

1st Annual

Global Cannabis CEO Survey: 2023

EY Americas Cannabis Centre of Excellence
ey.com/ca/cannabis



Foreword

With excessive competition and over-supply, ongoing pricing and margin pressure, consolidation, economic uncertainty, increasing cost of capital, and other trends continuing to create an ever-changing and challenging business environment, EY's Cannabis Centre of Excellence launched its first Global Cannabis CEO Survey to understand how cannabis companies are faring, and tackling the opportunities and threats that they face.

The EY 2023 Global Cannabis CEO Survey provides readers with a perspective on the present and future of this emerging, globalizing industry. Cannabis executives offer their insights on the major forces shaping the cannabis industry, from regulatory complexities and developments, competition, to changing consumer behaviors and product innovation. The survey covers the topics of business strategy, growth priorities, drivers and barriers, M&A and divestments, financing and investments, and outlook and future performance expectations.

Every facet of the cannabis industry and its value chain, from cultivation, product development to manufacturing and distribution, is likely to undergo profound changes in the next 5 years, driven by evolving local and global regulations, capital scarcity, new incoming C-suite executives with an operational CPG mindset and an investor community refocusing on business fundamentals (business strategy, operational excellence and financial viability).

Many of the cannabis executives surveyed are excited about the market opportunities they see on the horizon, but there are wide variations of opinion about what the future will look like, how quickly things will change, and who the key leaders, challengers and laggards will be. The ability of cannabis executives to make the right strategic decisions today is a critical factor that will determine the success or failure of their organization.



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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



The cannabis industry has been growing steadily since legalization in North American markets, however 2022 was an unprecedented year, with industry-specific challenges, exacerbated by inflationary pressures and limited capital availability. Most cannabis companies underperformed from a top- and bottom-line perspective. This was attributed to a number of external factors - including intense competition, over-supply, pricing and margin pressure, tax and regulatory burdens, inventory write-downs, goodwill impairments, and legislative setbacks in the US - that had a negative impact on performance and profitability. To survive, many companies had to launch performance improvement and cost-reduction programs, streamline operations and divest non-core assets and businesses. Other companies became insolvent and had to file for the Companies' Creditors Arrangement Act (CCAA). In summary, "survival" was the theme of the year for many cannabis companies in 2022.

In 2023, cannabis executives are anticipating another wave of intense challenges similar to 2022, however, they are optimistic and confident about their company's business strategy and their ability to weather the storm. Their top strategic priorities are centered around margin enhancement and revenue growth, including initiatives such as new product introduction, pricing optimization and new market expansion, namely to Germany, Australia and other European countries. Executives also anticipate potential opportunities from competitor exits and legalization in new markets but recognize that their companies will require financing over the next 6-12 months to sustain operations and also fund innovation and M&A initiatives. 2023 is depicted as another 'tricky' year for the industry with significant upside for companies that have established strong foundations and are better capitalized.

MAIN FINDINGS

ANTICIPATED MARKET SCENARIOS

- ▶ Established / mature markets (e.g., Canada, Colorado, California, etc.) will continue to experience low / flat growth, over-supply and margin compression.
 - ▶ Consolidation will accelerate in these markets; inefficient and under-capitalized cannabis companies will likely become insolvent and be acquired by larger, better-capitalized corporates / Multi-State Operators (MSO).
 - ▶ Large Canadian cannabis companies will stop selling cannabis at a loss to undercut competitors as the liquidity from the capital markets is drying; this will force Canadian companies to either collapse or survive.
 - ▶ Canadian retail consolidation and closures is also expected to accelerate.
- ▶ Newer / emerging adult-use markets (e.g., Michigan, Massachusetts, etc.) will reach a saturation point faster than experienced historically in other markets. This is because most established MSOs have now built new capacity in many markets and are better and faster at setting up new facilities.
- ▶ Inflation will persist and prove challenging to eliminate; cost increases that cannot be passed on through higher prices will pressure cannabis companies' margins.

ANTICIPATED REGULATORY SCENARIOS

- ▶ Limited regulatory progress on US federal legalization, de-scheduling / re-scheduling, amendments to IRS' 280E Code, or SAFE banking reform is expected in 2023.
- ▶ The FDA's lack of regulatory guidelines for the CBD industry and classification of CBD as a dietary supplement will persist, restricting retail avenues for the product.
- ▶ The uncertainty around the German recreational market will remain - There are many political and bureaucratic challenges that could prevent adult-use legalization from taking place in 2024.

ANTICIPATED CAPITAL MARKET SCENARIOS

- ▶ Access to capital in 2023 will remain limited and more expensive than historically, with no near-term relief in sight.
- ▶ Several US plant-touching cannabis companies will likely list on the Toronto Stock Exchange in 2023; this is expected to expand their investor base and enable better liquidity.

ANTICIPATED M&A SCENARIOS

- ▶ M&A activity will be limited / slow in 2023 due to the sustained demand / supply capital imbalance.
- ▶ Better-capitalized cannabis companies will find buying distressed companies to be a more cost-efficient method of expanding capacity or entering new markets than internal builds. The negotiating power is shifting to larger, better-capitalized companies relative to constrained, smaller competitors.

ANTICIPATED FINANCIAL PERFORMANCE SCENARIOS

- ▶ Balance sheets of cannabis companies will become more stretched in 2023, forcing them to either equityize or refinance debt on less favorable terms and with higher costs; significant dilution is expected in some cases.
- ▶ All companies will exploit every lever possible to attempt to achieve cash flow positivity, including tight cost controls, stringent working capital management, and reduced CAPEX.
- ▶ A significant number of cannabis companies are expected to either collapse or become insolvent and resort to the Companies' Creditors Arrangement Act (Canadian corporate insolvency law).

EY PERSPECTIVE

We concur with the perspectives of cannabis executives. 2023 will be a difficult year for the industry. Some companies will cease to exist. Others will survive, and as a result, have better foundations for the future. However, we must keep the long game in mind when we think about ending the 85-year policy of cannabis prohibition and criminalization. The cannabis industry is not different from alcohol and tobacco in their early development years. The cannabis industry will continue to undergo significant shifts in social and cultural acceptability, will continue to face regulatory challenges including taxation and marketing issues, and will have to navigate complex legal frameworks before the industry matures and stabilizes. The theme for the short-term is "survival of the fittest".

Our long-term outlook on the industry is positive for many reasons. The US is estimated at \$100B in sales today, of which 25% is legal. In the future, we believe greater acceptability with legalization and innovation should boost that number further. Also, the momentum of regulatory tailwinds will continue to push the cannabis industry forward. This period of belt-tightening and consolidation will result in a healthier industry better positioned to face the challenges of US legalization when and if it arrives.

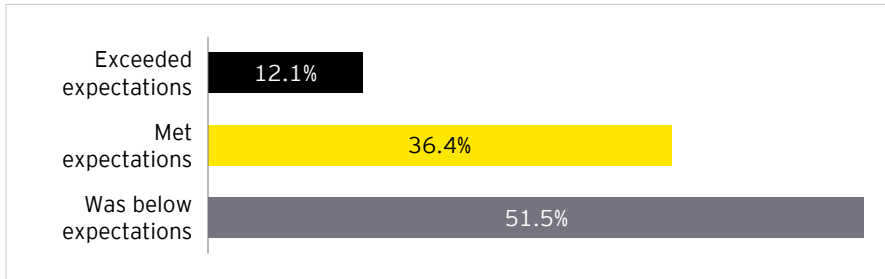
SURVEY FINDINGS



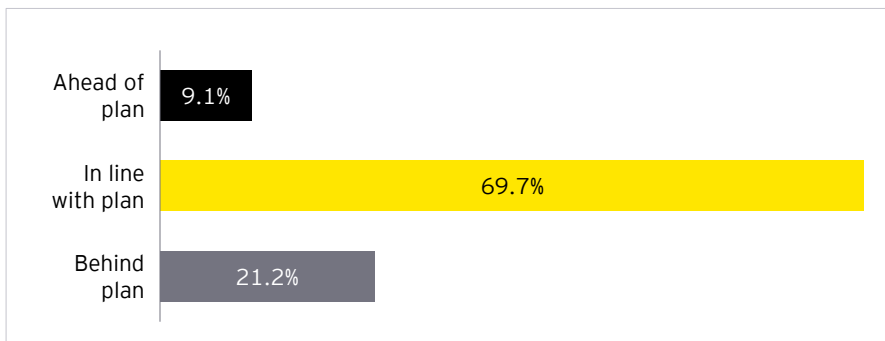
2022 Backward-Looking View

The following section of the report is intended to give an overview of the cannabis industry in 2022, with a focus on the performance of cannabis companies, the major external factors and obstacles they faced, and the areas of highest financial risk. Additionally, this section highlights the strategies and actions that cannabis companies took to mitigate these challenges. It is important to note that this information is not intended to be exhaustive or all-encompassing.

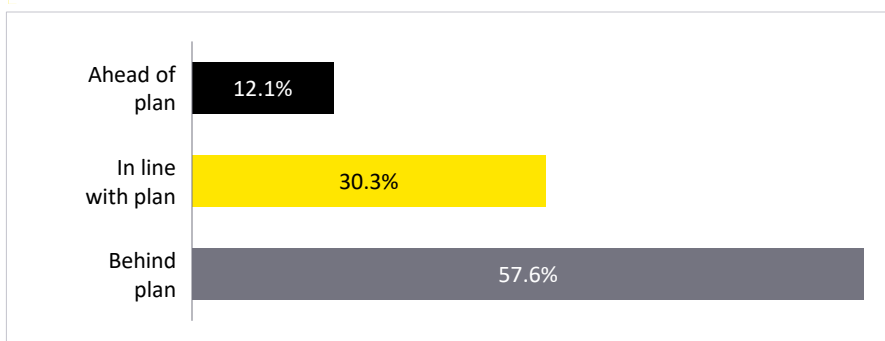
Q How did your company's **business strategy** perform relative to Management and/or Board expectations in 2022?



Q How did your company perform from a **top-line** perspective in 2022?



Q How did your company perform from a **bottom-line** perspective in 2022?

