

8/11/2025

Schedule 3 Coming...?

Cannabis Sector Equity Research



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Lest We Forget, Why S3 Matters So Much

Summary: In this note we review the significant impact that rescheduling (S3) would have on the US cannabis industry and on stocks. We do not delve here on assigning probability on whether S3 will happen or not, or on how such a decision would be implemented (see our upcoming podcasts on the regulatory process and options). So, while we have read the WSJ/CNN articles (both out at the same time Friday night) several times, we will not go into the minutiae of what happened in that Bedminster NJ dinner. Apparently, among many topics discussed, when prompted by Trulieve CEO Kim Rivers, per the [WSJ](#), the president said he was “interested in reclassifying cannabis”, and per [CNN](#), he said “that’s something we’re going to look at”. Is he testing the waters to see how his supporters react? or as we saw with the attack on Iran, he will act regardless of whether all his supporters agree or not? Yes, this analyst, is now tracking social media to see what the likes of Joe Rogan, Tucker Carlson, Charlie Kirk, Laura Loomer, and others say. But just the fact this has become a mainstream topic (even though many would not know the difference between rescheduling, descheduling, or actual federal legalization) is a plus, we say.

Nine reasons why S3 would be so consequential.

- Less stigma, in general. Schedule I drugs, substances, and chemicals are defined as drugs with no currently accepted medical use (CAMU) and a high potential for abuse. Besides, cannabis, Schedule I drugs include heroin, LSD, MDMA, and peyote (cocaine is Schedule II). The classification per se carries heavy stigma. Per the Controlled Substances Act (CSA), Schedule III drugs are substances that “have a moderate to low potential for physical and psychological dependence”. Schedule III substances include anabolic steroids, ketamine, and some preparations containing limited amounts of narcotic substances like codeine. Less stigma around cannabis would yield multiple benefits, including greater acceptance by the general public. The conversation around cannabis would change.
- Provides cover to state regulators. We believe the less stigma argument would facilitate change at the state level, providing cover for state legislators mulling whether to pass laws to launch recreational (also called adult use) cannabis sales programs or begin (or expand) medical cannabis programs. For example, Texas has a very restrictive medical program (expansion has been approved but the details are in the works), and so does GA; several other southern states (AL, TN) do not have medical programs at all. Pennsylvania legislators are trying to find agreement in the shape of a rec program (VA could follow).
- Could propel the US Congress to act on other related legislation. The less stigma issue also applies at the federal level. Reclassifying cannabis to Schedule III (by a Republican president no less) would make it easier for Republican Senators and Representatives to look at other pending legislation. For example, proposal that would let VA doctors prescribe medical cannabis (MMJ) to veterans (even if it is not reimbursed, this would be a significant change). Also, S3 could help pave the road for SAFER banking (approved by the US Senate Banking Committee by 14 to 9 back in the fall of 2023), which would facilitate access to banking financial services (cash management; current accounts; loans;



staff mortgage loans; maybe even to credit cards). See our report on [SAFE](#) (called SAFER in its latest version).

