYR Wellness | AYRWF | Not rated |
| Columbia Care | CCHWF | Not rated |
| Cresco Labs | CRLBF | Not rated |
| Curaleaf Holdings | CURLF | Not rated |
| Green Thumb Industries | GTBIF | Not rated |
| Jushi Holdings | JUSHF | Not rated |
| MariMed Inc | MRMD | Not rated |
| Planet 13 Holdings | PLNHF | Not rated |
| Schwazze | SHWZ | Not rated |
| StateHouse Holdings Inc | STHZF | Not rated |
| TerrAscend Corp. | TSNDF | Not rated |
| TILT Holdings, Inc. | TLLTF | Not rated |
| Trulieve Cannabis | TCNNF | Not rated |
| Verano Holdings | VRNOF | Not rated |
| Vext Science, Inc. | VEXTF | Not rated |

Source: FactSet; Z&A



Appendix I: Company Data



Exhibit 1: Corporate Income Tax Payments

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 | 2Q23 |
|---------------------------------|-------|------|------|------|------|-------|------|-------|------|-------|-------|-------|-------|
| INCOME TAXES PAID (\$Mn) | | | | | | | | | | | | | |
| Acreage | 3.0 | 1.6 | 4.4 | 0.4 | 10.0 | 16.4 | 2.4 | 19.0 | 0.3 | 10.8 | 32.5 | 7.6 | -3.4 |
| Ascend | 2.4 | 5.6 | 3.7 | 2.1 | 16.7 | 28.1 | 0.7 | 12.2 | 2.7 | 33.4 | 48.9 | 0.0 | 12.8 |
| AYR | 5.6 | 21.9 | 7.9 | 8.2 | 3.3 | 41.3 | 23.5 | 7.2 | -1.4 | 1.7 | 30.9 | 0.9 | 0.1 |
| Columbia Care | 7.7 | 0.1 | 4.2 | 6.1 | 12.2 | 22.6 | 0.1 | 43.7 | 7.7 | 0.0 | 51.4 | 0.7 | 7.6 |
| Cresco | 13.5 | 0.8 | 58.4 | 10.8 | 3.9 | 74.0 | 6.9 | 30.5 | 2.6 | 6.8 | 46.8 | 32.2 | 1.6 |
| Curaleaf | 21.5 | -0.2 | 82.8 | 1.0 | 8.2 | 91.8 | 2.0 | 107.6 | 11.1 | 35.2 | 156.0 | 1.4 | 108.2 |
| 4Front | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.2 | 1.1 | 1.0 | 0.0 | 0.0 | 2.1 | 0.7 | 0.3 |
| Green Thumb | 72.6 | 15.1 | 60.3 | 34.2 | 38.4 | 148.1 | 0.1 | 64.7 | 30.5 | 22.9 | 118.2 | 0.2 | 52.0 |
| Jushi | 1.3 | 0.7 | 5.0 | 0.4 | 1.0 | 7.1 | 3.9 | 4.7 | 2.7 | 0.5 | 11.7 | 0.3 | 2.8 |
| Marimed | 1.2 | 0.0 | 0.4 | 0.0 | 0.2 | 0.6 | 0.1 | 11.8 | 0.7 | 2.0 | 14.6 | 5.3 | 1.0 |
| Planet13 | 13.0 | 0.0 | 0.0 | 11.6 | 1.4 | 13.0 | 0.0 | 0.0 | 7.9 | 0.0 | 7.9 | 3.0 | 0.0 |
| Schwazze | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 | 2.1 | 0.0 | 6.8 | 3.0 | 2.5 | 12.3 | 0.0 | 3.5 |
| TerrAscend | 11.2 | 4.5 | 11.9 | 20.7 | 0.0 | 37.1 | 0.0 | 9.2 | 0.0 | 0.7 | 9.9 | -0.6 | -4.0 |
| Tilt | 0.0 | 0.0 | 0.8 | 0.4 | 0.0 | 1.2 | 0.0 | 0.1 | 0.2 | 0.2 | 0.4 | 0.0 | 0.0 |
| Trulieve | 105.2 | 0.0 | 80.0 | 40.4 | 58.3 | 178.7 | 0.0 | 104.2 | 57.5 | -15.0 | 146.7 | 0.0 | 121.0 |
| Verano | 10.2 | 0.0 | 16.3 | 0.1 | 11.6 | 28.0 | 0.0 | 37.3 | 20.6 | 12.8 | 70.7 | -34.3 | 15.3 |

