



# Global Cannabis CEO Survey 2023

EY Americas Cannabis  
Centre of Excellence

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# Foreword

**The strategic decisions cannabis executives make today will determine the success or failure of their organizations from here on out. That message came through loud and clear in the first-ever global EY Cannabis CEO Survey.**

That's not to say executives lack optimism. Across geographies, the executives we spoke to shared their excitement about market opportunities they see on the horizon. Still, their opinions vary around what that future could look like, how quickly things will change and who the key leaders, challengers and laggards will be. These sentiments make sense; the industry itself is rife with disruption. What does that look like?

Excessive competition and over-supply are ongoing issues. True, too, for pricing and margin pressure, consolidation, economic uncertainty, increasing cost of capital and a slew of other macroeconomic and business trends.

In the pages that follow, we summarize executives' views across these factors, and on the future of this emerging, globalizing industry. We asked their opinions on regulatory complexity, changing consumer behaviour and product innovation right across the value chain. We dove into business strategy, growth priorities, drivers, barriers and much more.

Across geographies and companies, again and again we came back to that same central theme: the decisions made right here and now will have a massive influence on the future of these businesses, and the industry they're shaping. Profound change is coming. And the choices executives make today will determine what that change - and the future itself - looks like overall.



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# Executive Summary



# Executive Summary

## The cannabis industry has been growing steadily since legalization in North American markets.

That said, 2022 was an unprecedented year, rife 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, oversupply, pricing and margin pressure, tax and regulatory burdens, inventory write-downs, goodwill impairments and legislative setbacks in the US. All of this 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, as demonstrated in Canada with filing under the Companies' Creditors Arrangement Act (CCAA). 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 last year. However, they are optimistic and confident about their companies' business strategies and their ability to weather the storm. Their top strategic priorities are centred 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, driven by competitor exits and legalization in new markets. Still, they recognize that companies will require financing over the next 6 to 12 months to sustain operations and fund innovation and M&A initiatives. Put simply, 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

- 1. Established/mature markets – including Canada, Colorado, California and others – will continue to experience low or flat growth, oversupply and margin compression.**
  - ▶ Consolidation will accelerate in these markets; inefficient and undercapitalized cannabis companies will likely become insolvent and be acquired by larger, better-capitalized corporates and multi-state operators.
  - ▶ Large Canadian cannabis companies will stop liquidating/selling cannabis at a loss to undercut competitors, as liquidity from capital markets is drying up. This will result in Canadian companies to either survive or collapse.
  - ▶ Canadian retail consolidation and closures are also expected to accelerate due to over saturation and market limitations caused by city opt-outs.
- 2. Newer/emerging adult-use markets (e.g., Michigan, Massachusetts, etc.) will reach a saturation point faster than historically experienced 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.**
- 3. Inflation will persist and prove challenging to eliminate; cost increases that cannot be passed on through higher prices will pressure cannabis companies' margins.**

## Main findings (continued)

### 4. Anticipated Regulatory Scenarios

- ▶ Limited regulatory progress on US federal legalization, de-scheduling/re-scheduling, amendments to IRS 280E Code and SAFE banking reform are expected in 2023.
- ▶ The FDA's lack of regulatory guidelines for the cannabidiol (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.

### 5. Anticipated Capital Market Scenarios

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

### 6. 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.

### 7. Anticipated financial performance scenarios

- ▶ Cannabis companies' balance sheets will become more stretched in 2023, forcing them to either equityize or refinance debt on less favourable terms and with higher costs; significant dilution is expected in some cases.
- ▶ All companies will exploit every lever possible to attempt to achieve or maintain 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, Canada's corporate insolvency law.

## Our perspective

We agree with the perspectives of cannabis executives and expect 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 stemming from the US Marihuana Tax Act of 1937. The cannabis industry isn't different from where alcohol and tobacco were in their early development years. It will continue to undergo significant shifts in social and cultural acceptability and face regulatory challenges, including taxation and marketing issues.

What's more, the industry will have to navigate complex legal frameworks before maturing and stabilizing. The theme for the short-term is "survival of the fittest".

Still, 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. 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.

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# Survey Findings:

## 2022 backward-looking view





# Looking back at 2022

The following section of the report includes insights from survey participants and 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 cannabis companies took to mitigate these challenges. It is important to note that this information is not intended to be exhaustive or all-encompassing.

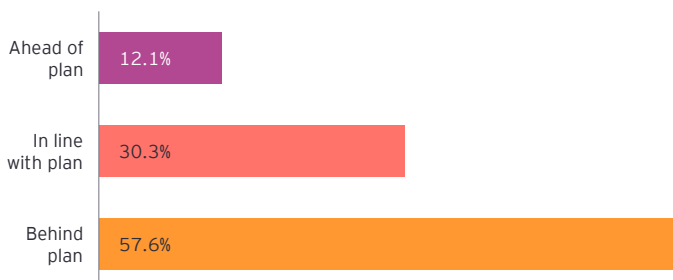
**Q** How did your company's **business strategy** perform relative to management and/or board expectations in 2022?



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



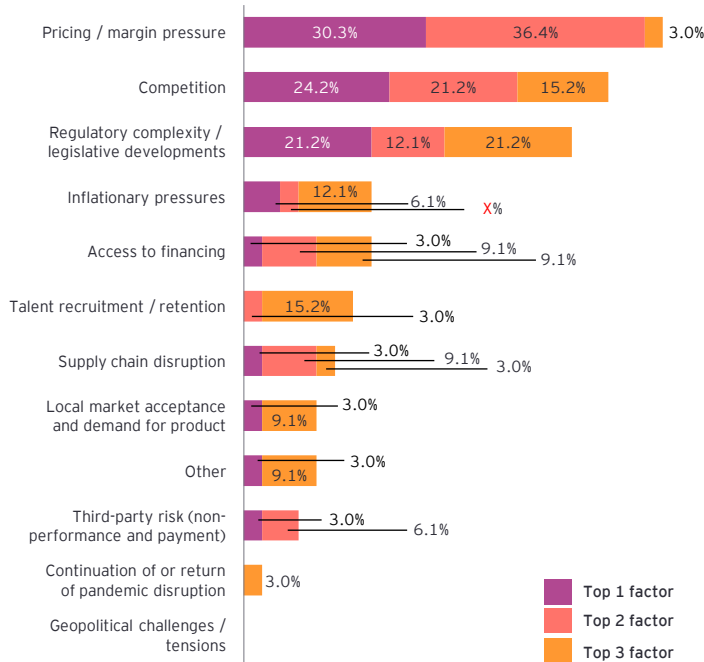
**Q** How did your company perform from a **bottom-line** perspective in 2022?



