

8/27/2024

# ALJ Hearing: Our Take

Cannabis Sector Equity Research



**Pablo Zuanic**  
ZUANIC & ASSOCIATES  
[pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com)  
[420Odysseus](http://420Odysseus.com); [www.zuanicassociates.com](http://www.zuanicassociates.com)



## ALJ Hearing Set for Dec 2<sup>nd</sup>: Our Take

**What happened?** As part of the scheduling review of cannabis, the DEA announced (via [a notice](#) filed in the Federal Register) that it will hold a hearing commencing on 12/2/24 at 9am (we emphasize the “a”; i.e., no plural here). Interested parties “desiring to participate” must provide recent notice on or before 9/25/24. In the interim, an Administrative Law Judge will need to be appointed. It is unclear how long the hearing will take (this will in part depend on the number of interested parties allowed to speak). Post the hearing, the AL judge will need to write a report, and once that is completed the DEA/DOJ will need to write the Final Rulemaking and publish it in the Federal Register. Then 30 days must pass before it is officially implemented; yes, during those 30 days legal challenges may come forward and a judge in the circuit court of appeals will need to decide whether to issue a stay or not. We doubt the process will be completed before Inauguration Day (1/20/25).

**Although less relevant, the hearing should not come as a great surprise.** While our thoughts and views have evolved along with the review process, first started in October 2022, in our [report of 7/22/24](#), we wrote “Will the DEA (and or DOJ) decide that ALJ hearings are required? Several state AGs have requested hearings, and it seems to us they meet the definition of “affected or impacted parties” (and there may be others). Surely, this may be up to debate, but our view is that one or more hearings will be needed (and the subsequent report from the Administrative Law Judge presiding), and this will further delay the process.” While the MSOS ETF is pointing down 12% pre-market to 6.19 (it has ranged between 4.70 and 11.20 since the news of the HHS recommendation broke in late August 2023), we would expect stocks to stay range-bound (although likely volatile). Sure, the most bullish thesis out there had it that this was political and that the WH/DOJ would publish the Final Rule sometime in September or October before the election, but as mentioned above, the scenario of hearings could not have been ruled out (and this is why the ETF had not gone back above 10).

### **The good the bad, and the ugly: On why this is good news.**

- We could see this as part of the DOJ (we doubt the DEA acted unilaterally without consulting the DOJ) “dotting the Is and crossing the Ts”, and making sure the review process is “bullet proof” to legal challenges. Moreover, in our view, the fact that the hearing will be held after the election adds further credibility to the entire process.
- Noone can now accuse Anne Milgram (Administrator of the DEA) of dragging her feet. Our fear that the DEA would “never” come on board is assuaged by the fact that the DEA itself is calling for a hearing – i.e., all this will give Administrator Milgram more leverage internally to finish the process.
- Assuming views from all significant “affected or impacted parties” are heard during the ALJ hearing, we believe the likelihood of successful legal challenges (to an eventual final rule) are drastically reduced.



- True, given the process will now likely be completed after 1/20/25, who is the next President could make a difference. We assume an eventual President Harris would complete the process. While she may want full federal legalization and descheduling, completing the rescheduling in his first term would be a significant achievement, and further reform can be left for an eventual second term.
- What would a potential President Trump do? In our view, this is more up in the air (despite what Trump voters holding MJ stocks may say), but given his latest commentary, all options are on the table. In the past we would have said he would not finish the process and let it die, with a Jeff Sessions type AG, but this is less obvious now.

**The good the bad, and the ugly: On why this is bad news(?).** We do not see this as bad news. But, sure, for those that were counting on a fall MJ rally, ahead of the election, on the assumption the Final Rule would be published in Sep/Oct, this can be seen as bad news. Right, those fast-money traders may sell their stocks and that will push valuations down. But we would see this as a buying opportunity. It would also be bad if we were assuming Trump is set to become President and he will have an AG like Texas Ken Paxton. But the polls do not make him a lock-in. Also, if folks like Elon Musk, RFK Jr, Vivek Ramaswamy, and Tulsi Gabbard, join his administration, he may be more friendly to cannabis, and at least allow the rescheduling to be completed. Wishful thinking? Maybe, but we believe there are reasons to be more constructive than in his first administration (on the subject of MJ reform).