- Could lead to uplisting and custody. A few years ago, US banks and prime brokers stopped offering custody services to investors owning US cannabis stocks (which trade OTC and are not listed in the major US stock exchanges), which further hurt liquidity for the group. As a result, investors have used NASDAQ-listed Canadian licensed producers stocks (CGC and TLRY, especially) as US proxies, even though these companies cannot directly own US plant touching assets. With S3, we think custody would be more widely offered. We realize that cannabis would still remain federally illegal despite S3 rescheduling, and that could deter US stock exchanges from uplisting US MSOs. But then again, that is their interpretation, and perhaps they could change their mind with rescheduling...? NSYE still lists MJ sale leaseback operator IIPR.
- Tax rule 280E would no longer apply. At present, MJ companies cannot deduct operating expenses or interest and pay (or provision) income taxes based on their gross profits. On average, this means that instead of the 21% statutory corporate tax that would apply to them, then end up with effective tax rates of ~80% on average (as the 21% rate applies to the gross profit line). In this [report](#), we ran the math regarding the financial benefits to the industry, and the valuation upside for each stock.
- Balance sheet impact. As we know, most MSO companies (Green Thumb being the sole exception), in part with the advice of their lawyers and accounting auditors, have begun to provision income tax as if 280E did not apply to them. So, they declare and pay taxes by taking the 21% tax rate on the earnings after deducting operating expenses, interest, and other costs. On the balance sheet they show as liabilities “uncertain tax benefits” corresponding to the amount they would owe if 280E did apply to them. These balances (UTB) are not insignificant. As of 6/30/25, Cresco had \$151Mn (on revenues of \$655Mn, if annualizing 2Q25); Curaleaf \$477Mn (\$1.26Bn); Trulieve \$560Mn (\$1.2Bn); and Verano \$301Mn (\$809Mn). With S3, we assume these companies could maybe (we say could, not would) have legal arguments to say these taxes should not have applied retroactively, and have them erased from their balance sheet liabilities (in a best-case scenario).
- Cost of capital should come down. With both improved cash flows (with 280E gone) and balance sheets (UTBs gone), credit risk would be lower for lenders, and this should lead to lower interest rates, all else equal. Also, on the margin, we would expect additional capital entering the industry, and this would be a second reason to expect lower interest costs for the MSOs. Some companies in the MSO group pay interest rates in the high teens in some cases (even >20%), and for some net interest expense be larger than absolute gross profits, often representing a heavy load on cash and earnings (more than 20% of revenues in some cases).
- We would likely see more M&A. While the S3 tide would lift all boats, we believe this would be a good time for smaller operators to sell and for the larger ones to bulk up, either via bolt on deals or even transformative M&A.

- More research. We know this is often mentioned, and of course it is paramount. With cannabis in Schedule I research is limited (and stigmatized too; no grants). With significant increases in research, we would expect to see more scientific evidence of the benefits of cannabis. All this would help set the tone for future more radical reform (descheduling; outright federal legalization of med and or rec). However, we still wonder that if cannabis remains federally illegal, whether we could really see an increase on research.

What S3 would not change. Cannabis would remain federally illegal; interstate trade would not be allowed; and the silo system of each state deciding their own market rules (licensing, vertical integration, taxes, etc) would all still apply. All this said, the devil will be in the detail. Even though each state will decide their own cannabis rules, the CSA is a federal construct, so we wonder if there will be changes in the way the FDA supervises federal cannabis; will they require actual Rx prescriptions? will there be more FDA supervision on prescribing doctors and actual products? See our [report](#) on the subject. Also, again, if the CSA is a federal construct, how could a state outlaw cannabis (does not S3 make it legal de facto?).

In the “best interests of the American people”. Per the WSJ article, Abigail Jackson, a White House spokeswoman, said “all policy and legal requirements and implications are being considered. The only interest guiding the president’s policy decisions is what is in the best interest of the American people.” Here, as equity analysts, our focus is on the industry itself and stocks. It is not our business to opine what is best for the American people. Still, we should remember that the US cannabis industry generates about 420,000 direct jobs; it contributes to state and federal treasury coffers (we estimate sales taxes and income taxes together are in the \$8Bn to \$10Bn range); with total US sales over \$30Bn, there are also multiplicative effects to the rest of the state economies where cannabis is legal. Also, according to some studies, cannabis has contributed to a decline in opioids use (and opioid related overdoses) in states where it is legal.

Table 1: Companies mentioned in this report

| Company name | Ticker | Ticker | Rating |
|----------------------------------|--------|--------|------------|
| US MSOs | | | |
| 4Front Ventures | | FFNTF | not rated |
| Ascend Wellness | | AAWH | not rated |
| AYR Wellness | | AYRWF | not rated |
| Cannabist | | CCHWF | not rated |
| Cansortium | | CNTMF | will cover |
| Cresco Labs | | CRLBF | Overweight |
| Curaleaf Holdings | | CURLF | will cover |
| GlassHouse Brands | | GLASF | not rated |
| 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 | not rated |
| TILT Holdings | | TLLTF | Neutral |
| Trulieve Cannabis | | TCNNF | will cover |
| Verano Holdings | | VRNOF | Overweight |
| Vext Science | | VEXTF | Overweight |
| Vireo Growth | | VREOF | Overweight |
| Finance (MJ) Companies | | | |
| AFC Gamma | | AFCG | Neutral |
| 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 |

