

The background of the entire image is a dark teal color with a faint, high-angle aerial photograph of a city skyline, likely New York City, showing numerous skyscrapers and buildings.

MJBizDaily Investor Intelligence

Now What? Surviving 2020 to Profit in the Years Ahead



Craig Behnke

Equity Research Analyst,
MJBizDaily Investor Intelligence



Mike Regan

Equity Research Analyst,
MJBizDaily Investor Intelligence

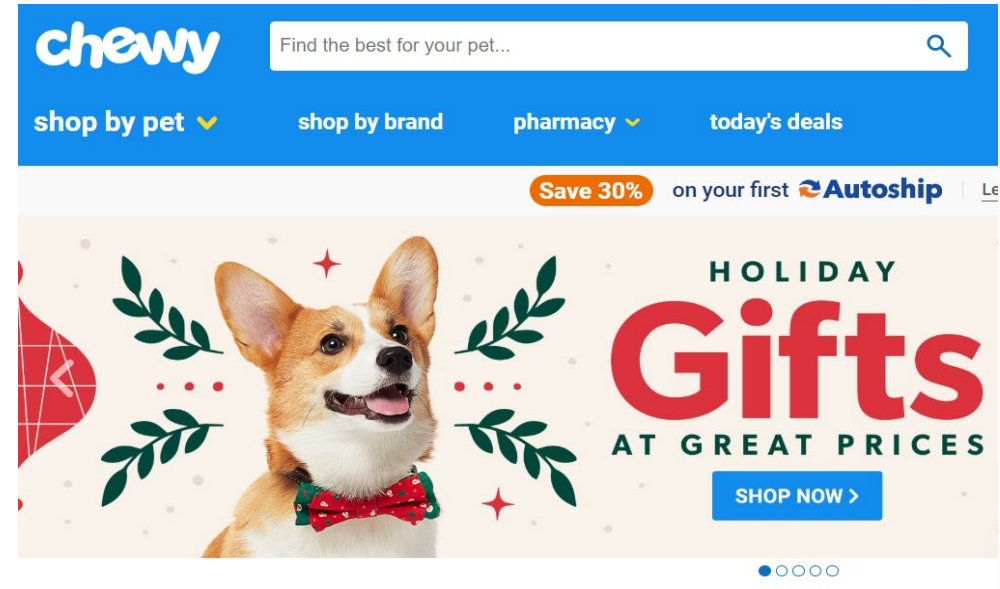
How to invest today amid the carnage?

- Overall long-term investment thesis intact:
 - Legal consumption share gain from illicit market as legalization spreads
 - Increased legal and social acceptance & product innovation expand consumer base
- But how realize that growth?
 - Cash to survive today
 - Cash generation to self fund and raise capital
- How do you evaluate the investment?
 - Bottom at 2.5X Sales 7.5X EBITDA based on Internet Bubble/911 and 2008 Financial Crisis
 - But apply to your own conservative estimates – consensus still coming down
- What's going on with Canada oversupply?
- US vs Canada: Larger market with higher margins at a lower valuation

Macro right, Bad Timing?, Terrible Execution...



Founded 1998
\$90m IPO February 2000
Liquidated November 2000



Founded 2011
PetSmart buys for \$3.8b May 2017
\$123m IPO June 2019
\$10 Billion Market Cap Today

At first glance, not very different in 2000...



Source: Wayback Machine archive.org/web



Source: humanfactorsblog.org

Who Has the Balance Sheet and Business Plan to Survive?

Who Is Most Likely To Survive?

Two most important items right now and for next 12-18 months:

- Need viable business model with near-term path to profit
- Need the cash required to reach that profit

Reality 2017 Through Early 2019

- Cannabis companies in pure capital spend mode, burning cash, land grab to acquire assets, expand capacity and territory, etc.
- Investors rewarding companies with massive capital raises
- No pressing need to show plausible near-term path to profit

Reality Mid-2019 to Current

- Capital markets closed or charging very high rates for access to capital
- Need for immediate or very near-term path to profit
- Significantly reduce expenses, expansion plans
- Sell non-core assets, licenses
- Get business model and fiscal house in order; how can you reach profitability with what you have right now?

How Long Can They Survive?

- Cash Source – Cash Use = Survival time (in months)
 - Cash Use: OCF - Cap Ex - Debt Due (all figures calendar 2020)
 - Cash Source: Cash + Unused credit facility + New Debt or Equity raised
- Indicates who might be at risk given latest public information available

Results: US Integrated

US-Focused Vertically Integrated Operators

TKR	Company	Months of Cash Coverage	= Cash (Required) or Produced	÷ Total Funds Available
MJARF	MJardin Group, Inc.	-	\$0	\$79
SLGWF-US	SLANG Worldwide, Inc.	-	\$0	\$23
PLNHF	Planet 13 Holdings, Inc.	313	(\$1)	\$21
FFNTF	4Front Ventures Corp.	270	(\$2)	\$38
CRLBF-US	Cresco Labs, Inc.	70	(\$35)	\$203
TCNNF	Trulieve Cannabis Corp.	44	(\$32)	\$128
HRVSF	Harvest Health & Recreation, Inc.	44	(\$41)	\$151
MDCL	Medicine Man Technologies, Inc.	29	(\$8)	\$18
LHSIF	Liberty Health Sciences Inc	26	(\$10)	\$21
CURLF	Curaleaf Holdings, Inc.	17	(\$136)	\$196
GTBIF	Green Thumb Industries Inc.	16	(\$35)	\$47
ITHUF	iAnthus Capital Holdings, Inc.	10	(\$34)	\$28
MMNFF	MedMen Enterprises, Inc. Class B	10	(\$121)	\$98
VREOF	Vireo Health International, Inc.	8	(\$61)	\$45
CCHWF	Columbia Care, Inc.	7	(\$84)	\$47
CNTMF	Cansortium, Inc.	3	(\$22)	\$5
ACRGF	Acreage Holdings, Inc.	0	(\$127)	\$0

Data based on latest publicly available company filings, Factset Financial Data & Analytics consensus estimates and MJBizDaily Investor Intelligence internal estimates.