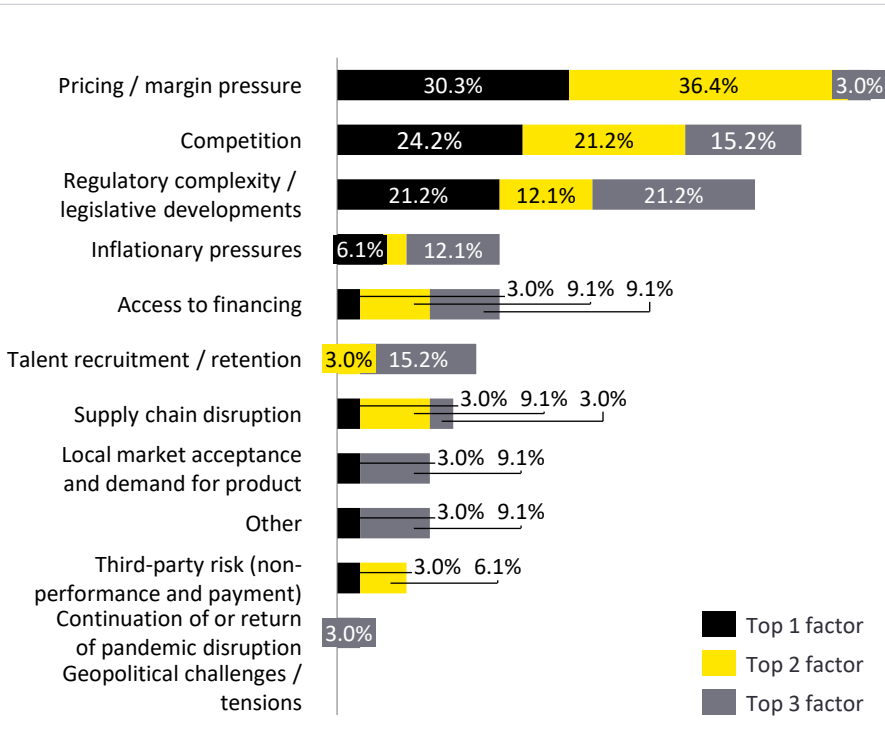


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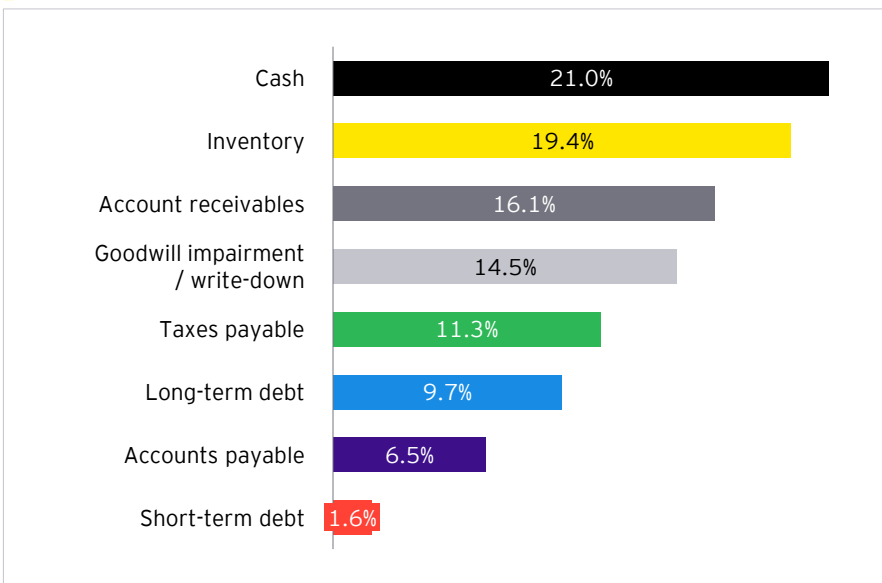
- It has been almost 5 years since cannabis was legalized for recreational purposes in several US States and Canada. The industry continues to grow and evolve, yet it remains tightly regulated and operationally challenging. In this context, ...
- Over 50% of cannabis executives acknowledged that their company's business strategy did not meet the expectations of management and the Board in 2022.
- Despite this, most executives (~70%) reported that their company's top-line performance was in line with the original forecast, but the bottom-line was significantly behind plan.
- In light of this, many cannabis executives have implemented performance improvement programs to address losses and ensure the long-term sustainability of their companies.

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Q Which top 3 external factors adversely impacted your company's business performance in 2022?



Q Which line items(s) in your company's balance sheet carried the highest level of financial risk in 2022?

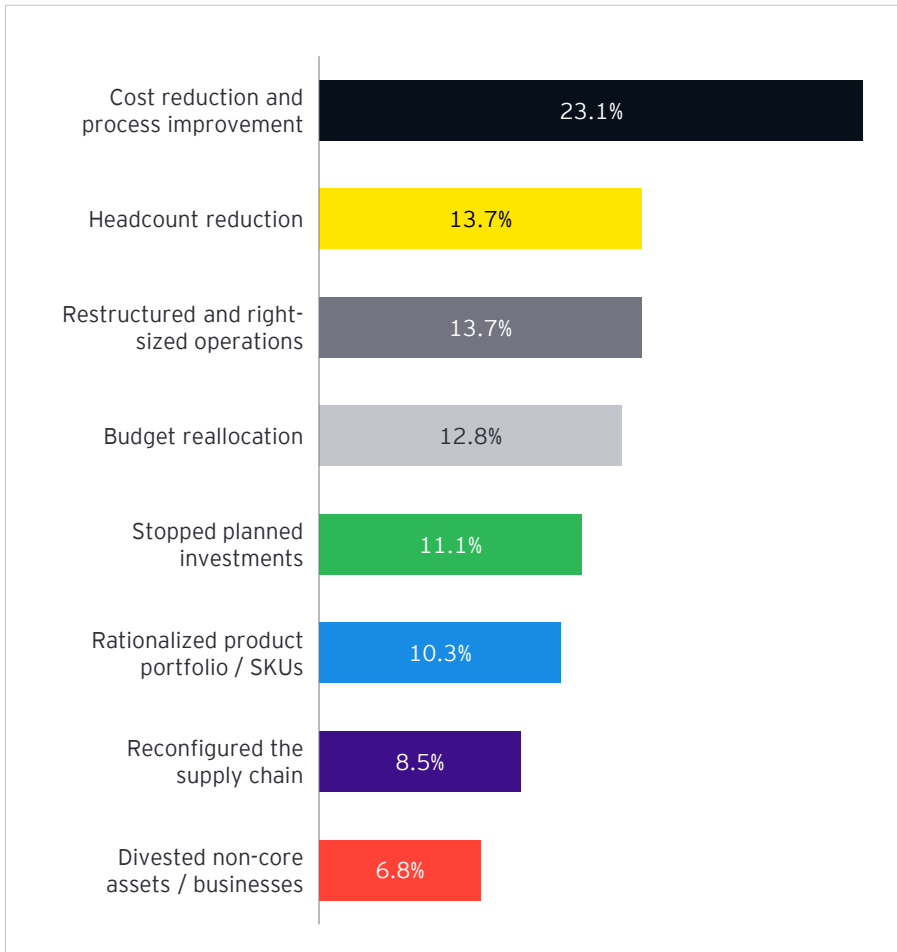


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- ▶ In 2022, cannabis companies faced a variety of external factors that had a negative impact on their performance and profitability. The most cited ones included intense competition, price and margin pressures, and complex regulations.
- ▶ Additionally, the industry faced significant challenges in attracting, recruiting, and retaining talent due to the unstable nature of the industry, history of serial headcount reduction and limited pool of suitable candidates with relevant experience and cannabis knowledge.
- ▶ On the financial side, cannabis companies faced high levels of risk related to cash, inventory, accounts receivable, and goodwill impairment / and write-downs. This was primarily driven by an oversupplied market, leading to excess inventory and past acquisitions that were overvalued and underperforming.

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Q What key changes has your company made to its business model / strategic investment plans in 2022?



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- ▶ The cannabis industry faced a number of difficulties in 2022, including over-supply, pricing pressure, competition from legal and illegal sources, supply chain disruptions, inflation, regulatory challenges, and setbacks in the US. These factors had a negative impact on the industry's financial performance and resulted in some companies becoming insolvent and filing for the Companies' Creditors Arrangement Act (CCAA) in Canada.
- ▶ In order to address these challenges, cannabis executives implemented cost-cutting measures, reduced headcount, restructured and streamlined operations and reallocated their budgets.
- ▶ While these performance improvement efforts have not yet fully borne fruit in 2022, they are expected to yield positive results in 2023.

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2022 BACKWARD-LOOKING VIEW: SUMMARY TAKEAWAYS

- ▶ Cannabis companies faced significant industry-specific challenges in 2022, in addition to inflationary pressures. “Survival” was the theme of year for cannabis companies.
- ▶ Most cannabis CEOs acknowledged that their company's performance did not meet expectations neither from a top- nor from a bottom-line perspective.
- ▶ Intense competition, over-supply, pricing and margin pressure, tax and regulatory burdens, inventory write-downs, goodwill impairments, and legislative setbacks in the US negatively impacted the industry.
- ▶ To survive, many cannabis companies launched performance improvement and cost-reduction programs, reduced headcount, right-sized operations, reallocated budgets and stopped planned investments.
- ▶ Others became insolvent and had to file for the Companies' Creditors Arrangement Act in Canada.

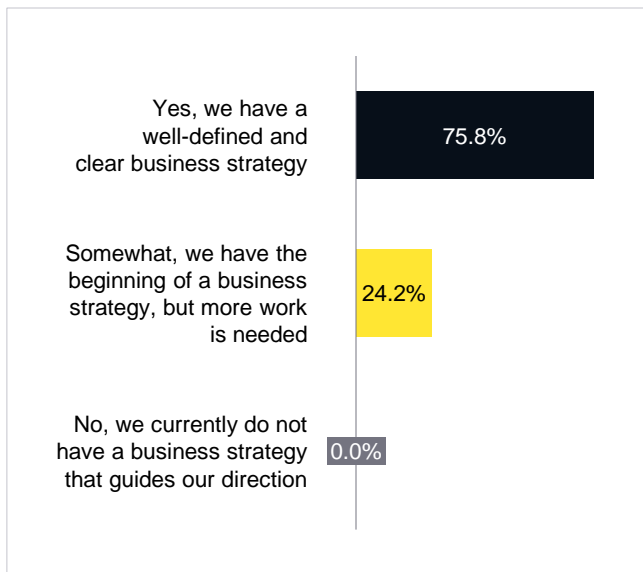
2023 Forward-Looking View

This section of the report aims to offer a forward-looking view on the cannabis industry in 2023 and beyond. It includes insights from cannabis executives on various subjects, including business strategy, growth priorities, market drivers, barriers and trends, mergers and acquisitions, joint ventures and divestments, financing and investments, and outlook and future performance expectations.