**The Ugly:** OK, if the MSO ETF is down 15-20% in the next week, or if we go back to <5, that would be ugly for investors owning cannabis stocks. But, again, assuming Harris wins or Trump wins and does not appoint a Sessions type AG (i.e., is more friendly towards cannabis), we would use that as a buying opportunity.



Table 1: Stocks mentioned in this report

Company name	Ticker	Ticker	Rating	Company name	Ticker	Rating
<b>US MSOs</b>				<b>Canada LPs</b>		
4Front Ventures		FFNTF	Not rated	Aurora Cannabis	ACB	not rated
Acreage Holdings		ACRDF	Not rated	Auxly Cannabis Group	CBWTF	not rated
Ascend Wellness		AAWH	Not rated	Avant Brands	AVTBF	not rated
AYR Wellness		AYRWF	Not rated	BZAM	BZAMF	not rated
Columbia Care		CCHWF	Not rated	Cannara Biotech	LOVFF	not rated
Cresco Labs		CRLBF	Not rated	Canopy Growth Corporation	CGC	not rated
Curaleaf Holdings		CURLF	Not rated	Cronos Group	CRON	not rated
GlassHouse Brands		GLASF	Not rated	Decibel Cannabis Co	DBCCF	Overweight
Gold Flora		GRAM	Overweight	Organigram Holdings	OGI	not rated
Greenlane Holdings		GNLN	Not rated	Rubicon Organics	ROMJF	not rated
Green Thumb Industries		GTBIF	Overweight	SNDL	SNDL	not rated
Grown Rogue		GRUSF	Not rated	Tilray Brands	TLRY	not rated
Jushi Holdings		JUSHF	Overweight	Village Farms Intl	VFF	Overweight
MariMed		MRMD	Overweight	<b>Other</b>		
Planet 13 Holdings		PLNHF	Overweight	Chicago Atlantic REFC	REFI	Overweight
Schwazze		SHWZ	Not rated	Intercure	INCR	Not rated
StateHouse Holdings Inc		STHZF	Neutral	Irwin Naturals	IWINF	Not rated
TerrAscend		TSNDF	Not rated	Leafly	LFLY	Not rated
Tilt Holdings		TLLTF	Overweight	New Lake Capital Partners	NLCP	Overweight
Trulieve Cannabis		TCNNF	Not rated	Smoores International	SMORF	Not rated
Verano Holdings		VRNOF	Overweight	Springbig	SBIG	Not rated
Vext Science, Inc.		VEXTF	Not rated	WM Technology	MAPS	Neutral