Source: Z&A

| Company name | Ticker | Rating |
|----------------------|---------|------------|
| Canada LPs | | |
| Aurora Cannabis | ACB | Neutral |
| Auxly Cannabis Group | XLY | will cover |
| Avant Brands | AVNT | not rated |
| Avicanna | AVCN | not rated |
| Ayurcann Holdings | AYURF | not rated |
| Cannara Biotech | LOVFF | not rated |
| Canopy Growth | CGC | Neutral |
| Cronos Group | CRON | will cover |
| Decibel Cannabis Co | DB | Overweight |
| Organigram Holdings | OGI | will cover |
| Rubicon Organics | RUBI | Overweight |
| SNDL Inc | SNDL | will cover |
| Tilray Brands | TLRY | Neutral |
| Village Farms Intl | VFF | Overweight |
| Other | | |
| Cantourage AG | HIGH:FF | not rated |
| Charlotte's Web | CWBHF | will cover |
| Flora Growth | FLGC | not rated |
| Grow Generation | GRWG | not rated |
| IM Cannabis | IMCC | not rated |
| Intercure | INCR | not rated |
| Ispire Technology | ISPR | will cover |
| Leafly | LFLY | not rated |
| LFTD Partners Inc. | LIFD | Overweight |
| Smoore International | SMORF | will cover |
| Urban-gro | UGRO | not rated |
| WM Technology | MAPS | Neutral |



Appendix I: Valuation Comps

Exhibit 1: US MSOs Valuation Multiples

| US\$Mn 10-Aug-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 | 1.8x | 1.1x | 0.9x | 9.6x | 3.5x | 4.4x | | | | | | | | |
| Ascend Wellness | 1.3x | 1.2x | 1.1x | 5.9x | 5.7x | 5.1x | -0.5x | -0.4x | -2.2x | -2.1x | -1.1x | -1.0x | -5.0x | -4.8x |
| Cannabist Co | 1.3x | 1.3x | 1.3x | 13.4x | 12.4x | 8.9x | -0.8x | -0.8x | -8.6x | -7.9x | -1.1x | -1.2x | -12.0x | -11.1x |
| Cansortium | 1.3x | na | na | 4.7x | na | na | -0.4x | na | -1.3x | na | -0.9x | na | -3.3x | na |
| Cresco Labs | 1.4x | 1.3x | 1.3x | 6.2x | 6.0x | 5.3x | -0.5x | -0.5x | -2.2x | -2.2x | -0.9x | -0.9x | -4.1x | -4.0x |
| Curaleaf | 2.1x | 2.0x | 1.9x | 10.0x | 9.4x | 8.2x | -0.5x | -0.5x | -2.5x | -2.4x | -1.0x | -0.9x | -4.6x | -4.3x |
| 4Front Ventures | 1.9x | na | na | 12.3x | na | na | -1.1x | na | -7.1x | na | -1.9x | na | -12.3x | na |
| Glass House | 3.5x | 2.8x | 2.2x | 35.9x | 14.7x | 9.4x | -0.2x | -0.1x | -1.6x | -0.7x | -0.2x | -0.1x | -1.7x | -0.7x |
| Vireo Growth (pf) | 1.9x | 1.7x | 1.3x | 6.6x | 6.9x | 4.4x | 0.0x | na | -0.1x | na | -0.2x | na | -0.7x | na |
| Green Thumb | 1.6x | 1.6x | 1.5x | 5.3x | 5.4x | 5.0x | 0.0x | 0.0x | -0.1x | -0.1x | -0.1x | -0.1x | -0.3x | -0.3x |
| Grown Rogue | 1.8x | na | na | 2.7x | na | na | 0.2x | na | 0.3x | na | 0.0x | na | 0.1x | na |
| IAntus | 1.3x | na | na | 15.3x | na | na | -1.0x | na | -12.3x | na | -1.1x | na | -12.7x | na |
| Jushi | 1.8x | 1.8x | 1.6x | 12.0x | 10.1x | 8.4x | -0.7x | -0.7x | -4.5x | -3.8x | -1.4x | -1.3x | -8.8x | -7.4x |
| MariMed | 1.0x | 0.9x | 0.8x | 14.2x | 7.2x | 4.7x | -0.4x | -0.4x | -6.5x | -3.3x | -0.6x | -0.6x | -9.0x | -4.6x |
| Planet 13 | 0.8x | 0.8x | 0.8x | na | -25.3x | 7.2x | 0.1x | 0.1x | na | -2.0x | -0.2x | -0.2x | na | 6.3x |
| TerrAscend | 1.7x | 1.8x | 1.7x | 8.0x | 7.7x | 6.6x | -0.6x | -0.6x | -2.8x | -2.7x | -1.1x | -1.1x | -5.0x | -4.9x |
| TILT | 1.4x | na | na | -32.4x | na | na | -0.8x | na | 18.7x | na | -1.4x | na | 31.6x | na |
| Trulieve | 1.6x | 1.6x | 1.6x | 4.3x | 4.6x | 4.7x | -0.2x | -0.2x | -0.7x | -0.7x | -0.7x | -0.7x | -1.9x | -2.0x |
| Verano | 1.2x | 1.1x | 1.1x | 4.5x | 4.1x | 3.8x | -0.4x | -0.4x | -1.5x | -1.4x | -0.8x | -0.8x | -3.1x | -2.8x |
| Vext | 1.5x | 1.2x | 0.9x | 5.1x | 4.3x | 1.8x | -0.6x | -0.5x | -2.2x | -1.8x | -0.6x | -0.5x | -2.2x | -1.8x |

