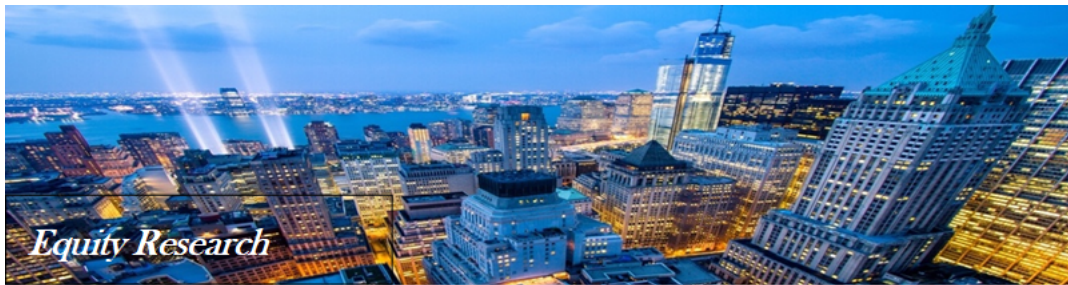


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Canada: 2Q25 Hifyre Trends

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Summary

- *In this report we review trends in the Canadian rec cannabis market (all in C\$).*
- At a macro level, the Canadian rec market continues to grow mid-single digits, with some acceleration in 2Q (up 8% qoq per Hifyre). Flower pricing has stabilized around \$5/gram, with brands priced on average >\$6/gram accounting for 25% of flower sales. Pre-rolls remain the fastest growing category (now bigger than flower), led by infused innovation, while all-in ones are leading vape growth (now 27% of sales, and up 72% yoy vs. -2% for carts). The pull of the export markets has also helped stabilize domestic pricing, and some companies are now expanding capacity (Cronos by 70%; Rubicon by 40% via the purchase of a facility in Hope BC). Combined with cost savings initiatives (see CGC and TLRY), the improved market dynamics as well as company performance (re price/mix) should help improve the profitability of domestic rec for the Canadian LP group.
- We discuss in detail LPs performance in this report. At a high level, we note price/mix progress in flower for VFF (the Pure Sunfarms brand is now bigger than the value like The Original Fraser Valley) and Tilray, with price/mix up 15% yoy for TLRY. Both companies lead in flower via a wide portfolio of brands, although at the brand level Auxly's Back Forty is the #1 flower brand in Canada. Decibel, the leader in infused pre-roll, is starting to stabilize share (and lately regain), with Canopy Growth's Claybourne the biggest gainer in the infused segment. OGI is #1 overall in vape, but Auxly is #1 in AIOs with 31% segment share. Cannara and Rubicon lead in live resin carts. Re other companies, we note SNDL's share gains in flower; Aurora has the #4 flower brand priced >\$6/gram; keep up an eye on smaller companies like Ayurcann, CCC, CIG, and Weed Me.

Market Growth: StatCan vs. Hifyre

Market growing mid-single digits, and generally in better shape.

- StatCan has reported rec cannabis retail sales through April 2025 (May should be out around 7/18). Sales YTD (Jan-Apr) are up 4.3% yoy, per StatCan, which is consistent with growth of 4.1% for CY24 (C\$5.4Bn). True, growth has decelerated from mid/high teens in CY22 and CY23, but the market's structure is better (prices stabilizing; a more defined 3-tier price structure, and more consolidation).
- In the past, Hifyre (out thru Jun'25) would correct its own historical data to match that of StatCan, but now it claims the sample size at StatCan has been reduced, which might make the StatCan numbers less accurate and reliable. Hifyre estimates sales yoy growth of +6.5% for CY24 and up +5.3% yoy for 1H25 (1Q up 3.9%; 2Q up 6.6%). In QoQ terms, Hifyre estimates sales were up 8.2% in 2Q25 after -8.1% in 1Q25 (2Q25 \$1.46Bn; 1Q25 \$1.33Bn; 4Q24 \$1.44Bn).

- If we take the Hifyre numbers as the more accurate ones, this would mean the Canadian rec market is on track for >C\$5.5Bn in sales for CY25 (or US\$4Bn, taking the FX rate at 0.72). The latter implies rec per capita of C\$139 (39.7mn population), or C\$146 including medical sales (taking the medical market at C\$300Mn). In US\$, this translates to US\$105. So, after almost seven years since rec was legalized (10/17/18), total per capita (med+rec) in Canada remains well below states in the US where rec/med is legal: MI >US\$300; above US\$200 in CO, MA, MO, NV, OR; above US\$150 in AZ, IL, MD, WA (CA is at US\$130). All this despite generally lower prices and store density above the US state average.

