Aurora Cannabis (NASDAQ/TSX: ACB) - Fiscal Q1 2027 Results & Valuation

Fiscal first quarter ended June 30, 2026, reported in Canadian dollars under IFRS. Aurora is a Canadian medical-cannabis company pivoting to a global medical pure-play: it is exiting consumer cannabis and has divested plant propagation (the Bevo stake was sold in February 2026) to focus on medical markets in Canada, Germany, Poland, Australia and New Zealand. Net revenue fell 9% as a Canadian reimbursement cut hit medical sales, while international medical grew 17%.

A factual snapshot built from Aurora's public filings and verified market data. It contains no Blackspear forecast, price target, or recommendation.

NET REVENUE (Q1'27)	INT'L MEDICAL REVENUE	ADJUSTED EBITDA	CASH & INVESTMENTS
$67.6M	**$43.3M**	**$3.4M**	**$149.1M**
▼ 9% vs $74.1M a year ago	▲ 17%; now 64% of total net revenue	vs $10.8M a year ago; net loss $4.0M	no debt; incl $49.1M restricted cash

NET REVENUE BY CATEGORY - Q1 FY2027 (C$ THOUSANDS)

CATEGORY	Q1'27	Q1'26	CHANGE
International medical	$43,337	$37,094	+17%
Canadian medical	$20,699	$27,674	-25%
Consumer	$2,060	$7,875	-74%
Wholesale bulk	$1,458	$1,433	+2%
Total net revenue	**$67,554**	**$74,076**	**-9%**

The mix shift is the story: international medical (mainly Germany) is now 64% of total net revenue and growing (68% of medical revenue), while Canadian medical fell 25% after a federal reimbursement program cut rates by roughly 30% effective April 1, 2026, and consumer cannabis is being wound down. Adjusted gross margin before fair-value adjustments was 58% (64% a year ago), pressured by the Canadian reimbursement change.

RESULTS & CASH HIGHLIGHTS - Q1 FY2027

Adjusted gross margin (before FV)	58%
Adjusted SG&A	$35.1M
Net loss (continuing ops)	$(4.0)M
Diluted loss per share	$(0.07)
Free cash flow	$(5.8)M
Working capital / inventory	**$320M / $164M**

Profitability fell sharply year-over-year (adjusted EBITDA $10.8M to $3.4M) and free cash flow was an outflow of $5.8M, mainly on the lower Canadian reimbursement rates. The balance sheet is debt-free: $149.1M of cash and investments (including $49.1M restricted) and no debt.

HOW TO READ THE NUMBERS

- Figures are in Canadian dollars under IFRS; the shares trade in US dollars on NASDAQ and in Canadian dollars on the TSX.
- "Adjusted" gross margin, EBITDA, SG&A and net income are non-GAAP; IFRS gross margin (after fair-value swings on biological assets and inventory) was 53%.
- Prior-year figures exclude Bevo (plant propagation), divested in February 2026 and shown as a discontinued operation.
- The company is loss-making and burning cash this quarter; the case rests on international medical growth and its cash cushion (see page 2).

STRATEGY, BALANCE SHEET & OUTLOOK - AS OF JUNE 30, 2026

A MEDICAL PURE-PLAY PIVOT, FUNDED BY A DEBT-FREE BALANCE SHEET

CASH & INVESTMENTS	INT'L MEDICAL GROWTH	SAFARI ACQUISITION	FY2027 OUTLOOK
$149.1M	**+17%**	**EU-GMP**	**Q2 higher**
no debt; $49.1M of it is restricted cash	Germany-led; EU-GMP capacity being added	closed Apr 2026; 3-yr cert. received Jul 2026	revenue & adj. EBITDA seen up sequentially

Aurora has reallocated resources to global medical cannabis, exiting the lower-margin Canadian consumer and plant-propagation businesses. The Safari Flower acquisition (closed April 14, 2026) adds a 59,000-square-foot EU-GMP certified facility in Ontario to supply higher-margin international medical markets; the company plans to invest about $3.5M over three years in it. Management reiterated its unchanged FY2027 outlook and expects fiscal Q2 revenue and adjusted EBITDA to be sequentially higher than Q1. The strategy is unproven and the company remains loss-making.