Source: Company reports



Exhibit 2: Income Tax Payments as % of Gross Profits

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|
| INCOME TAXES PAID / GROSS PROFITS | | | | | | | | | | | | |
| Acreage | 6% | 8% | 2% | 1% | 8% | 17% | 8% | 14% | 2% | 49% | 32% | 29% |
| Ascend | 4% | 19% | 11% | 5% | 54% | 21% | 3% | 37% | 7% | 81% | 36% | 0% |
| AYR | 6% | 89% | 35% | 21% | 6% | 30% | 58% | 18% | -3% | 3% | 16% | 2% |
| Columbia Care | 12% | 0% | 8% | 8% | 36% | 12% | 0% | 86% | 15% | 0% | 26% | 2% |
| Cresco | 7% | 1% | 58% | 10% | 4% | 18% | 6% | 27% | 3% | 8% | 11% | 38% |
| Curaleaf | 7% | 0% | 53% | 1% | 6% | 16% | 1% | 61% | 7% | 46% | 27% | 1% |
| 4Front | 0% | 2% | 0% | 0% | 19% | 0% | 8% | 8% | 0% | 3% | 5% | 7% |
| Green Thumb | 24% | 14% | 49% | 26% | 30% | 30% | 0% | 51% | 23% | 18% | 23% | 0% |
| Jushi | 3% | 4% | 22% | 2% | 5% | 8% | 20% | 18% | 10% | 2% | 12% | 1% |
| Marimed | 4% | 0% | 2% | 0% | 1% | 1% | 0% | 79% | 4% | 13% | 23% | 34% |
| Planet13 | 38% | 0% | 0% | 66% | 8% | 20% | 0% | 0% | 75% | 0% | 17% | 27% |
| Schwazze | 0% | 0% | 0% | 0% | 17% | 4% | 0% | 27% | 12% | 11% | 15% | 0% |
| TerrAscend | 14% | 13% | 34% | 96% | 0% | 33% | 0% | 40% | 0% | 2% | 10% | -2% |
| Tilt | 0% | 0% | 6% | 3% | 0% | 2% | 0% | 1% | 2% | 3% | 1% | 0% |
| Trulieve | 27% | 0% | 55% | 26% | 44% | 32% | 0% | 58% | 34% | -10% | 22% | 0% |
| Verano | 8% | 0% | 16% | 0% | 27% | 8% | 0% | 38% | 15% | 14% | 17% | 33% |

Source: Company reports, and Z&A estimates



Exhibit 3: Sales (\$Mn)

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 | 2Q23 |
|---------------------|-------|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|-------|-------|
| SALES (\$Mn) | | | | | | | | | | | | | |
| Acreage | 114.5 | 38.4 | 44.2 | 48.2 | 58.1 | 188.9 | 56.9 | 61.4 | 61.4 | 57.5 | 237.1 | 56.0 | 58.1 |
| Ascend | 143.7 | 66.1 | 83.4 | 94.4 | 88.5 | 332.4 | 85.1 | 97.5 | 111.2 | 112.1 | 405.9 | 114.2 | 123.0 |
| AYR | 155.1 | 58.4 | 91.3 | 96.2 | 111.8 | 357.6 | 99.5 | 110.1 | 119.6 | 136.3 | 465.6 | 117.7 | 116.7 |
| Columbia Care | 179.5 | 86.1 | 102.4 | 132.3 | 139.3 | 460.1 | 123.1 | 129.6 | 132.7 | 126.2 | 511.6 | 124.5 | 129.2 |
| Cresco | 476.3 | 178.4 | 210.0 | 215.5 | 217.8 | 821.7 | 214.4 | 218.2 | 210.5 | 199.6 | 842.7 | 194.2 | 197.9 |
| Curaleaf | 626.6 | 260.3 | 312.2 | 317.1 | 306.3 | 1,196.0 | 296.1 | 337.6 | 339.7 | 363.0 | 1,336.3 | 336.5 | 338.6 |
| 4Front | 57.6 | 23.0 | 27.1 | 25.9 | 28.5 | 104.6 | 26.0 | 28.4 | 32.5 | 31.6 | 118.6 | 30.4 | 30.7 |
| Green Thumb | 556.6 | 194.4 | 221.9 | 233.7 | 243.6 | 893.6 | 242.6 | 254.3 | 261.2 | 259.3 | 1,017.4 | 248.5 | 252.4 |
| Jushi | 80.8 | 41.7 | 47.7 | 54.0 | 65.9 | 209.3 | 61.9 | 72.8 | 72.8 | 76.8 | 284.3 | 69.9 | 66.4 |
| Marimed | 50.9 | 24.6 | 32.6 | 33.2 | 31.0 | 121.5 | 31.3 | 33.0 | 33.9 | 35.8 | 134.0 | 34.4 | 36.5 |
| Planet13 | 70.5 | 23.8 | 32.8 | 33.0 | 29.9 | 119.5 | 25.7 | 28.4 | 25.6 | 24.8 | 104.6 | 24.9 | 25.8 |
| Schwazze | 24.0 | 19.3 | 30.7 | 31.8 | 26.5 | 108.4 | 31.8 | 44.3 | 43.2 | 40.1 | 159.4 | 40.0 | 42.4 |
| TerrAscend | 148.0 | 53.4 | 58.7 | 49.1 | 33.0 | 194.2 | 48.6 | 64.8 | 67.0 | 67.4 | 247.8 | 69.4 | 72.1 |
| Tilt | 158.4 | 46.8 | 48.5 | 53.4 | 54.1 | 202.7 | 42.4 | 47.1 | 40.5 | 44.3 | 174.2 | 42.3 | 41.6 |
| Trulieve | 521.5 | 193.8 | 215.6 | 224.1 | 304.9 | 938.4 | 317.7 | 313.8 | 300.8 | 307.4 | 1,239.8 | 289.1 | 281.8 |
| Verano | 228.5 | 120.9 | 198.7 | 206.8 | 211.4 | 737.9 | 202.2 | 223.7 | 227.6 | 225.9 | 879.4 | 227.1 | 234.1 |

