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#### MARKET, INDEPENDENT THIRD PARTY AND INDUSTRY DATA

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#### **NON-GAAP MEASURES**

This Presentation presents certain non-GAAP financial measures, as to assist readers in understanding Decibel's performance. These measures are not standardized financial measures under the financial measures under the financial measures under the financial measures disclosed by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

A non-GAAP financial measure: (a) depicts the historical or expected future financial performance, financial position or cash of the Corporation; (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most comparable financial measure presented in the primary consolidated financial statements; (c) is not presented in the primary financial statements of the Corporation; and (d) is not a ratio.

Specifically, in this presentation "Adjusted EBITDA" is used, which does not have a standardized meaning under GAAP. Adjusted EBITDA is a measure of the Corporation's financial performance. It is intended to provide a proxy for the Corporation's operating cash flow and is widely used by industry analysts to compare Decibel to its competitors and derive expectations of future financial performance of the Corporation. Adjusted EBITDA increases comparability between comparative companies by eliminating variability resulting from differences in capital structures, management decisions related to resource allocation, and the impact of fair value adjustments on biological assets, inventory, and financial instruments, which may be volatile on a period to period basis. Adjusted EBITDA is not a recognized, defined, or standardized measure under IFRS. The Corporation calculates Adjusted EBITDA as net loss and comprehensive loss excluding unrealized gain on changes in fair value of biological assets, change in fair value of biological assets realized through inventory sold, depreciation and amortization expense, share-based compensation, other income, finance costs, foreign exchange loss, non-cash production costs relate to amortization expense allocations included in production costs. Refer to "Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization" for a detailed calculation of this measure.

This supplementary financial measure is more fully defined and discussed in the Corporation's MD&A for the three and twelve months ended December 31, 2021, under the heading "Cautionary Statement Regarding Certain Non-GAAP Performance Measures", which is incorporated by reference in this press release and available on SEDAR under the Corporation's profile at www.sedar.com.

#### FORWARD LOOKING INFORMATION

This Presentation contains forward-looking statements with respect to the Corporation. By their nature, forward-looking statements. In addition, the forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the forward-looking statements will not prove to be accurate, that the Corporation's extended by the use of terminology such as "anticipate", "will", "expect", "may", "continue", "could", "estimate", "forecast", "plan", "potential" and similar expressions. Forward-looking statements contained in this Presentation may include, but are not limited to statements with respect to: that the Corporation has strong 2022 growth drivers in place; the Corporation's anticipated market share growth; the Corporation's ability to maximize product margin through investments in scale and automation; the Corporation's expectations that in 2022 it will generate a milestone of cash flow and drive high double digit revenue growth; that the Corporation will have a new, unique and innovative product pipeline; anticipated growth in the Canadian recreational cannabis market; that the Corporation's ability to control the supply of flower to maintain pricing; the Corporation's premiumization strategy, including product SKU launches and the anticipated threat that the Corporation's expectations that it will grow sales and market share, while improving its cost structure; the Corporation's geographical expansion plans; that the Corporation will expand General Admission into flower & infused pre-rolls; the Corporation's ability to optimize yields & Qwest supply; that the Corporation to high ROI capital projects, and the anticipated amounts, timing, and benefits to be deployed by the Corporation of genetics; the anticipated amounts, timing, and benefits to be derived therefrom; the Corporation's business strategies; competitive analysis, projected milestones, go-forward management, and other expectations, beliefs, plans, objectives, assumption