Growth Trends by LPs

The market remains fragmented for CPG standards, with the top 3 players only having 26.5% share. Oddly, despite M&A, the top 3 players had ~30% share back in 2Q23 and 2Q24. According to Hifyre, there were 12 companies with >2% total market share in 2Q25. OGI was #1 (inc. Motif) with 11.4% share, followed by Tilray (9.0%) and Village Farms (6.1%). Compared with 4Q24, OGI lost 0.6pt, TLRY -0.1pt, and VFF -0.2pt. Both TLRY and VFF have noted their greater focus on profitability in rec (not seeking deep discounts and or relying too much on the value end of the market; and not paying excessive data/slotting fees at retail, in the case of VFF).

Table 1: Top Canadian LP Trends in the Domestic Rec Market

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	2025 Mar	2025 Apr	2025 May	2025 Jun
Market Share %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Organigram	9.9%	10.1%	11.3%	11.6%	11.7%	11.5%	11.9%	12.0%	11.6%	11.4%	11.5%	11.4%	11.1%	11.6%
Tilray	13.6%	13.4%	13.2%	12.1%	11.0%	10.3%	9.8%	9.2%	9.1%	9.0%	9.4%	9.0%	8.6%	9.4%
Village Farms	7.1%	6.3%	6.3%	6.8%	8.0%	8.3%	7.3%	6.2%	6.2%	6.1%	6.1%	6.2%	6.1%	6.0%
Auxly	5.2%	4.8%	4.5%	4.4%	4.7%	4.6%	5.2%	5.7%	6.0%	6.1%	5.9%	5.8%	6.3%	6.2%
Cronos	4.4%	4.3%	4.5%	5.2%	5.4%	5.2%	5.2%	5.0%	4.8%	4.9%	4.8%	4.9%	5.1%	4.6%
Decibel	6.5%	7.2%	7.2%	6.7%	6.0%	5.5%	5.2%	4.7%	4.5%	4.5%	4.5%	4.5%	4.7%	4.3%
Cannara Biotech	1.8%	2.0%	2.5%	2.7%	2.9%	3.0%	3.4%	4.1%	3.8%	3.6%	3.8%	3.8%	3.6%	3.4%
Canopy Growth	4.6%	4.3%	3.8%	2.9%	2.6%	2.5%	2.4%	2.5%	3.2%	3.4%	3.3%	3.4%	3.3%	3.6%
Weed Me	3.1%	3.0%	2.7%	2.5%	2.5%	2.3%	2.5%	2.8%	3.1%	3.1%	3.2%	3.2%	3.2%	3.0%
BZAM	5.3%	4.5%	4.2%	3.4%	2.9%	3.4%	3.0%	3.1%	3.0%	2.7%	2.9%	2.8%	2.8%	2.7%
Rubicon	1.7%	1.8%	1.8%	1.7%	1.7%	1.8%	1.9%	2.1%	2.1%	2.1%	2.0%	2.0%	2.1%	2.1%
SNDL	3.4%	3.1%	2.4%	2.1%	2.0%	1.9%	1.8%	1.6%	1.7%	2.0%	1.8%	2.1%	2.2%	1.8%
Ayurcann	0.9%	1.2%	1.6%	1.8%	1.8%	1.7%	1.8%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Aurora Cannabis	2.7%	2.7%	2.1%	2.0%	1.9%	1.7%	1.5%	1.7%	1.5%	1.2%	1.4%	1.4%	1.3%	1.0%
Indiva	1.0%	0.9%	1.0%	1.4%	1.6%	1.4%	1.3%	1.4%	1.4%	1.2%	1.4%	1.3%	1.2%	1.1%
Canadian Clinical Cannabinoids	0.6%	0.7%	0.8%	1.1%	1.2%	1.3%	1.3%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Others	28.3%	29.5%	30.1%	31.7%	32.2%	33.5%	34.5%	35.0%	34.9%	35.6%	35.0%	35.3%	35.2%	36.2%
3mo yoy growth %	15%	13%	17%	12%	8%	6%	5%	8%	4%	6.6%	4%	6%	9%	5%
Organigram	42%	27%	35%	39%	28%	20%	10%	12%	3%	6.0%	3%	5%	7%	6%
Tilray	-11%	-5%	2%	-6%	-13%	-19%	-23%	-18%	-14%	-7.3%	-7%	-8%	-10%	-4%
Village Farms	26%	17%	15%	-7%	21%	40%	22%	-1%	-19%	-22.4%	-25%	-23%	-20%	-24%
Auxly	-11%	1%	14%	5%	-3%	0%	21%	40%	33%	43.2%	27%	38%	52%	40%
Cronos	27%	26%	35%	50%	31%	28%	22%	4%	-6%	-0.6%	-8%	-3%	9%	-8%
Decibel	103%	98%	90%	29%	0%	-19%	-25%	-25%	-22%	-13.3%	-21%	-15%	-8%	-17%
Cannara Biotech	1883%	604%	483%	105%	75%	53%	43%	68%	37%	29.2%	35%	39%	31%	18%
Canopy Growth	-32%	-29%	-28%	-36%	-39%	-38%	-34%	-9%	28%	44.6%	35%	38%	44%	52%
Weed Me	46%	32%	13%	-13%	-13%	-19%	-3%	22%	30%	46.1%	38%	45%	55%	38%
BZAM	na	na	na	na	-42%	-21%	-26%	-2%	8%	-14.2%	1%	-15%	-13%	-15%
Rubicon	48%	8%	0%	12%	6%	7%	11%	28%	29%	24.8%	32%	27%	33%	15%
SNDL	6%	-6%	-28%	-29%	-35%	-37%	-16%	-11%	-11%	16.3%	-1%	19%	26%	4%
Ayurcann	370%	350%	449%	298%	124%	57%	20%	8%	1%	3.5%	1%	-5%	11%	5%
Aurora Cannabis	21%	64%	47%	-4%	-24%	-33%	-24%	-11%	-21%	-25.2%	-20%	-14%	-15%	-44%
Indiva	105%	130%	184%	117%	76%	58%	37%	6%	-7%	-6.9%	-10%	-4%	-1%	-15%
Canadian Clinical Cannabinoids	91%	45%	27%	88%	131%	99%	70%	24%	13%	6.8%	5%	0%	9%	12%
Others	-6%	-9%	-5%	3%	22%	20%	20%	19%	13%	13.1%	14%	14%	13%	12%