Source: Company reports, and Z&A estimates



Exhibit 4: Gross Margins

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 | 2Q23 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| GROSS MARGIN % | | | | | | | | | | | | | |
| Acreage | 43% | 54% | 54% | 49% | 47% | 51% | 52% | 50% | 35% | 35% | 43% | 48% | 36% |
| Ascend | 42% | 45% | 41% | 43% | 35% | 41% | 28% | 34% | 33% | 37% | 33% | 31% | 23% |
| AYR | 57% | 42% | 24% | 42% | 46% | 39% | 41% | 37% | 41% | 44% | 41% | 41% | 49% |
| Columbia Care | 35% | 39% | 53% | 55% | 25% | 42% | 46% | 39% | 39% | 33% | 39% | 38% | 40% |
| Cresco | 43% | 49% | 48% | 50% | 51% | 49% | 50% | 52% | 47% | 44% | 48% | 44% | 44% |
| Curaleaf | 50% | 49% | 50% | 46% | 46% | 48% | 54% | 52% | 49% | 21% | 43% | 48% | 43% |
| 4Front | 63% | 60% | 60% | 60% | -1% | 47% | 52% | 43% | 46% | 1% | 35% | 36% | 31% |
| Green Thumb | 55% | 57% | 55% | 55% | 53% | 55% | 51% | 49% | 50% | 48% | 50% | 50% | 50% |
| Jushi | 47% | 45% | 48% | 43% | 28% | 40% | 31% | 37% | 38% | 29% | 34% | 43% | 46% |
| Marimed | 62% | 54% | 60% | 55% | 50% | 55% | 54% | 45% | 48% | 44% | 48% | 45% | 45% |
| Planet13 | 49% | 54% | 57% | 53% | 57% | 55% | 50% | 49% | 41% | 43% | 46% | 44% | 46% |
| Schwazze | 28% | 38% | 48% | 47% | 46% | 46% | 34% | 57% | 60% | 57% | 53% | 58% | 58% |
| TerrAscend | 55% | 65% | 59% | 44% | 64% | 58% | 32% | 35% | 36% | 57% | 41% | 49% | 50% |
| Tilt | 37% | 32% | 27% | 24% | 18% | 25% | 22% | 23% | 24% | 19% | 22% | 21% | 10% |
| Trulieve | 74% | 70% | 67% | 69% | 43% | 60% | 57% | 56% | 56% | 51% | 55% | 52% | 50% |
| Verano | 59% | 45% | 50% | 64% | 20% | 45% | 49% | 44% | 54% | 45% | 48% | 48% | 49% |

Source: Company reports, and Z&A estimates



Exhibit 5: ST Income Tax Debt

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 | 2Q23 |
|---|------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| SHORT TERM INCOME TAX PAYABLE (\$Mn) | | | | | | | | | | | | | |
| Acreage | 14.8 | 18.9 | 21.2 | 27.4 | 24.6 | 24.6 | 30.6 | 21.3 | 29.2 | 24.2 | 24.2 | 29.7 | 34.0 |
| Ascend | 18.3 | 22.5 | 22.5 | 42.1 | 36.2 | 36.2 | 43.8 | 44.1 | 54.1 | 34.7 | 34.7 | 46.8 | 47.0 |
| AYR | 21.4 | 10.2 | 14.0 | 21.4 | 28.9 | 28.9 | 17.2 | 20.8 | 32.8 | 46.0 | 46.0 | 56.9 | 69.7 |
| Columbia Care | 0.0 | 0.0 | 0.0 | 30.0 | 26.5 | 26.5 | 31.7 | 0.0 | 5.9 | 34.0 | 34.0 | 42.6 | 46.9 |
| Cresco | 36.1 | 55.2 | 18.9 | 32.4 | 46.9 | 46.9 | 64.2 | 59.0 | 82.3 | 94.8 | 94.8 | 80.4 | 92.4 |
| Curaleaf | 79.6 | 110.1 | 63.4 | 130.1 | 139.2 | 139.2 | 182.9 | 137.2 | 167.3 | 162.9 | 162.9 | 202.3 | 209.9 |
| 4Front | 11.5 | 13.3 | 16.7 | 21.5 | 24.0 | 24.0 | 27.6 | 29.7 | 32.8 | 36.6 | 36.6 | 39.2 | 41.2 |
| Green Thumb | 16.1 | 30.2 | 0.5 | 16.5 | 1.5 | 1.5 | 32.8 | 6.5 | 9.0 | 4.4 | 4.4 | 30.6 | 9.8 |
| Jushi | 1.3 | 1.3 | 0.1 | 0.0 | 6.6 | 6.6 | 51.0 | 9.9 | 15.8 | 19.9 | 19.9 | 29.4 | 32.6 |
| Marimed | 0.0 | 0.0 | 0.0 | 0.0 | 16.5 | 16.5 | 20.1 | 10.0 | 11.7 | 11.5 | 11.5 | 8.7 | 9.6 |
| Planet13 | 1.2 | 3.7 | 0.0 | 0.0 | 1.1 | 1.1 | 3.9 | 0.1 | 0.1 | 2.8 | 2.8 | 2.1 | 0.8 |
| Schwazze | 0.0 | 0.0 | 0.0 | 1.0 | 2.0 | 2.0 | 3.3 | 0.9 | 3.6 | 7.3 | 7.3 | 12.6 | 14.1 |
| TerrAscend | 27.7 | 32.5 | 25.7 | 10.9 | 9.6 | 9.6 | 28.8 | 13.2 | 23.1 | 23.1 | 23.1 | 34.7 | 45.9 |
| Tilt | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 1.1 | 0.6 | 1.0 | 1.0 | 1.5 | 1.8 |
| Trulieve | 5.9 | 42.4 | 0.0 | 0.0 | 27.6 | 27.6 | 77.7 | 23.9 | 4.7 | 49.8 | 49.8 | 35.7 | 0.0 |
| Verano | 46.9 | 71.6 | 57.8 | 130.2 | 154.5 | 154.5 | 203.9 | 161.4 | 222.3 | 252.8 | 252.8 | 247.7 | 227.1 |

