



8/25/2025

Decibel Cannabis Co. (DB-CA)

Company Update: Overweight

C\$Mn									
Sales	CY23a	CY24a	CY25e		Prev	CY26e	Prev	CY27e	Prev
1Q	24.9	21.0	21.2	A	21.2	36.2	35.5	41.4	42.2
2Q	30.9	22.2	29.8	A	29.7	38.8	37.6	43.7	43.8
3Q	30.2	24.1	33.9	E	33.8	41.1	41.0	46.4	47.8
4Q	<u>29.9</u>	<u>25.3</u>	<u>37.4</u>	E	<u>37.4</u>	<u>42.8</u>	<u>42.9</u>	<u>47.5</u>	<u>42.8</u>
FY	116.0	92.5	122.3	E	122.1	159.0	157.0	179.0	176.6
EBITDA	CY23a	CY24a	CY25e		Prev	CY26e	Prev	CY27e	Prev
1Q	6.8	3.6	3.5	A	3.5	8.2	8.6	9.6	10.3
2Q	7.3	3.9	6.3	A	6.6	8.7	9.0	10.1	10.6
3Q	6.5	5.1	6.9	E	7.4	9.1	9.7	10.8	11.7
4Q	<u>5.4</u>	<u>5.2</u>	<u>7.4</u>	E	<u>8.0</u>	<u>9.4</u>	<u>10.0</u>	<u>11.1</u>	<u>10.7</u>
FY	25.9	17.9	24.1	E	25.5	35.4	37.3	41.6	43.3

Share price (C\$)	0.13	<u>Perf.</u>	<u>DB-CA</u>	<u>YOLO</u>	<u>S&P500</u>	Stance:	Overweight
Share count (mn)	576.7	30d	26%	55%	2%		no price target
Market Cap (C\$Mn)	75.9	90d	96%	71%	11%		FY=Dec
Ticker	DB-CA	1yr	59%	0%	15%		



\$Mn	CY24	CY25	CY26
Projected EV	107	102	71
EV/Sales	1.2x	0.8x	0.4x
EV/EBITDA	5.9x	4.2x	2.0x

	CY24	CY25	CY26
Net debt/Sales	-0.3x	-0.2x	na
Net debt/EBITDA	-1.7x	-1.1x	na
Free Cash Flow	3.2	6.4	31.3
Net (debt) cash	-31.2	-26.0	5.3

Consensus	CY25	CY26
Sales	119.7	143.3
EBITDA	24.3	30.4

Guidance CY25:	130.0
	25.0

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Company Update Post Solid 2Q25

We rate Decibel Overweight. Decibel delivered >40% qoq sales growth in 2Q25 (out 8/21), on the back of resurgence in its domestic infused pre-roll segment (~60% of sales) and international sales tripling (these are now 21% of total company sales). Decibel is delivering on its top line targets as well as EBITDA and FCF expansion goals. True, CY25 revenue guidance implies 55% HoH growth (EBITDA is already on track), but management is confident on its international order pipeline (as it expands its presence in high growth markets) and domestic sales momentum. Also, if we annualize 2Q sales (4x\$30Mn), Decibel is already near its CY25 sales target of \$130Mn, and ahead on EBITDA (\$28Mn vs. \$25Mn). The stock trades at only 0.9x current sales below several comparable peers in the 1.5x range. Guidance for \$20Mn FCF implies a compelling 26% FCF yield. *Note: All numbers are in C\$ unless noted otherwise.*

About 2Q25.