These forward-looking statements are based on a number of assumptions which may prove to be incorrect including, but not limited to: the matters set forth under "Production Assumptions"; its ability to execute on its business plan in a timely manner and the results thereof; capital requirements, the ability to obtain and maintain licences to retail cannabis products; review of the Corporation's production facilities by Health Canada and maintenance of licences (including any amendments thereto) from Health Canada in respect thereof; ability to access sufficient capital from internal and external sources, and/or ability to access sufficient capital on favourable terms; the labour market generally and the ability to access, hire and retain employees; general business, economic, competitive, political and social uncertainties; the satisfaction of conditions precedent under the Corporation's credit facilities; timing and completion of construction and expansion of the Corporation's production facilities and retail locations; general economic, market and business conditions; the accuracy of cost estimates; actual processing capabilities of the extraction facility; actual purchase orders received for the Corporation's various product offerings; sell-through of products at the various stages of sale; ability to maintain consistent operations and results; availability of supplies, technology and expertise; changes in customer demand; the successful and timely implementation of projects; currency exchange rates, the impact of changes in applicable laws and regulations; and the impacts COVID pandemic has had to date and may continue to have.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: risks relating to delays, regulatory changes and impacts, capital requirements, construction impacts, displacement requirements and unforeseen requirements resulting from the COVID-19 pandemic, the ability to obtain and maintain licences to retail cannabis products; review of the Corporation's production facilities by Health Canada and maintenance of licences (including any amendments thereto) from Health Canada in respect thereof; future legislative and regulatory developments involving cannabis; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the labour market generally and the ability to access, hire and retain employees; general businesses, economic, competitive, political and social uncertainties; timing and completion of construction and expansion of the Corporation's production; and the delay or failure to receive board, regulatory or other approvals, including any approvals of the TSX Venture Exchange, as applicable. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this Presentation. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the Corporation are included in reports on file with applicable securities regulatory authorities, including but not limited to Corporation'

The forward-looking statements contained in this Presentation are made as of the date hereof or the date specifically referenced in this Presentation, where applicable. Except as required by law, the Corporation undertakes no obligation to update publicly or to revise any forward-looking statements that are contained or incorporated in this Presentation. All forward-looking statements contained by this cautionary statement.

#### CAUTIONARY NOTE REGARDING FUTURE ORIENTED FINANCIAL INFORMATION

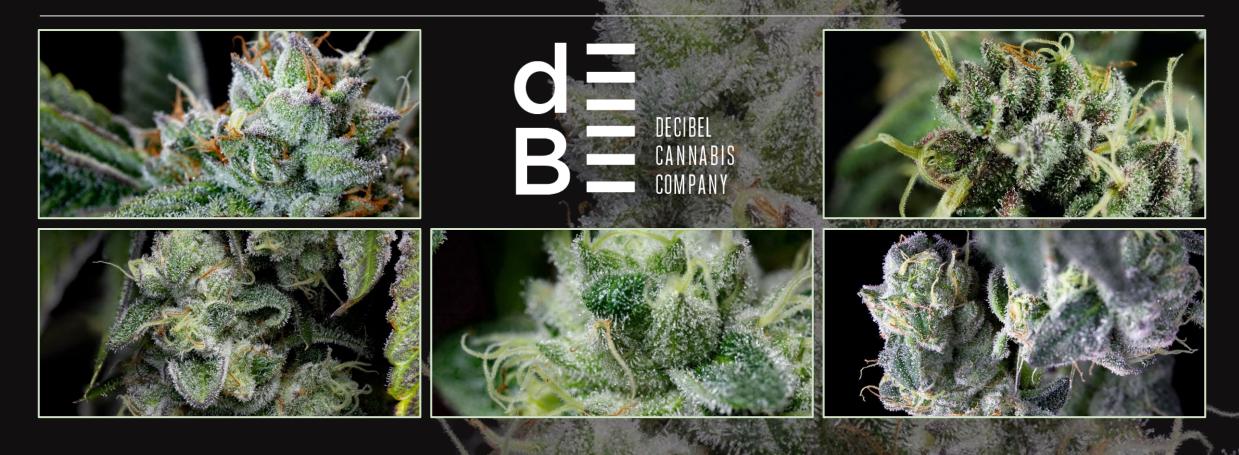
This Presentation also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Corporation's prospective results of operations including, without limitation, that the Corporation has strong 2022 growth drivers in place; the Corporation's anticipated market share growth; the Corporation's expectations that in 2022 it will generate a milestone of cash flow and drive high double digit revenue growth; the Corporation's ability to maximize product margin through investments in scale and automation; and the Corporation's expectations that it will grow sales and market share, while improving its cost structure. Readers are cautioned that the assumptions used in the preparation (including those listed above), although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, the FOFI and are subject to the risks set forth above. The Corporation has included the FOFI in order to provide readers with a more complete perspective on the Corporation's future operations and such information may not be appropriate for other purposes.

These FOFI are made as of the date of this Presentation and, except as required by law, the Corporation assumes no obligation to update the FOFI or beliefs, opinions, projections, or other factors, should they change.