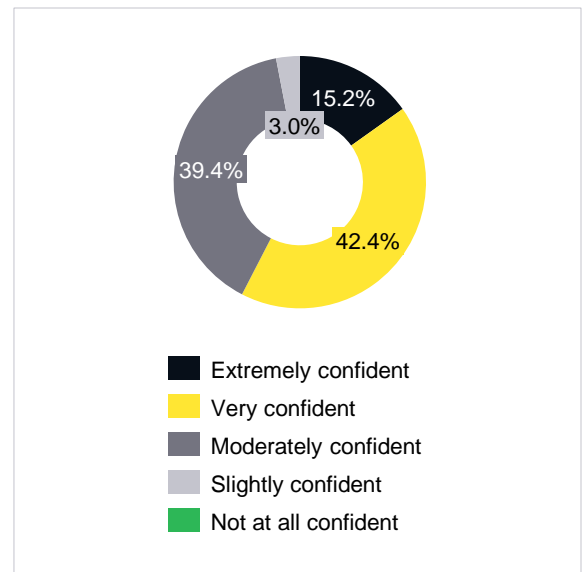
Perspectives on Business Strategy

In this section of the survey, cannabis leaders were asked to share their thoughts on the business strategy of their company, including the level of clarity and their own confidence in it. Additionally, they were asked to identify the areas in which they feel their company holds a competitive edge.

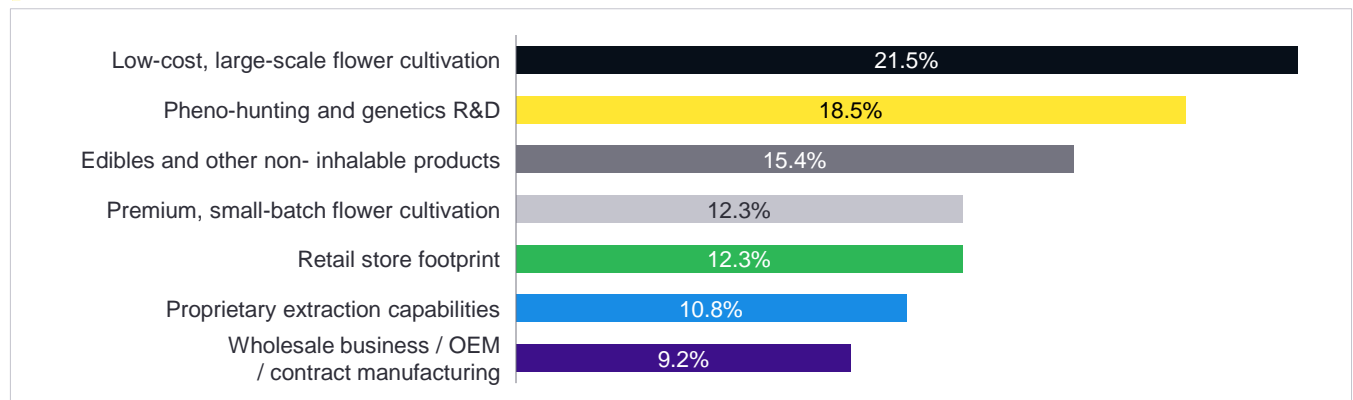
Q Does your company have a well-defined business strategy for 2023?



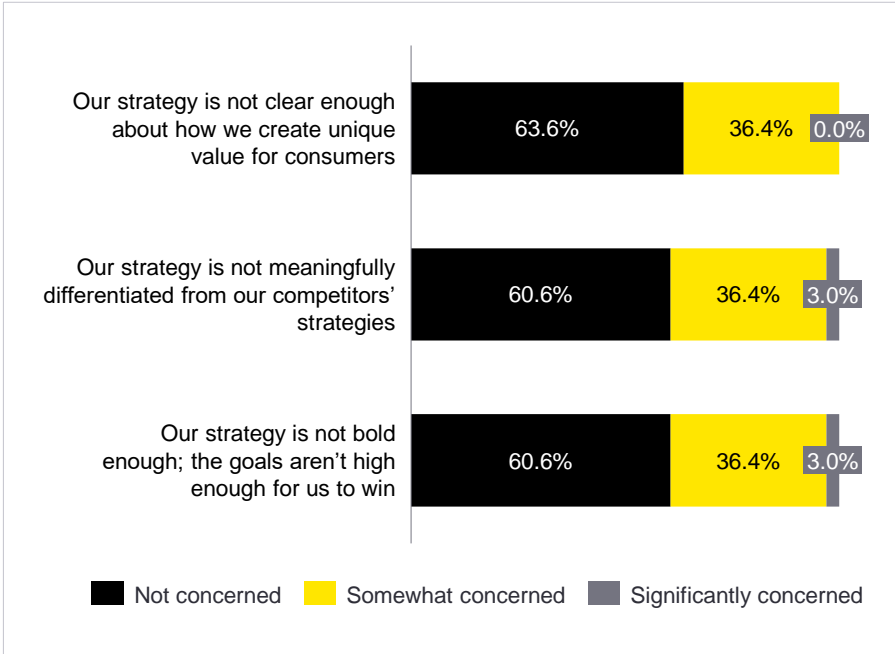
Q How confident are you that your business strategy is going to be successful in 2023?



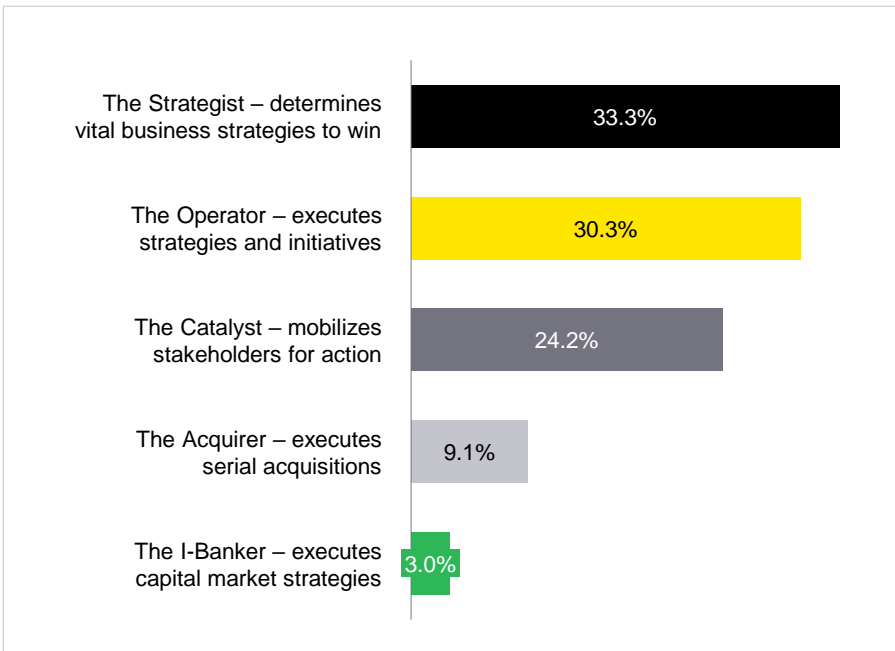
Q Where do you believe your company has a competitive advantage?



Q Thinking about your company's strategy, how concerned are you about the following?



Q As a CEO, which role will you mostly play / emphasize in 2023 and beyond?



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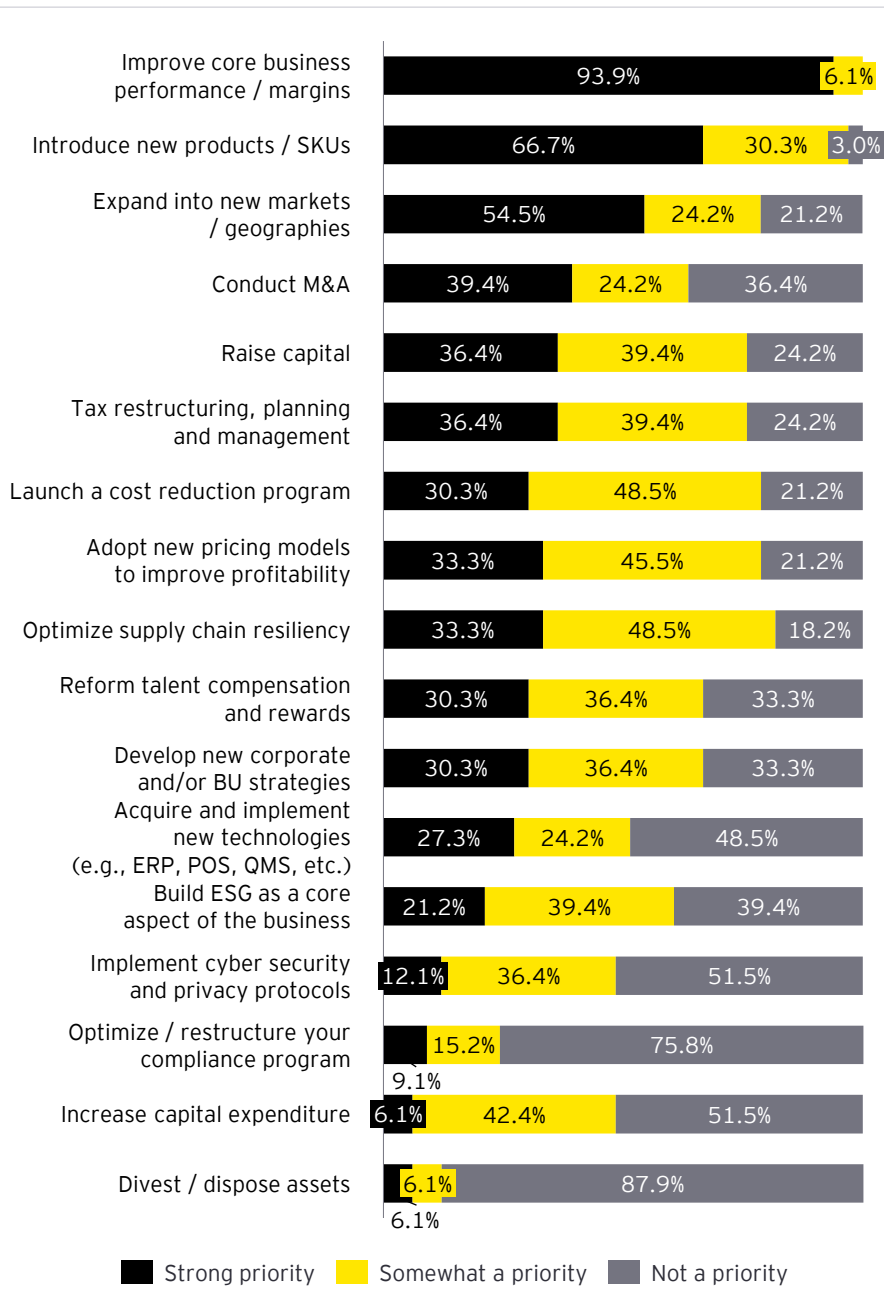
- ▶ Many cannabis industry leaders (75.8%) reported having a well-planned and clearly defined business strategy for their company in 2023, including delineated and prioritized fields of play and sources advantages.
- ▶ They also expressed a strong belief in the effectiveness of their strategy and its ability to drive success for their business.
- ▶ The top cited areas of competitive advantage that executives are relying on include cost-efficient large-scale flower cultivation, pheno-hunting and genetics R&D and edibles manufacturing.
- ▶ Over 60% of cannabis executives expressed confidence in their company's unique business strategy and its ability to stand out among competitors, creating value for consumers and fostering a strong brand loyalty.
- ▶ Only a limited number of executives were concerned with the possibility of creating substantial differentiation in the cannabis sector.
- ▶ Cannabis executives often have various responsibilities, such as developing strategy, operating the business, and making acquisitions, however, in the coming year of 2023, many of them will place a greater emphasis on being a "Strategist" - determining vital business strategies to win.