Source: Z&amp;A ratings



# Appendix I: Valuation Comps

Zuanic & Associates

Exhibit 1: US MSO Valuation Multiples

US\$Mn 27-Aug-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt				
	2023	2024	2025	2023	2024	2025	Sales		EBITDA		Sales		EBITDA		
							CY24	Current	CY24	Current	CY24	Current	CY24	Current	
<b>US MSOs</b>	<b>1.9x</b>	<b>1.8x</b>	<b>1.6x</b>	<b>11.7x</b>	<b>11.3x</b>	<b>8.0x</b>									
Acreage Holdings	0.3x	1.1x	na	2.8x	5.7x	na	-0.8x	-0.9x	-4.2x	-8.1x	-1.0x	-1.1x	-4.9x	-9.5x	
Ascend Wellness	1.4x	1.2x	1.2x	6.7x	6.3x	5.5x	-0.4x	-0.4x	-2.1x	-2.0x	-0.8x	-0.8x	-4.1x	-4.0x	
Ayr Wellness	1.3x	1.2x	1.1x	5.3x	5.4x	4.3x	-0.8x	-0.8x	-3.4x	-3.4x	-0.7x	-0.7x	-3.0x	-3.0x	
Cannabist Co	0.9x	0.9x	0.9x	6.6x	6.7x	5.3x	-0.6x	-0.5x	-3.9x	-3.3x	-0.7x	-0.7x	-4.9x	-4.2x	
Consortium	1.3x	na	na	3.6x	na	na	na	na	na	na	na	na	na	na	
Cresco Labs	0.7x	0.7x	0.7x	3.2x	2.6x	2.5x	-0.5x	-0.5x	-1.9x	-2.0x	-0.7x	-0.7x	-2.6x	-2.8x	
Curaleaf	3.2x	3.1x	2.8x	14.1x	13.4x	11.1x	0.0x	0.0x	0.0x	0.0x	-1.3x	-1.3x	-5.6x	-8.6x	
4Front Ventures	1.9x	2.1x	na	18.5x	na	na	-0.9x	-0.9x	na	-5.7x	-1.5x	-1.5x	na	-9.7x	
Glass House	5.5x	4.2x	na	36.0x	21.3x	na	-0.1x	na	-0.6x	na	-0.4x	-0.4x	-1.8x	-1.8x	
Gold Flora	0.9x	0.8x	0.7x	na	45.7x	5.2x	na	-0.3x	na	na	na	-0.9x	na	na	
Goodness Growth	0.9x	0.8x	na	4.7x	3.5x	na	-0.5x	-0.5x	-2.2x	-1.8x	-0.6x	-0.6x	-2.5x	-2.1x	
Green Thumb	2.6x	2.4x	2.3x	8.5x	7.6x	7.3x	-0.1x	-0.1x	-0.3x	-0.3x	-0.1x	-0.1x	-0.4x	-0.4x	
Grown Rogue	4.4x	na	na	18.6x	na	na	na	na	na	na	na	na	na	na	
iAnthus	1.5x	na	na	na	na	na	na	-0.8x	na	-7.5x	na	-0.9x	na	-8.0x	
Jushi	1.5x	1.5x	1.4x	10.0x	7.2x	6.2x	-0.7x	-0.7x	-3.1x	-8.4x	-1.1x	-1.1x	-5.2x	-13.9x	
MariMed	1.2x	1.1x	0.9x	7.4x	9.2x	5.1x	-0.4x	-0.4x	-3.2x	-2.6x	-0.5x	-0.5x	-4.0x	-3.3x	
Planet 13	2.1x	1.6x	1.2x	-8.6x	17.6x	7.1x	0.1x	0.2x	1.6x	20.0x	0.0x	0.0x	0.2x	2.6x	
Schwazze	1.0x	1.0x	na	3.3x	4.8x	na	-0.8x	-0.7x	-3.7x	-2.4x	-0.9x	-0.8x	-4.3x	-2.8x	
StateHouse	1.9x	na	na	na	na	na	na	-1.1x	na	-57.5x	na	-1.8x	na	-92.6x	
TerrAscend	4.9x	4.9x	4.8x	22.4x	24.3x	21.1x	-0.8x	-0.7x	-4.1x	-2.7x	-1.6x	-1.4x	-8.0x	-5.3x	
TILT	0.7x	0.9x	0.7x	54.8x	na	18.5x	-0.5x	-0.3x	20.8x	-7.0x	-0.9x	-0.6x	37.1x	-12.6x	
Trulieve	2.2x	2.1x	2.0x	7.6x	6.3x	6.3x	-0.5x	-0.5x	-1.4x	-1.7x	-0.5x	-0.6x	-1.6x	-2.1x	
Verano	2.0x	2.1x	1.9x	6.2x	6.7x	6.0x	-0.3x	-0.3x	-0.9x	-0.7x	-0.6x	-0.5x	-1.9x	-1.5x	
Vext	2.1x	2.0x	na	13.4x	8.7x	na	-0.9x	-1.1x	-4.1x	-8.1x	-0.9x	-1.1x	-4.1x	-8.1x	