#### **PRODUCTION ESTIMATES**

Thunderchild production capacity estimates are based on Phase I and Phase I and Phase I consists of facility floor plate of approximately 80,000 total square feet (total square feet total (7,700 square feet phase 1), 43 grams of flower per yield per square foot per harvest, and 5.5 harvests per annum. Phase I consists of facility floor plate of approximately 80,000 total square feet (total square feet total (7,700 square feet phase 1), 43 grams of flower per yield per square foot per harvest, and 5.5 harvests per annum.

# All of our products originate from our passion for flower



**OUTLOOK HIGHLIGHTS: MARKET** 

#### Leading Consumer Brands<sup>1</sup>

- Top 3 brands in flower, pre-rolls, vapes, infused products
- 5.3% market share with highest growth rate amongst top 10 LPs
- Premium brand coupled with core brand positioned for the masses

#### **Attractive Market Opportunity**

- First international shipment of Qwest cannabis in Q4 2022
- Significant market share growth through best-in-class sales system

#### **Best-in-Class Product Portfolio**

TOP

- Multi-year New, Unique, and Innovative ("NUI") product pipeline
- Launched 25 new products over 2022
- Superior genetics portfolio with rotational strategy





# **OUTLOOK HIGHLIGHTS: FINANCIAL**

#### **Significant Growth Trajectory**

- Driving high double digit revenue growth with 2022 drivers (see page 13)
- Targeting 40% dB Canadian market share growth (currently 50% YTD)
- Targeting 40 45% product margin through investments in scale and automation
- Achieved milestone of Adj. Net Income of \$2.9MM in Q3'22

#### **Optimized Capital Structure**

- Industry leading cost of capital through fixed rate low cost senior debt
- \$7.5MM accordion for future growth
- Targeting less than 3.0x trailing twelve month Adj. EBITDA in 2022

#### **Proven Performance**

- Nine consecutive quarters of Adj. EBITDA generation
- Three consecutive quarters of cash flow generation

Note: Adjusted EBITDA is a non-GAAP performance measure. Refer to "Non-GAAP Measures" for further details. Internal Company projections.

# DELIVERING ON OUR OUTLOOK

# Decibel continues to execute on the path projected in its 2022 operational outlook

	High Double-digit Revenue Growth	Reported 39% revenue growth in 2022 YTD	
REVENUE	40% Market Share Growth	Market share growth of 50% in 2022 YTD	
	Drive Success in the ON Market	Market share growth of 143% in 2022 YTD	
	Geographic Expansion	Secured commercial agreement to expand into Israel in Q4 2022	
	Launch 15 Products in 2022	Launched 25 Products by End of September 2022	
PROFITABILITY	40 – 45% Gross Margin by H2 2022	Reported 52% gross margin in Q3 2022 above H2 2022 target	
	Record Adj. EBITDA	Reported record Adj. EBITDA of \$4.3MM in Q3 2022	
LEVERAGE	Retire Convertible Debentures	Announced repayment on May 11, 2022 with zero dilution	
	<3.0x TTM Adj. EBITDA by end of 2022	On track for end of 2022	
CASH FLOW	Cash Flow Generation	Reported 3 consecutive quarters of cash flow generation	

# GLOBAL STRATEGY

Decibel expects to drive double digit revenue growth from Canada with international expansion underway



#### International

- Targeting key markets for sustainable sales supported by existing brands
- Maintaining NUI approach centered around quality with existing success in Canada
- Announced first commercial agreement with Breath of Life to enter Israel (\$4.8 million)
- Evaluating further international expansion opportunities in 2023