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Perspectives on Strategic & Growth Priorities

In this section of the survey, cannabis industry leaders were asked to share their perspectives on their strategic priorities for 2023 and beyond. Additionally, they were asked to identify the top growth opportunities they plan to pursue, including any international market expansion plans.

Q To what extent is each of the following strategic actions likely to be a priority for your company in 2023?

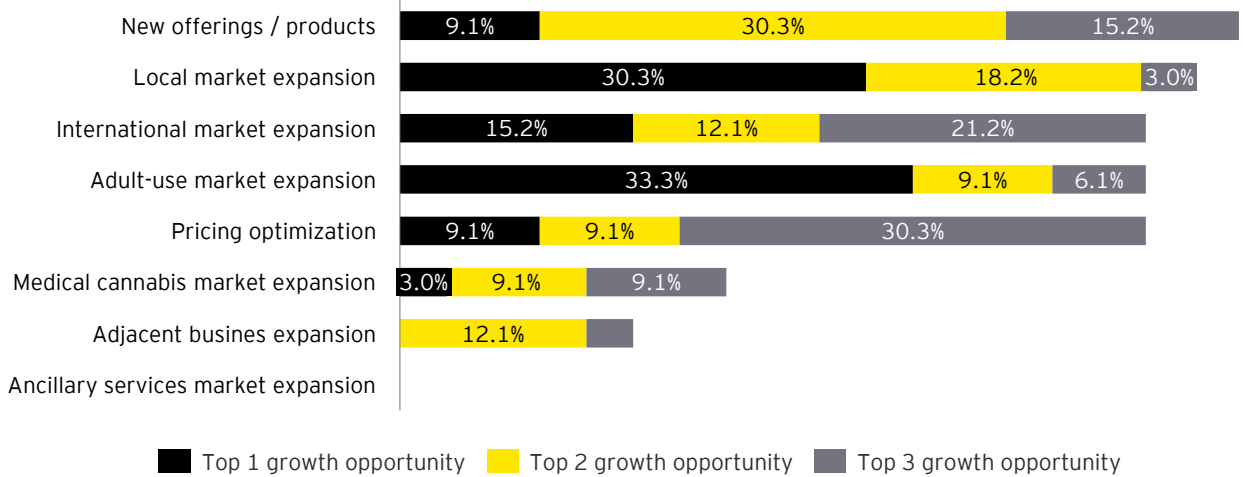


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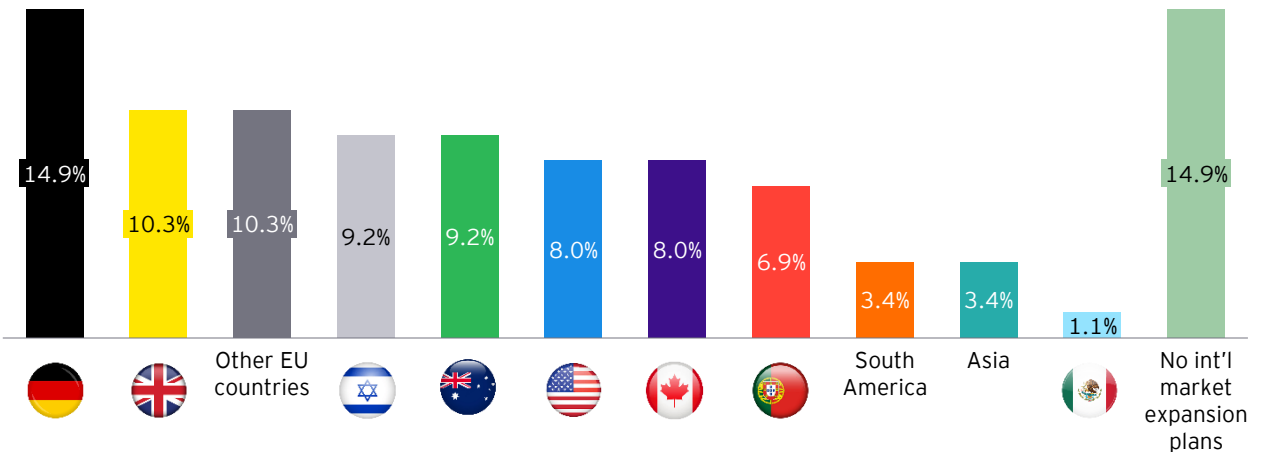
- ▶ Cannabis industry leaders identified three main areas as their top strategic priorities for the upcoming year of 2023: 1) margin enhancement, which includes initiatives such as improving performance and reducing costs; 2) new product introductions; and, 3) new market expansion.
- ▶ M&A and capital raising initiatives were cited as important but not crucial for 2023.
- ▶ Cannabis executives reported that they do not plan to divest any assets or businesses in 2023, as they were active in this area in 2022.
- ▶ Additionally, executives will be limiting capital expenditure in 2023 either because their companies recently completed their capital expenditure cycles or because of the current challenges in financing.
- ▶ Many executives reported that building environmental, social, and governance (ESG) practices into their business model is not a top priority in 2023, as they first need to focus on achieving profitability for their company.

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Q What are the top 3 growth priorities / opportunities for your company in 2023?



Q If your company has international expansion plans, indicate which markets you intend to enter / expand in in 2023?



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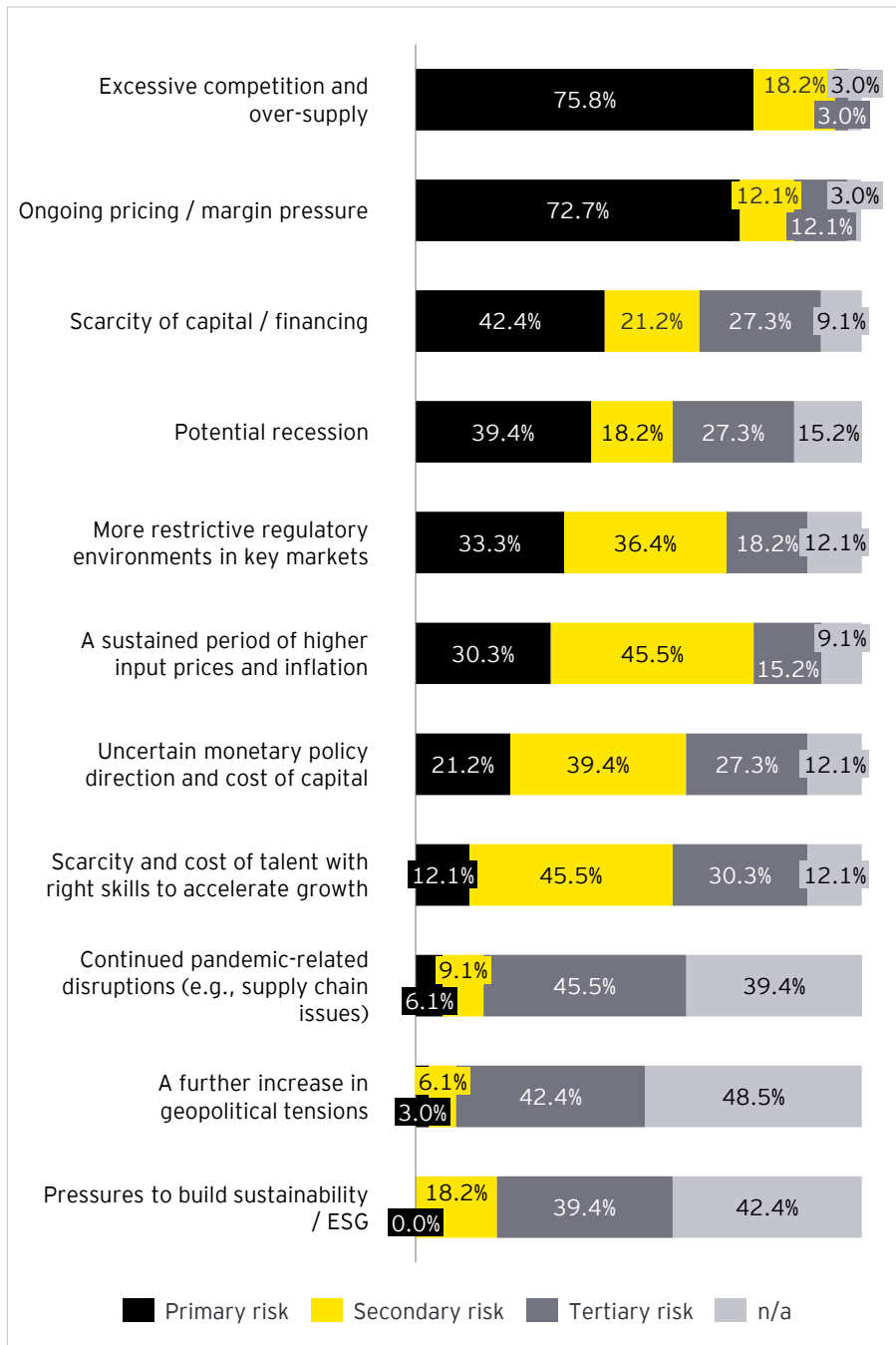
- ▶ When asked about the top growth opportunities for the upcoming year of 2023, cannabis industry leaders identified adult-use market expansion, local market expansion and international market expansion as their top priorities. New product introduction was also among the most frequently cited top growth opportunity.
- ▶ Optimizing pricing was noted as a key focus area as the current pricing model is not sustainable in the long run. Cannabis companies cannot continue to sell products at a loss simply to undercut competitors, as financing is now more limited and expensive.
- ▶ Cannabis executives intend to expand their business operations into international markets with Germany, UK and other European countries cited as the most attractive jurisdictions. This is because cannabis legalization is expected to gain momentum in these regions despite the current uncertainty surrounding adult-use legalization in Germany.