- ▶ It's been almost five years since cannabis was legalized for recreational purposes in several US states and nationwide in Canada. The industry continues to grow and evolve, yet it remains tightly regulated and operationally challenging.
- ▶ Over 50% of cannabis executives acknowledged their company's business strategy did not meet the expectations of management and the board in 2022.
- ▶ Despite this, most executives – ~70% – reported 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 executives have implemented performance improvement programs to address losses and ensure their companies' long-term sustainability.

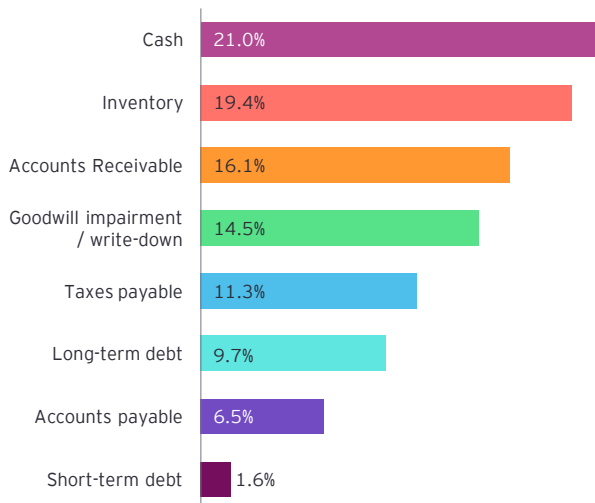


**Q** Which top 3 external factors adversely impacted your company's business performance in 2022?

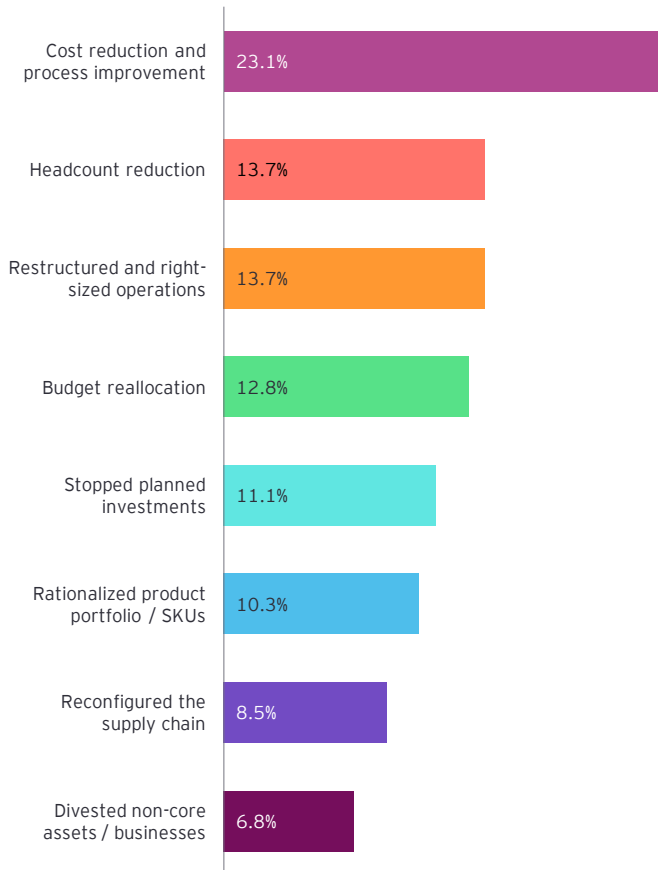


- ▶ In 2022, cannabis companies faced a variety of external factors that had a negative impact on performance and profitability. The most cited ones included intense competition, price and margin pressures and complex regulations.
- ▶ Additionally, the industry faced significant challenges in attracting, recruiting and retaining talent due to the industry's unstable nature, 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, 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.

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



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



- ▶ 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 / resorting to formal insolvency proceedings as well as informal workouts in Canada and the US.
- ▶ To address these challenges, 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.

## Looking back at 2022: Summary takeaways

- ▶ Cannabis companies faced significant, industry-specific challenges in 2022, in addition to inflationary pressures. "Survival" was the theme of the year for a majority of cannabis companies.
- ▶ Most cannabis CEOs acknowledged their companies' performance did not meet expectations 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.
- ▶ Some companies became insolvent and resorted to formal insolvency proceedings / informal workouts in Canada and the US.

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# Survey Findings: 2023 forward-looking view



# Looking Ahead to 2023

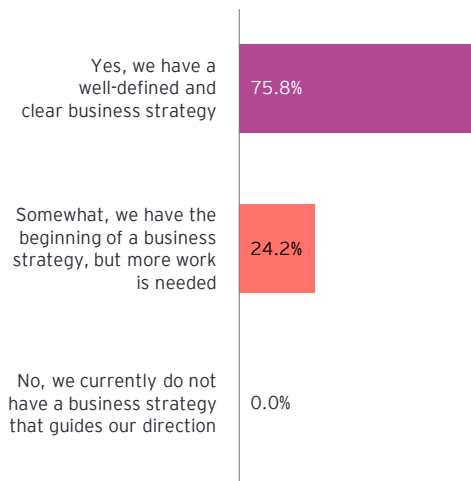
Looking forward to 2023 and beyond, we gathered insights from cannabis executives, capturing their thinking on business strategy, growth priorities, market drivers, barriers and trends, M&A, joint ventures and divestments, financing, and the outlook for future performance expectations.

## What did we hear?

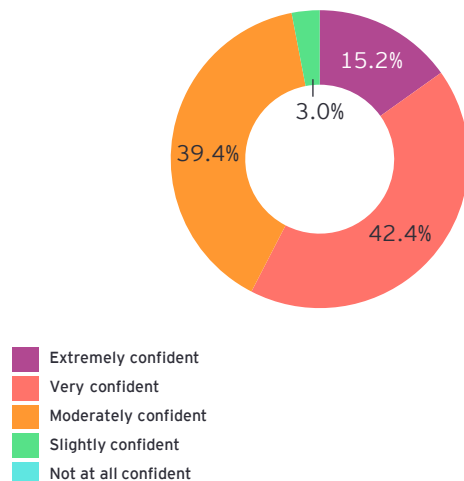
### Perspectives on business strategy

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.

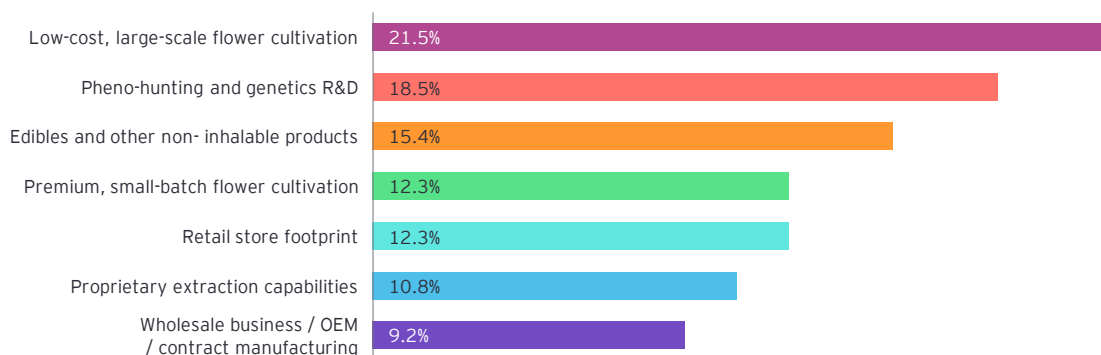
**Q** Does your company have a **well-defined business strategy** for 2023?