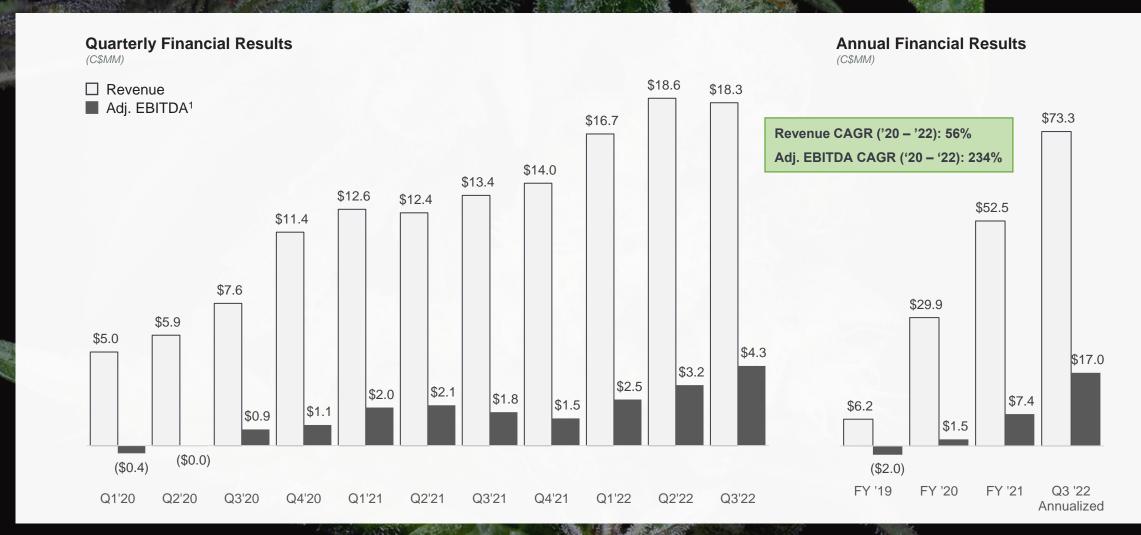
#### Canada

- Continue to outpace Canadian cannabis market growth in a profitable manner via:
  - NUI approach centered around quality
  - Expanded product offerings
  - Best-in-class sales team
  - Fortified operational efficiencies with core focus of sustainable profitability



# PROVEN PERFORMANCE

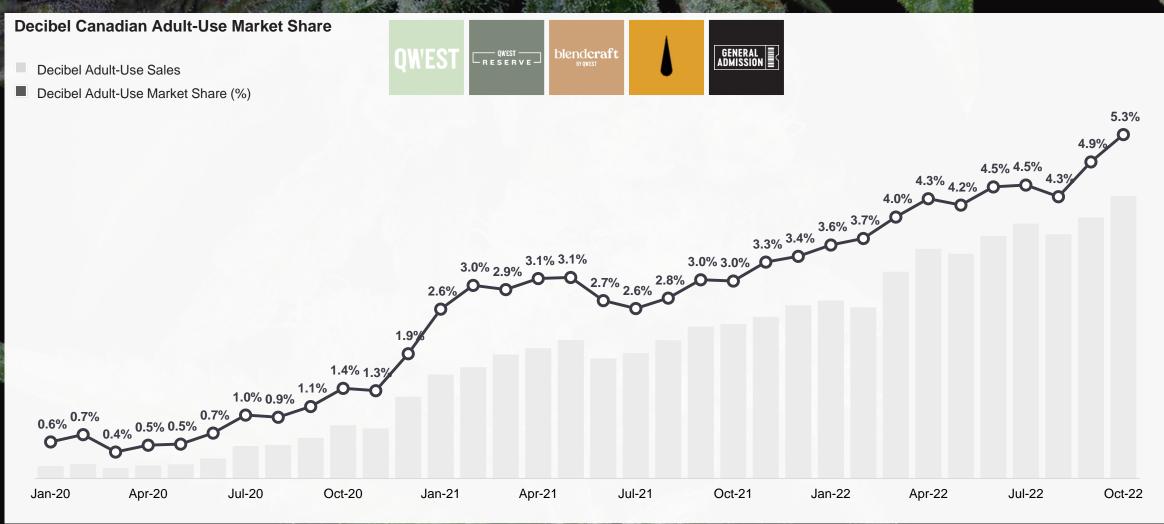
## Established profitability with major revenue growth catalysts ahead





# **EXPANDING MARKET SHARE**

Decibel has significant and growing market share in the largest categories of the Canadian adult-use market





# 2022 KEY PERFORMANCE DRIVERS

Decibel is focused on growing sales and market share, with investments in place to expand product margin

New, Unique, and Innovative **Geographic Expansion** Flower **Derivatives Optimization** 