Source: Hifyre; Z&A calculations

Of the companies ranked #4 to #12, we would highlight the share gains (vs. 4Q24) at Auxly with 6.1% share (+0.4pt over six months), Canopy Growth at 3.4% (+0.9pt), and SNDL at 2% (+0.4pt). Market share for the rest was either generally stable (Cronos, Decibel, Weed Me, Rubicon) or down (Cannara -0.5pt to 3.6%; BZAM -0.4pt to 2.7%).

Of those with between 1-2% share, we would highlight the growth at Canada's Island Garden, with share of 1.1% in 2Q25, up from 0.7% in 4Q24 and 0.2% in 1Q24; the other LPs in the 1-2% share range were mostly stable (Atlantic Cultivation, Aurora, Ayurcann, Canadian Clinical Cannabinoids, Heritage, Indiva, Mera, MCM, Sensi).

Other key highlights for those with >2% share,

- **\$ QoQ Sales growth:** As mentioned, the Canadian rec market was up 8.1% qoq in 2Q25. Of the LPs with >2% share, those with the best \$ sales growth were SNDL +26%, Canopy Growth +17%, Auxly +11%, and Rubicon +10%. LPs with mid/high single digit growth include (in order of qoq growth) Cronos, Decibel, Weed Me, OGI, Tilray, and VFF. Cannara was up only 3%, and BZAM was flat.
- **\$ YoY Sales growth:** The Canadian rec market was up 6.6% yoy in 2Q25. Of the LPs with >2% share, those with the best growth were Auxly, Canopy Growth, and Weed Me, all up in the mid 40% range; Rubicon and Cannara were up mid/high 20% yoy; SNDL was up mid-teens, and OGI +6% yoy proforma. CRON was flat yoy. BZAM, Decibel, TLRY, and VFF were down yoy. See table.

Growth Trends by Formats

Compared with the larger US market, vape and edibles are under indexed in Canada, while pre-rolls are over indexed (flower is only slightly under indexed).