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Perspectives on Growth Drivers, Barriers & Trends

In this section of the survey, cannabis leaders were asked to share their perspectives on the potential opportunities and challenges anticipated in 2023. They were asked to discuss growth drivers, barriers, including areas where the competitive landscape may shift and the latest innovation trends.

Q Which of the following do you consider to be the **greatest risks to growth / headwinds** for your business in 2023?

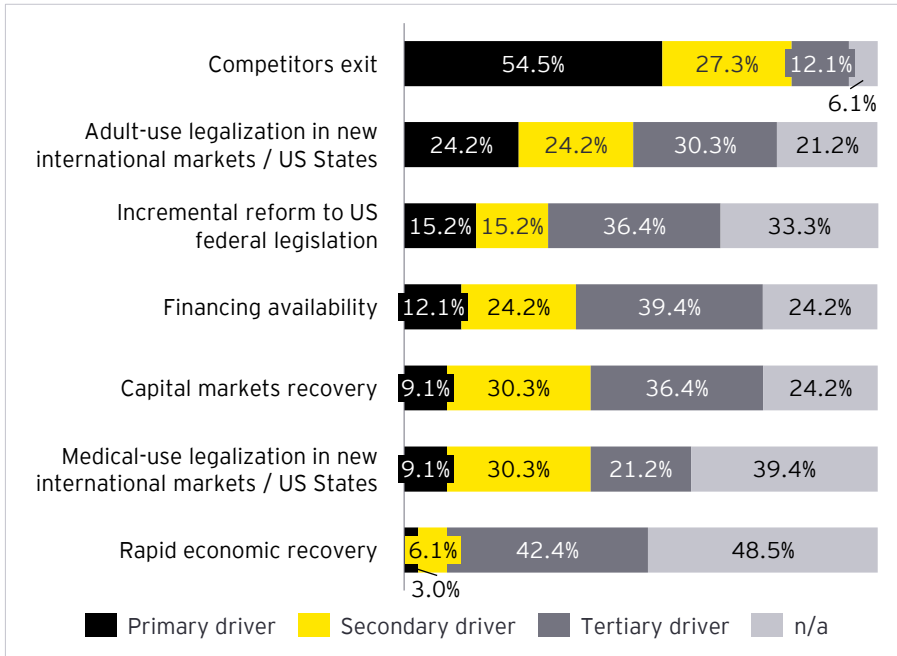


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- ▶ When asked about the greatest risks to growth facing their business in 2023, most cannabis executives identified excessive competition, over-supply, ongoing pricing and margin pressure, and scarcity of capital as their primary concerns.
- ▶ The scarcity and cost of capital risks raised by the executives reflects the current capital market conditions and the investor fatigue that has taken hold in Canada and the US due to disappointing business results and limited positive regulatory developments.
- ▶ Cannabis executives are strongly feeling the impact of inflation on their product cost, margin and consumers who are shifting their spending to lower-priced value products. They are unable to pass on these higher costs to consumers given the current competitive dynamics and ongoing pricing pressures in the cannabis industry.

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Q Which of the following tailwinds are your betting on for your business in 2023?

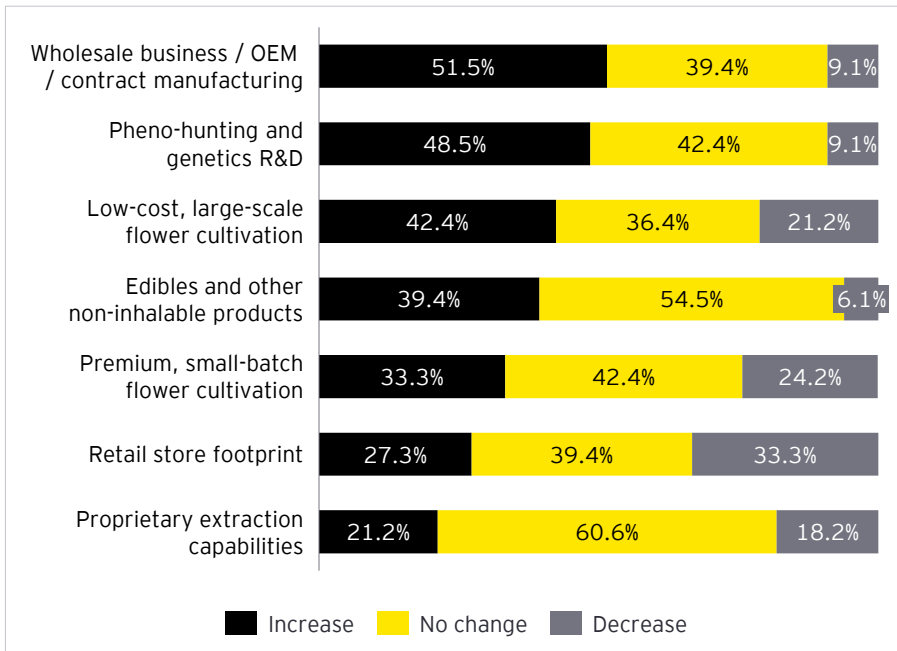


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- ▶ On the positive side, cannabis leaders are counting on several potential opportunities to drive growth, with the most cited being competitor exits, legalization of adult cannabis in new international markets and/or US states, and incremental reform to US federal legislation.
- ▶ Cannabis executives appear to be less reliant on the recovery of capital markets and availability of financing in the upcoming year of 2023 compared to 2022.

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Q How do you expect competition to change in the following areas in 2023?

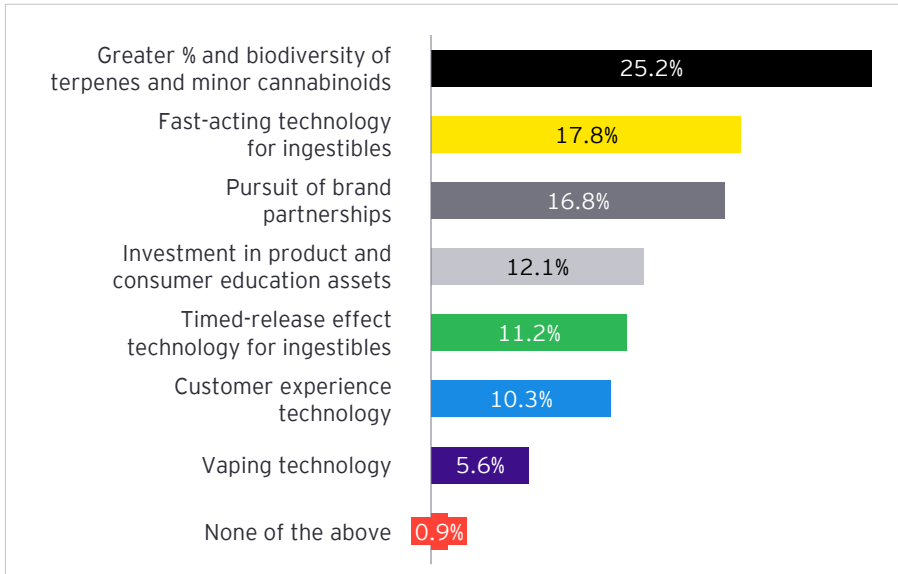


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- ▶ Over 40% of cannabis executives anticipate that competition will increase in the areas of “contract manufacturing”, “pheno-hunting and genetics R&D”, and “low-cost, large-scale flower cultivation” in 2023.
- ▶ The competitive dynamics in the area of “propriety extraction” is expected to remain the same in 2023 as in 2022.
- ▶ Many executives believe that the competitive intensity at the retail level will decrease in 2023 due to anticipated exits and consolidation.

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Q Which product innovation trends do you expect in 2023?



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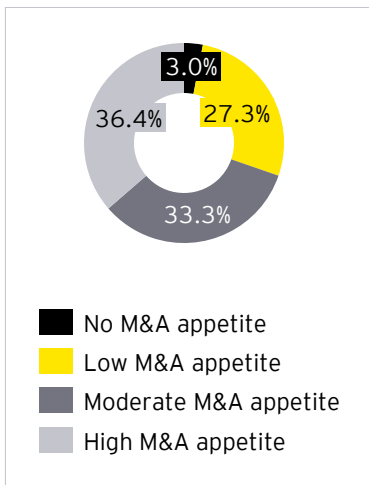
- ▶ When it comes to product innovation trends, cannabis executives expect to see cannabis products with "greater percentage and biodiversity of terpenes and minor cannabinoids" in 2023.
- ▶ They anticipate increased popularity of "fast-acting" technology for ingestible products and more brand partnerships.
- ▶ Executives also expect continued investment in budtender education assets and experience technology.

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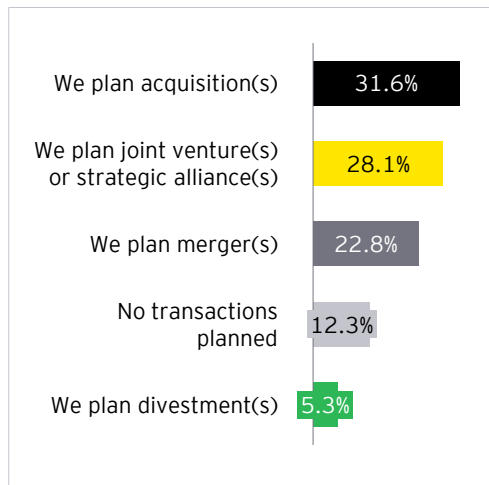
Perspectives on M&A, JV & Divestments

In this section of the survey, cannabis leaders were asked to share their thoughts on M&A, joint ventures, and divestments in 2023 and beyond. They shared their interest in pursuing M&A and discussed the type of transactions they plan to undertake and the reasons behind their decisions.