2022 Key Performance Drivers					
Q1 2022	Q2 2022	Q3 2022	Q4 2022		
Complete	>15 new products	launching in 2022			
Ongoing	Enhancin	g distribution & entering Eas	tern Provinces		
Complete	Expand General Admission int	o Flower & Infused Pre-Rolls			
Complete	Qwest Infuse	ed Pre-Roll Launches #1			
Complete		Qwest Infus	ed Pre-Roll Launches #2		
Complete	Ontario Infused F	Product Launches #1			
Complete		Ontario Infused Product Launch	nes #2		
Complete	Optimizing y	vields & Qwest supply			
Ongoing		Capital investments in auto	omation & internalization		

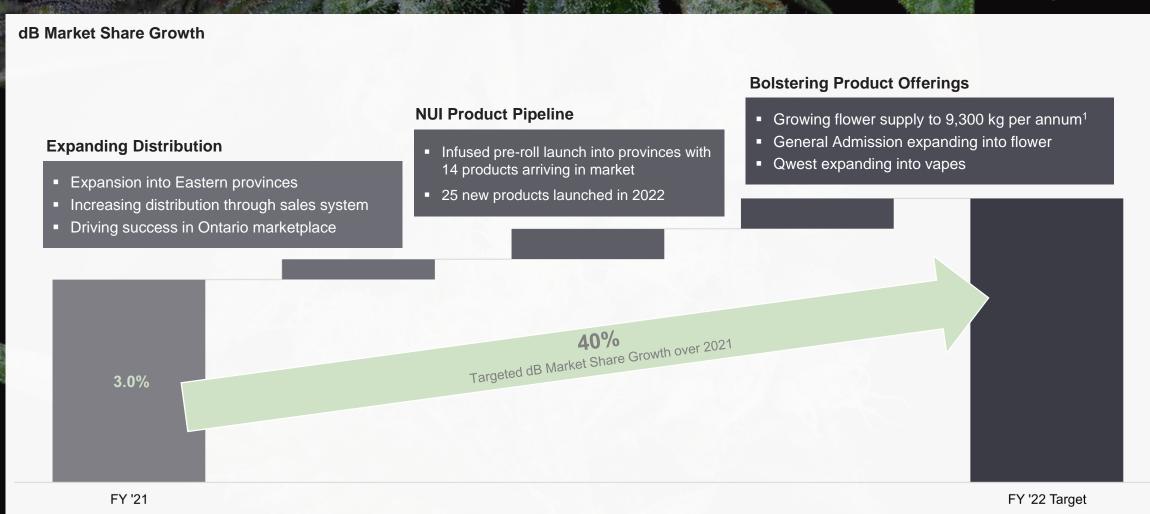
# SIGNIFICANT GROWTH TRAJECTORY

# Driving high double-digit revenue growth in 2022 with key catalysts in place



# MARKET SHARE GROWTH DRIVERS

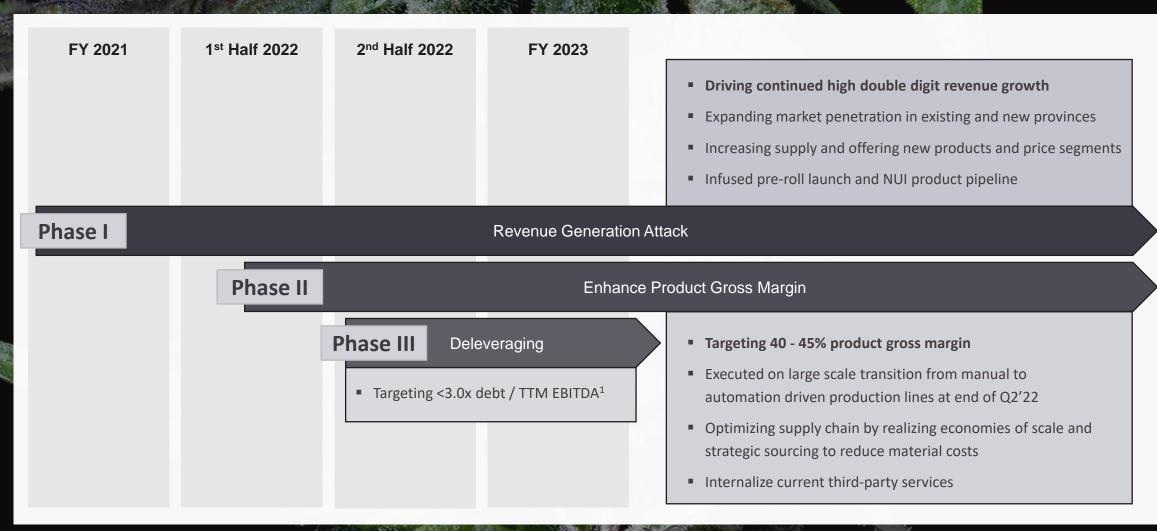
Leveraging sales system & entry to new provinces, NUI product pipeline, and expansion into new categories