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

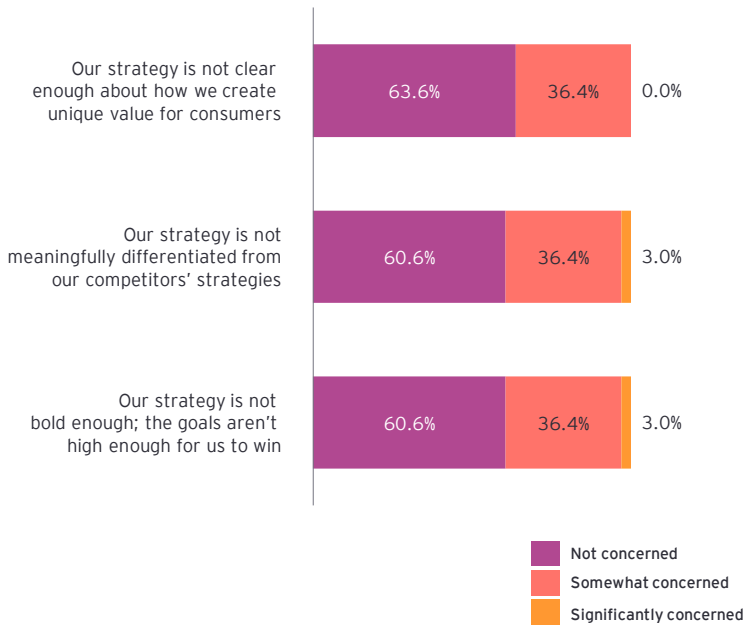


**Q** Where do you believe your company has a **competitive advantage**?



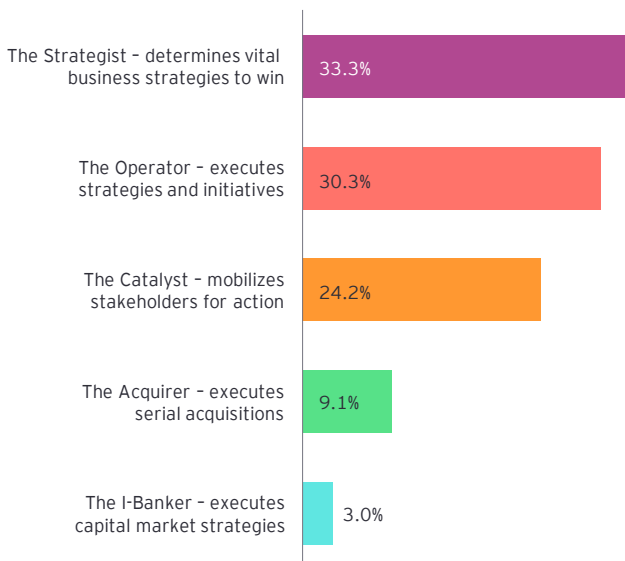


**Q** Thinking about your company's strategy, **how concerned** are you about the following?



- ▶ 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 executives are relying on include cost-efficient large-scale flower cultivation, pheno-hunting and genetics, R&D and edibles manufacturing.
- ▶ Over 60% of 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.

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

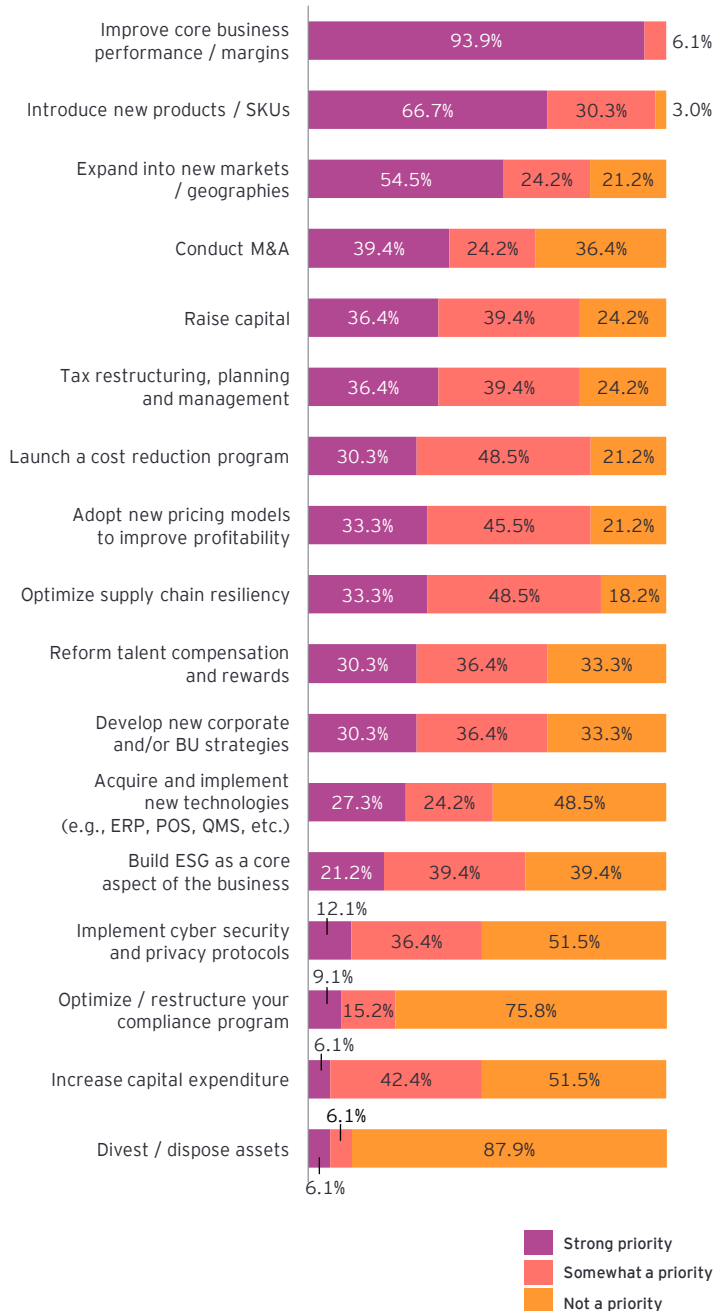


- ▶ Only a limited number of executives were significantly concerned with the possibility of creating substantial differentiation in the cannabis sector.
- ▶ Cannabis executives often have various responsibilities, such as developing strategy, operating the business, and making acquisitions. In 2023, many of them will place a greater emphasis on being a "strategist" - determining vital business strategies to win.