- Sales of \$29.8Mn (in line with our estimate) were up 35% yoy (+10% ex the AG Medica deal, which closed on 10/28/24) and +41% qoq. International tripled seq to \$6.1Mn (21% of total revenues) from \$2.2Mn, and domestic was up 24% seq to \$23.6Mn. The AgMedica Bioscience deal contributed \$5.4Mn to sales (\$4.7Mn of which were international).
- Per our estimates, Decibel gained 0.6pt of domestic market share. Hifyre had pointed to +13% total domestic qoq sales growth (vs. +24% reported), at retail, driven primarily by the pre-roll business (+24% qoq, and 59% of the revenue mix), with vape up only 2% (35% of the mix). Management attributed the domestic growth to “successful initiatives including: new marketing campaigns, reinvesting in growing the Qwest brand presence, launching ultra-high potency vapes and infused pre-rolls, new large format all-in-one disposable, and milled flower.”
- The Hifyre scanner data implies Decibel is making inroads in variety infused pre-rolls (up 2.2x qoq), and these now account for 12% of its pre-roll sales (that segment is 16% of all infused for the market, and Decibel is #3 behind BZAM and Canopy Growth). Importantly, the core infused joints business (86% of Decibel pre-roll sales) grew qoq (+19%) after successive drops in recent quarters, although sales were still down yoy (-28%). Per Hifyre, we calculate Decibel’s 2Q25 share in the infused joints segment was 25.5% in 2Q25 vs. 23.9% in 1Q25 (BZAM and OGI both had 11% share in infused joints, followed by Canopy Growth with 9%), and 41% in 2Q24.
- Regarding international, Decibel “has executed additional contracts related to cannabis exports to overseas markets and delivered modest volumes related to such contracts in the second quarter. With the majority coming in future periods. The Company sees strong demand internationally and anticipates incremental volumes and contracts in the second half of 2025”. Clearly, this bodes well for 2H25.



- Adj EBITDA margins increased seq to 21.1% from 16.3%. Reported gross margins fell seq to 47% from 49.9%. Cash SGA was 28% of sales vs. 36% in 1Q25. We attribute the latter to the benefits from operating leverage, with sales up 41% qoq.
- FCF improved to +\$2.2Mn from -\$1.2Mn in 1Q25. Ending net debt of \$31.4Mn (\$33Mn 1Q25) was about 28% of annualized 2Q revenues, and only 3.5x the current annualized FCF pace. Debt due within 1-year is \$8.8Mn. Decibel has about \$30Mn in mortgage loans due 1/1/27.

Outlook.

- Decibel maintained CY25 guidance of sales of \$130Mn (1H25 \$51Mn) and EBITDA of \$25Mn (\$9.8Mn in 1H25), which implies positive margins of >19% (owing to cost focus and automation). It also kept guidance for \$20Mn in FCF and reaching debt to EBITDA of 1.4x by YE25. International is slated to be a key driver of growth.
- Management is confident that the AgMedica deal positions Decibel well to enter new markets (expanding to 9 from 7 this year), both from ongoing supply agreements to new deals and expansion. AgMedica should contribute \$30Mn and \$4Mn this year (sales and EBITDA, respectively, per management).
- All this guidance metrics were first disclosed on 10/28/24 at the time of the AgMedica deal.
- True, for Decibel to deliver the \$130Mn sales target in CY25, sales will need to increase by 55% (\$79Mn vs. \$51Mn). On the other hand, it is already there on EBITDA; it delivered 1H25 EBITDA of \$13.2Mn vs. FY guidance of \$25Mn.

Brief color from Hifyre for 2Q25. We realize the Hifyre scanner data is sample-based and not 100% accurate, but we believe it can still provide insights on underlying trends. Per the data, during 2Q25, Decibel generated 59% of sales from pre-rolls and 35% from vape (flower 5%; edibles 2%). Total Decibel sales, per Hifyre, were up 13% qoq and down 8% yoy.

- **Pre-rolls:** Infused pre-rolls accounted for 98% of sales (86% infused joints and 12% variety packs infused) in 2Q25. Per Hifyre, Decibel was #1 in infused joints in 2Q25 with 25.5% share (this is down from a peak of 57% in 2Q23) and was #3 in variety-pack infused pre-rolls with 16% share. It has no presence in infused blunts, where OGI (via the Motif deal) has 41% share.
- **Vape:** Decibel was #3 in vapes in 2Q25 with 9.1% share (9.7% in 1Q25), behind OGI/Motif with 20.3% and Auxly with 12.6%. Per Hifyre, 72% of Decibel sales came from 510 carts (50% 0.95ml, 14% 1ml, 8% 1.2ml) and 26% disposables (12% 1.2ml; 12% 1ml); closed loops were only 2% of its vape sales.
- See our macro review of 2Q25 C\$ rec market trends [here](#).