Table 2: Trends by Format

	2022 1Q	2022 2Q	2022 3Q	2022 4Q	2023 1Q	2023 2Q	2023 3Q	2023 4Q	2024 1Q	2024 2Q	2024 3Q	2024 4Q	2025 1Q	2025 2Q
YoY ch %	22.8%	23.1%	14.7%	14.1%	14.8%	13.3%	16.5%	11.6%	8.0%	5.5%	4.6%	8.0%	4.0%	6.6%
Flower	3%	0%	-6%	-5%	-2%	1%	8%	1%	1%	0%	-3%	2%	-2%	-2%
Pre-roll	64%	63%	48%	42%	40%	33%	29%	26%	19%	12%	14%	20%	10%	14%
Oil	-7%	-2%	-6%	-3%	-1%	-9%	0%	13%	1%	5%	-2%	-15%	-6%	0%
Vape	34%	37%	26%	26%	24%	20%	24%	19%	14%	11%	8%	11%	10%	12%
Edibles	76%	65%	36%	27%	28%	17%	10%	-1%	-8%	-9%	-3%	3%	2%	8%
Beverages	34%	37%	14%	0%	16%	11%	18%	30%	9%	8%	7%	6%	8%	16%
Concentrates	74%	51%	19%	33%	30%	23%	37%	18%	11%	11%	2%	-7%	-3%	1%
Topicals	29%	18%	-9%	-6%	5%	-9%	-1%	1%	-13%	13%	14%	2%	12%	0%
Cultivation	-1%	19%	-32%	-46%	-35%	-48%	-52%	-59%	-47%	-23%	-22%	-4%	-18%	13%
Mix %														
Flower	48%	44%	42%	41%	41%	39%	38%	37%	38%	37%	35%	35%	36%	34%
Pre-roll	22%	26%	29%	28%	27%	31%	32%	31%	30%	32%	35%	35%	32%	35%
Oil	3%	3%	3%	3%	3%	2%	2%	3%	2%	2%	2%	2%	2%	2%
Vape	15%	15%	15%	16%	16%	15%	16%	17%	17%	16%	16%	17%	18%	17%
Edibles	5%	5%	5%	6%	6%	6%	5%	5%	5%	5%	5%	5%	5%	5%
Beverages	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Concentrates	5%	4%	4%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Topicals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Cultivation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Hifyre; Z&A calculations

- The three largest categories in 2Q25 were pre-rolls at 35% of total rec sales, flower 34%, and vape 17%. Compared with 2Q23, flower dropped from 39% of sales (41% in 1Q23), while pre-rolls grew from 31% (27%), and vape from 15% (16%). The pattern in mix change has been similar in recent qtrs. In the context of the market growing 8.1% qoq (+6.6% yoy), pre-rolls were up 18% (+14% yoy), flower +4% (-2%), and vape +3% (+12%).
- The other categories are smaller, with edibles and concentrates each at 5%, and drinks and oils are 2%. For the most part these four categories have maintained their weight of industry sales. Topicals are only 0.3% of sales in Canada. During 2Q25, edibles were up 4% qoq (+8% yoy), concentrates +2% (+1%), oils +3% (0%), and beverages +19% (+16%).

Key Players in Pre-rolls, Flower, and Vape

The segment leaders are Decibel in pre-rolls, VFF in flower, and OGI in vape (post the Motif deal). Re market concentration, in 2Q25 the top 5 players had 55% share in vape, 48% share in flower, and 33% in pre-rolls. We discuss all three categories, in order of size.