## Perspectives on strategic and growth priorities

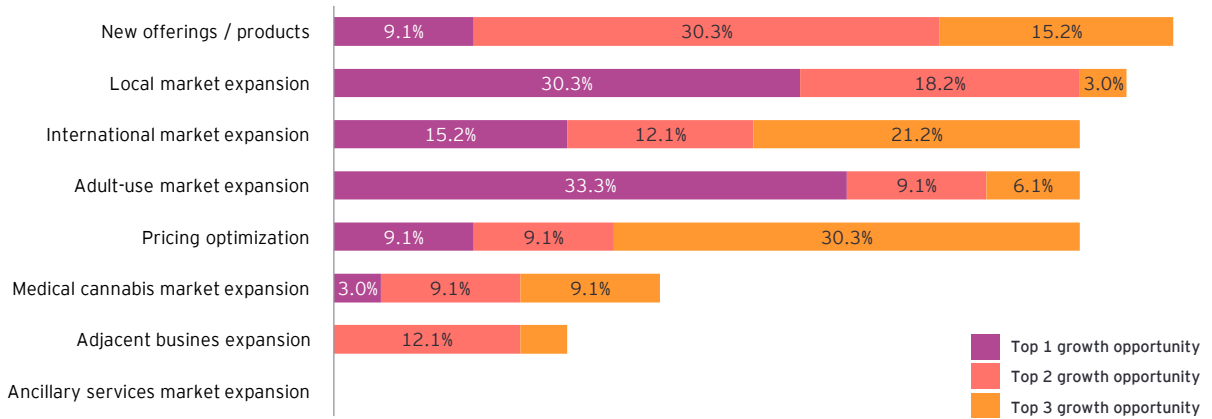
We asked cannabis industry leaders to share their perspectives on strategic priorities for 2023 and beyond. Additionally, we asked them to identify top growth opportunities they plan to pursue, including any international market expansion plans.

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

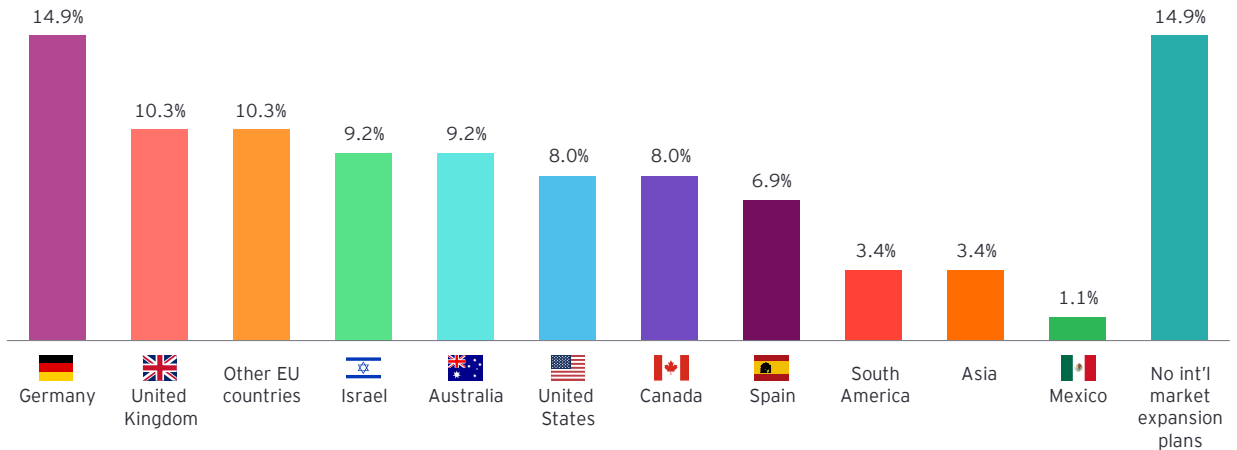


- ▶ Cannabis industry leaders identified three main areas as their top strategic priorities for 2023: 1) margin enhancement, which includes initiatives such as improving performance and reducing costs; 2) new product introductions; and 3) new market expansion.
- ▶ M&A and capital raising initiatives were cited as important, but not crucial for 2023.
- ▶ Generally, executives reported they generally 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.

**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 2023?

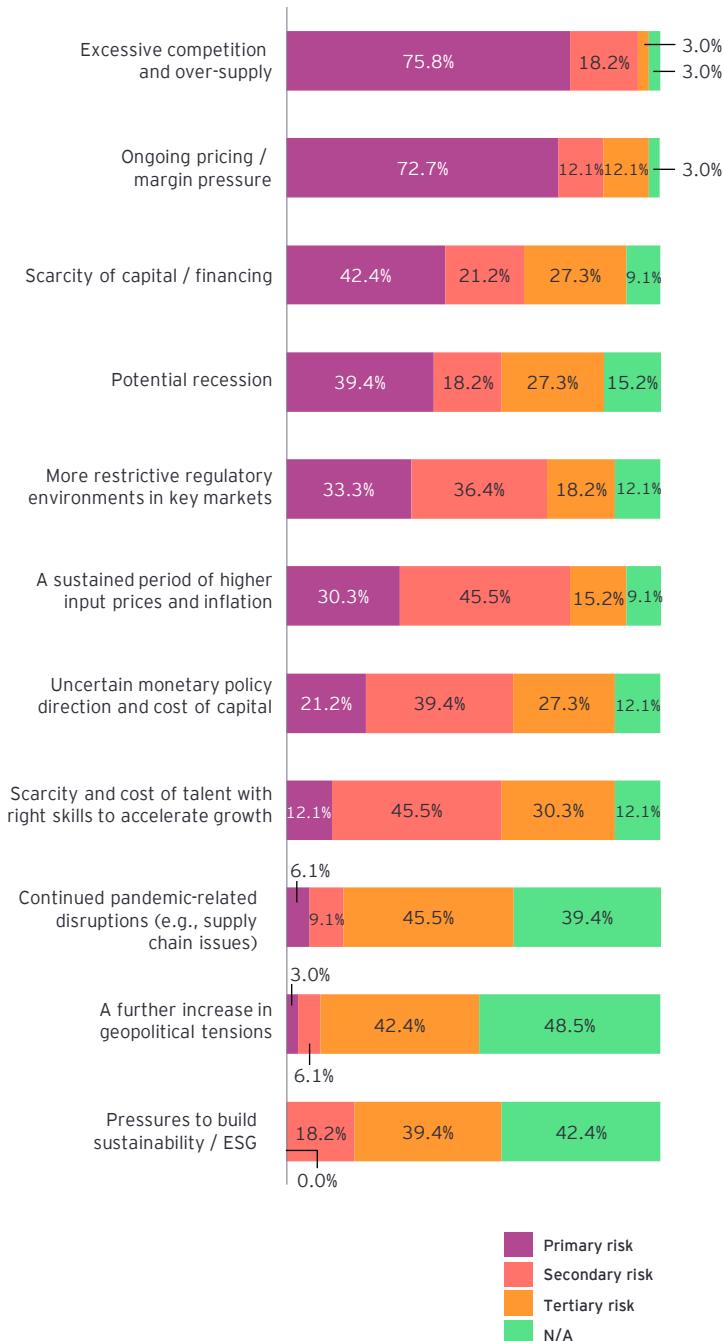


- ▶ Cannabis industry leaders identified adult-use market expansion, local market expansion and international market expansion as their top priorities. New product introduction was also among the most frequently cited top growth opportunities.
- ▶ Optimizing pricing was noted as a key focus area as the current pricing model is unsustainable 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.