Results: Canadian Integrated

Canada-Focused Vertically Integrated Operators

TKR	Company	Months of Cash Coverage	= Cash (Required) or Produced	÷ Total Funds Available
WMD-CA	WeedMD, Inc.	<i>Self Funding</i>	\$18	\$73
NCNNF	48North Cannabis Corp.	<i>Self Funding</i>	\$2	\$33
VFF	Village Farms International, Inc.	<i>Self Funding</i>	\$3	\$38
GTEC-TSX	GTEC Holdings Ltd.	-	\$0	\$2
HRVOF	Harvest One Cannabis, Inc.	-	\$0	\$3
CRON	Cronos Group Inc	158	(\$127)	\$1,681
XLY-CNQ	Auxly Cannabis Group Inc.	46	(\$56)	\$284
CGC	Canopy Growth Corporation	54	(\$443)	\$1,981
APHA-TSE	Aphria Inc	40	(\$129)	\$429
TLRY	Tilray, Inc.	24	(\$140)	\$301
OGI	OrganiGram Holdings Inc	22	(\$48)	\$128
ACB	Aurora Cannabis Inc.	16	(\$221)	\$335
TGODF	Green Organic Dutchman Holdings L	16	(\$55)	\$93
HEXO	HEXO Corp.	13	(\$86)	\$103
FLWPF	Flowr Corporation	8	(\$19)	\$24
EMHTF	Emerald Health Therapeutics, Inc.	1	(\$63)	\$5

Data based on latest publicly available company filings, Factset Financial Data & Analytics consensus estimates and MJBizDaily Investor Intelligence internal estimates.

Results: Hemp/CBD

Hemp / CBD

TKR	Company	Months of Cash Coverage	=	Cash (Required) or Produced	÷	Total Funds Available
CVSI	CV Sciences, Inc.	123		(\$2)		\$20
CWBHF	Charlotte's Web Holdings, Inc.	113		(\$19)		\$230
ABAHF	Abacus Health Products, Inc.	102		(\$3)		\$28
YCBD	cbdMD, Inc.	21		(\$12)		\$20
NEPT-CA	Neptune Wellness Solutions, Inc.	18		(\$12)		\$20
GGBXF	Green Growth Brands, Inc.	1		(\$86)		\$10
EMHTF	Emerald Health Therapeutics, Inc.	1		(\$63)		\$5
ELLXF	Elixinol Global Ltd.	0		(\$1)		\$0

Data based on latest publicly available company filings, Factset Financial Data & Analytics consensus estimates and MJBizDaily Investor Intelligence internal estimates.

Results: Pharmaceutical

Pharmaceutical

TKR	Company	Months of Cash Coverage	=	Cash (Required) or Produced	÷	Total Funds Available
GWPH	GW Pharmaceuticals PLC Sponsor	<i>Self Funding</i>		\$7		\$537
MEDIF	MediPharm Labs Corp.	<i>Self Funding</i>		\$8		\$32
RARE	Ultragenyx Pharmaceutical, Inc.	30		(\$304)		\$755
CARA	Cara Therapeutics Inc	27		(\$70)		\$155
ARNA	Arena Pharmaceuticals, Inc.	26		(\$345)		\$740
ZYNE	Zynerba Pharmaceuticals Inc	24		(\$35)		\$85
CRBP	Corbus Pharmaceuticals Holdings Inc	7		(\$52)		\$32

Data based on latest publicly available company filings, Factset Financial Data & Analytics consensus estimates and MJBizDaily Investor Intelligence internal estimates.

Results: Ancillary

Ancillary Products & Services

TKR	Company	Months of Cash Coverage	=	Cash (Required) or Produced	÷	Total Funds Available
CNPOF	Canopy Rivers, Inc. Class A	Self Funding		\$8		\$38
LABS-CA	MediPharm Labs Corp.	Self Funding		\$8		\$32
VGWCF	Valens GroWorks Corp.	Self Funding		\$19		\$96
SMG	Scotts Miracle-Gro Company Class A	Self Funding		\$268		\$968
GNLN	Greenlane Holdings, Inc. Class A	-		\$0		\$83
GRWG	GrowGeneration Corp.	47		(\$5)		\$18
KSHB	KushCo Holdings, Inc.	44		(\$39)		\$174
NBEV	New Age Beverages Corp	39		(\$19)		\$61
KERN	Akerna Corp.	37		(\$7)		\$22
IIPR	Innovative Industrial Properties Inc	15		(\$277)		\$336
FIRE-CA	Supreme Cannabis Company Inc	11		(\$45)		\$58

Data based on latest publicly available company filings, Factset Financial Data & Analytics consensus estimates and MJBizDaily Investor Intelligence internal estimates.