# MULTI-PRONGED APPROACH TO VALUE CREATION

Decibel is targeting aggressive revenue growth coupled with product margin increases



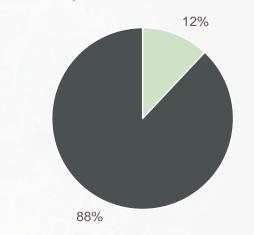
# **CORPORATE & FINANCIAL INFORMATION**

### Decibel has industry leading cost of capital through low-cost senior debt

#### Share Price - As of November 15, 2022 C\$0.085 52-Week Low / High C\$0.07 - C\$0.24 **Basic Shares Outstanding** 404.1MM 42.1MM **Options** Warrants 29.0MM Restricted Share Units 1.4MM Fully Diluted Shares Outstanding<sup>(1)</sup> 476.6MM Available Liquidity<sup>(2)</sup> C\$11.9MM **Current Debt Outstanding** C\$44.3MM

# Optimizing capital structure with low cost non-dilutive senior capital

#### **Insider Ownership**



Management, Board and Advisors

■ Public Float

#### **Debt Profile**

(C\$MM)

ТО	TAL	DEBT	



- \$38.3MM low cost senior term debt (fixed rate 4.75%)
  - 12-year amortization
  - 5-year term
- \$6.0MM operating line (6.45%)
- Undrawn Debt
  - \$7.5MM revolver

Note: Company information as of most recent publicly available filings (Available liquidity and debt outstanding as of Q3'22) Source: Company disclosure.

**Capital Structure** 



Includes out of the money dilutive instrument

<sup>2.</sup> Available liquidity is defined as cash plus undrawn debt. The Company has access to a \$7.5MM revolver which is available subject to certain conditions.



# ASSET OVERVIEW

## High quality assets designed to produce premium cannabis products

#### **Flower**





#### **Qwest Estate**

- Licensed & operational
- ~2,000 kg per annum
- 26,000 square feet
- Indoor craft cultivation

#### **Thunderchild**

- Licensed & operational
- 7,300 kg per annum<sup>(1)</sup>
- 80,000 square feet
- Indoor craft cultivation

#### **Concentrates & Vapes**



#### **The Plant**

- Licensed & operational
- Concentrates & vapes
- 60,000 square feet
- Central hub for all products

#### **Consumer Knowledge**



#### **Prairie Records**

- Six retail stores
- Real time customer feedback
- Drives product innovation
- Consumer insights



# **QWEST ESTATE**

#### Produces ultra-premium craft flower

- 100-acre estate in the Creston Valley, the heart of the Kootenays, and BC's traditional 'Cannabis Country'.
- Improving infrastructure and using data to optimize processes and the growing environment, leading to the highest quality and potencies.

#### **OPERATIONAL**

- Creston, British Columbia
- ~2,000 kg per annum of premium flower production
- 26,000 square foot indoor production facility
- 11 grow rooms plus 1 veg room, approx. 1,000 sq. ft. per room

#### **EXPANSION: TISSUE CULTURE LAB**

- Lab produces stronger, healthier, and more consistent plants
- Will allow Decibel to create new, unique strains from its extensive collection of genetics





## THUNDERCHILD

#### **Produces ultra-premium craft flower**

Significant incremental production for Qwest to expand while maintaining ultra-premium craft style cannabis while realizing economies of scale.