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, Z&A estimates, and company reports

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US MSOs: Schedule 3 Coming...?

Exhibit 2: US MSOs EV Calculations

| US\$Mn 10-Aug-25 | FactSet Spot EV | Z&A Spot EV | US\$ price | mn shares | mn deriv | Total Mkt Cap | Financial net debt | Net leases | Income tax liab. | Conting Cons. | ITM deriv inflow | Total BDND | Pref Stock Min Int |
|---------------------|--------------------|----------------|---------------|--------------|-------------|------------------|-----------------------|---------------|---------------------|------------------|---------------------|---------------|-----------------------|
| US MSOs | | | | | | | | | | | | | |
| Ascend Wellness | 588 | 643 | 0.47 | 205.2 | 13.3 | 102 | -233 | -133 | -174 | | | -541 | 86 |
| Cannabist Co | 490 | 446 | 0.10 | 472.7 | 8.2 | 47 | -284 | -26 | -89 | | | -399 | |
| Cansortium | 140 | 140 | 0.07 | 627.0 | 3.2 | 42 | -39 | -11 | -49 | | | -99 | |
| Cresco Labs | 724 | 895 | 0.68 | 436.9 | 0.0 | 297 | -320 | -56 | -212 | -10 | | -598 | |
| Curaleaf | 2,130 | 2,609 | 1.79 | 764.4 | 21.3 | 1,406 | -654 | -45 | -464 | -39 | | -1,202 | |
| 4Front Ventures | 223 | 140 | 0.00 | 915.2 | 3.8 | 1 | -81 | -11 | -42 | -5 | 0 | -139 | |
| Glass House | 455 | 631 | 6.05 | 82.1 | 2.9 | 514 | -29 | 0 | -2 | 0 | | -31 | |
| Vireo Growth (pf) | 198 | 633 | 0.59 | 949.3 | 12.7 | 568 | -8 | | -60 | | 2 | -66 | |
| Green Thumb | 1,833 | 1,806 | 6.98 | 235.9 | 7.7 | 1,700 | -42 | -31 | -33 | 0 | 0 | -105 | |
| Grown Rogue | 75 | 56 | 0.40 | 143.5 | | 57 | 5 | -2 | -2 | | | 1 | |
| iAnthus | 33 | 196 | 0.01 | 6,745.7 | 0.0 | 34 | -158 | -4 | | | | -162 | 15 |
| Jushi | 376 | 470 | 0.63 | 196.7 | 0.0 | 124 | -177 | -4 | -165 | | | -346 | |
| MarlMed | 137 | 146 | 0.10 | 389.2 | 11.1 | 39 | -67 | -1 | -25 | | | -93 | |
| Planet 13 | 102 | 93 | 0.22 | 325.4 | 0.3 | 70 | 8 | -10 | -21 | | | -23 | |
| Schwazze | 174 | 188 | 0.02 | 80.2 | | 2 | -151 | -2 | -33 | 0 | | -186 | |
| TerrAscend | 367 | 489 | 0.51 | 356.2 | 1.5 | 182 | -171 | -6 | -126 | -3 | | -306 | |
| TILT | 128 | 126 | 0.01 | 391.3 | 0.7 | 3 | -73 | -47 | -3 | | | -123 | |
| Trulieve | 1,435 | 1,899 | 5.43 | 191.1 | 7.6 | 1,079 | -289 | -25 | -501 | -6 | | -820 | |
| Verano | 740 | 975 | 0.85 | 359.7 | 6.3 | 311 | -336 | -8 | -319 | -1 | | -664 | |
| Vext | 63 | 68 | 0.16 | 247.6 | 0.2 | 39 | -29 | 0 | | | | -29 | |