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

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

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

Exhibit 2: US MSOs EV Calculations

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
27-Aug-24	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
<b>US MSOs</b>													
Acreage Holdings	248	290	0.24	139.9	29.7	41	-214	-2	-34			-250	
Ascend Wellness	728	718	1.10	211.5	13.3	247	-238	-134	-99			-470	
Ayr Wellness	704	606	1.86	114.0	31.1	269	-382	5	-13	0	55	-336	
Cannabist Co	630	463	0.29	429.3		122	-272	-23	-45	0		-340	
Cansortium	140	127	0.15	298.3	6.3	46	-49	-7	-26			-81	
Cresco Labs	1,136	556	1.75	0.0	0.0	0	-395	-56	-98	-7		-556	
Curaleaf	3,041	4,287	3.18	738.1	7.9	2,372	8	-1,115	-672	-18		-1,796	119
4Front Ventures	260	186	0.06	916.2	20.2	52	-79	-8	-40	-6	0	-134	
Glass House	619	882	9.30	75.7	3.2	734	-26	0	-21	-29		-76	72
Gold Flora	130	113	0.08	0.0	0.0	0	-37	-31	-41	-4		-113	
Goodness Growth	120	81	0.50	45.3		23	-50	-8				-58	
Green Thumb	2,652	2,761	10.69	237.0	9.3	2,633	-114	-26	-25	0	37	-128	
Grown Rogue	75	110	0.64	170.8		109	4	-3	0	0		0	
iAnthus	97	252	0.01	6,510.5		97	-146	-9				-155	
Jushi	382	408	0.57	196.6	1.1	113	-179	1	-117			-295	
MariMed	166	183	0.22	380.6	5.0	84	-63	-1	-16			-80	19
Planet 13	152	206	0.64	325.2	0.3	208	18	-6	-5	-5		2	
Schwazze	180	178	0.11	171.3		19	-138	-3	-18	0		-159	
StateHouse	148	198	0.03	255.9	138.6	12	-114	-13	-39	-24	7	-184	2
TerrAscend	644	1,543	1.44	366.5	351.2	1,033	-258	-186	-7	-59		-510	
TILT	112	113	0.02	390.5	4.4	7	-59	-44	-3			-106	
Trulieve	1,754	2,457	9.58	186.0	3.3	1,813	-537	-16	-86	-4		-644	
Verano	1,693	1,894	3.85	346.4	8.7	1,367	-266	-6	-251	-4		-527	
Vext	55	74	0.18	217.5	0.4	39	-35	0				-35	

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

Exhibit 3: Canada LP Valuation Multiples

Multiples 27-Aug-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	2024	2025	Current	2024	2025	Current	CY24	Current	CY24	Current	CY24	Current	CY24
Aurora Cannabis Inc.	1.9x	1.7x	1.5x	54.6x	23.5x	14.9x	na	na	na	na	0.0x	na	1.4x	na
Auxly Cannabis Group Inc.	1.3x	na	na	14.2x	na	na	-0.4x	na	-5.0x	na	-0.6x	na	-6.8x	na
Avant Brands Inc	1.0x	na	na	2.1x	na	na	-0.2x	na	-0.4x	na	-0.5x	na	-1.1x	na
BZAM Ltd	0.6x	na	na	-1.6x	na	na	-0.4x	na	1.0x	na	-0.5x	na	1.4x	na
Cannara Biotech	1.4x	na	na	7.8x	na	na	-0.6x	na	-3.3x	na	-0.6x	na	-3.3x	na
Canopy Growth Corporation	1.1x	4.5x	2.8x	-5.6x	-75.9x	153.4x	-0.3x	-1.3x	1.6x	21.2x	-0.3x	-1.3x	1.6x	21.2x
Cronos Group Inc	0.4x	0.4x	0.3x	-1.0x	-1.3x	2.1x	na	na	na	na	8.4x	7.7x	-20.0x	-25.1x
Decibel Cannabis Company Inc	0.8x	0.7x	0.6x	4.6x	3.9x	2.9x	-0.4x	-0.4x	-2.6x	-2.2x	-0.4x	-0.4x	-2.6x	-2.2x
High Tide, Inc.	0.4x	0.4x	0.4x	5.0x	5.3x	4.2x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.1x	-0.1x
Nova Cannabis Inc	0.4x	0.4x	0.3x	6.1x	5.5x	3.7x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-0.5x	-0.4x
OrganiGram Holdings Inc	1.3x	1.2x	1.1x	-13.5x	37.6x	14.9x	na	na	na	na	0.5x	0.5x	-5.0x	14.0x
Rubicon Organics, Inc.	0.8x	na	na	-17.7x	na	na	-0.1x	na	1.7x	na	-0.1x	na	1.7x	na
SNDL Inc.	0.8x	0.6x	0.6x	14.5x	70.3x	na	na	na	na	na	0.2x	0.2x	4.3x	20.9x
Tilray Brands, Inc.	2.3x	1.9x	1.7x	41.8x	18.4x	14.4x	-0.1x	-0.1x	-1.5x	-0.7x	-0.2x	-0.1x	-3.1x	-1.4x
Village Farms International, Inc.	0.5x	0.4x	0.4x	10.4x	24.0x	7.2x	-0.1x	-0.1x	-1.3x	-3.0x	-0.1x	-0.1x	-1.4x	-3.1x