VALUATION SNAPSHOT - WELL BELOW ITS 52-WEEK HIGH (MID-AUGUST 2026)

Share price (NASDAQ, recent)	**US$3.68**	Net revenue (Q1, annualized)	**~C$270M**
Market cap (~64.9M sh.)	**~US$239M**	EV / revenue (annualized run-rate)	**~0.8x**
Market cap (C$ at ~1.37)	**~C$327M**	Adjusted EBITDA (Q1)	**C$3.4M**
Cash & investments / debt	**C$149.1M / nil**	Diluted EPS (Q1, IFRS)	**C$(0.07)**
Enterprise value (less unrestricted cash)	**~C$227M**	Dividend	**none**
52-week range (NASDAQ)	**US$2.56-$6.67**	Cash excl. restricted / mkt cap	**~31%**

Currency: the shares are quoted in US dollars on NASDAQ while the financials are in Canadian dollars; figures here use USD/CAD of about 1.37 as of mid-August 2026, which will change. Aurora trades below ~1x annualized revenue with total cash equal to nearly half its market value (about a third excluding C$49.1M of restricted cash), but revenue is declining, it is loss-making with negative free cash flow. Multiples are mechanical and move with the price, the cycle and FX, refresh before relying on them.

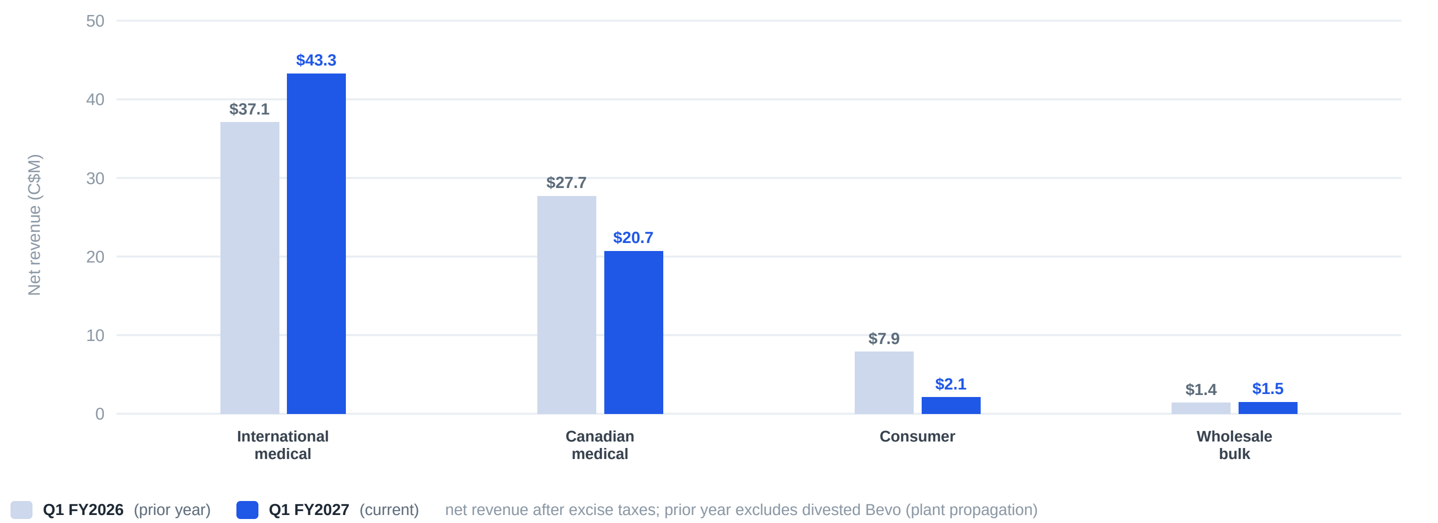
Full Excel model - linked tabs (segment build, international-medical ramp, margin bridge, cash-runway, valuation, source tie-outs) - available on request. Email **info@blackspearllc.com** for a copy.

Aurora Cannabis (NASDAQ/TSX: ACB) - Valuation, the Pivot & Key Risks

A loss-making Canadian cannabis company remaking itself as a global medical pure-play. International medical (Germany-led) is now the largest and fastest-growing segment, while Canadian medical shrinks on reimbursement cuts and consumer winds down. The bull case rests on international growth and a debt-free balance sheet; the bear case on falling revenue, cash burn, and a still-unproven turn.