After Triage, Dig Deeper

- Look for other cash use commitments – HEXO example of cash uses
- Look at debt covenants to see what can or can't be sold

<i>Fiscal year</i>	2020	2021 – 2022	2023 – 2024	Thereafter	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	45,131	—	—	—	45,131
Excise taxes payable	5,473	—	—	—	5,473
Onerous contract	3,000	—	—	—	3,000
Convertible debentures	—	47,274	—	—	47,274
Term loan	3,500	28,875	—	—	32,375
Lease obligations	2,208	9,865	8,926	36,802	57,801
Capital projects ⁽¹⁾	23,266	—	—	—	23,266
Investment in associate	8,075	—	—	—	8,075
Service contracts	10,917	1,526	329	37	12,809
Purchase contracts	1,530	—	—	—	1,530
Operating leases ⁽²⁾	13	48	—	—	61
Lease based operating expenses ⁽³⁾	1,923	7,676	6,872	20,348	36,819
	105,034	95,264	16,127	57,187	273,612

It's More Than Just Numbers

- After looking at the numbers, still need to assess the go forward business model, overall strategy, products, competitive landscape, regulatory landscape, etc.
- Know what is in the forecast, guidance, consensus estimates – and think critically if reductions are coming
- Modeling is your best friend (doesn't give answers but reveals key drivers and questions to ask)

Know What's In The Forecast

- Exactly how is the forecast built
- What needs to go right to meet the forecast
- Key drivers of variability (volume, price, mix, geography, regulations)
- What signals tell you if on track or not
- When do you see the signals
- Who sees that information, how rolls up to CEO
- What options to change course during the period

Investors - Model, Model, Model (h.t. Nick Colas)

1. Know Your Purpose: build a model, understand the entire business
2. Do Your Own Work: listen to many, follow none.
3. Focus on Revenues: Units, mix, price, don't just grow sales by percentage.
4. It's Not a Vacuum: what do results imply for industry, mkt share, growth, comp.
5. Know Cost Structure: Fixed, variable, marginal, products.
6. Capital Matters: know the cost of growth; working cap, PP&E, etc. (BS, CF)
7. Watch the Quarters: four quarters = year! Miss implies what?
8. Simplify, Standardize: analyze in systematic way (wash, rinse, repeat).

Where Do Valuations Bottom?

A Historical Perspective on Consumer Equities

Where do Consumer Valuations Bottom?

- *What do you pay for the well-managed company with a strong balance sheet?*
- Quantitative Analysis of 1,429 Comparable Consumer Equities in two corrections:
 - Internet Bubble Burst and 9/11 Shock: June 1999 - June 2003, 535 consumer equities,
 - Global Financial Crisis: September 2007 - January 2010, 894 consumer equities
- Considered:
 - Valuation Compression from high vs. valuation at low (EV/S, EV/EBITDA, trough P/B)
 - % Return from high stock price to low stock price, & subsequent 1 year, 2 year, 5 year, 10 year returns
- Excluded companies with more than \$20 billion market cap at beginning
- Included equities that bankrupted and were sold to avoid Survivorship Bias in data



Valuations Compress ~30-50% to 2.4X Sales, 7.5X EBITDA, 2.0X Book in Corrections

	% Multiple Compression		Enterprise Value / Sales		Enterprise Value / EBITDA		Bottom P/B	Number of Observations
	EV/S	EV/EBITDA	High	Low	High	Low		
Internet Bubble & 9/11 1999-2003	-46%	-31%	7.1	2.3	13.4	7.8	2.1	535
Global Financial Crisis 2007-2010	-52%	-47%	4.6	2.4	15.1	7.3	1.9	894
Weighted Average (Sum for Obs.)	-50%	-41%	5.5	2.4	14.5	7.5	2.0	1,429

Source: FactSet and MJBizDaily Investor Intelligence Analysis

US near bottom on Sales, not quite on EBITDA Canada shows downside risk – Estimate Cuts?

	% Multiple Compression		Enterprise Value / Sales		Enterprise Value / EBITDA		Bottom P/B	Number of Observations
	EV/S	EV/EBITDA	High	Low	High	Low		
Weighted Average (Sum for Obs.)	-50%	-41%	5.5	2.4	14.5	7.5	2.0	1,429
US Vert. Int. Ops.				1.8		9.5		16 EV/S 13 EV/EBITDA
Canada Vert. Int. Ops.				5.0		11.3		14 EV/S 4 EV/EBITDA
Hemp/CBD				1.8		n.m.		7 EV/S 0 EV/EBITDA
Pharmaceutical				16.5		9.1		5 EV/S 1 EV/EBITDA
Ancillary				2.3		8.7		11 EV/S 6 EV/EBITDA

Source: FactSet and MJBizDaily Investor Intelligence Estimates

Different Businesses Get Different Multiples

Global Financial Crisis 2007-2010	Count of Ticker	Average of Return High to Low	Average of EV/S Compression	Average of EV/EBITDA Compression	Average of Value at High Price EV/SALES FY1	Average of Value at Low Price EV/SALES FY1	Average of Value at High Price EV/EBITDA FY1	Average of Value at Low Price EV/EBITDA FY1	Average of Value at Low Price P/B TTM	Average of Return +1Yr Low	Average of Return +2Yr Low	Average of Return +5Yr Low	Average of Return +10Yr Low
Consumer Non-Durables	64												
Beverages: Alcoholic	5	-61%	-36%	-48%	2.46	1.57	14.2	6.9	1.47	150%	146%	543%	1041%
Beverages: Non-Alcoholic	6 #	#	#	#	#	#	#	#	#	#	#	#	#
Consumer Sundries	4 #	#	#	#	#	#	#	#	#	#	#	#	#
Food: Specialty/Candy	27 #	#	#	#	#	#	#	#	#	#	#	#	#
Household/Personal Care	16 #	#	#	#	#	#	#	#	#	#	#	#	#
Tobacco	6	-36%	-19%	-5%	2.27	2.03	7.1	6.4	38.24	65%	84%	183%	178%
Restuarants	44 #	#	#	#	#	#	#	#	#	#	#	#	#
Distribution Services	60 #	#	#	#	#	#	#	#	#	#	#	#	#
Food Distributors	6 #	#	#	#	#	#	#	#	#	#	#	#	#
Medical Distributors	13 #	#	#	#	#	#	#	#	#	#	#	#	#
Wholesale Distributors	41 #												
Real Estate Investment Trusts	145 #												
Medical/Nursing Services	37 #												
Health Technology	197 #												
Medical Specialties	147 #												
Pharmaceuticals: Generic	7 #	#	#	#	#	#	#	#	#	#	#	#	#
Pharmaceuticals: Other	43 #	#	#	#	#	#	#	#	#	#	#	#	#
Process Industries	23 #	#	#	#	#	#	#	#	#	#	#	#	#
Agricultural Commodities/Milling	11	-77%	-66%	-56%	1.72	1.59	9.6	3.7	1.06	325%	353%	387%	3817%
Chemicals: Agricultural	12 #	#	#	#	#	#	#	#	#	#	#	#	#
Retail Trade	86 #	#	#	#	#	#	#	#	#	#	#	#	#
Discount Stores	5 #	#	#	#	#	#	#	#	#	#	#	#	#
Drugstore Chains	6	-48%	-34%	-31%	0.83	0.50	9.7	7.0	1.59	165%	183%	859%	426%
Food Retail	14 #	#	#	#	#	#	#	#	#	#	#	#	#
Specialty Stores	61 #	#	#	#	#	#	#	#	#	#	#	#	#
Technology Services	238 #	#	#	#	#	#	#	#	#	#	#	#	#
Information Technology Services	72 #	#	#	#	#	#	#	#	#	#	#	#	#
Internet Software/Services	56 #	#	#	#	#	#	#	#	#	#	#	#	#
Packaged Software	110 #	#	#	#	#	#	#	#	#	#	#	#	#
Grand Total	894	-65%	-52%	-47%	4.60	2.40	15.1	7.3	1.90	195%	273%	538%	852%