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



Exhibit 4: Canada LP Valuation Multiples

C\$Mn 27-Aug-24	FactSet Spot EV	Z&A Spot EV	C\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	ST income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int
Aurora Cannabis Inc.	416	506	8.76	54.6	0.0	479	63	-50		0		13	41
Auxly Cannabis Group Inc.	175	128	0.04	1,250.3	249.9	67	-45	-16		0		-61	
Avant Brands Inc	22	32	0.06	278.6	2.0	16	-6	-10				-16	
BZAM Ltd	118	51	0.03	180.8	0.2	6	-31	-14				-45	
Cannara Biotech	85	109	0.70	90.0	0.0	63	-46	0	-1			-46	
Canopy Growth Corporation	na	1,308	8.34	111.1	1.8	942	-366					-366	
Cronos Group Inc	37	58	3.11	382.0	7.8	1,212	1,156	-2				1,154	
Decibel Cannabis Company Inc	66	66	0.07	409.0	15.8	29	-37	1				-37	
High Tide, Inc.	213	209	2.61	78.6	0.4	206	0	-3				-3	
Nova Cannabis Inc	1	109	1.74	57.3		100	-1	-8				-9	
OrganiGram Holdings Inc	195	195	2.69	94.5	5.0	268	72		0			72	
Rubicon Organics, Inc.	30	30	0.45	56.2	4.1	27	-3	0				-3	
SNDL Inc.	485	594	2.81	263.2	10.9	771	217	-40				177	
Tilray Brands, Inc.	2,204	2,296	2.51	831.9		2,092	-83	-67		-20		-170	34
Village Farms International, Inc.	181	201	1.43	111.7		160	-25	-1				-26	15