Source: Company reports, and Z&A estimates



Exhibit 6: ST Income Tax Debt as % of Gross Profits

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 | 2Q23 |
|--|------|------|------|------|--------|------|------|------|------|-------|------|------|------|
| ST TAX LIABILITIES / AS OF ANNUALIZED GROSS PROFITS | | | | | | | | | | | | | |
| Acreage | 30% | 23% | 22% | 29% | 22% | 26% | 26% | 17% | 34% | 30% | 24% | 28% | 40% |
| Ascend | 30% | 19% | 16% | 26% | 29% | 27% | 47% | 33% | 37% | 21% | 26% | 33% | 41% |
| AYR | 24% | 10% | 16% | 13% | 14% | 21% | 11% | 13% | 17% | 19% | 24% | 29% | 31% |
| Columbia Care | 0% | 0% | 0% | 10% | 19% | 14% | 14% | 0% | 3% | 20% | 17% | 23% | 23% |
| Cresco | 17% | 16% | 5% | 7% | 11% | 12% | 15% | 13% | 21% | 27% | 23% | 23% | 27% |
| Curaleaf | 25% | 21% | 10% | 22% | 25% | 24% | 28% | 19% | 25% | 53% | 28% | 31% | 36% |
| 4Front | 32% | 24% | 26% | 34% | -2774% | 49% | 51% | 60% | 55% | 2738% | 89% | 89% | 107% |
| Green Thumb | 5% | 7% | 0% | 3% | 0% | 0% | 7% | 1% | 2% | 1% | 1% | 6% | 2% |
| Jushi | 3% | 2% | 0% | 0% | 9% | 8% | 67% | 9% | 14% | 23% | 21% | 25% | 27% |
| Marimed | 0% | 0% | 0% | 0% | 27% | 25% | 30% | 17% | 18% | 18% | 18% | 14% | 15% |
| Planet13 | 4% | 7% | 0% | 0% | 2% | 2% | 8% | 0% | 0% | 7% | 6% | 5% | 2% |
| Schwazze | 0% | 0% | 0% | 2% | 4% | 4% | 8% | 1% | 3% | 8% | 9% | 14% | 14% |
| TerrAscend | 34% | 23% | 18% | 13% | 11% | 9% | 46% | 14% | 24% | 15% | 23% | 26% | 32% |
| Tilt | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 2% | 2% | 3% | 3% | 4% | 11% |
| Trulieve | 2% | 8% | 0% | 0% | 5% | 5% | 11% | 3% | 1% | 8% | 7% | 6% | 0% |
| Verano | 35% | 33% | 14% | 24% | 89% | 47% | 51% | 41% | 45% | 62% | 60% | 57% | 49% |