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

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Exhibit 3: Canadian LP Valuation Multiples

| Multiples 10-Aug-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 | 0.7x | 0.8x | 0.7x | 6.7x | 5.3x | 4.2x | na | na | na | na | -5% | -11% | -28% |
| Auxly Cannabis Group | 2.2x | na | na | 9.8x | na | na | -0.4x | na | -2.0x | na | 9% | 73% | 349% |
| Avant Brands | 0.7x | na | na | 3.3x | na | na | -0.2x | na | -0.8x | na | -16% | -22% | -52% |
| Cannara Biotech | 1.4x | na | na | 5.0x | na | na | -0.4x | na | -1.4x | na | -24% | -9% | 93% |
| Canopy Growth | 2.1x | 2.0x | 1.9x | -14.7x | -31.5x | na | -0.6x | -0.6x | 4.1x | 8.8x | -13% | -22% | -84% |
| Cronos Group | -1.7x | -1.7x | na | -24.4x | -211.2x | na | na | na | na | na | 11% | 14% | 1% |
| Decibel Cannabis | 1.0x | 0.8x | 0.6x | 6.2x | 3.9x | 3.0x | -0.4x | -0.3x | -2.4x | -1.5x | 19% | 34% | 64% |
| Organigram Holdings | 1.0x | 1.0x | 0.9x | 26.9x | 12.8x | 8.0x | na | s | na | na | 1% | 27% | -8% |
| Rubicon Organics | 0.8x | 0.7x | 0.6x | 13.9x | 12.4x | 3.9x | 0.0x | na | -0.7x | na | -4% | 16% | 7% |
| SNDL | 0.4x | 0.4x | 0.4x | 5.6x | na | na | na | na | na | na | 35% | 27% | -21% |
| Tilray Brands | 0.9x | 0.9x | 0.9x | 7.8x | 11.9x | 9.5x | 0.0x | 0.0x | 0.0x | 0.0x | 29% | 47% | -64% |
| Village Farms International | 0.7x | 1.0x | 1.0x | 709.2x | 14.4x | 6.4x | -0.1x | -0.1x | -89.7x | -1.8x | 34% | 158% | 67% |

1) We take FactSet consensus estimates for CY25e and CY26e (or our estimates if there is no consensus); 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net cash

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

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Exhibit 4: US MSOs EV Calculations

| C\$Mn 10-Aug-25 | 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 | 291 | 5.81 | 56.5 | 1.8 | 339 | 126 | -42 | 0 | 0 | 0 | 84 | 37 |
| Auxly Cannabis Group | 291 | 0.15 | 1,285.7 | 133.4 | 216 | -59 | -14 | 0 | -2 | 0 | -75 | |
| Avant Brands | 23 | 0.65 | 10.6 | 0.2 | 7 | -6 | -10 | 0 | 0 | 0 | -16 | |
| Cannara Biotech | 152 | 1.20 | 90.0 | 0.0 | 108 | -43 | 0 | -1 | 0 | 0 | -44 | |
| Canopy Growth | 544 | 1.45 | 266.1 | 4.4 | 392 | -152 | 0 | 0 | 0 | 0 | -152 | |
| Cronos Group | -321 | 3.13 | 276.8 | 0.0 | 868 | 1,191 | -2 | 0 | 0 | 0 | 1,189 | |
| Decibel Cannabis | 86 | 0.09 | 576.9 | 7.7 | 53 | -33 | 0 | 0 | 0 | 0 | -33 | |
| Organigram Holdings | 215 | 1.95 | 133.8 | 19.3 | 298 | 83 | 0 | 0 | 0 | 0 | 83 | |
| Rubicon Organics | 40 | 0.52 | 67.0 | 6.3 | 38 | -2 | 0 | 0 | 0 | 0 | -2 | |
| SNDL | 426 | 2.31 | 257.4 | 13.2 | 624 | 232 | -34 | 0 | 0 | 0 | 199 | |
| Tilray Brands | 1,066 | 0.90 | 1,100.5 | 27.9 | 1,014 | -1 | -61 | 0 | -21 | 0 | -83 | -30 |
| Village Farms International | 317 | 2.31 | 112.3 | 0.7 | 261 | -40 | -3 | 0 | 0 | 0 | -43 | 13 |