We remain Overweight (all \$ figures are in C\$). Decibel has been the best performing Canadian MJ stock in the last 90 days (+96%), only behind Tilray (+160%) and VFF (+139%), which we believe is justified based on its domestic market turnaround and credible international inroads. Also, per guidance the stock is rather attractively valued: FCF guidance of \$20Mn for CY25 implies a best in class 26% FCF yield. At the current share price of C\$0.13, Decibel has a market cap of C\$77Mn (577mn shares plus RSUs) and an EV of C\$108Mn (factoring net debt of \$31Mn). Based on the latest proforma CY25 guidance, Decibel trades at 0.8x EV/sales and 4.7x EV/EBITDA. We realize Canadian MJ multiples are dispersed in a wide range with ACB at 0.9x current sales and the likes of CGC, TLRY, and VFF around 1.5x (in the case of CGC adjusting for the US assets). The “domestic” plays, like Auxly (1.9x) and Cannara (1.4x), trade at a hefty premium to Decibel. In this context, we keep our OW stance. With a leading franchise in Canadian pre-rolls (the category is bigger than flower in Canada rec now), a top 3 position in vape, and now a top 5 position (proforma) among the Canadian exporters, we believe Decibel should trade more in line with the larger market cap LP stocks (especially with debt leverage projected below 1.4x by YE25). At Z&A, we do not set price targets, but we observe that at 1.5x to 2x our CY26 sales estimates (factoring international growth and FCF expansion), the stock could be 4.6x-5.4x higher by Dec’25 (on a 1yF look basis) vs. current levels.

Note: See our report on the [AqMedica deal](#), reviewing that transaction and how it will help expand Decibel’s international business.

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
Smoores International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral



Appendix I: Company Financials

25 August 2025

Decibel Holdings: Update Post 2Q25 Print

Exhibit 1: Financial highlights

C\$ 000s	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Sales	79.3	116.0	92.5	21.2	29.8	33.9	37.4	122.3	36.2	38.8	41.1	42.8	159.0	179.0
qoq ch %	na	na	na	-16%	41%	14%	10%	na	-3%	7%	6%	4%	na	na
yoy ch %	51%	46%	-20%	1%	35%	41%	48%	32%	70%	30%	21%	15%	30%	13%
guidance					na	na	na	na					na	na
consensus						33.0	35.7	119.7	34.7	35.8	37.5	38.5	143.3	162.7
Profit margins														
Gross profit before FV adj	34.0	51.6	44.4	10.6	14.0	15.3	16.8	56.7	16.6	17.8	18.9	19.7	73.1	84.1
as % of sales	42.9%	44.5%	47.9%	49.9%	47.0%	45.0%	45.0%	46.3%	46.0%	46.0%	46.0%	46.0%	46.0%	47.0%
Gross profit after FV adj	26.4	41.9	37.6	8.8	12.2	15.3	16.8	53.1	16.6	17.8	18.9	19.7	73.1	84.1
as % of sales	33.3%	36.1%	40.6%	41.6%	41.0%	45.0%	45.0%	43.4%	46.0%	46.0%	46.0%	46.0%	46.0%	47.0%
Op exp	27.1	40.4	35.6	9.6	10.3	10.9	11.9	42.7	11.1	11.8	12.4	12.9	48.1	53.1
as % of sales	34.2%	34.9%	38.4%	45.0%	34.4%	32.3%	31.9%	34.9%	30.6%	30.3%	30.2%	30.0%	30.3%	29.7%
EBIT	-0.7	1.4	2.0	-0.7	2.0	4.3	4.9	10.4	5.6	6.1	6.5	6.8	25.0	31.0
as % of sales	-0.9%	1.2%	2.2%	-3.4%	6.6%	12.7%	13.1%	8.5%	15.4%	15.7%	15.8%	16.0%	15.7%	17.3%
adj EBITDA	17.0	25.9	17.9	3.5	6.3	6.9	7.4	24.1	8.2	8.7	9.1	9.4	35.4	41.6
as % of sales	21.4%	22.3%	19.4%	16.3%	21.1%	20.3%	19.9%	19.7%	22.6%	22.3%	22.2%	22.0%	22.3%	23.2%
Consensus EBITDA						6.9	7.7	24.3	7.5	7.8	8.1	8.4	30.4	38.4
as % of sales						20.8%	21.6%	20.3%	21.7%	21.7%	21.7%	21.8%	21.2%	23.6%
EPS														
Pre tax income	-4.5	-1.8	13.6	-1.9	1.6	3.7	4.3	7.7	5.0	5.5	5.9	6.3	22.7	28.9
Tax rate assumption	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-4.5	-1.8	13.6	-1.9	1.6	3.7	4.3	7.7	5.0	5.5	5.9	6.3	22.7	28.9
Share count (FD) Mn	404.2	408.1	426.0	576.8	577.2	577.2	577.2	577.1	577.2	577.2	577.2	577.2	577.2	577.2
EPS	-0.01	0.00	0.03	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.04	0.05
BS & CF highlights														
Operating cash flow	8.3	7.1	4.0	-0.7	2.7	-4.0	9.9	7.9	-6.5	25.2	-0.3	13.9	32.3	36.0
(-) Capex	-3.3	-1.5	-0.7	-0.5	-0.5	-0.3	-0.3	-1.5	-0.3	-0.3	-0.3	-0.3	-1.0	-2.0
Free cash flow	5.0	5.6	3.2	-1.2	2.2	-4.2	9.6	6.4	-6.8	24.9	-0.6	13.7	31.3	34.0
Ending net cash (debt)	-40.8	-37.5	-31.2	-33.0	-31.4	-35.6	-26.0	-26.0	-32.8	-7.9	-8.4	5.3	5.3	39.3
LTM EBITDA	17.0	25.9	17.9	17.7	20.1	21.8	24.1	24.1	28.8	31.2	33.4	35.4	35.4	41.6
Net debt/Sales	-0.5	-0.3	-0.3	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.2
Net debt/EBITDA	-2.4	-1.4	-1.7	-1.9	-1.6	-1.6	-1.1	-1.1	-1.1	-0.3	-0.3	0.1	0.1	0.9
Equity	47.2	46.2	64.7	63.0	64.8	68.5	72.7	72.7	77.7	83.1	89.1	95.4	95.4	124.3

Source: Z&A estimates, company reports

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Decibel Holdings: Update Post 2Q25 Print

Exhibit 2: Sales

C\$Mn	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Net Sales	79.3	116.0	92.5	21.2	29.8	33.9	37.4	122.3	36.2	38.8	41.1	42.8	159.0	179.0
Domestic rec	68.6	105.8	88.4	19.0	23.6	25.0	26.4	94.0	24.9	27.3	29.3	30.8	112.3	127.7
Exports	1.9	3.7	4.1	2.2	6.1	8.9	11.0	28.3	11.3	11.5	11.8	12.1	46.7	51.4
Retailing	8.9	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales and market share assumptions														
Canada rec sales	4,518	5,163	5,375	1,290	1,381	1,455	1,464	5,590	1,355	1,450	1,528	1,538	5,870	6,163
market (0.4x)	1,807	2,065	2,150	516	552	582	586	2,236	542	580	611	615	2,348	2,465
total market % share	4.2%	5.1%	4.1%	3.7%	4.3%	4.3%	4.5%	4.2%	4.6%	4.7%	4.8%	5.0%	4.8%	5.2%

Source: Z&A estimates, company reports

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Decibel Holdings: Update Post 2Q25 Print

