

Financings occur between financial reporting periods & warrants are continually being exercised - financials and shares outstanding are a moving target

Cannabis companies are "creative" in accounting for biological assets (cannabis) - dig into financials yourself

Adjusted Book Value (ABV) = Cash/AR/GIC - Debt + Inventory + Bldg & Equipment (excludes Goodwill / Intangibles & Long Term Investments)

Goodwill and Intangible Assets on the balance sheet (of this industry) need to be deeply discounted

2024 Revenue estimates are my own assumption based upon the latest quarterly financials

Building & Equipment - Assets were grossly over priced and overbuilt in 2018 and 2019 but written down in 2022

Companies highlighted in red are drowning in debt and VERY high risk

MicroCap.com			CDN \$ (MM) From Most Recent Qtr Financials											
Sorted by EV to Sales			11/18/23	Shares	Market	Cash & A/R	Enterprise			Bldg &	Adjusted	MCap to	Estimated	EV
			Share	Out	Cap (Mcap)	+ GIC's	Debt	Value	Inventory	Equip	Book Value	Book Value	2024 NET	to Sales
Company	Symbol	EX	Price	(MM)				(EV)			(ABV)	(MABV)	Revenue	Multiple
					\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM		\$MM	
Cronos Group	CRON	TSX	\$2.73	381	\$1,040	1,322	42	-\$239	50	80	\$1,410	0.7	150	-1.60
Medipharm Labs	LABS	TSX	\$0.07	400	\$28	25	10	\$13	10	25	\$50	0.6	40	0.33
OrganiGram Holdings	OGI	TSX	\$1.78	119	\$212	191	44	\$65	82	132	\$361	0.6	140	0.46
Aurora Cannabis	ACB	TSX	\$0.65	421	\$274	233	202	\$243	139	307	\$477	0.6	260	0.93
Bzam	BZAM	TSX	\$0.15	180	\$27	13	70	\$84	48	91	\$82	0.3	85	0.99
Decibel	DB	CSE	\$0.14	409	\$57	24	93	\$126	48	56	\$35	1.6	125	1.01
Indiva	NDVA	CSE	\$0.05	186	\$9	6	34	\$37	4	22	-\$2	-4.7	35	1.07
Auxly Cannabis	XLY	TSXV	\$0.02	1,009	\$20	26	181	\$175	41	182	\$68	0.3	120	1.46
Jushi Holdings	JUSH	CSE	\$1.12	197	\$221	48	447	\$620	53	230	-\$116	-1.9	390	1.59
Ayr Wellness	AYR	TSX	\$2.96	77	\$228	116	944	\$1,055	137	438	-\$252	-0.9	660	1.60
Avant Brands	AVNT	TSX	\$0.16	258	\$41	7	20	\$54	27	43	\$57	0.7	30	1.81
Avicanna	AVCN	TSX	\$0.39	87	\$34	5	18	\$47	6	11	\$4	8.5	25	1.88
Tilray	TLRY	TSX	\$2.49	730	\$1,818	874	1,152	\$2,096	325	692	\$738	2.5	1010	2.08
Canopy Growth	WEED	TSX	\$0.77	732	\$564	381	835	\$1,018	87	902	\$535	1.1	300	3.39

Avg * **1.59** Avg * **1.43**

* Averages exclude negative cells

Dec 2020 Tilray bought Aphria for \$5B market cap - MABV near 12 and EV to Sales 21

April 2021 Canopy Acquired Supreme for \$435M - MABV near 1 and EV to Sales 3

Sept 2021 TerrAscend Acquired Gage for \$680M - MABV near 30 and EV to Sales 5

Oct 2021 Trulieve Acquired Harvest for \$2B - MABV a negative and EV to Sales 5

Aug 2021 Hexo Acquired Redcan for \$925M - a financial disaster

Jan 2023 SNDL acquires VLNS for \$138M - MABV near 1.6 and EV to Sales 1.1

April 2023 Medipharm acquired Vivo for approx. \$9M to double annual revenue

April 2023 Tilray acquired Hexo for \$75M CDN (Tilray owned \$165M USD in Hexo debt) - MABV 0.5 and EV to Sales 2.3 vs 4.8 Q4/21

July 2023 Aleafia bankrupt - MABV -0.7 and EV to sales 1.5 with \$45M annual revenue

June 2023 Fire & Flower Bankrupt (huge dispensary chain) - MABV 1.0 and EV to sales 0.3 with \$180M annual revenue

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Most cannabis stocks have lost 90% of their value from highs hit Q1/21

Nov 2022 - Article explaining how Canadians have lost \$131 Billion investing in Cannabis Companies

<https://www.ctvnews.ca/canada/canadians-have-lost-more-than-131-billion-investing-in-cannabis-companies-firm-1.6156722>

Disclosure: Danny Deadlock is an independent analyst and has no affiliation with public companies.

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