Full Dataset available to Investor Intelligence Subscribers

Source: FactSet and MJBizDaily Investor Intelligence Estimates;
is Hidden Data - Full Dataset available to Investor Intelligence subscribers

Consumer & Cannabis decline more & faster, recovers more?

	% Return	# Days	Average Stock Return				Number of Observations
	High to Low	High to Low	Low to +1Yr	Low to +2Yr	Low to +5Yr	Low to +10Yr	
Internet Bubble & 9/11 1999-2003	-60%	491	153%	187%	415%	599%	535
Global Financial Crisis 2007-2010	-65%	347	195%	273%	538%	852%	894
Weighted Average (Sum for Obs.)	-63%	401	179%	241%	492%	757%	1,429
S&P 500 Internet Bubble	-49%	929	34%	44%	100%	88%	
NASDAQ Internet Bubble	-78%	943	72%	72%	150%	181%	
S&P 500 GFC	-57%	517	69%	95%	178%	306%	
NASDAQ GFC	-56%	495	85%	117%	242%	485%	
Today:					% Off High	Days since High	
US Vert. Int. Ops.	-78%	352		S&P 500 Today	-27%	44	
Canada Vert. Int. Ops.	-84%	343		Russell 2000 Today	-38%	77	
Hemp/CBD	-88%	341		NASDAQ Comp.	-25%	44	
Pharmaceutical	-52%	318					
Ancillary	-71%	278					

Source: FactSet and MJBizDaily Investor Intelligence Estimates

Canadian Supply and Demand

2019 Review: Oversupply and Growing

- Dec 2019 Investor Intelligence Conference in Las Vegas we noted market supply far exceeded legal demand in Canada
- Months of sales in inventory rose to 30x in Aug. 2019 from 19x in Jan.
- 11 large LP's had "planned capacity expansion" to 2.39 million kilograms annually versus demand of about 850,000-900,000 annual kilograms annually
- Conditions were ripe for price cuts, capacity reductions, or combination of both

Since Then...

- 11 Major LP's Current and future planned production levels have changed substantially since then (000's of kilograms annual production)

<u>NOV. '19</u>	ACB	VFF	APHA	TRST	TGOD	CGC	XLY	CRON	OGI	HEXO	TLRY	TOTAL
Current	166	75	42	50	65	164	100	40	66	39	46	854
Planned	625	330	255	250	219	164	160	115	113	108	46	2,385

<u>TODAY</u>	ACB	VFF	APHA	TRST	TGOD	CGC	XLY	CRON	OGI	HEXO	TLRY	TOTAL
Current	120	75	55	50	65	120	100	40	89	89	201	1,004
Planned	166	150	255	50	185	120	173	115	113	154	201	1,681

<u>% Chg.</u>	ACB	VFF	APHA	TRST	TGOD	CGC	XLY	CRON	OGI	HEXO	TLRY	TOTAL
Current	-28%	0%	31%	0%	0%	-27%	0%	0%	34%	128%	337%	18%
Planned	-73%	-55%	0%	-80%	-16%	-27%	8%	0%	0%	43%	337%	-30%

Consumption Reality (latest available)