Source: Company reports, and Z&A estimates



Exhibit 7: Financial Net Debt

| | CY20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | CY21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | CY22 | 1Q23 | 2Q23 |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| NET DEBT | | | | | | | | | | | | | |
| Acreage | -125.8 | -134.6 | -104.7 | -113.6 | -126.5 | -126.5 | -143.9 | -172.2 | -175.5 | -191.0 | -191.0 | -202.7 | -213.9 |
| Ascend | -153.5 | -185.9 | -48.2 | -51.1 | -103.3 | -103.3 | -89.9 | -152.7 | -219.0 | -256.5 | -256.5 | -250.8 | -241.8 |
| AYR | -38.6 | -1.9 | -64.0 | -124.8 | -228.4 | -228.4 | -353.0 | -370.7 | -405.1 | -352.0 | -352.0 | -341.3 | -378.8 |
| Columbia Care | -23.4 | 88.9 | 7.6 | -23.1 | -78.7 | -78.7 | -139.7 | -244.2 | -277.2 | -280.9 | -280.9 | -290.6 | -290.4 |
| Cresco | -140.6 | -27.4 | -157.1 | -224.5 | -258.9 | -258.9 | -313.4 | -394.1 | -364.6 | -366.4 | -366.4 | -408.6 | -415.0 |
| Curaleaf | -218.0 | -24.9 | -4.4 | -24.8 | -160.6 | -160.6 | -341.4 | -399.9 | -401.4 | -459.5 | -459.5 | -478.0 | -489.1 |
| 4Front | -48.1 | -47.2 | -43.6 | -47.7 | -48.2 | -48.2 | -62.0 | -76.9 | -79.2 | -69.0 | -69.0 | -78.9 | -79.2 |
| Green Thumb | -15.3 | 175.8 | 161.6 | 31.8 | -9.5 | -9.5 | -69.7 | -108.2 | -108.3 | -98.0 | -98.0 | -92.5 | -140.9 |
| Jushi | 40.1 | 115.8 | 68.9 | -8.1 | -31.0 | -31.0 | -65.2 | -142.8 | -168.8 | -163.1 | -163.1 | -174.9 | -183.5 |
| Marimed | -33.7 | -6.9 | -0.5 | 6.3 | 11.0 | 11.0 | 15.4 | -15.5 | -14.8 | -20.0 | -20.0 | -31.9 | -38.1 |
| Planet13 | 78.1 | 140.2 | 135.4 | 72.8 | 60.7 | 60.7 | 61.3 | 51.7 | 50.0 | 51.5 | 51.5 | 41.8 | 39.6 |
| Schwazze | -17.7 | -31.3 | -33.1 | -38.2 | 8.8 | 8.8 | -70.3 | -87.2 | -85.7 | -88.8 | -88.8 | -96.0 | -135.6 |
| TerrAscend | -129.4 | 51.9 | -40.3 | -90.2 | -99.8 | -99.8 | -168.4 | -202.8 | -224.7 | -179.2 | -179.2 | -175.6 | -186.2 |
| Tilt | -64.3 | -63.7 | -64.4 | -73.5 | -79.7 | -79.7 | -78.7 | -95.4 | -54.4 | -56.2 | -56.2 | -43.7 | -52.9 |
| Trulieve | 58.7 | 70.0 | 193.0 | -3.9 | -421.0 | -421.0 | -460.3 | -552.6 | -620.9 | -578.3 | -578.3 | -640.6 | -631.1 |
| Verano | -23.8 | 71.9 | 15.9 | -105.8 | -190.8 | -190.8 | -244.6 | -309.8 | -315.7 | -328.2 | -328.2 | -320.2 | -317.8 |