Exhibit 3: Cash Flow

C\$ 000s	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Net earnings	-4,462	-1,770	13,594	-1,901	1,646	3,679	4,251	7,675	4,961	5,474	5,948	6,283	22,667	28,941
(+) D&A	3,669	3,110	5,036	1,642	1,654	1,280	1,285	5,861	1,289	1,294	1,298	1,303	5,185	5,284
Cash earnings	-793	1,340	18,630	-259	3,300	4,960	5,536	13,537	6,251	6,768	7,247	7,586	27,851	34,225
(-) Working capital changes	-1,214	-6,077	-6,027	-2,403	2,403	-8,943	4,335	-4,609	-12,791	18,421	-7,548	6,348	4,430	1,783
(-) Other operating flows	10,276	11,836	-8,623	1,951	-3,020	0	0	-1,069	0	0	0	0	0	0
Net cash used in operating activities	8,269	7,099	3,980	-711	2,683	-3,984	9,871	7,859	-6,540	25,189	-301	13,934	32,281	36,008
(-) net capex	-3,266	-1,453	-736	-518	-490	-250	-250	-1,508	-250	-250	-250	-250	-1,000	-2,000
Free cash flow	5,003	5,646	3,244	-1,229	2,193	-4,234	9,621	6,351	-6,790	24,939	-551	13,684	31,281	34,008
(-) acquisitions	-556	-704	-98	0	0	0	0	0	0	0	0	0	0	0
(-) divestitures	47	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-1,702	-2,014	-86	-539	-582	0	0	-1,121	0	0	0	0	0	0
(+) share issuance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	1	356	3,194	0	0	0	0	0	0	0	0	0	0	0
Change in net	2,793	3,284	6,254	-1,768	1,611	-4,234	9,621	5,230	-6,790	24,939	-551	13,684	31,281	34,008
Ending net (debt)	-40,767	-37,483	-31,229	-32,997	-31,386	-35,620	-25,999	-25,999	-32,789	-7,851	-8,402	5,282	5,282	39,290
Cash/inv/sec	2,966	3,481	6,997	4,485	5,346	1,132	10,753	10,753	3,963	28,901	28,350	42,034	42,034	76,042
Gross debts/loans/bonds	43,733	40,964	38,226	37,482	36,732	36,752	36,752	36,752	36,752	36,752	36,752	36,752	36,752	36,752

Source: Z&A estimates, company reports

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Decibel Holdings: Update Post 2Q25 Print

Exhibit 4: Projected EV (different from spot EV analysis)

C\$ 000s	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
EV calculation (C\$Mn)	95	91	107	109	107	112	102	102	109	84	84	71	71	37
Market cap (C\$Mn)	54	54	76	76	76	76	76	76	76	76	76	76	76	76
Share price (C\$)	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Share price (US\$)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
FD share count (Mn)	409.0	409.0	576.7	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9
common shares	409.0	409.0	576.7	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9	576.9
RSU/DSUs	17.2	17.7	7.8	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
derivatives in the money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Broadly defined net debt	-41	-37	-31	-33	-31	-36	-26	-26	-33	-8	-8	5	5	39
net financial debt	-41	-37	-31	-33	-31	-36	-26	-26	-33	-8	-8	5	5	39
leases	0	1	0	0	0	0	0	0	0	0	0	0	0	0
other debt/deferred taxes														
warrant/option/convert inflow														
<i>Note: our comp tables use a static definition of EV (i.e. the current one); but in this table we used projected EV</i>														
Multiples (Z&A)														
PE	-11.9x	-30.4x	4.1x	-40.0x	46.2x	20.7x	17.9x	9.9x	15.3x	13.9x	12.8x	12.1x	3.4x	2.6x
EV/Sales	1.2x	0.8x	1.2x	1.3x	0.9x	0.8x	0.7x	0.8x	0.8x	0.5x	0.5x	0.4x	0.4x	0.2x
EV/EBITDA	5.6x	3.5x	5.9x	7.9x	4.3x	4.1x	3.4x	4.2x	3.3x	2.4x	2.3x	1.9x	2.0x	0.9x

Source: Z&A estimates, company reports

Note: The common shares of Decibel ("Common Shares") trade on the TSX-Venture Exchange ("TSX-V") under the ticker symbol "DB" and on the OTCQB Venture Market under the symbol "DBCCF". The Company's warrants trade on the TSX-V under the trading symbol "DB.WT.A".