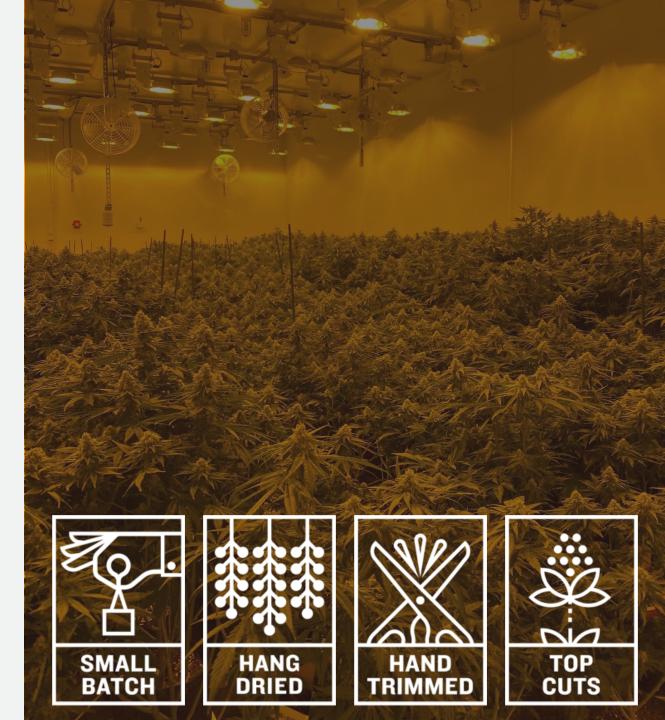
Facility contains a dedicated phenotyping room for seed propagation and selection of most desirable and rare genetics.

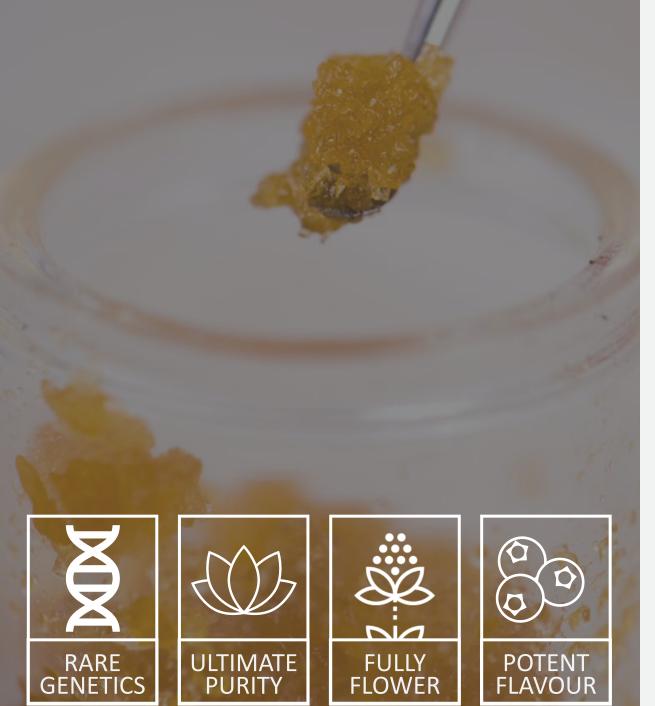
#### **OPERATIONAL**

- Battleford, Saskatchewan
- 7,300 kg per annum of premium flower production<sup>(1)</sup>
- 80,000 square foot indoor production facility
- 20 grow rooms plus 4 veg rooms, approx. 1,500 sq. ft. per room

#### **EXPANSION: OPTIONALITY FOR PHASE II**

- Additional 7,300 kg per annum<sup>(1)</sup>
- Existing hub designed to accommodate expansion





## THE PLANT

#### Brings the craft approach to vapes & concentrates

Ability to leverage cultivation operations and rare genetics to create premium, strain specific products targeting premium market.

Central processing hub for both Qwest cannabis estate and Thunderchild to realize economies of scale and simplify logistics.