## Perspectives on growth drivers, barriers and trends

We asked cannabis leaders to share their perspectives on the potential opportunities and challenges anticipated in 2023. We invited them to discuss growth drivers and barriers including areas where the competitive landscape may shift and their perspective on the latest innovation trends.

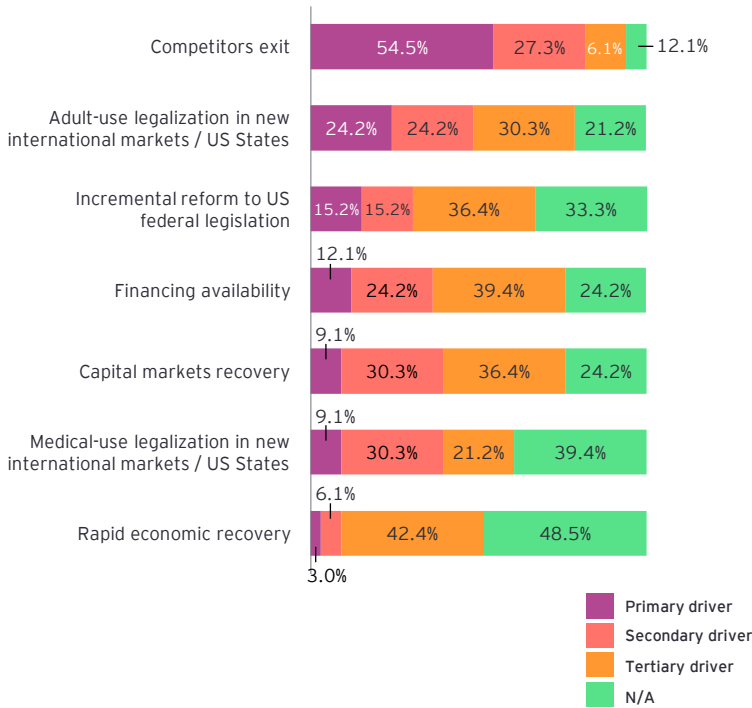
**Q** Which of the following do you consider to be the **greatest risks to growth/headwinds** for your business in 2023?



- ▶ When asked about the greatest risks to growth facing their business in 2023, most 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 reflect 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.
- ▶ 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. Companies are unable to pass on these higher costs to consumers given the current competitive dynamics and ongoing pricing pressures in the cannabis industry.

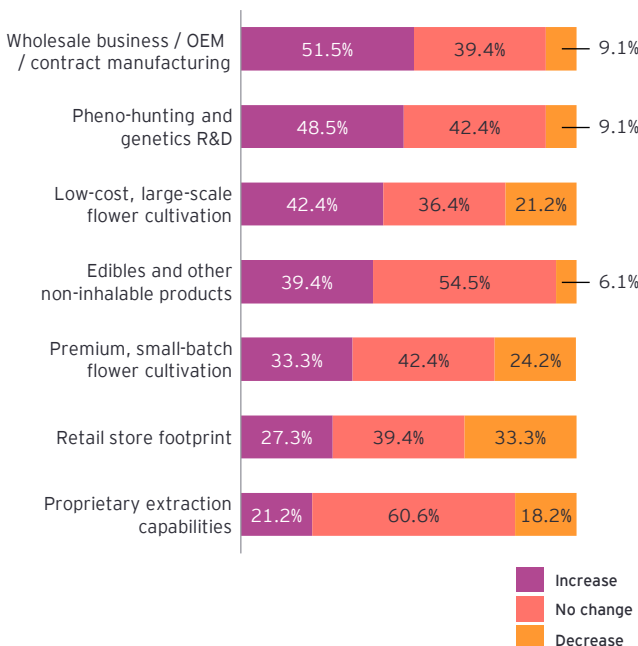


**Q** Which of the following **tailwinds** are your **betting** on for your business in 2023?



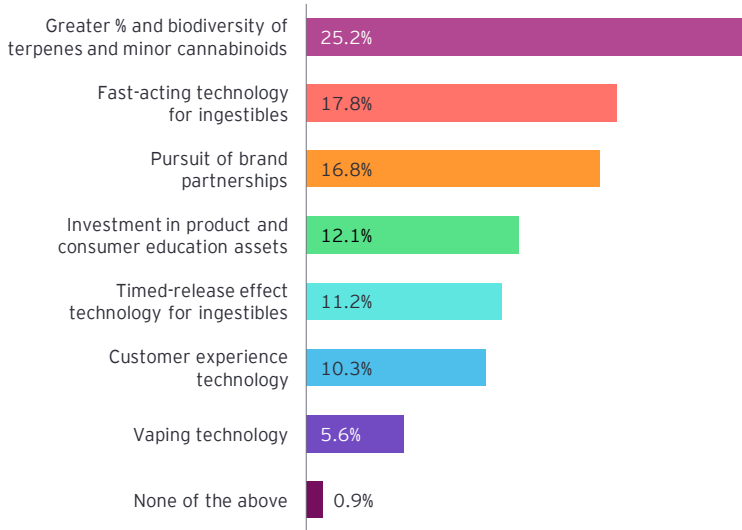
- ▶ On the up side, cannabis leaders are counting on several potential opportunities to drive growth, with the most cited being competitor exits, legalization of adult cannabis in new international markets and/or US states and incremental reform to US federal legislation.
- ▶ Cannabis executives appear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

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



- ▶ Over 40% of cannabis executives anticipate 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 proprietary extraction is expected to remain the same in 2023.
- ▶ Many executives believe the competitive intensity at the retail level will decrease in 2023 due to anticipated exits and consolidation.