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

## Exhibit 5: Stock Performance

27-Aug-24			
Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
AAWH	3%	5%	122%
ACRDF	-39%	-37%	3%
AYRWF	-14%	-16%	133%
CBSTF	46%	14%	-31%
CNTMF	6%	-8%	131%
CRLBF	9%	-5%	67%
CURLF	-21%	-32%	10%
CXXIF	-11%	-28%	-4%
FFNTF	-45%	-38%	-45%
GLASF	23%	13%	149%
GRAMF	-37%	-57%	-38%
GDNSF	4%	-23%	393%
GRUSF	-3%	-9%	266%
GTBIF	-5%	-3%	57%
ITHUF	-10%	-22%	-1%
JUSHF	2%	-7%	57%
LOWLF	-10%	-77%	-95%
MRMD	36%	-5%	-25%
PLNH	34%	11%	28%
SHWZ	-48%	-76%	-84%
STHZF	2900%	100%	0%
TCNNF	-5%	-5%	169%
TLTFF	-15%	-53%	-43%
TSNDF	-1%	-5%	-11%
VEXTF	2%	-2%	15%
VRNOF	-3%	-3%	46%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
	<b>Canadian LPs</b>		
ACB	10%	3%	46%
AVTBF	5%	-20%	-71%
BZAMF	25%	-7%	-78%
CBWTF	22%	3%	148%
CGC	-15%	-27%	58%
CRON	-5%	-14%	36%
DBCCF	28%	-21%	-56%
ETRGF	10%	-27%	-29%
HITI	2%	-19%	54%
LOVFF	10%	-4%	-34%
NVACF	35%	37%	215%
OGI	22%	13%	43%
ROMJF	4%	8%	-4%
SNDL	-7%	-6%	32%
TLRY	2%	2%	-21%
VFF	-8%	-10%	40%
<b>Cannabis - International</b>			
CLVR	-100%	-17%	-37%
IMCC	16%	-100%	-100%
INCR	-12%	-11%	43%
LGPPF	na	na	na
PCLOF	-19%	20%	60%
<b>Tech</b>			
LFLY	-11%	19%	-67%
SBIG	-53%	-59%	-71%
MAPS	12%	22%	-3%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
	<b>MJ Fincos</b>		
AFCG	11%	-16%	-21%
CNPOF	72%	45%	42%
IIPR	3%	19%	65%
NLCP	5%	5%	59%
PW	22%	119%	51%
SHFS	-3%	-12%	75%
SSIC	-3%	2%	22%
REFI	0%	4%	11%
<b>Pix &amp; Shovel</b>			
AGFY	-10%	-20%	-89%
GRWG	-8%	-13%	-15%
HYFM	-17%	-30%	-39%
SMG	2%	12%	40%
UGRO	-3%	-11%	29%
<b>Vape parts</b>			
GNLN	107%	9%	-24%
ISPR	-1%	-5%	-26%
SMORF	-8%	3%	13%
TLTTF	-15%	-53%	-43%
<b>Index</b>			
S&P 500	3%	6%	27%
S&P 477	5%	8%	16%
Nasdaq	5%	17%	34%
MSOS ETF	-7%	-12%	44%
YOLO ETF	-2%	-10%	38%

Source: FactSet



# Appendix II: Bio and Disclaimers

Zuanic & Associates



## 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 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. 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 Zuanic can be contacted via the company's portal [www.zuanicassociates.com](http://www.zuanicassociates.com); via email [pablo.zuanic@zuanicgroup.com](mailto: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.

**Analyst Certification:** The publishing analyst, whose name appears on the front page of this report, certifies that the views expressed in this research report accurately reflects his personal views about the subject securities or issuers discussed in this report. His opinions and estimates are based on his best judgement at the time of publication and are subject to change without notice. As per the company's policy, the author of this report does not own shares in any company he covers.

**Other:** This report is for use by professional and or institutional investors only, and it is deemed impersonal investment advice, published on a bona fide and regular basis. This report is for informational purposes only and is based on publicly available data believed to be reliable, but no representation is made whether such data is accurate or complete. As such, this report should not be regarded by its recipients as a substitute for obtaining independent investment advice and/or exercise of their own judgement. When making an investment decision this information should be viewed as just one factor in the investment decision process. Neither the publishing analyst, nor any of the company's officers and directors, accept any liability for any loss or damage arising out of the use of all or any part of the analyst's research.

**Risks:** The financial instruments mentioned in this report may not be suitable for all investors and investors must make their own investment decisions based on their specific investment objectives. Past performance should not be taken as an indication or guarantee of future performance. The price, value of and income from, any of the financial instruments featured in this report can rise as well as fall and be affected by changes in political, financial, and economic factors. If a financial instrument is denominated in a currency other than the investor's currency, a change in exchange rates may adversely affect the price or value of, or income derived from, the financial instrument, and such investors effectively assume currency risk.

**Disclosure:** Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. Several of the companies discussed in this report are paying customers of the services provided by the firm.

**Copyright:** No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the author.