Pre-rolls,

- The top 5 companies in pre-rolls had 33% share in 2Q25 (41% back in 1Q24). Only three companies had >5% segment share in 2Q25. OGI including Motif had 7.9% share in 2Q25 (4Q24 8.6% proforma; 1Q24 11.3%), followed by Decibel 7.7% (8.2%; 14.1%), and Tilray 7.3% (7.4%; 10.9%). Total pre-roll category sales grew by 18% qoq in 2Q25 (+14% yoy), with OGI pre-roll sales up by +10% qoq proforma including Motif (+1% yoy); Decibel +18% qoq (-25% yoy); Tilray +21% (-6%). Infused products accounted for 57% of OGI sales (+10% qoq); 97% for Decibel; and 10% for Tilray. In terms of brands, Shred (and extensions) accounted for 50% of OGI's pre-roll sales, Boxhot for 14%, and Rizzlers 12%; General Admission accounted for 92% of Decibel's pre-roll sales; at Tilray, Redecan accounted for 52% of its pre-roll sales and Good Supply for 27%.
- There were eight companies with pre-roll share between 2-5% share in 2Q25: Canopy Growth had 4.9% (1.8% in 2Q24); Cannara Biotech 4.7% (3.3%); BZAM 4.6% (4.2%); VFF 4.2% (5.5%); Auxly 4% (3.3%); Cronos 2.8% (2.8%); and with 2.1% each Sensi (1.9%) and Rubicon (1.7%). In this group, the biggest gainer was Canopy Growth, with its pre-roll sales up 3x yoy (and +32% qoq); infused formats were 78% of CGC's total pre-roll sales in 2Q25 compared with 7% back in 1Q24. Pre-roll sales were up 16% yoy at Cannara, and up 25% at BZAM; infused was 15% of Cannara's pre-roll sales and 88% at BZAM. Brand wise, Claybourne accounted for 74% of CGC's sales; Jeeter for 91% of BZAM; at Cannara, Nugz was 59% and Tribal 35% of its pre-roll sales.
- Re category structure, in 2Q25 infused formats accounted for 35% of all pre-roll category sales (infused joints 26%, variety infused pre-rolled 6%, infused blunts 3%). The total infused segment grew sales by 19% yoy compared with overall yoy category growth of 14%. The infused joint segment is significantly more concentrated than regular joints. The



top 3 players had 48% share in the infused joints subsegment in 2Q25 (Decibel; OGI/Motif; BZAM) compared with 26% in regular joints (Tilray; Weed Me; Auxly).

- Decibel's market share in the total infused segment in 2Q25 was 21.9%, OGI 13.3%, BZAM 12.6%, and Canopy Growth was a close #4 with 11.1% (Cannara Biotech was a distant #5 with 5.1% share). In qoq terms, when total infused sales grew 20% (vs. 18% for all pre-rolls), Decibel's total infused sales grew 19% qoq (pointing to its infused share finally stabilizing); OGI +14%, BZAM +18%, and Canopy Growth +37%.
- Of all infused pre-roll sales, infused joints were 76% of infused sales, variety packs 16%, and blunts 8%. At the risk of too much detail, we note that vs. the #2 to #4 players in total infused, Decibel is over indexed in infused joints, and under indexed in infused variety packs and infused blunts. In 2Q25, Decibel had 25.5% share, 16%, and 0%, respectively in these three subsegments. OGI had 11.2%, 9.9%, and 41%; BZAM 11%, 28%, 0%; CGC 8.8%, 26.1%, 2.3%.

Flower segment,

- Five companies had >5% flower segment share in 2Q25 (all as per Hifyre scans). VFF was #1 with 12.9% share (1Q25 12.7%; 2Q24 17.4%), followed by Tilray with 12.5% (12.9%; 13%); OGI 10.8% (10.1%; 9%); Auxly 7.1% (6.6%; 4%); Cronos 5% (5.2%; 6.2%). So, in yoy terms, of the top five, only OGI and Auxly gained share. In qoq terms, at a time total flower sales grew 4%, VFF's flower sales were up 5% qoq; Tilray +1%; OGI and Auxly up 11%; and Cronos down 1%. Re brands and divisions, we note the mix is improving at companies like VFF and Tilray. Within the non-Quebec business (Quebec is 36% of VFF's total national flower sales), Pure Sunfarms is again VFF's #1 brand, accounting for 41% of flower sales, followed by The Original Fraser Valley (38%), and Super Toast (19%). At Tilray, Redecan is now 23% of its flower sales (Good Supply 52%; Bake Sale 12%). At OGI, Shred and Big Bad o Buds each account for over 40% of flower sales. Spinach accounts for the bulk of Cronos sales (98%) and Back Forty for the bulk of Auxly (93%).
- There were six LPs with 2-5% flower share in 2Q25: Canopy Growth 3.1% (3.2%; 3.3%); Cannara 3.0% (3.0%; 2.5%); Sundial 2.9% (2.3%; 2.6%); CCC 2.6% (2.7%; 2.9%); Canada's Island Garden (CIG) 2.1% (2.1%; 0.3%); Montreal Cannabis 2.1% flower share (1.8%; 0.7%). In yoy terms (total flower sales fell 2% yoy), among this group the fastest growth was at CIG (up 7.5x yoy) and at Montreal Cannabis (up 83%). Cannara was up 16% yoy and SNDL +10%. On the other hand, flower sales fell 10% yoy at CCC and -6% at Canopy Growth. Re brands, Figr accounts for the bulk of CIG's flower sales; MTL Cannabis for the bulk of Montreal Cannabis flower sales; and The Loud Plug for 85% of CCC's (Canadian Clinical Cannabinoids) flower sales.
- In terms of specific brands, Back Forty (Auxly) was #1 in 2Q25 with 6.6% share (avg price \$4.16/gram); #2 Tilray's Good Supply 6% (\$3.37); #3 Cronos' Spinach 4.9% (\$4.88); #4 OGI's Big Bag O' Buds 4.7% (\$4.46); and #5 OGI's Shred 4.6% (\$4.24). In terms of SKUs,