Q What is your appetite for M&A in 2023?



Q What transactions do you expect to execute in 2023?

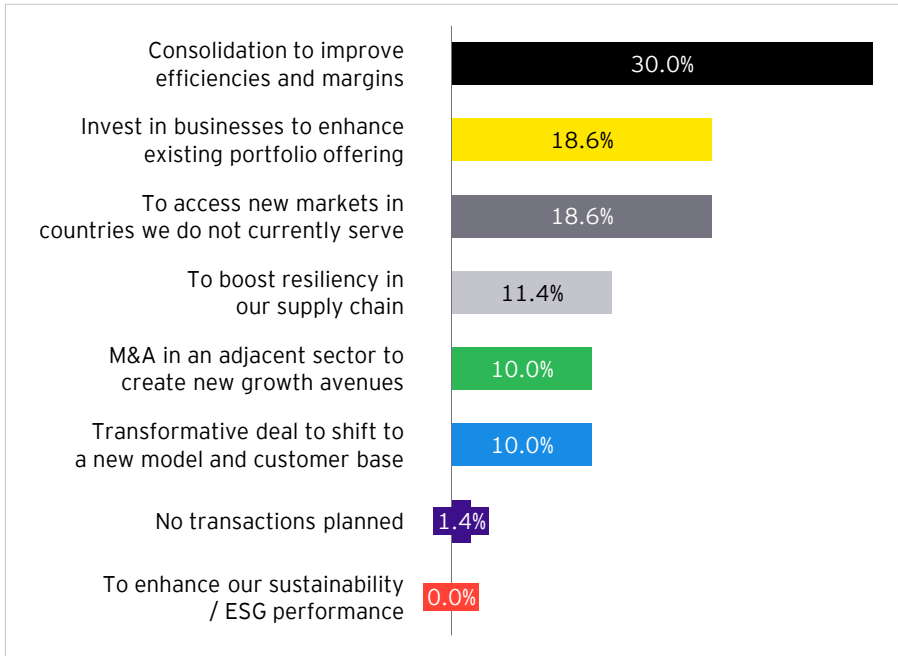


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- ▶ Cannabis executives operating larger, better-capitalized companies have a moderate to high interest in pursuing M&A in 2023 due to the availability of distressed businesses, assets, and brands at significantly lower valuations compared to 2021.
- ▶ These executives believe that buying distressed companies will be a more cost-efficient method of expanding capacity or entering new markets than internal builds.
- ▶ Many executives plan to focus on conducting acquisitions in 2023 rather than other types of transactions.

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Q What would be the primary drivers for your next planned transactions?



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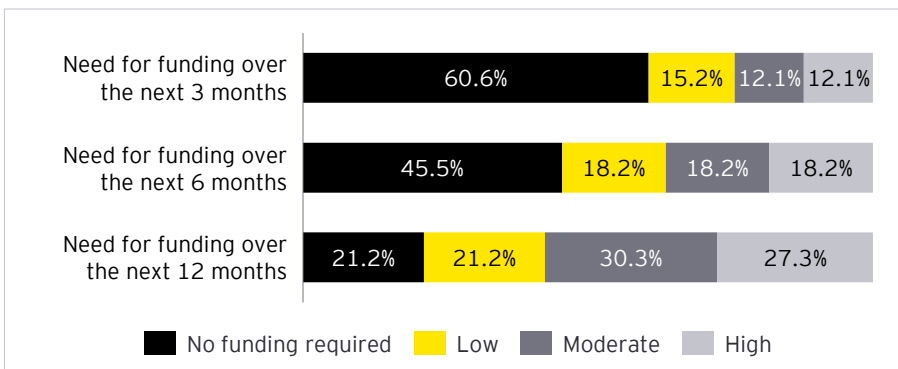
- ▶ The investment thesis of cannabis executives' M&A plans is primarily focused on consolidation to improve efficiencies, enhancement of existing portfolio offering, and access to new markets not currently served.
- ▶ Cannabis executives have emphasized the importance of being strategic and cautious when it comes to M&A, focusing on identifying opportunities for synergies and profitable market share gains.
- ▶ The approach to cannabis deal making is expected to be more thoughtful in 2023.

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Perspectives on Financing & Investments

In this section of the survey, cannabis executives were asked to share their thoughts on financing and investments for 2023 and beyond. They shared their company's funding needs over the next 3, 6, and 12 months, and also discussed how they plan to use the proceeds.

Q What is your appetite for M&A in 2023?

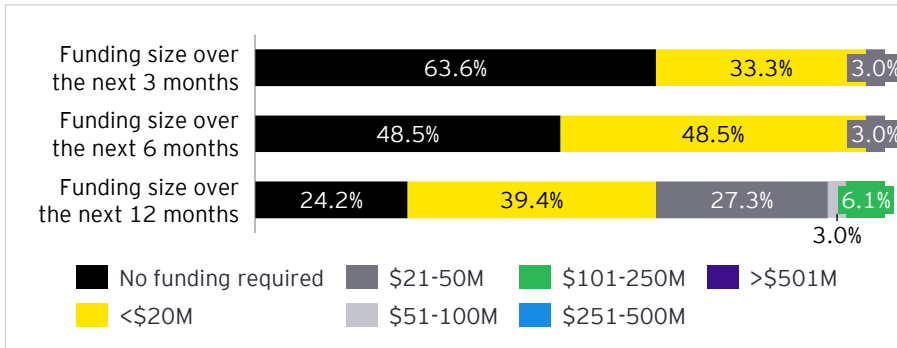


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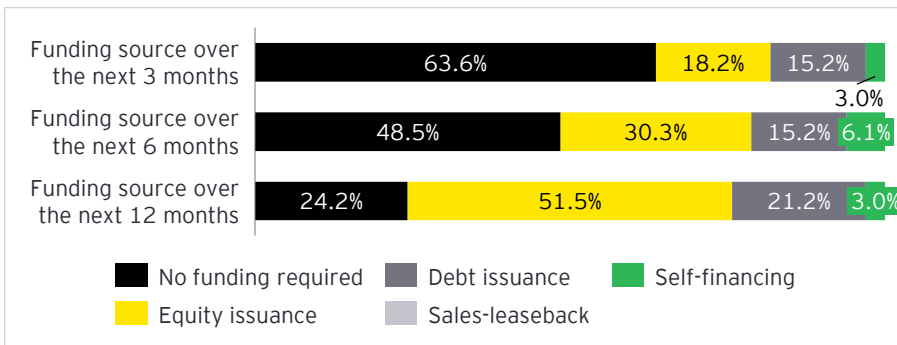
- ▶ Most cannabis executives surveyed don't see an urgent need for funding or financing in the next 3 to 6 months.
- ▶ However, beyond this time frame, the need for financing is expected to rise as cash reserves dwindle and debt becomes payable in 2023 - 2024.
- ▶ Executives of publicly-listed cannabis companies acknowledged that their companies' cash flow from operations may not be enough to keep them afloat and repay the debt due in 2023.

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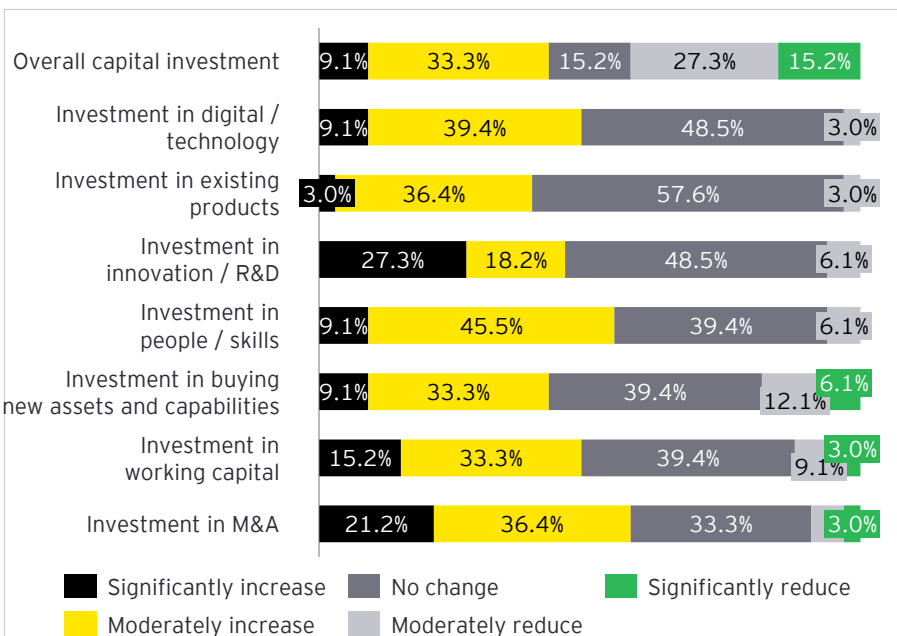
Q What size of funding / financing will your company be looking for over the next 3, 6 and 12 months?



Q What sources of funding / financing will your company likely focus on over the next 3, 6 and 12 months?



Q How will your company's capital investments change in the following areas in 2023?



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- ▶ Over the next 6 months, more than 50% of cannabis companies anticipate a need for funding of up to \$50M.
- ▶ During the next 12 months, nearly 35% of the cannabis companies predict the requirement for financing between \$21M and \$250M.
- ▶ This funding will primarily come from issuing equity and to a lesser extent, debt.

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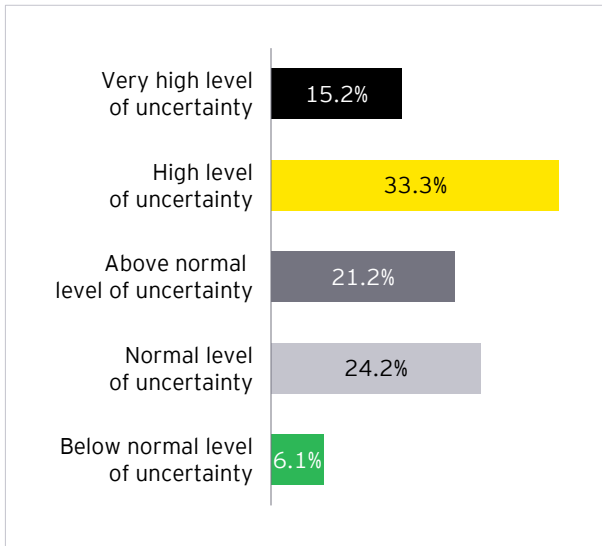
- ▶ Over 50% of cannabis executives plan to either maintain or reduce overall capital investment in 2023.
- ▶ They plan to primarily use financing to invest in working capital, innovation and R&D, and pursue M&A.
- ▶ They also anticipate moderately increasing their investment in people and skills, digital/technology, and existing products.
- ▶ For many companies, the one area where investment is unlikely to change from 2022 levels is in existing products.