Figures from Aurora disclosures (Canadian dollars, IFRS) and public market data; the outlook is company guidance; multiples are Blackspear calculations. Nothing here is a Blackspear price target or recommendation.

NET REVENUE BY CATEGORY - Q1 FY2026 VS Q1 FY2027 (C$M)



EV / REVENUE	ADJ. EBITDA (Q1)	NET CASH (UNRESTR.)	FREE CASH FLOW (Q1)
~0.8×	**C$3.4M**	**~C$100M**	**C$(5.8)M**
on ~C$270M annualized	was C$10.8M a year ago	excl. C$49.1M restricted; no debt	outflow; was +C$6.8M

VALUATION & THE PIVOT

Share price (NASDAQ)	**US$3.68**
Market cap (US$ / C$ ~1.37)	**~US$239M / ~C$327M**
Cash & investments (incl. restricted)	**C$149.1M / nil debt**
Enterprise value (less unrestricted cash)	**~C$227M**
Net revenue (Q1, annualized)	**~C$270M**
EV / revenue (run-rate)	**~0.8×**
Int'l medical (Q1'26 → Q1'27)	**$37.1M → $43.3M**
Canadian medical (Q1'26 → Q1'27)	**$27.7M → $20.7M**

A CHEAP-LOOKING TURNAROUND BET

CASH-RICH, BUT LOSS-MAKING AND SHRINKING

Below 1x revenue, on an unproven pivot

ACB trades below ~1x annualized revenue with total cash equal to nearly half its market value (about a third excluding restricted cash) and no debt, which looks inexpensive. Bulls point to double-digit international medical growth (Germany), new EU-GMP capacity from the Safari acquisition, and a debt-free balance sheet that funds the transition. Bears note total revenue is still falling, the company is loss-making with negative free cash flow, Canadian medical is eroding on reimbursement cuts, and cannabis names have a long record of dilution and value destruction. The cash cushion buys time; the turn is not yet proven. This frames both sides; it is not a Blackspear view.

TOP RISK FACTORS - SUMMARIZED FROM THE COMPANY'S FILINGS

- ▲ **Profitability and cash burn.** Aurora is loss-making (net loss C$4.0M) with negative free cash flow (C$5.8M outflow) and a large accumulated deficit; if losses persist, the cash cushion erodes and further dilutive financing may be needed.
- ▲ **Concentration on international/Germany.** The growth case leans heavily on EU medical demand, chiefly Germany; regulatory shifts, pricing, competition, or supply constraints there would hit the main growth engine.
- ▲ **Execution, integration and FX.** The pure-play pivot, consumer wind-down, and Safari integration carry execution risk; results reported in Canadian dollars are also exposed to currency movements versus the euro and US dollar.
- ▲ **Canadian reimbursement and price pressure.** An April 2026 federal reimbursement change cut rates by about 30%, driving Canadian medical revenue down 25%; further policy or pricing changes could keep pressuring the home market.
- ▲ **Regulation, licensing and quality.** Cannabis is heavily regulated across every market; EU-GMP certification, import/export permits, and product-quality or compliance failures could disrupt supply and sales.
- ▲ **Dilution, volatility and sector derating.** The share count has grown over time, the stock is volatile (a US$2.56 to US$6.67 range in a year), and cannabis equities have broadly de-rated, offering little valuation support if the turn stalls.

On the numbers. Reported results are from Aurora's fiscal Q1 2027 news release and interim financial statements (three months ended June 30, 2026, IFRS, Canadian dollars). The chart shows net revenue by category (after excise taxes) for the current quarter versus the prior-year quarter; prior-year figures exclude the divested Bevo plant-propagation business. Market cap is the NASDAQ (US dollar) quote; the C$ conversion and enterprise value use USD/CAD of about 1.37 (mid-August 2026). Enterprise value deducts unrestricted cash only: cash and short-term investments of about C$100M (excluding C$49.1M restricted cash) against nil debt; total cash including restricted was C$149.1M. EV/revenue uses the Q1 net revenue annualized; revenue is currently declining. All are mechanical Blackspear calculations, not estimates, price targets, or recommendations.