Appendix II: Valuation Comps

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Exhibit 5: Canada LPs - Valuation Multiples (consolidated multiples), based on spot EV

Multiples 25-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	0.9x	0.9x	0.9x	8.2x	7.1x	5.8x	na	na	na	na	-1%	-9%	-22%
Auxly Cannabis Group	1.9x	na	na	6.5x	na	na	-0.4x	na	-1.3x	na	7%	86%	263%
Avant Brands	0.8x	na	na	3.6x	na	na	-0.2x	na	-0.8x	na	26%	5%	-40%
Cannara Biotech	1.4x	na	na	5.0x	na	na	-0.4x	na	-1.4x	na	-34%	-5%	57%
Canopy Growth	2.2x	2.1x	1.9x	-19.8x	-40.2x	na	-0.5x	-0.5x	4.8x	9.7x	2%	-31%	-80%
Cronos Group	-1.1x	-1.0x	na	-21.3x	-8.7x	na	na	na	na	na	21%	28%	9%
Decibel Cannabis	0.9x	0.9x	0.8x	4.3x	4.5x	3.6x	-0.3x	-0.3x	-1.2x	-1.3x	26%	96%	59%
Organigram Holdings	1.0x	1.1x	1.0x	24.1x	15.0x	8.9x	na	na	na	na	3%	17%	-21%
Rubicon Organics	0.7x	0.8x	0.6x	8.1x	12.9x	3.5x	0.0x	na	-0.4x	na	31%	45%	23%
SNDL	0.7x	0.7x	0.7x	8.5x	na	na	na	na	na	na	37%	74%	7%
Tilray Brands	1.6x	1.6x	1.5x	13.6x	20.6x	16.4x	0.0x	0.0x	0.0x	0.0x	46%	160%	-39%
Village Farms International	1.4x	1.4x	1.3x	6.2x	9.9x	7.1x	na	na	na	na	113%	139%	172%

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

2) The GCG multiples should be adjusted for the market value of the equity stake in TerrAscend (on the EV) and for the revenues of C-USA (denominator). For example, the adj current multiple is 1.0x

Source: FactSet and company reports

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Exhibit 6: Canada LPs – Spot EV Calculations

C\$Mn 24-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	Equity Stakes
Aurora Cannabis	355	6.91	56.5	1.8	403	126	-42	0	0	0	84	37	
Auxly Cannabis Group	301	0.16	1,285.7	133.4	226	-59	-14	0	-2	0	-75		
Avant Brands	26	0.92	10.6	0.2	10	-6	-10	0	0	0	-16		
Cannara Biotech	153	1.21	90.0	0.0	109	-43	0	-1	0	0	-44		
Canopy Growth	628	1.76	266.1	4.4	476	-152	0	0	0	0	-152		
Cronos Group	-199	3.60	275.9	0.0	994	1,194	-2	0	0	0	1,192		
Decibel Cannabis	108	0.13	576.9	7.7	77	-31	0	0	0	0	-31		
Organigram Holdings	291	2.22	133.8	19.3	339	83	0	0	0	0	83	35	
Rubicon Organics	45	0.58	67.2	6.3	43	-2	0	0	0	0	-2		
SNDL	645	3.12	257.4	13.2	843	232	-34	0	0	0	199		
Tilray Brands	1,851	1.59	1,100.5	27.9	1,798	-1	-62	0	-21	0	-83	-30	
Village Farms International	457	4.10	112.6	2.7	473	26	-6	0	0	0	19	10	6

Source: FactSet and company reports

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Exhibit 7: US MSOs - Valuation Multiples (consolidated multiples), based on spot EV