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

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Exhibit 5: Performance

| 10-Aug-25 | Stock Performance | | |
|----------------------|-------------------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| US MSOs | | | |
| Ascend | 46% | 16% | -50% |
| Ayr | -90% | -96% | -99% |
| Cannabist | 101% | 39% | -58% |
| Cansortium | 47% | 29% | -37% |
| Cresco | 35% | -17% | -54% |
| Curaleaf | 115% | 101% | -48% |
| 4Front | -50% | -63% | -99% |
| GlassHouse | -11% | -3% | -28% |
| Gold Flora | na | na | -67% |
| Grown Rogue | 14% | -5% | -35% |
| Green Thumb | 27% | 20% | -38% |
| iAnthus | -2% | 25% | -70% |
| Jushi | 102% | 56% | 18% |
| MariMed | 14% | -2% | -40% |
| Planet13 | 13% | -17% | -46% |
| Schwazze | na | na | -87% |
| StateHouse | na | na | -50% |
| Trulieve | 39% | 22% | -44% |
| TerrAscend | 77% | 36% | -61% |
| Verano | 78% | 15% | -75% |
| Vext | 37% | 91% | -22% |
| Vireo Growth | 36% | 50% | 37% |
| International | | | |
| InterCure | -1% | 22% | -29% |
| PharmaCielo | -33% | 24% | 164% |

| | Stock Performance | | |
|---------------------|-------------------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| Canadian LPs | | | |
| Aurora | -5% | -11% | -28% |
| Avant | -16% | -22% | -52% |
| Audly | 9% | 73% | 349% |
| Ayurcann | -3% | 1% | -56% |
| Cannara | -24% | -9% | 93% |
| Canopy Growth | -13% | -22% | -84% |
| Cronos | 11% | 14% | 1% |
| Decibel | 19% | 34% | 64% |
| Entourage | na | na | na |
| High Tide | -6% | -9% | 25% |
| OGI | 1% | 27% | -8% |
| Rubicon | -4% | 16% | 7% |
| SNDL | 35% | 27% | -21% |
| Tilray | 29% | 47% | -64% |
| VFF | 34% | 158% | 67% |
| Tech | | | |
| LFLY | -30% | -41% | -92% |
| SBIG | -34% | -62% | -68% |
| MAPS | 2% | -23% | -6% |
| Vape parts | | | |
| GNLN | -11% | -33% | -100% |
| ISPR | -8% | -14% | -63% |
| SMORF | 0% | 0% | 2% |
| TLLTF | 30% | 9% | -57% |

| | Stock Performance | | |
|------------------------------|-------------------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| MJ Fincos | | | |
| AFCG | 0% | -19% | -49% |
| IIPR | -17% | -17% | -60% |
| NLCP | 3% | -4% | -30% |
| SHFS | 7% | 3% | -81% |
| LIEN | -6% | 0% | -15% |
| REFI | -3% | -8% | -12% |
| Pix & Shovel | | | |
| AGFY | 2% | -11% | 533% |
| GRWG | 2% | -17% | -49% |
| HYFM | 22% | 8% | -16% |
| SMG | -12% | 8% | -15% |
| UGRO | 20% | -11% | -71% |
| CBD | | | |
| CVSI | -10% | 22% | -29% |
| CWEB | -4% | 12% | -39% |
| LFID | 9% | -17% | -65% |
| Index | | | |
| S&P 500 | 2% | 12% | 21% |
| S&P 477 | 0% | 1% | 8% |
| Nasdaq | 7% | 22% | 46% |
| MSOS ETF | 44% | 27% | -50% |
| YOLO ETF | 22% | 28% | -26% |
| Simple Group Averages | | | |
| Large Canada LPs | 15% | 40% | -23% |
| Tier 1 MSOs | 59% | 28% | -52% |

Source: FactSet and company reports



Appendix II: 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 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 971 US Highway 202 N, Ste A, Branchburg, New Jersey 08876, 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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