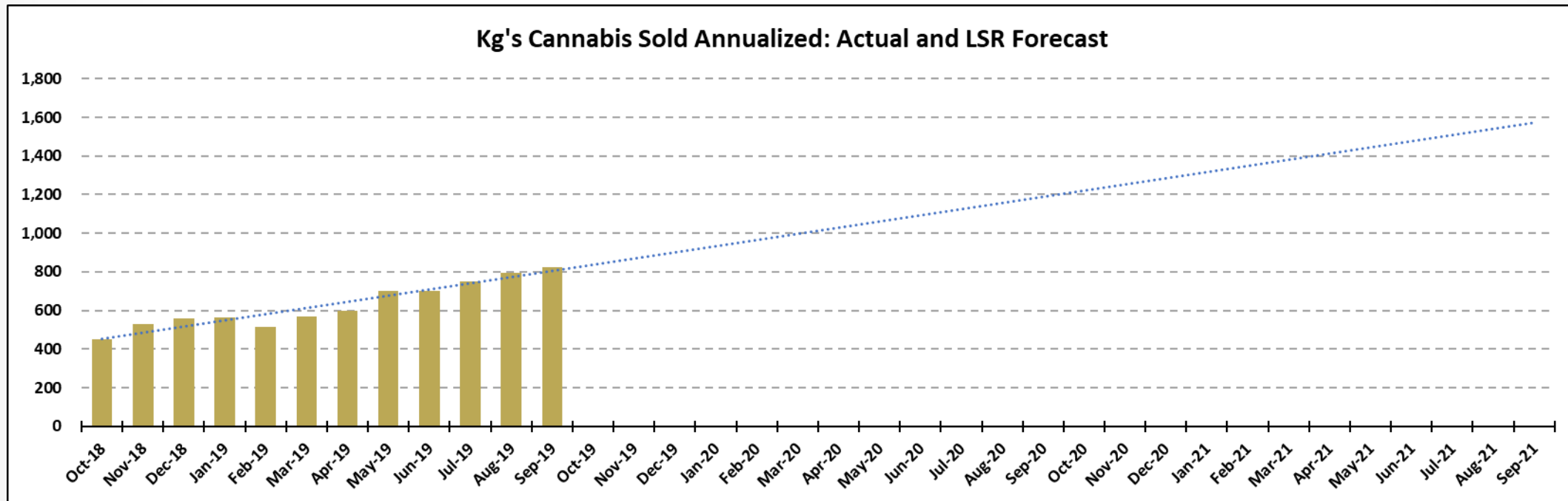
(000's)	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Dry Flower Kg's Sold	7.3	6.7	7.6	8.9	9.5	10.0	11.7	13.0	12.9
Cannabis Oil Liters Sold	7.9	7.3	7.9	8.2	9.8	9.6	10.2	10.7	11.2
<i>Flower to Oil : 5g Flower = 1ml Oil</i>									
Dry Flower Kg's Equivalent	39.7	36.4	39.6	41.1	49.1	48.2	50.9	53.4	55.9
TOTAL Kg's Sold	47.0	43.0	47.2	50.0	58.6	58.3	62.6	66.3	68.9
Annualized Rate Kg's Sold	564	516	567	600	703	699	751	796	826

Growth Path to LP's 1.68m Kg's

- Consumption growth rate needed to reach 1.68 million kilograms of sales from the late 2019 rate of 826,000 kilograms?
 - 43% y/y for the next 2 years
 - 27% y/y for the next 3 years
- Is that plausible?