**Q** Which product innovation trends do you expect in 2023?



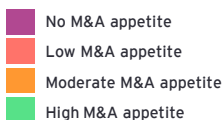
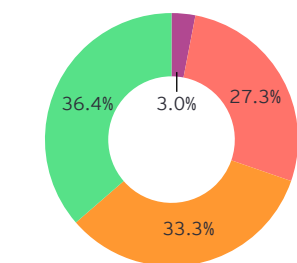
- ▶ When it comes to product innovation trends, cannabis executives expect to see cannabis products with "greater percentage and biodiversity of terpenes and minor cannabinoids" in 2023.
- ▶ They anticipate increased popularity of fast-acting technology for ingestible products and more brand partnerships.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

**Perspectives on M&A, joint ventures and divestments**

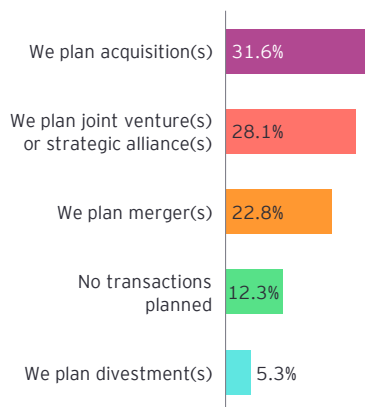
We asked cannabis leaders to share their thoughts on M&A, joint ventures, and divestments in 2023 and beyond. They described their interest in pursuing M&A and discussed the type of transactions they plan to undertake and the reasons behind their decisions.

- ▶ 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 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.

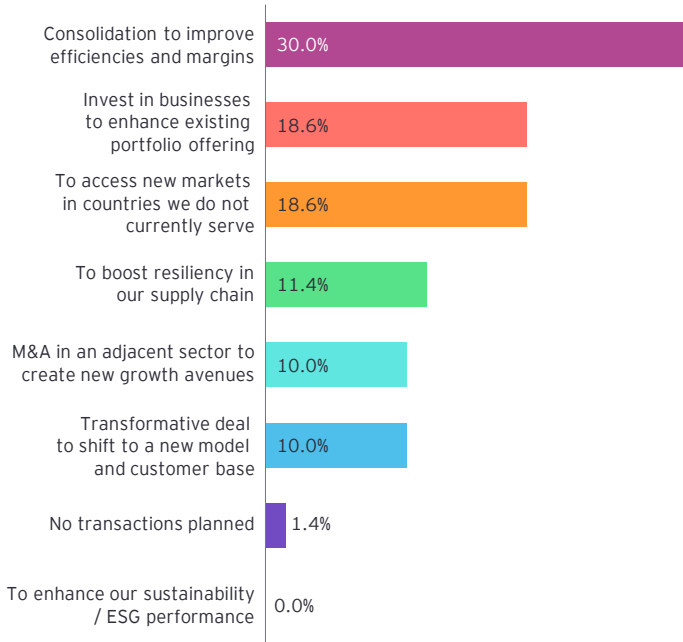
**Q** What is your appetite for M&A in 2023?



**Q** What transactions do you expect to execute in 2023?



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

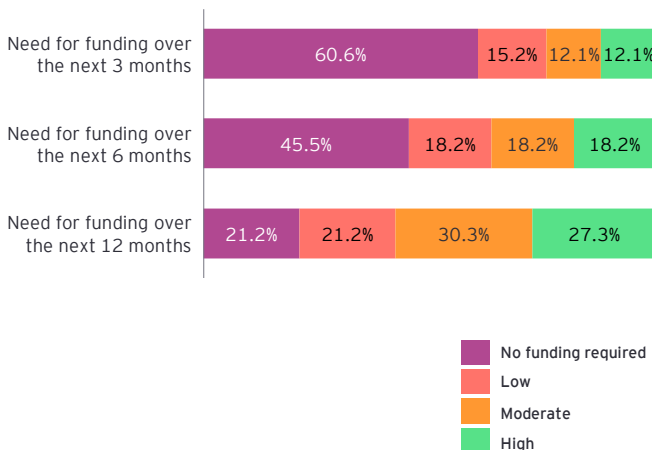


- ▶ The investment thesis of executives' M&A plans is primarily focused on consolidation to improve efficiencies, enhancement of existing portfolio offering, and access to new markets not currently served.
- ▶ Executives have emphasized the importance of being strategic and cautious when it comes to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

## Perspectives on financing and investments

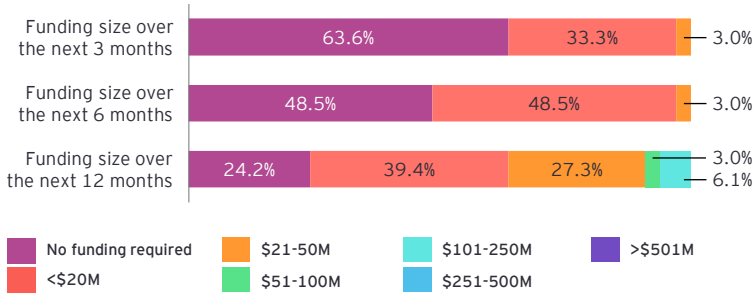
We asked executives to share their thoughts on financing and investments for 2023 and beyond. They shared their companies' funding needs over the next 3, 6 and 12 months, and also discussed how they plan to use the proceeds.

**Q** To what extent will your company need funding over the next 3, 6 and 12 months?



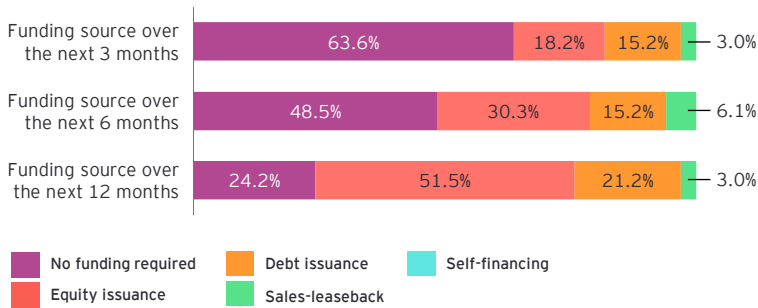
- ▶ Most cannabis executives surveyed don't see an urgent need for funding or financing in the next 3 to 6 months.
- ▶ However, beyond this time frame, the need for financing is expected to rise as cash reserves dwindle and debt becomes payable in 2023 - 2024.
- ▶ Several executives of publicly-listed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