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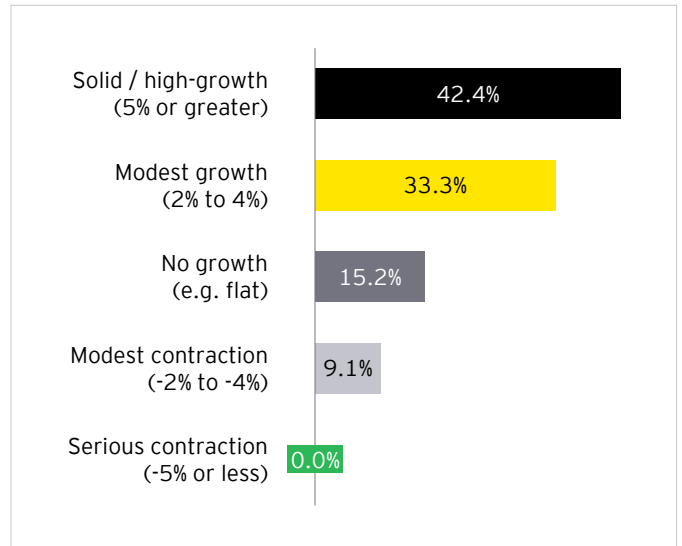
Perspectives on Outlook & Future Performance Expectations

In the final portion of the survey, cannabis executives were asked to share their perspectives on the future of the industry and to provide their expectations for their company's performance. This included a focus on specific key performance indicators and a timeline for achieving either profitability or breaking even.

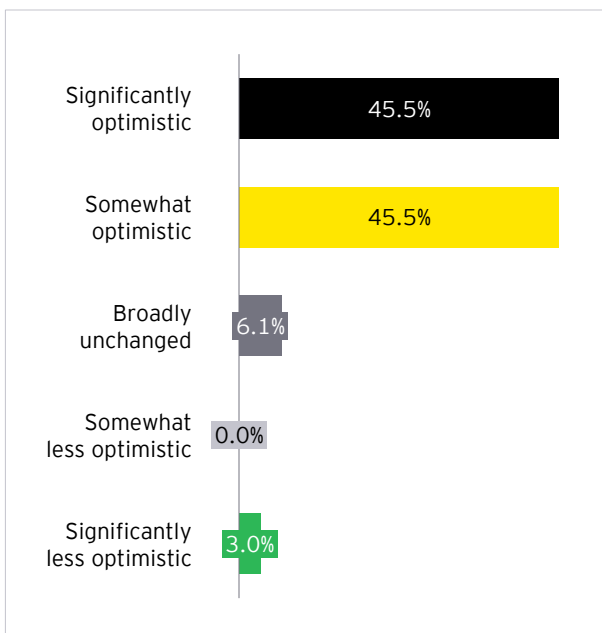
Q How would you rate the level of external financial and economic uncertainty facing your company in 2023?



Q What economic scenario are you predicting / planning for the cannabis industry in 2023?



Q How do you feel about the financial prospects of your company in 2023?

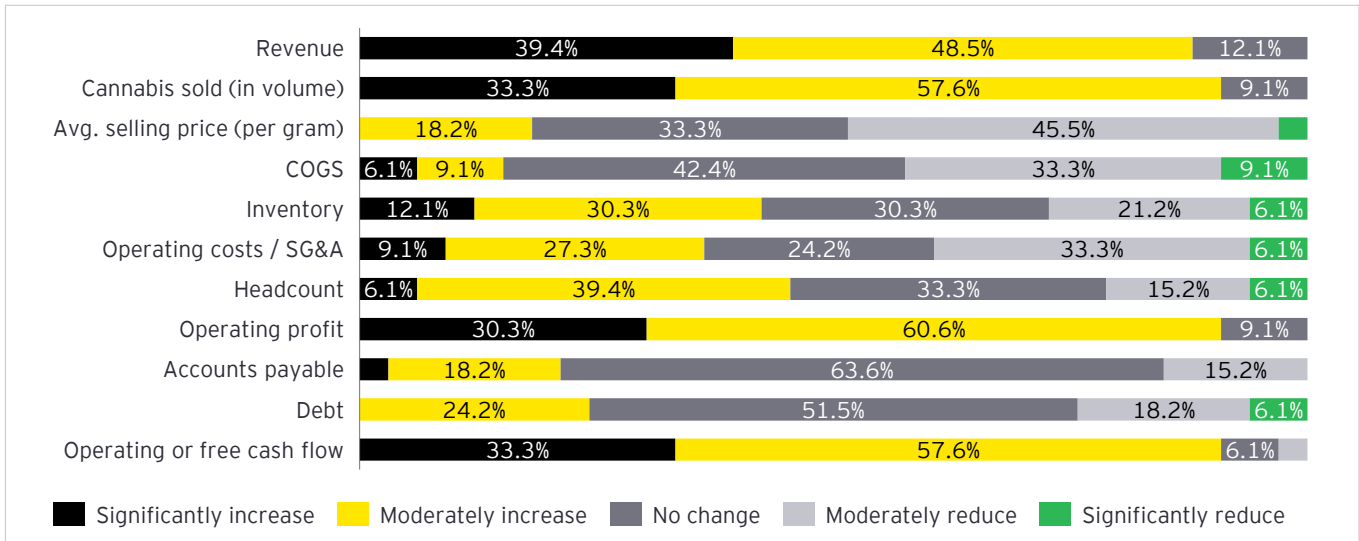


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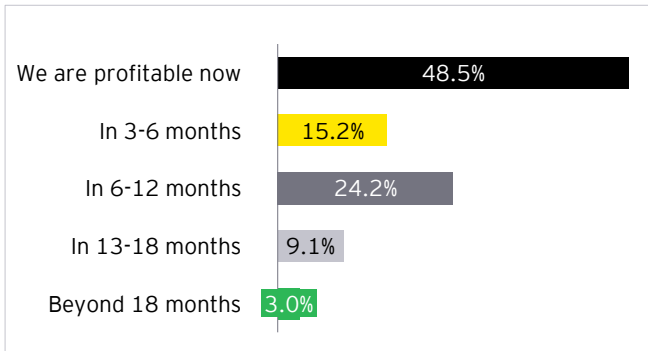
- ▶ Despite the high level of external financial and economic uncertainty in 2023, most cannabis executives are still predicting a high-growth economic scenario for the industry, with growth projections exceeding 5% over 2022.
- ▶ The growth of the cannabis market will be primarily fueled by a rising volume of product sales rather than price hikes.
- ▶ Despite the uncertainty, executives are feeling optimistic about the financial prospects of their company in 2023, with more than 90% of them feeling "optimistic" and well-prepared to face the challenges ahead.

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Q How do you expect your company's KPIs (below) to change in 2023?



Q How do you expect your company's KPIs (below) to change in 2023?



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- ▶ Cannabis executives are optimistic about their company's financial prospects in 2023. They anticipate an increase in cannabis volume sold, even though the average selling price may be lower.
- ▶ They also plan to focus on streamlining operations, reducing expenses and controlling costs. Over 90% of executives expect their company's operating profit and cash flow to improve in 2023, either significantly or moderately.
- ▶ The majority of cannabis executives are optimistic about achieving profitability or breaking even in the next 6-12 months.

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2023 FORWARD-LOOKING VIEW: SUMMARY TAKEAWAYS

- ▶ Despite anticipating significant challenges in 2023, cannabis leaders expressed optimism and confidence in their company's business strategy and their ability to weather the storm.
- ▶ Their top strategic priorities are centered around margin enhancement and revenue growth, including initiatives such as core business improvement, new product introduction, and local and new market expansion. The most cited international markets for expansion are Germany, UK, Israel and other European countries.
- ▶ The primary risks facing their business in 2023 include excessive competition, over-supply, ongoing pricing and margin pressure, and scarcity of capital. However, many cannabis executives are counting on potential tailwinds such as competitor exits and legalization in new markets.
- ▶ Most cannabis companies will require financing over the next 6-12 months to sustain their operations and also fund innovation and opportunistic M&A initiatives.

CONCLUSION



CONCLUSION

While the cannabis market is expected to sustain its growth (albeit at a decelerating rate), the consensus outlook for the industry in 2023 is bleak.

The major themes experienced in 2022 will continue and intensify in 2023, with persistent inflation, limited and expensive cost of capital, ongoing competition, pricing compression and margin pressure. The cannabis industry is poised to experience its version of the dot-com bubble burst of 2000. After years of fast growth, the industry is expected to face a reset.

This tough environment will force many companies to either become insolvent and exit the industry or become exceptional operators, executing efficiently with resolve, grit and a value-oriented mindset. In this new normal, flawless operational execution and financial management should be top priorities. M&A should be on the table but only in select cases where cannabis companies are confident about realizing rapid costs savings and revenue synergies.

The good news is that the industry will survive and start to normalize. The march towards legalization is relentless. Every mainstream reference and recognition is chipping away at the opposition to US federal legalization. Also, the conversion of New York, New Jersey and Connecticut to adult-use markets was an inflection point; there is no denying the sheer size and density of these markets.

Our long-term outlook for the industry is positive. With the current valuation environment, we see great value for new entrants today, albeit in a tight and defined investable pool. Financial and strategic investors will need to sharpen their market entry analysis and strategy.