US\$m	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	
24-Aug-25	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
Tier 1 MSOs	2.4x	2.4x	2.1x	10.5x	11.2x	8.4x								
Cresco Labs	1.7x	1.8x	1.7x	7.1x	7.9x	7.2x	-0.5x	-0.5x	-2.0x	-2.2x	-0.9x	-0.9x	-3.7x	-4.1x
Curaleaf	2.8x	2.8x	2.6x	13.3x	13.0x	11.1x	-0.5x	-0.5x	-2.6x	-2.5x	-1.0x	-1.0x	-4.7x	-4.6x
Glass House	4.5x	4.3x	3.2x	24.2x	32.9x	17.8x	-0.2x	-0.1x	-0.8x	-1.1x	-0.2x	-0.2x	-0.9x	-1.2x
Green Thumb	1.8x	1.9x	1.8x	6.5x	6.5x	6.0x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
TerrAscend	2.3x	2.5x	2.4x	13.6x	10.1x	9.1x	-0.6x	-0.6x	-3.5x	-2.6x	-1.1x	-1.2x	-6.3x	-4.7x
Trulieve	2.0x	2.0x	2.0x	5.4x	5.7x	5.8x	-0.2x	-0.2x	-0.5x	-0.5x	-0.7x	-0.7x	-1.8x	-1.9x
Verano	1.5x	1.5x	1.4x	5.7x	5.1x	4.9x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vireo Growth	2.2x	2.1x	1.6x	7.8x	8.2x	5.2x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na
Tier 2 MSOs	1.4x	1.3x	1.2x	7.1x	4.1x	7.4x								
Ascend Wellness	1.4x	1.4x	1.3x	6.1x	6.3x	5.7x	-0.5x	-0.5x	-2.0x	-2.1x	-1.1x	-1.1x	-4.7x	-4.9x
Cannabist Co	1.4x	1.4x	1.3x	13.8x	12.7x	9.5x	-0.8x	-0.8x	-8.4x	-7.7x	-1.2x	-1.2x	-11.8x	-10.8x
Cansortium	1.3x	na	na	4.7x	na	na	-0.4x	na	-1.3x	na	-0.9x	na	-3.3x	na
Grown Rogue	2.0x	na	na	2.9x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
Jushi	1.8x	1.8x	1.6x	8.7x	9.7x	8.2x	-0.7x	-0.7x	-3.2x	-3.6x	-1.3x	-1.3x	-6.3x	-7.0x
MariMed	1.0x	0.9x	0.8x	7.8x	7.7x	5.0x	-0.4x	-0.4x	-3.4x	-3.4x	-0.6x	-0.6x	-4.7x	-4.7x
Planet 13	1.1x	1.1x	1.0x	na	-16.4x	13.8x	0.1x	0.1x	na	-1.1x	-0.2x	-0.2x	na	3.2x
Vext	1.4x	1.4x	1.0x	5.7x	4.4x	2.0x	-0.5x	-0.5x	-2.2x	-1.7x	-0.5x	-0.5x	-2.2x	-1.7x
Other MSOs														
Ayr Wellness	6.7x	na	na	25.6x	na	na	-5.1x	na	-19.6x	na	-6.6x	na	-25.4x	na
4Front Ventures	1.8x	na	na	11.7x	na	na	-1.0x	na	-6.8x	na	-1.8x	na	-11.7x	na
iAnthus	1.2x	na	na	na	na	na	-1.0x	na	na	na	-1.0x	na	na	na
Schwazze	na	1.0x	na	5.2x	na	na	na	na	-4.2x	na	na	na	-5.1x	na
TILT	8.1x	na	na	27.8x	na	na	-4.7x	na	-16.1x	na	-7.9x	na	-27.2x	na

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.

3) The 'tiering' above is based on \$ market cap

Source: FactSet and company reports

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Exhibit 8: US MSOs – Spot EV Calculations