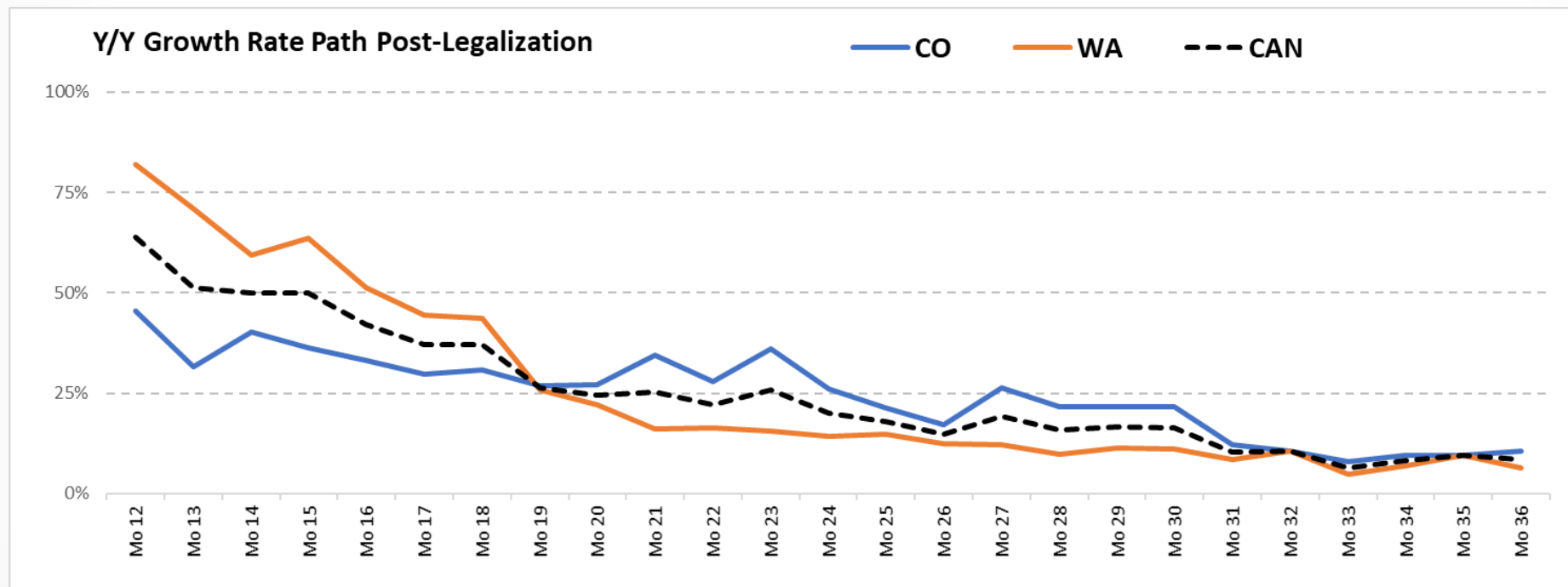
Consumption: LSR Forecast

Least Squares Regression projects ~ 1.59 million kilograms 2 years out



Consumption: US States Growth Rates

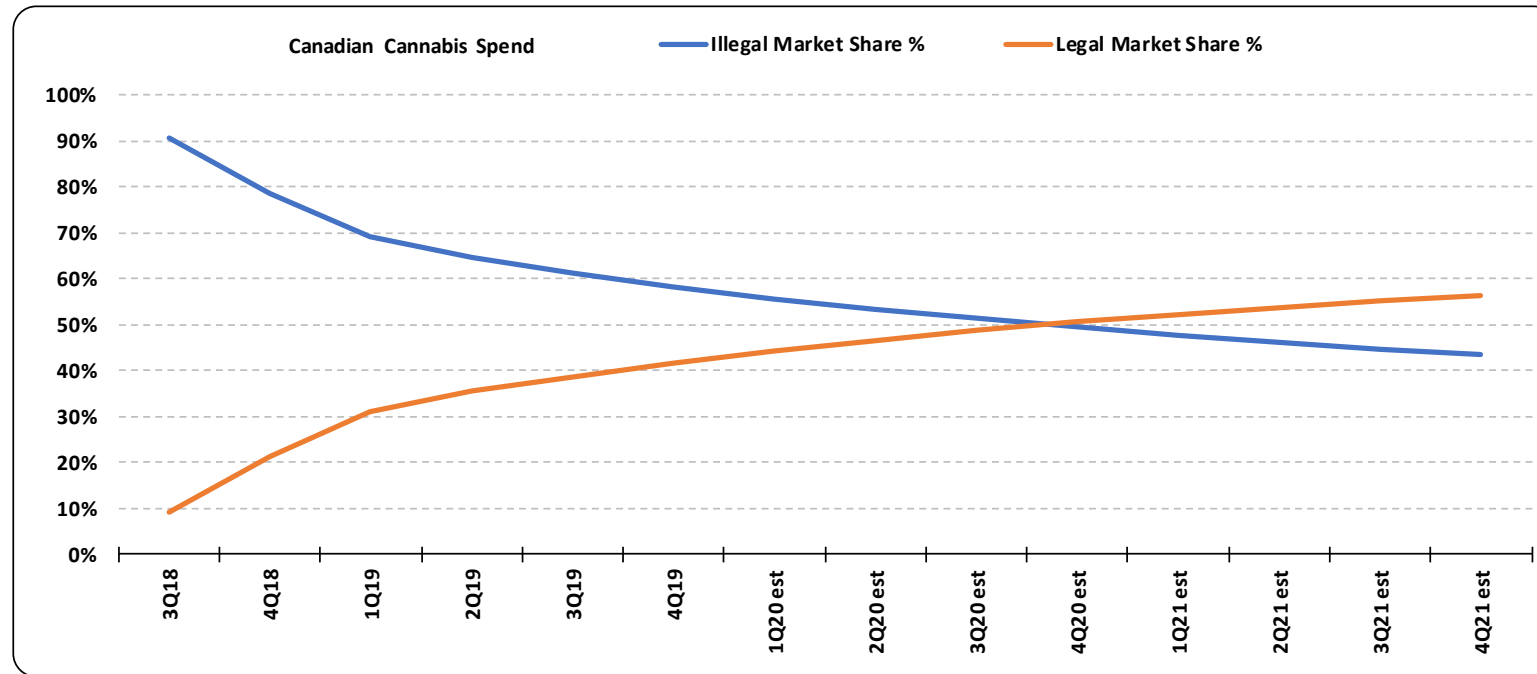
- Two US states with long term data to use in forecasting
- Would result in about 1.11 million kilograms of demand 2 years out



Consumption: GDP Data on Cannabis

- Implies 1.16m kilograms in 2 years

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20 est	2Q20 est	3Q20 est	4Q20 est	1Q21 est	2Q21 est	3Q21 est	4Q21 est
Illegal Market Share %	90.8%	78.6%	69.0%	64.6%	61.2%	58.4%	55.8%	53.4%	51.3%	49.4%	47.7%	46.2%	44.8%	43.5%
Legal Market Share %	9.2%	21.4%	31.0%	35.4%	38.8%	41.6%	44.2%	46.6%	48.7%	50.6%	52.3%	53.8%	55.2%	56.5%
Legal Implied G Y/Y							47%	36%	30%	27%	22%	20%	17%	16%



Overcapacity Issue Improving

	LP's Est.	LSR	CO, WA G Rate	GDP Model
Kg's Annually (mil)	1.68	1.59	1.11	1.16

US and Canada: Relative Stock Opportunities

The Companies

- Looked at Top 7 (by market cap) US¹ and Canadian² integrated operators
- Represent about 90% of total market cap of publicly traded companies we track in each of the regions
- On purely relative basis, which offer more compelling investment characteristics?

¹ CURA, GTII, TRUL, CRLB, HARV, CCHW, ACRG

² CGC, CRON, ACB, APHA, TLRY, OGI, XLY

Country Market Size and Growth

Est. Market Size	2020	2021	2022
United States ¹	16,400	20,600	24,900
Canada ²	2,605	3,098	3,801
Y/Y Growth			
United States ¹	40%	26%	21%
Canada ²	37%	19%	23%

¹ MJBizDaily sourced estimate

² BDS Analytics, Arcview sourced estimate

Sales, EBITDA, Margins, Growth

Sales ¹	2020	2021
United States	2,743	4,448
Canada	1,641	2,403
EBITDA ¹		
United States	555	1,337
Canada	(308)	121
Margin ¹		
United States	20.2%	30.1%
Canada	-18.8%	5.0%
Rev Growth ¹		
United States	40%	26%
Canada	37%	19%

¹ Factset Data & Analytics consensus estimate

Valuation and Enterprise Value

EV / EBITDA	2020	2021
United States	13.0x	5.4x
Canada	n/a	88.0x

Ent. Value	
United States	7,217
Canada	10,612

Comparison Summary

Looking at largest publicly available investment options, US companies relative to Canadian offer:

- Larger market to sell into¹ (6x larger)
- Higher market growth rate² (32% vs 28%)
- Higher company sales growth rate² (95% vs 52%)
- Higher EBITDA Margins³ (30.1% vs 5.0%)
- Lower Valuation³

¹ 2022. ² CAGR 2019-2021. ³ 2021

Same Conclusion on our Comp Tables on 4/3/20

Valuation & Revenue Comparison Table								EV / Sales		EV / EBITDA		Sales			Sales Growth		EBITDA Margin		
Name	Ticker	USD Share Price	Reported FD Shares	Inv. Intel. Pro Forma FD Shares	Reported Market Cap	Inv. Intl. Pro Forma Market Cap	Inv. Intl. Pro Forma Enterprise Value	2020E	2021E	2020E	2021E	2019E	2020E	2021E	2020E	2021E	2019E	2020E	2021E
US-Focused Vertically Integrated Operators																			
4Front Ventures Corp.	FFNTF	\$ 0.28	129.7	530.9	\$ 36	\$ 146	\$ 191	1.9X	0.9X	18.2X	4.0X	\$ 25	\$ 102	\$ 209	303%	106%	-68.7%	10.3%	23.2%
Acreage Holdings, Inc.	ACRGF	\$ 1.69	126.8	136.2	\$ 215	\$ 231	\$ 231	0.8X	0.5X	n.m.	3.5X	\$ 156	\$ 278	\$ 490	79%	76%	-28.9%	-2.5%	13.3%
Cansortium, Inc.	CNTMF	\$ 0.12	91.1	91.1	\$ 11	\$ 11	\$ 101	1.1X	0.8X	4.0X	3.4X	\$ 30	\$ 95	\$ 119	215%	25%	-46.8%	26.5%	25.2%
Columbia Care, Inc.	CCHWF	\$ 1.82	216.5	280.6	\$ 394	\$ 511	\$ 511	2.3X	1.2X	n.m.	5.8X	\$ 77	\$ 220	\$ 432	184%	96%	-62.0%	-5.7%	20.3%
Cresco Labs, Inc.	CRLBF-US	\$ 2.66	347.2	473.0	\$ 925	\$ 1,260	\$ 1,260	2.4X	1.5X	11.8X	4.9X	\$ 131	\$ 521	\$ 866	298%	66%	3.1%	20.4%	29.5%
Curaleaf Holdings, Inc.	CURLF	\$ 3.62	543.9	734.3	\$ 1,970	\$ 2,659	\$ 2,741	4.4X	2.6X	17.5X	7.3X	\$ 221	\$ 621	\$ 1,063	181%	71%	10.6%	25.3%	35.5%
Green Thumb Industries Inc.	GTBIF	\$ 5.65	130.9	130.9	\$ 740	\$ 740	\$ 846	1.9X	1.2X	7.8X	4.1X	\$ 216	\$ 440	\$ 682	103%	55%	15.5%	24.5%	30.5%
Harvest Health & Recreation, Inc.	HRVSF	\$ 0.77	320.6	432.8	\$ 247	\$ 333	\$ 526	2.0X	1.3X	10.7X	3.7X	\$ 119	\$ 269	\$ 415	126%	54%	-27.5%	18.3%	34.7%
iAnthus Capital Holdings, Inc.	ITHUF	\$ 0.47	171.6	171.6	\$ 81	\$ 81	\$ 184	0.8X	0.6X	6.0X	2.5X	\$ 87	\$ 220	\$ 327	153%	48%	-33.9%	14.0%	22.4%
Liberty Health Sciences Inc	LHSIF	\$ 0.31	346.4	346.4	\$ 107	\$ 107	\$ 110	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Medicine Man Technologies, Inc.	MDCL	\$ 1.31	40.0	93.0	\$ 52	\$ 122	\$ 181	1.2X	1.1X	4.6X	4.2X	\$ 144	\$ 151	\$ 159	5%	5%	25.0%	26.0%	27.0%
MedMen Enterprises, Inc. Class B	MMNFF	\$ 0.22	601.0	2,047.0	\$ 130	\$ 442	\$ 442	1.8X	1.3X	n.m.	n.m.	\$ 161	\$ 242	\$ 332	51%	37%	-81.9%	-22.9%	1.9%
MJardin Group, Inc.	MJARF	\$ 0.09	78.4	78.4	\$ 7	\$ 7	\$ 144	3.2X	2.1X	26.1X	7.8X	\$ 24	\$ 45	\$ 67	84%	51%	-27.9%	12.4%	27.3%
Planet 13 Holdings, Inc.	PLNHF	\$ 0.99	141.9	140.9	\$ 141	\$ 139	\$ 139	1.5X	1.1X	5.1X	3.9X	\$ 64	\$ 93	\$ 127	46%	35%	15.9%	29.4%	28.0%
SLANG Worldwide, Inc.	SLGW-F-US	\$ 0.13	257.7	\$ 32	\$ 32	\$ 32	\$ 32	0.3X	0.3X	1.7X	1.2X	\$ 24	\$ 114	\$ 125	375%	9%	-11.5%	17.0%	22.3%
Trulieve Cannabis Corp.	TCNNF	\$ 9.33	110.3	110.3	\$ 1,030	\$ 1,030	\$ 1,102	2.8X	2.2X	7.1X	5.5X	\$ 252	\$ 393	\$ 500	56%	27%	46.6%	39.3%	39.8%
Vireo Health International, Inc.	VREOF	\$ 0.33	92.4	120.5	\$ 31	\$ 40	\$ 40	0.5X	0.3X	2.9X	1.0X	\$ 29	\$ 88	\$ 146	203%	66%	-22.3%	15.6%	26.5%
Average - US-Focused Vertically Integrated Operators					\$ 362	\$ 464	\$ 517	1.8X	1.2X	9.5X	4.2X	\$ 110	\$ 243	\$ 379	154%	52%	-18.4%	15.5%	25.5%