Auxly had the two best-selling SKUs (Back Forty both): Liquid Imagination and Fire Breath. Tilray had the #3 SKU (Good Supply's Jean Guy).

- Retail flower prices have mostly stabilized over the past year. Per Hifyre, prices (national average) in 2Q25 were C\$5.14/gram, stable qoq, and up from \$4.88 in 4Q24 and \$4.89 in 1Q24. However, trends vary by operator. While overall flower prices increased 5% yoy (with \$ sales -2% for flower), average prices increased 15% at Tilray (to \$4.20); +4% at OGI (\$4.65); +3% at VFF ex Quebec (\$4.02); +2% at Auxly (\$4.65); and +2% at Cronos (\$4.98). For context, average prices for those with 2-5% share in 2Q25 were: Canopy Growth \$4.58; Cannara Biotech \$8.39; Sundial \$3.36; CCC \$4.86; CIG \$4.98; Montreal Cannabis Medical \$7.25. Rubicon Organics was #11 in terms of share (1.8%) but had average prices of \$9.25, per Hifyre (well above the flower segment average).
- Of the 14 companies with total flower share of 1.5% or more in 2Q25, only three had flower prices above the category average of \$5.14/gram: Cannara \$8.39 (Tribal is one of their brands); Rubicon \$9.25 (1964; Simply Bare); and Montreal Cannabis \$7.25 (MTL Cannabis). Of the top 30 flower brands by \$ share, only nine had average prices above the overall flower category average of \$5.14/gram. If we define the premium segment as being comprised only by those brands with average prices >\$6/gram (about 25% of total flower \$ sales), the #1 premium brand in 2Q25 was Montreal Cannabis' MTL Cannabis (8.3%), followed by Cannara's Tribal (5.8%), Cannara's Nugz (4.9%), Rubicon's 1964 (4.6%), Aurora's San Rafael'71 (4.3%), and Tilray's Broken Coast (3.5%). Yes, the premium category is more fragmented than the total flower category. See our [premium flower segment](#) report for greater color.

Vape

- There were five companies with >5% segment share in 2Q25. OGI (all from Motif Labs) had 20.3% share (4Q24 22.2%), followed by Auxly 12.6% (13.1%), Decibel 9.1% (9.1%), Cronos 6.7% (6.4%), and Ayurcann 6.6% (6.3%). Back in 1Q24, Tilray and BZAM were top 5 and 6 with 6.3% and 6.2% share, respectively, but their share has fallen to 3.6% and 1%. In the context of the vape category growing >12% yoy, re the top 10 players, Weed Me vape sales were up 86% (3.9% share); Auxly +32%; Ayurcann +24%; Heritage +16% (3.7% share); and Decibel +11%. Cannapiece (3.1% share now) had 0% vape share in 2Q24. Of the top 10 players in vape, only TRLY saw a drop in sales yoy (OGI, CRON, Cannara, were up single digits).
- Re the category mix, in 2Q25 61% of sales came from 510 cartridges (1ml 36%, 1.20ml 12%, 0.95ml 9%; rest 4%) compared with 77% back in 4Q23. Disposables accounted for 27% of sales (1ml 13%; 0.95ml 8%; 1.20ml 2%; 2ml 1%; rest 3%) vs. 12% back in 4Q23. Live resin 510 carts were 10% of sales (1ml 9%) vs. 8% in 4Q23. Closed loop systems have not made inroads and accounted for less than 1% of total vape sales in 2Q25 (vs. 2% in 4Q23). Clearly, AIOs are driving category growth, with sales up 72% while 510 cartridges were down 2%. It could be argued that AIOs are also bringing new consumers to vape



while carts remain stable. In terms of total sales, in 2Q25, 510 carts generated \$149Mn in sales in total, AIOs \$67Mn, and Live Resin carts >\$23Mn.