Source: Company reports, and Z&A estimates



Appendix II: Valuation Comps



Exhibit 8: Valuation Comps – Part I

| Company name | Ticker | Listing | 8/31/2023 | | (mn) Shares | Net (Debt) | Ent Value | EV/Sales 1yF | EV/EBITDA 1yF | US\$ Mn | | | |
|--------------------------------------|--------|---------|-----------|-------|----------------|---------------|--------------|-----------------|------------------|---------------|--------|-----------------|--------------------|
| | | | Price | Mkt | | | | | | 1yF Estimates | | EBITDA mgn % | Net debt EBITDA |
| | | | US\$ | Cap | | | | | | Sales | EBITDA | | |
| US MSOs | | | | | | | | | | | | | |
| 4Front Ventures Corp. | FFNTF | US OTC | 0.13 | 82 | 649 | -79 | 161 | 1.2x | 5.9x | 133 | 28 | 21% | -2.9x |
| Acreage Holdings, Inc. Class D | ACRDF | US OTC | 0.25 | 35 | 138 | -214 | 249 | 1.1x | 6.3x | 235 | 39 | 17% | -5.4x |
| Ascend Wellness Holdings LLC Class A | AAWH | US OTC | 0.66 | 145 | 219 | -242 | 387 | 0.7x | 3.4x | 542 | 114 | 21% | -2.1x |
| Ayr Wellness, Inc. | AYRWF | US OTC | 1.08 | 83 | 77 | -379 | 462 | 0.9x | 3.5x | 519 | 132 | 25% | -2.9x |
| C21 Investments Inc | CXXIF | US OTC | 0.26 | 31 | 120 | 0 | 31 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Columbia Care, Inc. | CCHWF | US OTC | 0.59 | 245 | 419 | -290 | 536 | 1.0x | 5.2x | 555 | 103 | 19% | -2.8x |
| Cresco Labs, Inc. | CRLBF | US OTC | 1.24 | 541 | 437 | -415 | 956 | 1.2x | 5.8x | 769 | 164 | 21% | -2.5x |
| Curaleaf Holdings, Inc. | CURLF | US OTC | 3.18 | 2,285 | 719 | -489 | 2,774 | 2.0x | 8.3x | 1,407 | 335 | 24% | -1.5x |
| Glass House Brands Inc | GLASF | US OTC | 4.16 | 232 | 56 | -59 | 291 | 1.7x | 10.1x | 168 | 29 | 17% | -2.1x |
| Gold Flora Corporation | GRAMF | US OTC | 0.13 | 14 | 108 | 30 | -16 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Goodness Growth Holdings, Inc. | GDNSF | US OTC | 0.16 | 14 | 87 | -124 | 138 | 1.5x | 7.9x | 95 | 18 | 19% | -7.1x |
| Green Thumb Industries Inc. | GTBIF | US OTC | 8.37 | 1,998 | 239 | -141 | 2,139 | 2.0x | 6.6x | 1,074 | 326 | 30% | -0.4x |
| Grown Rogue International Inc. | GRUSF | US OTC | 0.21 | 36 | 171 | -3 | 39 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Jushi Holdings Inc Class B | JUSHF | US OTC | 0.49 | 96 | 197 | -141 | 237 | 0.8x | 4.0x | 297 | 59 | 20% | -2.4x |
| Lowell Farms Inc | LOWLF | US OTC | 0.27 | 3 | 12 | -55 | 58 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| MariMed Inc | MRMD | US OTC | 0.37 | 137 | 372 | -38 | 175 | 1.0x | 4.1x | 167 | 43 | 25% | -0.9x |
| Planet 13 Holdings, Inc. | PLNHF | US OTC | 0.66 | 148 | 222 | 40 | 108 | 0.8x | 6.8x | 141 | 16 | 11% | 2.5x |
| Schwazze | SHWZ | US OTC | 0.85 | 61 | 72 | -136 | 197 | 0.9x | 2.8x | 209 | 70 | 34% | -1.9x |
| StateHouse Holdings Inc | STHZF | US OTC | 0.05 | 13 | 252 | -140 | 153 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| TerrAscend Corp. | TSNDF | US OTC | 2.04 | 530 | 260 | -216 | 746 | 2.2x | 9.8x | 345 | 76 | 22% | -2.8x |
| The Greenrose Holding Company Inc | GNRS | US OTC | 0.02 | 0 | 16 | -98 | 98 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| TILT Holdings, Inc. | TLLTF | US OTC | 0.03 | 11 | 379 | -53 | 64 | 0.4x | 7.8x | 181 | 8 | 5% | -6.4x |
| Trulieve Cannabis Corp. | TCNNF | US OTC | 4.39 | 816 | 186 | -631 | 1,448 | 1.3x | 4.6x | 1,128 | 315 | 28% | -2.0x |
| Verano Holdings Corp. Class A | VRNOF | US OTC | 3.10 | 1,064 | 343 | -318 | 1,382 | 1.4x | 4.3x | 1,009 | 322 | 32% | -1.0x |
| Vext Science, Inc. | VEXTF | US OTC | 0.18 | 27 | 151 | -35 | 62 | 1.1x | 3.6x | 54 | 17 | 31% | -2.0x |

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



Exhibit 9: Valuation Comps – Part II

| Company name | Ticker | Listing | 8/31/2023 | | (mn) Shares | Net (Debt) | Ent Value | EV/Sales 1yF | EV/EBITDA 1yF | US\$ Mn | | | |
|-----------------------------------|--------|---------|-----------|-------|----------------|---------------|--------------|-----------------|------------------|---------------|--------|-----------------|--------------------|
| | | | Price | Mkt | | | | | | 1yF Estimates | | EBITDA mgn % | Net debt EBITDA |
| | | | US\$ | Cap | | | | | | Sales | EBITDA | | |
| Canada | | | | | | | | | | | | | |
| Aleafia Health, Inc. | ALEAF | US OTC | 0.02 | 6 | 403 | -34 | 40 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Aurora Cannabis Inc. | ACB | NASDAQ | 0.46 | 160 | 345 | 54 | 106 | 0.5x | 7.0x | 206 | 15 | 7% | 3.6x |
| Auxly Cannabis Group Inc. | CBWTF | US OTC | 0.01 | 11 | 906 | -132 | 143 | 1.4x | -60.7x | 105 | -2 | -2% | 55.9x |
| Avant Brands Inc | AVTBF | US OTC | 0.16 | 32 | 206 | 3 | 29 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| BZAM Ltd | BZAMF | US OTC | 0.12 | 19 | 157 | 0 | 19 | 0.2x | 8.6x | 113 | 2 | 2% | 0.0x |
| Canopy Growth Corporation | CGC | NASDAQ | 0.45 | 235 | 517 | -459 | 695 | 2.2x | -6.3x | 322 | -111 | -34% | 4.1x |
| Cronos Group Inc | CRON | NASDAQ | 1.87 | 712 | 381 | 874 | -162 | -1.7x | 4.2x | 97 | -38 | -39% | -22.9x |
| Decibel Cannabis Company Inc | DBCCF | US OTC | 0.12 | 49 | 405 | -34 | 83 | 0.6x | 2.3x | 135 | 35 | 26% | -0.9x |
| Entourage Health Corp | ETRGF | US OTC | 0.02 | 5 | 307 | -91 | 96 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| High Tide, Inc. | HITI | NASDAQ | 1.39 | 99 | 71 | -33 | 131 | 0.2x | 3.9x | 527 | 33 | 6% | -1.0x |
| Nova Cannabis Inc | NVACF | US OTC | 0.40 | 23 | 57 | -40 | 63 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| OrganiGram Holdings Inc | OGI | NASDAQ | 1.53 | 120 | 78 | 73 | 47 | 0.4x | 5.1x | 124 | 9 | 7% | 7.9x |
| Rubicon Organics, Inc. | ROMJF | US OTC | 0.35 | 20 | 56 | -1 | 21 | 0.4x | 2.2x | 51 | 9 | 19% | -0.1x |
| SNDL Inc. | SNDL | NASDAQ | 1.66 | 390 | 235 | 116 | 274 | 0.4x | 13.1x | 712 | 21 | 3% | 5.5x |
| Tilray Brands, Inc. | TLRY | NASDAQ | 2.66 | 1,747 | 657 | -142 | 1,888 | 2.5x | 24.2x | 760 | 78 | 10% | -1.8x |
| Village Farms International, Inc. | VFF | NASDAQ | 0.87 | 96 | 110 | -49 | 145 | 0.5x | 18.2x | 289 | 8 | 3% | -6.2x |