Valuation & Revenue Comparison Table								EV / Sales		EV / EBITDA		Sales			Sales Growth		EBITDA Margin		
Name	Ticker	USD Share Price	Reported FD Shares	Inv. Intel. Pro Forma FD Shares	Reported Market Cap	Inv. Intl. Pro Forma Market Cap	Inv. Intl. Pro Forma Enterprise Value	2020E	2021E	2020E	2021E	2019E	2020E	2021E	2020E	2021E	2019E	2020E	2021E
Canada-Focused Vertically Integrated Operators																			
48North Cannabis Corp.	NCNNF	\$ 0.12	179.6	179.6	\$ 22	\$ 22	\$ 22	1.1X	0.8X	n.m.	6.0X	\$ 8	\$ 20	\$ 27	151%	32%	-75.9%	-11.4%	13.3%
Aphria Inc	APHA-TSE	\$ 2.82	254.2	267.6	\$ 716	\$ 753	\$ 783	1.7X	1.4X	16.9X	9.2X	\$ 299	\$ 455	\$ 541	52%	19%	1.0%	10.2%	15.7%
Aurora Cannabis Inc.	ACB	\$ 0.81	1,171.4	1,343.4	\$ 948	\$ 1,088	\$ 1,387	5.4X	3.7X	n.m.	32.6X	\$ 198	\$ 259	\$ 374	31%	44%	-63.1%	-23.0%	11.4%
Auxly Cannabis Group Inc.	XLY-CNQ	\$ 0.24	624.2	624.2	\$ 150	\$ 150	\$ 155	6.3X	1.9X	n.m.	8.2X	\$ 4	\$ 24	\$ 81	455%	230%	n.m.	-37.7%	23.4%
Canopy Growth Corporation	CGC	\$ 13.25	351.6	373.6	\$ 4,658	\$ 4,950	\$ 4,950	10.6X	6.9X	n.m.	n.m.	\$ 278	\$ 467	\$ 713	68%	53%	-103.1%	-42.4%	-5.8%
Cronos Group Inc	CRON	\$ 5.52	374.6	374.6	\$ 2,068	\$ 2,068	\$ 2,068	28.6X	12.0X	n.m.	n.m.	\$ 24	\$ 72	\$ 172	205%	138%	n.m.	-83.5%	-17.8%
Emerald Health Therapeutics, Inc.	EMHTF	\$ 0.11	189.5	189.5	\$ 21	\$ 21	\$ 37	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Flower Corporation	FLWPF	\$ 0.42	88.0	88.0	\$ 37	\$ 37	\$ 37	0.8X	0.3X	n.m.	1.7X	\$ 5	\$ 47	\$ 115	867%	144%	n.m.	-6.9%	19.4%
Green Organic Dutchman Holdings Ltd.	TGODF	\$ 0.20	314.6	275.9	\$ 62	\$ 55	\$ 55	2.4X	1.1X	n.m.	40.1X	\$ 8	\$ 22	\$ 49	177%	119%	n.m.	-69.3%	2.8%
GTEC Holdings Ltd.	GTEC-TSX	\$ 0.06	123.0	123.0	\$ 8	\$ 8	\$ 11	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Harvest One Cannabis, Inc.	HRVOF	\$ 0.06	160.7	160.7	\$ 10	\$ 10	\$ 11	0.8X	n.m.	n.m.	n.m.	\$ 9	\$ 14	n.m.	54%	n.m.	-130.5%	-52.3%	n.m.
HEXO Corp.	HEXO	\$ 0.67	285.8	326.4	\$ 193	\$ 220	\$ 223	3.1X	1.9X	n.m.	n.m.	\$ 43	\$ 73	\$ 118	68%	62%	-95.2%	-31.1%	3.5%
OrganiGram Holdings Inc	OGI	\$ 1.62	166.0	168.5	\$ 269	\$ 273	\$ 293	2.5X	1.8X	9.8X	5.9X	\$ 73	\$ 117	\$ 161	61%	38%	24.0%	25.6%	30.8%
Tilray, Inc.	TLRY	\$ 5.54	113.0	120.0	\$ 626	\$ 665	\$ 975	4.0X	2.6X	n.m.	n.m.	\$ 167	\$ 243	\$ 368	46%	52%	-53.7%	-28.5%	-2.7%
Village Farms International, Inc.	VFF	\$ 2.48	57.0	53.5	\$ 141	\$ 133	\$ 208	1.1X	0.9X	14.2X	4.7X	\$ 182	\$ 188	\$ 225	3%	20%	0.6%	7.8%	19.7%
WeedMD, Inc.	WMD-CA	\$ 0.28	191.9	191.9	\$ 54	\$ 54	\$ 75	1.0X	0.6X	4.3X	2.0X	\$ 19	\$ 79	\$ 127	323%	61%	-30.3%	22.4%	30.0%
Average - Canada-Focused Vertically Int. Ops.					\$ 624	\$ 657	\$ 706	5.0X	2.8X	11.3X	12.3X	\$ 94	\$ 149	\$ 236	183%	78%	-52.6%	-22.9%	11.0%

Future Catalysts

- Does Federal legality difference warrant massive valuation premium?
- If so, that gap should close when law changes
- US has two major potential catalysts
 - More states going legal
 - Federal legality
- Canada has two major potential catalyst
 - Transition from illicit to legal market share
 - Cannabis 2.0 could expand users, demand

Thank you!



Craig Behnke

Equity Research Analyst,
MJBizDaily Investor Intelligence
craigb@mjbizdaily.com



Mike Regan

Equity Research Analyst,
MJBizDaily Investor Intelligence
miker@mjbizdaily.com