- Mix (and reliance on >1ml pack sizes) varies among the top 5 LPs in vape, with only Auxly generating more sales from AIOs than from carts. At Auxly, AIOs are 68% of sales and carts only 29%. At OGI, carts are 74% of sales and disposables 24%. At Decibel carts are 72% of vape sales and AIOs 26%. Cronos is 87% carts and 7% AIOs. Ayurcann 87% and 13%, respectively. In terms of pack sizes, formats above 1ml account for less than 1% of Auxly vape sales. At Ogi/Motif, sizes above 1ml account for more than half of its cart sales, but only for 9% of its AIO sales. At Decibel, nearly half of its AIO sales come from 1.20ml, but these are only 12% of its cart sales. In the case of Cronos, 1.20ml sizes account for almost 60% of its cart sales, while the bulk of its AIO sales come from 0.50ml units.
- In terms of shares within AIOs, Auxly was #1 in 2Q25 with 31% share, followed by OGI with 18%, and Decibel with 8%; the rest were smaller in AIO share, with Vortex at #4 with <4% share and Ayurcann and VFF at >3%. In Live resin carts (no live resin AIOs show yet in the Hifyre data, but we note Rubicon just launched live resin AIOs), Cannara Biotech was #1 with 25% share and Rubicon (a new entrant to the segment) was #2 with 14% share; the rest were smaller (Carmel and Cannapiece each with 7% and CCC at 5%). In regular distillate carts, OGI had 25% subsegment share in 2Q25, Decibel 11%, and Cronos 10%. So, while the top 3 in AIOs have 56% combined share, in live resin this is 45% and 45% in regular carts.

Table 3: Stocks 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	not rated
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, Inc.		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	not rated
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Source: Z&A ratings

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	not rated
Avant Brands	AVTBF	not rated
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	Overweight
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
Other		
Canify AG	TBD	private
Cantourage AG	HIGH:FF	not rated
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
IM Cannabis	IMCC	not rated
Intercure	INCR	Overweight
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



Appendix I: Valuation Comps

Exhibit 1: Canadian LPs Valuation Multiples

Multiples 14-Jul-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	0.9x	0.8x	0.8x	5.1x	5.1x	4.2x	na	na	na	na	-25%	5%	-21%
Auxly Cannabis Group	2.0x	na	na	8.8x	na	na	-0.4x	na	-2.0x	na	64%	64%	332%
Avant Brands	0.7x	na	na	3.5x	na	na	-0.2x	na	-0.8x	na	7%	-19%	-59%
Cannara Biotech	1.4x	na	na	5.3x	na	na	-0.4x	na	-1.5x	na	3%	-1%	83%
Canopy Growth	1.9x	1.8x	1.7x	-13.6x	-49.8x	na	-0.7x	-0.6x	4.7x	17.1x	-25%	20%	-82%
Cronos Group	-2.1x	-1.9x	na	-28.9x	-112.9x	na	na	na	na	na	7%	19%	-10%
Decibel Cannabis	1.0x	0.7x	0.6x	5.8x	3.7x	2.9x	-0.4x	-0.3x	-2.4x	-1.5x	19%	44%	42%
Organigram Holdings	1.0x	1.1x	0.9x	27.5x	13.5x	8.3x	na	s	na	na	1%	41%	-8%
Rubicon Organics	0.8x	0.7x	0.5x	13.2x	11.8x	3.7x	0.0x	na	-0.7x	na	17%	-7%	8%
SNDL	0.4x	0.3x	0.3x	37.4x	18.8x	na	na	na	na	na	5%	2%	-32%
Tilray Brands	0.9x	0.8x	0.7x	18.5x	9.3x	7.9x	0.0x	0.0x	-0.8x	-0.4x	38%	19%	-68%
Village Farms International	0.6x	0.8x	0.9x	601.1x	12.4x	5.5x	-0.1x	-0.1x	-89.7x	-1.9x	19%	171%	41%

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, company reports, and Z&A estimates

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Canada: 2Q25 Domestic Recreational MJ Market Trends