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

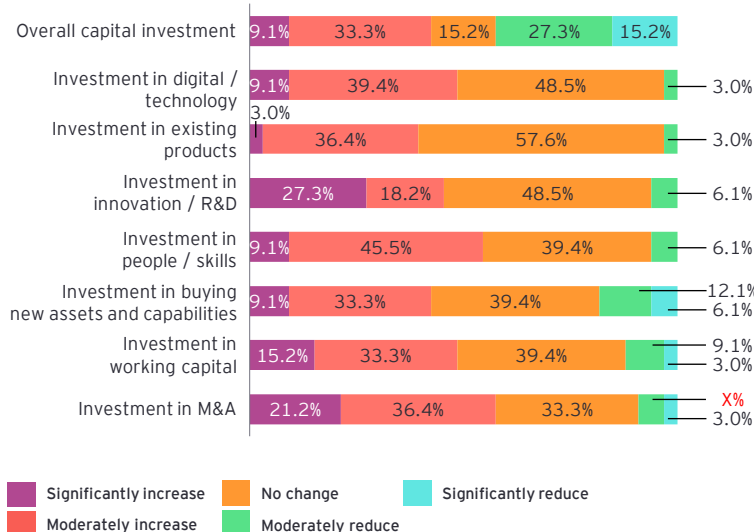


- ▶ Over the next 6 months, more than 50% of cannabis companies anticipate a need for funding of up to \$50m.
- ▶ During the next 12 months, nearly 35% of companies predict the requirement for financing between \$21m and \$250m.
- ▶ This funding is anticipated to come from issuing equity and to a lesser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

**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?



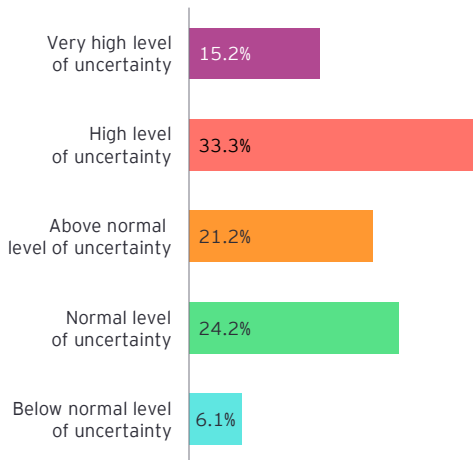
- ▶ Over 50% of executives plan to either maintain or reduce overall capital investment in 2023.
- ▶ They plan to primarily use financing to invest in working capital, innovation and R&D, and to pursue M&A.
- ▶ They also anticipate moderately increasing their investment in people and skills, digital/technology,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



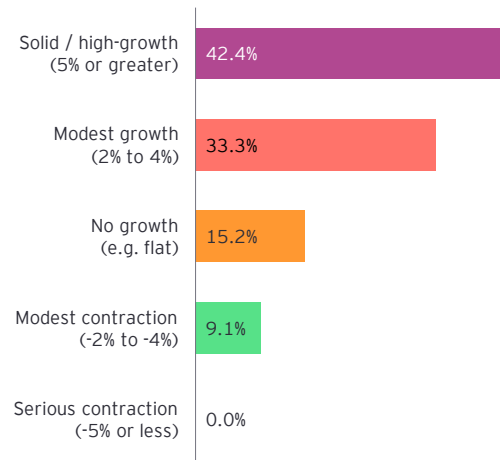
## Perspectives on outlook and future performance expectations

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

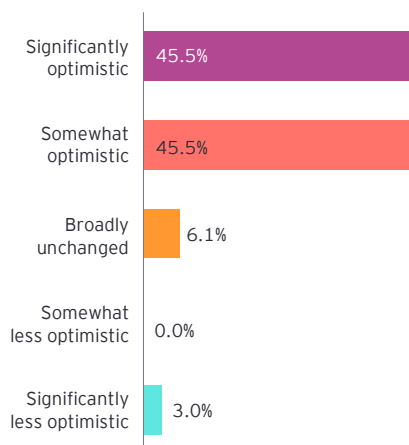
**Q** How would you rate the **level of external financial and economic uncertainty** facing your company in 2023?



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

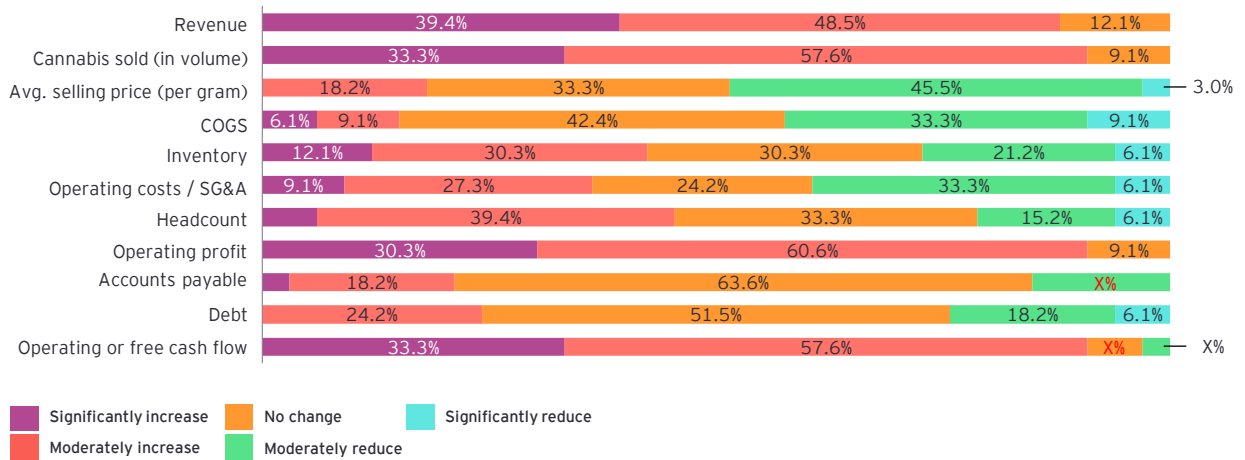


**Q** How do you feel about the **financial prospects** of your company in 2023?

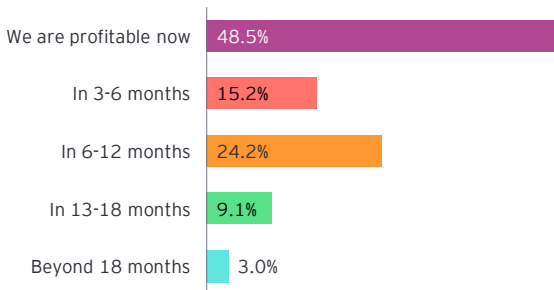


- ▶ Despite the high level of external financial and economic uncertainty in 2023, most executives are still predicting a high-growth economic scenario for the industry, with growth projections exceeding 5% over 2022.
- ▶ The growth of the cannabis market will be primarily fueled by a rising volume of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

**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?



- ▶ Executives are optimistic about their companies' 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 to 12 months.

**2023 forward-looking view: summary takeaways**

- ▶ Despite anticipating significant challenges in 2023, leaders expressed optimism and confidence in their companies' 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 or new market expansion. The most cited international markets for expansion are Germany, UK, other European countries, and Israel.
- ▶ 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 to 12 months to sustain their operations and fund innovation and opportunistic M&A initiatives.

# 4

## Conclusion and Final Thoughts



# Final Thoughts

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. With that in mind, M&A should be on the table – but only in select cases where cannabis companies are confident about realizing rapid cost savings and revenue synergies.