HOW EY CAN HELP

EY has a dedicated global cannabis team of professionals who can support clients with their most complex business challenges. Below is a select list of service offerings relevant for cannabis companies in this challenging and uncertain environment:

Strategy & Transactions Services



- ▶ Growth & Market Entry Strategy
- ▶ Integration & Value Creation
- ▶ Financial & Operational restructuring
- ▶ Complex Valuation

Consulting Services



- ▶ Supply Chain Optimization
- ▶ Technology Strategy & Transformation
- ▶ HR Transformation
- ▶ Risk Management

Tax Services



- ▶ Domestic & Cross-Border Structuring
- ▶ Transfer Pricing Advisory
- ▶ Tax Compliance
- ▶ Captive Insurance

Assurance Services



- ▶ IPO Readiness & Support
- ▶ US GAP/IFRS Conversion
- ▶ Financial Reporting Assistance
- ▶ External Audit Preparation Assistance

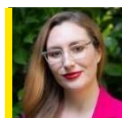
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About EY's Americas Cannabis Centre of Excellence

The Americas Cannabis Centre of Excellence's ("CoE") objective is to build brand eminence in the global cannabis sector and position EY as preeminent thought leaders.

OUR ASPIRATION...

- ▶ Be the **preeminent thought leaders in the cannabis sector** and provide **impactful advice** on critical business challenges.
- ▶ Deliver the **highest standards** of service to further professionalize the cannabis industry and develop best practices.
- ▶ Support our cannabis clients in creating **profitable businesses** and becoming global leaders.

WHO WE ARE...



A **value creation Center of Excellence** that clients trust with their greatest business challenges

50+

years of collective industry experience

150+

engagements

CLIENTS SERVE...



Licensed Operators



Regulatory Bodies



US Operators



Private Equity / VC



Ancillary Services



Adjacent Industries

MARKETS SERVE...



SEGMENTS SERVE...



Adult Use Cannabis



Hemp-derived Cannabidiol (CBD)



Medical Cannabis



Pharmaceutical Cannabinoids

OUR OFFERINGS...



Strategy and Transactions



Consulting



Assurance



Tax

OUR EXPERTISE...

Seed to Sale



Unparalleled expertise across the value chain

Cannabis CoE Services

The CoE has developed a set of solution offerings adapted for the cannabis industry and its evolving nature.



Business & Commercial Strategy Advisory



Operational Excellence Advisory



People & Workforce Advisory



Technology Advisory



Risk Management Advisory



Transactions & Financial Advisory



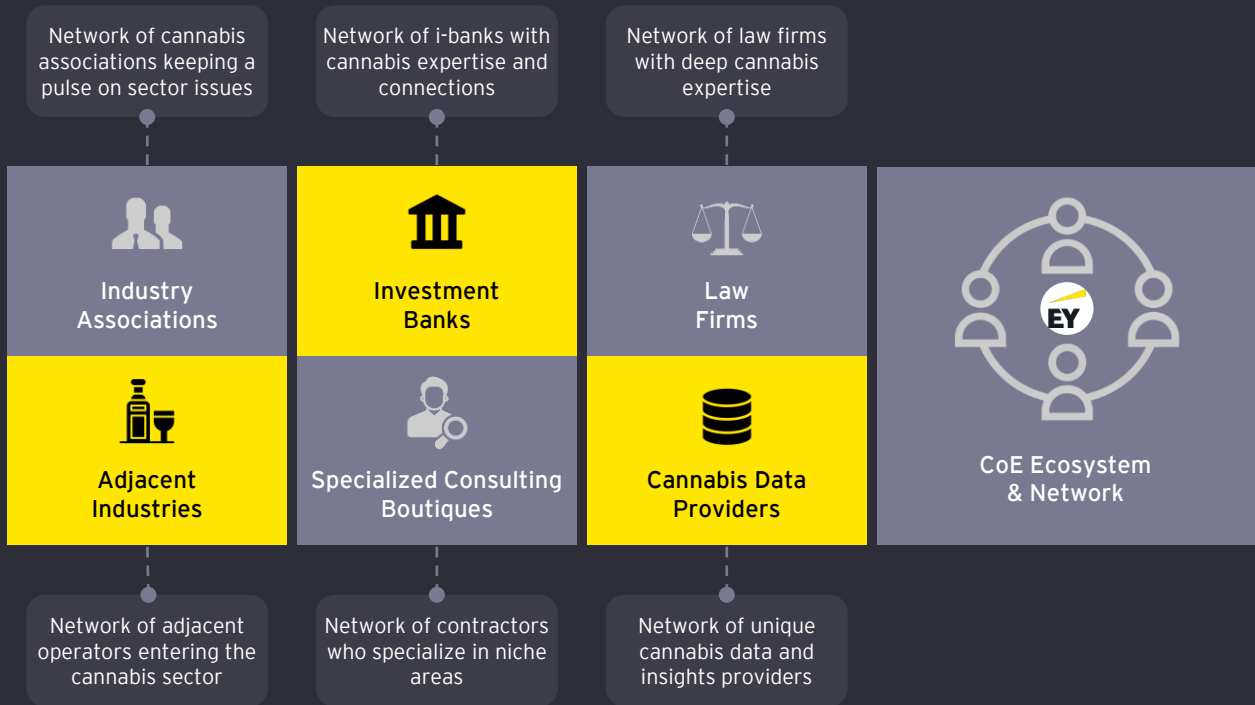
Tax Advisory



Financial Accounting & Reporting Advisory

CANNABIS CoE ECOSYSTEM

The CoE offers the transformational power of an industry ecosystem. By orchestrating the right resources, data, capabilities and relationships, we unlock new sources of value, create new forms of competitive advantage and drive agility, efficiency and resilience across your organization.



Visit [EY Americas Cannabis Centre of Excellence](#)

APPENDIX

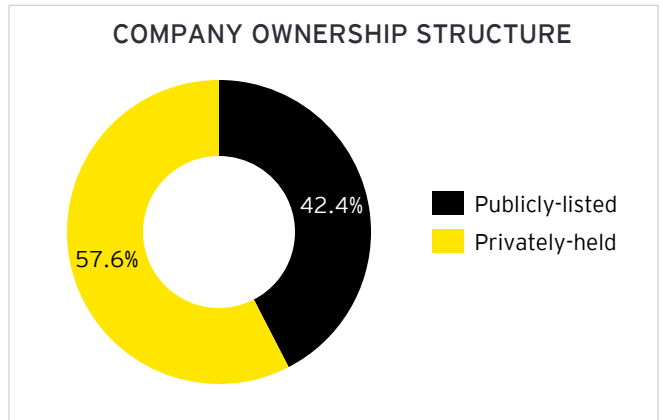
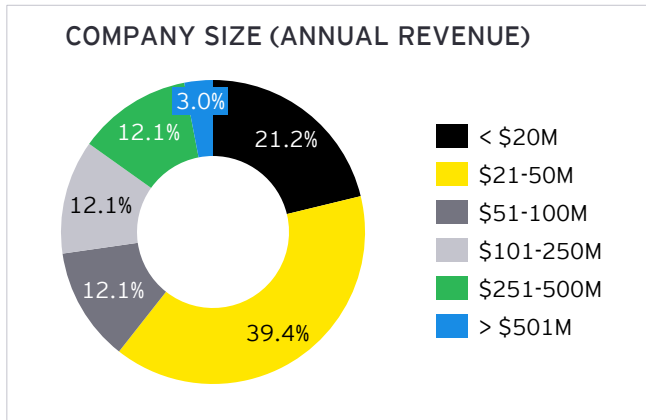


Respondent Profile

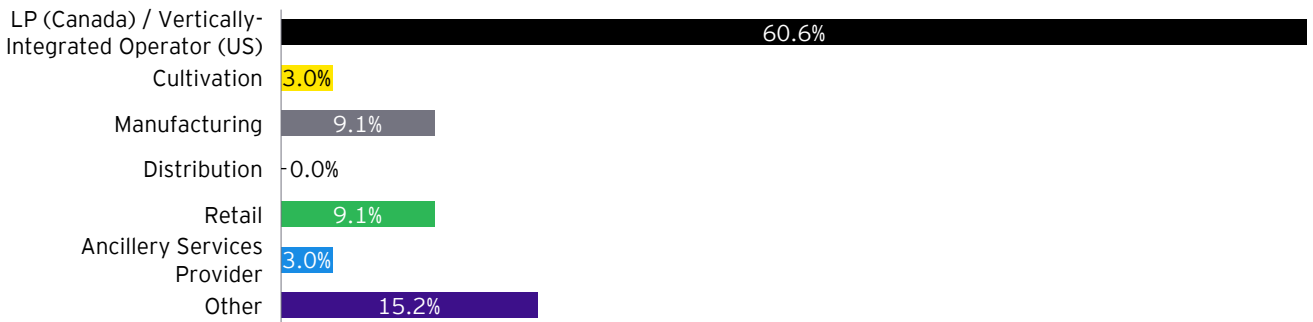
EY's Americas Cannabis Centre of Excellence conducted a global survey across the cannabis industry during the December 2022 - January 2023 period.

Almost 50 private and public cannabis company CEOs and C-suite executives were interviewed across 45 continents (North America, South America, Europe, and Australia) and sectors (THC, CBD, retail and ancillary services providers).

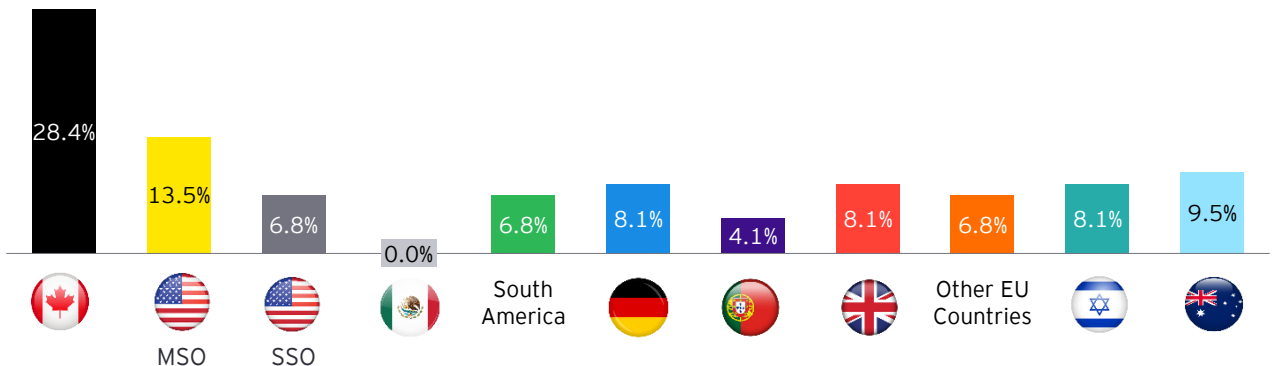
The charts included below offer a detailed breakdown of the survey demographics.



COMPANY DESCRIPTION



COMPANY GEOGRAPHIC SCOPE



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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