Exhibit 2: Canadian LPs EV Calculations

C\$Mn 14-Jul-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	313	6.15	56.2	1.1	353	124	-43	0	0	0	81	41
Auxly Cannabis Group	260	0.13	1,285.7	133.4	185	-59	-14	0	-2	0	-75	
Avant Brands	25	0.78	10.6	0.2	9	-6	-10	0	0	0	-16	
Cannara Biotech	151	1.19	90.0	0.0	107	-43	0	-1	0	0	-44	
Canopy Growth	502	1.55	211.5	1.4	329	-173	0	0	0	0	-173	
Cronos Group	-380	2.86	279.1	0.0	799	1,181	-2	0	0	0	1,179	
Decibel Cannabis	81	0.08	576.9	7.7	48	-33	0	0	0	0	-33	
Organigram Holdings	221	1.99	133.8	19.3	304	83	0	0	0	0	83	
Rubicon Organics	38	0.49	67.0	6.3	36	-2	0	0	0	0	-2	
SNDL	319	1.90	263.0	12.4	524	242	-37	0	0	0	205	
Tilray Brands	919	0.80	1,006.2	26.1	821	-39	-71	0	-21	0	-131	-33
Village Farms International	267	1.86	112.3	0.7	211	-40	-3	0	0	0	-43	13

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

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Canada: 2Q25 Domestic Recreational MJ Market Trends

Exhibit 3: Stock Performance

14-Jul-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	31%	33%	-50%
Ayr	16%	7%	-92%
Cannabist	23%	83%	-65%
Cansortium	29%	10%	-46%
Cresco	28%	10%	-59%
Curaleaf	35%	44%	-70%
4Front	150%	-92%	-99%
GlassHouse	28%	59%	4%
Gold Flora	na	na	-73%
Grown Rogue	14%	3%	-33%
Green Thumb	31%	30%	-42%
iAnthus	5%	-44%	-75%
Jushi	52%	56%	-18%
MariMed	40%	33%	-41%
Planet13	2%	-17%	-54%
Schwazze	na	na	-92%
StateHouse	na	na	67%
Trulieve	24%	36%	-50%
TerrAscend	59%	46%	-68%
Verano	30%	24%	-81%
Vext	37%	28%	-23%
Vireo Growth	22%	26%	9%
International			
InterCure	5%	29%	-15%
PharmaCielo	33%	29%	105%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-25%	5%	-21%
Avant	7%	-19%	-59%
Auxly	64%	64%	332%
Ayurcann	-3%	6%	-67%
Cannara	3%	-1%	83%
Canopy	-25%	20%	-82%
Cronos	7%	19%	-10%
Decibel	19%	44%	42%
Entourage	na	na	na
High Tide	1%	16%	16%
OGI	1%	41%	-8%
Rubicon	17%	-7%	8%
SNDL	5%	2%	-32%
Tilray	38%	19%	-68%
VFF	19%	171%	41%
Tech			
LFLY	23%	23%	-88%
SBIG	-32%	-1%	-63%
MAPS	-11%	-2%	2%
Vape parts			
GNLN	-42%	-98%	-100%
ISPR	5%	-16%	-63%
SMORF	0%	0%	2%
TLLTF	26%	9%	-66%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-20%	-5%	-47%
IIPR	-2%	14%	-49%
NLCP	-6%	4%	-23%
SHFS	27%	52%	-76%
LIEN	6%	0%	-9%
REFI	-2%	3%	-10%
Pix & Shovel			
AGFY	-9%	35%	379%
GRWG	-22%	17%	-53%
HYFM	3%	41%	-43%
SMG	8%	35%	13%
UGRO	-11%	-43%	-79%
CBD			
CVSI	49%	29%	-15%
CWEB	3%	18%	-44%
LFID	-15%	-18%	-48%
Index			
S&P 500	4%	17%	11%
S&P 477	-1%	0%	7%
Nasdaq	4%	25%	45%
MSOS ETF	32%	32%	-58%
YOLO ETF	11%	35%	-34%
Simple Group Averages			
Large Canada LPs	4%	46%	-30%
Tier 1 MSOs	30%	29%	-60%

Source: FactSet

Appendix II: 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.



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US, Canada, Germany, Australia, and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short-term consulting and research advisory projects. Now, more than a year since its inception, the firm has collaborated with over 25 companies (in North America and overseas; plant touching and service providers; public and private), both on an on-going basis as well for specific projects. At various points in his career, Pablo Zuanic was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. *Pablo Zuanic can be contacted via the company's portal www.zuanicassociates.com; 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 and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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