US\$Mn	Z&A	US\$	mn	mn	= Total	Financial	Net	Income	Conting	ITM deriv	= Total	Preferred	Minority
24-Aug-25	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Stock	Interest
Tier 1 MSOs													
Cresco Labs	1,177	\$1.24	444	13	565	-324	-54	-225	-9	0	-612	0	
Curaleaf	3,495	\$2.82	764	12	2,189	-672	-46	-491	-33	0	-1,242	64	
Glass House	830	\$7.98	82	7	710	-28	0	-2	0	0	-31	89	
Green Thumb	2,159	\$8.30	232	11	2,014	-73	-32	-40	0	0	-145	0	
TerrAscend	664	\$1.00	356	2	358	-171	-6	-126	-3	0	-306	0	
Trulieve	2,398	\$7.98	191	8	1,585	-222	-27	-560	-4	0	-813	0	
Verano	1,245	\$1.55	362	5	569	-335	-9	-332	0	0	-676	0	
Vireo Growth	749	\$0.71	949	13	683	-8	0	-60	0	2	-66	0	
Tier 2 MSOs													
Ascend Wellness	696	\$0.71	205	13	155	-233	-133	-174	0	0	-541	0	
Cannabist Co	467	\$0.14	473	8	68	-284	-26	-89	0	0	-399	0	
Cansortium	140	\$0.07	627	3	41	-39	-11	-49	0	0	-99	0	
Grown Rogue	61	\$0.44	143	0	62	5	-2	-2	0	0	1	0	
Jushi	478	\$0.67	197	0	133	-177	-4	-165	0	0	-346	0	
MariMed	152	\$0.11	389	11	45	-67	-1	-25	0	0	-93	15	
Planet 13	118	\$0.29	325	0	94	8	-10	-21	0	0	-23	0	
Vext	77	\$0.19	248	0	47	-29	0	0	0	0	-29	0	
Other MSOs													
Ayr Wellness	703	\$0.03	116	3	4	-541	-20	-139	0	0	-699	0	
4Front Ventures	139	\$0.00	915	4	0	-81	-11	-42	-5	0	-139	0	
iAnthus	196	\$0.01	6,746	0	34	-158	-4	0	0	0	-162	0	
Schwazze	186	\$0.00	80	0	0	-151	-2	-33	0	0	-186	0	
TILT	126	\$0.01	391	1	3	-73	-47	-3	0	0	-123	0	

Source: FactSet and company reports

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Exhibit 9: Stock Performance

24-Aug-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	80%	139%	-37%
Ayr	-84%	-86%	-98%
Cannabist	82%	149%	-48%
Cansortium	-6%	26%	-58%
Cresco	98%	86%	-32%
Curaleaf	141%	229%	-13%
4Front	-100%	-100%	-100%
GlassHouse	51%	37%	-17%
Gold Flora	na	na	-53%
Grown Rogue	5%	17%	-26%
Green Thumb	41%	53%	-23%
iAnthus	0%	-9%	-63%
Jushi	55%	118%	15%
MariMed	5%	52%	-46%
Planet13	46%	22%	-52%
Schwazze	na	na	-98%
StateHouse	na	na	-63%
Trulieve	81%	90%	-19%
TerrAscend	173%	150%	-33%
Verano	155%	125%	-61%
Vext	51%	129%	12%
Vireo Growth	58%	97%	33%
International			
InterCure	7%	58%	-20%
PharmaCielo	-5%	35%	150%

Source: FactSet

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-1%	-9%	-22%
Avant	26%	5%	-40%
Auxly	7%	86%	263%
Ayurcann	-15%	0%	-56%
Cannara	-34%	-5%	57%
Canopy Growth	2%	-31%	-80%
Cronos	21%	28%	9%
Decibel	26%	96%	59%
Entourage	na	na	na
High Tide	49%	57%	79%
OGI	3%	17%	-21%
Rubicon	31%	45%	23%
SNDL	37%	74%	7%
Tilray	46%	160%	-39%
VFF	113%	139%	172%
Tech			
LFLY	29%	24%	-88%
SBIG	-27%	-57%	-62%
MAPS	13%	11%	4%
Vape parts			
GNLN	-18%	-27%	-100%
ISPR	2%	13%	-59%
SMORF	0%	0%	2%
TLLTF	-14%	20%	-66%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-15%	-13%	-59%
IIPR	1%	-1%	-55%
NLCP	1%	-2%	-31%
SHFS	-11%	21%	-78%
LIEN	2%	7%	-5%
REFI	6%	-1%	-8%
Pix & Shovel			
AGFY	3%	20%	686%
GRWG	59%	62%	-21%
HYFM	0%	37%	-21%
SMG	-8%	7%	-11%
UGRO	-15%	11%	-73%
CBD			
CVSI	0%	58%	-20%
CWEB	0%	-1%	-36%
LFID	1%	-17%	-46%
Index			
S&P 500	2%	11%	15%
S&P 477	1%	0%	3%
Nasdaq	7%	16%	35%
MSOS ETF	80%	96%	-31%
YOLO ETF	55%	71%	0%
Simple Group Averages			
Large Canada LPs	37%	63%	4%
Tier 1 MSOs	103%	117%	-29%



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 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; via email 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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