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

Exhibit 10: Valuation Comps – Part III

| Company name | Ticker | Listing | 8/31/2023 | | (mn) Shares | Net (Debt) | Ent Value | EV/Sales 1yF | EV/EBITDA 1yF | US\$ Mn | | | |
|--|--------|---------|-----------|-------|----------------|---------------|--------------|-----------------|------------------|---------------|--------|-----------------|--------------------|
| | | | Price | Mkt | | | | | | 1yF Estimates | | EBITDA mgn % | Net debt EBITDA |
| | | | US\$ | Cap | | | | | | Sales | EBITDA | | |
| Service Providers | | | | | | | | | | | | | |
| AFC Gamma, Inc. | AFCG | NASDAQ | 13.53 | 276 | 20 | -17 | 292 | 4.2x | #N/A | 69 | #N/A | #N/A | #N/A |
| Chicago Atlantic Real Estate Finance, Ir | REFI | NASDAQ | 15.27 | 271 | 18 | -52 | 324 | 5.3x | #N/A | 62 | #N/A | #N/A | #N/A |
| GrowGeneration Corp. | GRWG | NASDAQ | 3.00 | 183 | 61 | 23 | 160 | 0.7x | -41.9x | 228 | -4 | -2% | -6.0x |
| Hydrofarm Holdings Group, Inc. | HYFM | NASDAQ | 1.04 | 47 | 45 | -165 | 212 | 0.9x | 25.4x | 240 | 8 | 3% | -19.8x |
| Innovative Industrial Properties Inc | IIPR | NYSE | 84.06 | 2,351 | 28 | -14 | 2,365 | 7.8x | 9.6x | 302 | 246 | 81% | -0.1x |
| Leafly Holdings, Inc. | LFLY | NASDAQ | 0.41 | 18 | 43 | -4 | 21 | 0.5x | -9.0x | 46 | -2 | -5% | 1.5x |
| NewLake Capital Partners, Inc. | NLCP | US OTC | 13.69 | 293 | 21 | 42 | 251 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| RiverNorth Opportunities Fund, Inc. | RIV | NYSE | 11.25 | 208 | 18 | 18 | 190 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| SHF Holdings Inc Class A | SHFS | NASDAQ | 0.37 | 9 | 24 | 7 | 1 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Scotts Miracle-Gro Company Class A | SMG | NYSE | 56.50 | 3,136 | 56 | -3,183 | 6,319 | 1.8x | 12.4x | 3,572 | 511 | 14% | -6.2x |
| Silver Spike Investment Corp. | SSIC | NASDAQ | 9.91 | 62 | 6 | 85 | -23 | -1.6x | #N/A | 15 | #N/A | #N/A | #N/A |
| SpringBig Holdings, Inc. | SBIG | NASDAQ | 0.23 | 6 | 27 | -6 | 12 | 0.3x | 10.0x | 33 | 1 | 3% | -4.8x |
| urban-gro Inc | UGRO | NASDAQ | 1.02 | 11 | 11 | 6 | 5 | 0.1x | -3.7x | 107 | -1 | -1% | -3.7x |
| WM Technology, Inc. Class A | MAPS | NASDAQ | 1.49 | 137 | 92 | -11 | 148 | 0.7x | 5.7x | 203 | 26 | 13% | -0.4x |
| CBD, CPG, Pharma, International | | | | | | | | | | | | | |
| Cardiol Therapeutics Inc. Class A | CRDL | NASDAQ | 0.98 | 63 | 64 | 44 | 19 | #DIV/0! | -1.0x | 0 | -18 | #DIV/0! | -2.4x |
| Charlotte's Web Holdings, Inc. | CWBHF | US OTC | 0.26 | 39 | 152 | 9 | 30 | 0.4x | -3.5x | 78 | -9 | -11% | -1.0x |
| Clever Leaves Holdings, Inc. | CLVR | NASDAQ | 4.60 | 7 | 1 | 9 | -2 | -0.1x | 0.4x | 27 | -7 | -25% | -1.4x |
| CV Sciences, Inc. | CVSI | US OTC | 0.04 | 5 | 152 | -1 | 6 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Hempfusion Wellness, Inc. | CBDHF | US OTC | 0.00 | 0 | 100 | 0 | 0 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| IM Cannabis Corp | IMCC | NASDAQ | 0.86 | 7 | 8 | -7 | 13 | 0.3x | 6.4x | 44 | 2 | 5% | -3.2x |
| InterCure Ltd. | INCR | NASDAQ | 1.51 | 69 | 46 | -2 | 71 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Jazz Pharmaceuticals Public Limited Cc | JAZZ | NASDAQ | 145.31 | 9,186 | 63 | -4,936 | 14,121 | 3.5x | 7.5x | 3,981 | 1,882 | 47% | -2.6x |
| Little Green Pharma Ltd. | LGPPF | US OTC | #N/A | #N/A | 298 | 0 | #N/A | #N/A | #N/A | 40 | 4 | 9% | 0.0x |
| PharmaCielo Ltd. | PCLOF | US OTC | 0.13 | 20 | 155 | -9 | 29 | #N/A | #N/A | #N/A | #N/A | #N/A | #N/A |
| Turning Point Brands Inc | TPB | NYSE | 24.91 | 436 | 17 | -314 | 750 | 1.8x | 8.1x | 420 | 93 | 22% | -3.4x |