What's the good news? 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.

Many survey participants along with EY team's 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 teams can help

Our global Cannabis professionals can support you with your most complex business challenges. See our select list of service offerings relevant for cannabis companies in this challenging and uncertain environment:

### Strategy and Transactions Services

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

### Consulting services

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

### Tax services

- ▶ M&A Tax Structuring and Corporate Reorganizations
- ▶ Direct Tax/Indirect Tax/Excise Duty Advisory
- ▶ Tax Compliance
- ▶ Tax-effective Supply Chain Planning

### Assurance services

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



# 5

# Appendix



# Contacts

Let's explore how we can help you achieve your goals in the evolving cannabis industry. Contact a member of our team today.

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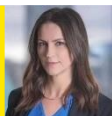
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Let's explore how we can help you achieve your goals in the evolving cannabis industry. Contact a member of our team today.

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\* Ernst & Young L.P. indicates a limited partner of Ernst & Young L.P. which provides services to Ernst & Young LLP

\* Ernst & Young L.P. indicates an incorporated limited partner of Ernst & Young L.P. which provides services to Ernst & Young LLP.

# About EY Americas Cannabis Centre of Excellence

The Americas Cannabis Centre of Excellence's ("CoE") objective is to advise operators in the global cannabis sector and create value for our clients.

## Our aspiration

- ▶ The EY Americas Cannabis Centre of Excellence is an innovation hub, creating value for cannabis companies through thought leadership and impactful advice on critical business challenges.
- ▶ Our goal is to help propel the cannabis industry forward. We are committed to delivering the highest standards of service to further professionalize the industry and develop best practices.

## 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 served



## Markets served

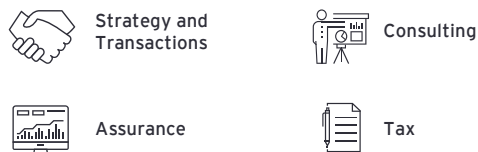


\*At this time, we are not able to serve US plant-touching companies.

## Segments served



## Our offerings



## Our expertise



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. For a full list of service offerings, please visit the [EY COE](#) website.

**Business and  
Commercial Strategy  
Advisory**

**Operational  
Excellence Advisory**

**People and  
Workforce Advisory**

**Technology  
Advisory**

**Risk Management  
Advisory**

**Transactions and  
Financial Advisory**

**Tax  
Advisory**

**Financial  
Accounting and  
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 assist in unlocking 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](#)



### Industry Associations

Network of cannabis associations keeping a pulse on sector issues.



### Investment Banks

Network of i-banks with cannabis expertise and connections.



### Law Firms

Network of law firms with deep cannabis expertise.



### Adjacent Industries

Network of adjacent operators entering the cannabis sector.



### Specialized Consulting Boutiques

Network of contractors who specialize in niche areas.



### Cannabis Data Providers

Network of unique cannabis data and insights providers.



### CoE Ecosystem and Network

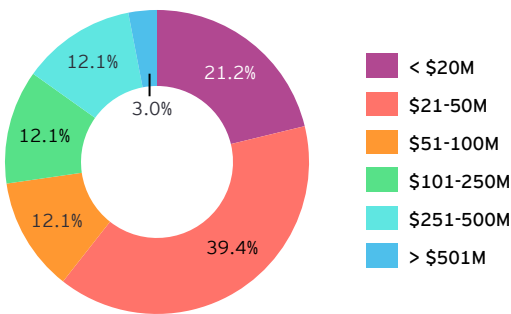
# Survey Respondent Profile

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

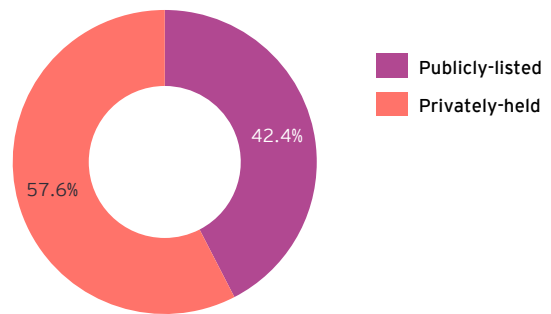
Almost 50 private and public cannabis company CEOs and C-suite executives were interviewed across multiple sectors (THC, CBD, retail and ancillary services providers).

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

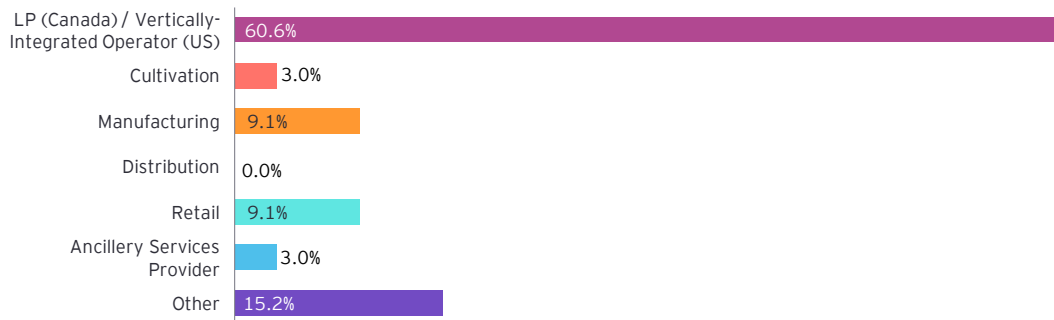
## Company Size (Annual Revenue)



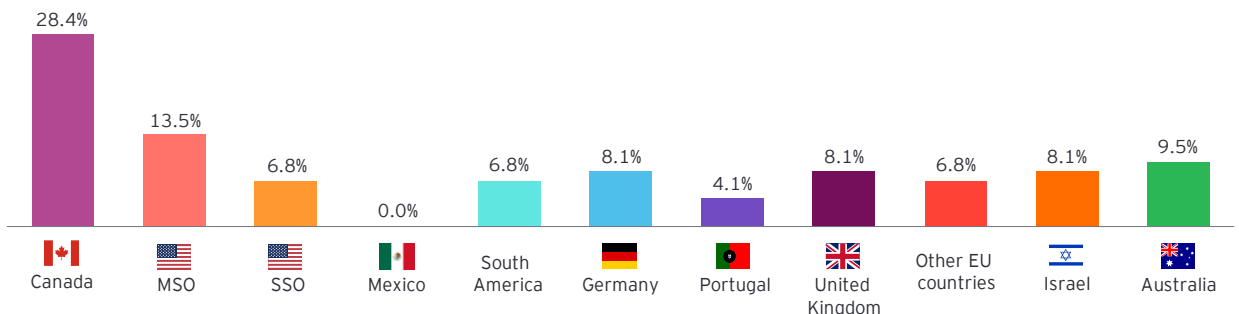
## Company Ownership Structure



## 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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