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

Exhibit 11: Stock Performance

| Stock Performance | | | |
|-------------------|----------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| US MSOs | | | |
| FFNTF | -2% | -23% | -77% |
| ACRDF | 34% | -34% | -76% |
| AAWH | 7% | -17% | -76% |
| AYRWF | 7% | 7% | -76% |
| CXXIF | -13% | 5% | -3% |
| CCHWF | 39% | 26% | -73% |
| CRLBF | -21% | -27% | -70% |
| CURLF | -8% | 11% | -52% |
| GLASF | 36% | 15% | 90% |
| GNRS | -90% | -94% | -99% |
| GRAMF | -18% | -16% | -84% |
| GDNSF | 8% | 6% | -89% |
| GTBIF | 21% | 9% | -39% |
| GRUSF | 20% | 56% | 320% |
| JUSHF | 11% | 3% | -75% |
| LOWLF | -16% | -23% | -86% |
| MRMD | -3% | -9% | -40% |
| PLNHF | 21% | 17% | -59% |
| RWBYF | -100% | nm | -100% |
| SHWZ | -6% | -9% | -42% |
| STHZF | 49% | 31% | -81% |
| TSNDF | 46% | 22% | 5% |
| TLLTF | -9% | -37% | -81% |
| TCNNF | 9% | 3% | -70% |
| VRNOF | 12% | 5% | -56% |
| VEXTF | -14% | -11% | -41% |

| Stock Performance | | | |
|--|----------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| Canada | | | |
| ALEAF | 0% | -21% | -72% |
| ACB | -13% | -9% | -71% |
| CBWTF | -11% | 17% | -71% |
| AVTBF | 0% | 41% | -8% |
| BZAMF | -15% | -34% | -82% |
| CGC | -4% | -46% | -89% |
| CRON | 2% | 7% | -41% |
| DBCCF | 17% | 26% | 61% |
| ETRGF | 12% | 5% | -65% |
| HITI | 11% | 7% | -5% |
| NVACF | -6% | -21% | -47% |
| OGI | 5% | 3% | -66% |
| ROMJF | -11% | 20% | -48% |
| SNDL | 8% | 17% | -44% |
| TLRY | 17% | 59% | -32% |
| VFF | 41% | 47% | -68% |
| CBD, CPG, Pharma, International | | | |
| CBDHF | na | -90% | -100% |
| CRDL | -10% | 46% | -15% |
| CLVR | -29% | -39% | -82% |
| CVSI | -23% | -22% | -26% |
| CWBHF | -16% | 30% | -60% |
| GNLN | -14% | -74% | -97% |
| IMCC | 4% | -33% | -81% |

| Stock Performance | | | |
|--|----------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| Service Providers | | | |
| AFCG | -5% | 18% | -24% |
| AGFY | -12% | -28% | -98% |
| CXXIF | -13% | 5% | -3% |
| REFI | 1% | 5% | -2% |
| GRWG | -18% | -19% | -38% |
| HYFM | -6% | 13% | -70% |
| IIPR | 9% | 27% | -12% |
| LFLY | 16% | 42% | -76% |
| NLCP | 7% | 11% | -19% |
| PW | -46% | -53% | -95% |
| RIV | -2% | 2% | -21% |
| SMG | -20% | -11% | -20% |
| SSIC | 20% | 18% | 1% |
| SBIG | -24% | -27% | -86% |
| UGRO | -19% | -17% | -72% |
| MAPS | 46% | 46% | -46% |
| CBD, CPG, Pharma, International | | | |
| INCR | -5% | -22% | -71% |
| JAZZ | 11% | 13% | -5% |
| LGPPF | na | na | na |
| PCLOF | 5% | -3% | -60% |
| TPB | 5% | 19% | 5% |
| YCBD | -28% | -46% | -94% |

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



Disclosures and Disclaimers

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

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