#### **OPERATIONAL**

- Calgary, Alberta
- 19,000 square foot product manufacturing facility

#### **EXPANSION: PROCESSING HUB**

- 41,000 square feet remaining for development
- Building logistics hub to streamline and simplify supply chain management across all production facilities

# PRAIRIE RECORDS

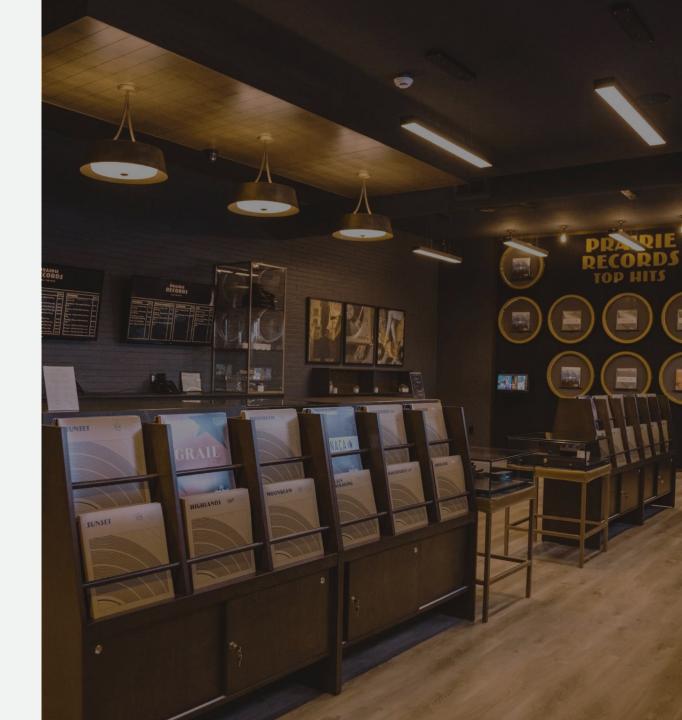
#### **Bolsters product innovation efforts**

Platform supporting product portfolio with consumer insights & feedback, direct channel to communicate with consumers, and brand building tools.

Brings additional distribution and sales for Decibel's brands with real time feedback to stay ahead of evolving consumer preferences.

#### **OPERATIONAL**

- Six boutique retail stores in Alberta and Saskatchewan
- Feedback from customers allows Decibel to react to consumer preferences and shape product pipeline
- Portal to the consumer to communicate product brands





# DECIBEL CANNABIS COMPANY

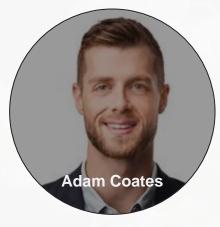
CORPORATE

# **EXECUTIVE TEAM**

## We Grind, We Craft, We Care, We Grow



**Chief Executive Officer** 



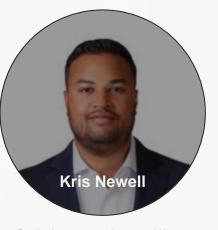
**Chief Revenue Officer** 



**Chief Financial Officer** 



**Chief Product & Marketing Officer** 



**Chief Operating Officer** 



**General Counsel** 

# **BOARD OF DIRECTORS & ADVISORS**

# SHAWN DYM Chairperson • Early investor and strategic thought leader in the

- Early investor and strategic thought leader in the North American cannabis industry
- As an early investor in Aphria, he served on their board until November 2019
- Co-founded and serves as advisor to the board of Green Acre Capital and serves as a director of Humble & Fume Inc, a leading cannabis products distributor

#### NADIA VATTOVAZ

#### **Director, Chair of Audit Committee**

- CFO & Head of Logistics for Sporting Life Group
- Prior to current role was the COO of Fire & Flower, a cannabis retailer with over 100 locations across
   Canada, and held senior finance roles at Holt Renfrew, Canadian Tire, and Maple Leaf Foods
- Experience includes launching and overseeing new multi-jurisdictional companies and business lines, M&A and navigating regulatory environments

#### **JAKOB RIPSHTEIN**

#### **Director, Chair of GNC Committee**

- Chief Executive Officer of Perennial Brands Inc, a full life-cycle brand strategy organization
- Formerly the President of Aphria and held multiple roles at Diageo PLC including CFO of Diageo North America
- Chairman of the Board, Audit Committee member, and Compensation & Corporate Governance Committee member for Humble & Fume

#### **MANJIT MINHAS**

#### Director

- Co-founded the Minhas Brewery, Distillery and Winery with over 90 brands of beers, spirits liqueurs and wines
- Cannabis industry experience as a former member of the board of directors of Inner Spirit Holdings Ltd. (Spiritleaf)
- Television personality on Dragon's Den, where she has invested in dozens of Canadian businesses

#### **PAUL WILSON**

#### **CEO & Director**

- CEO & President level experience at some of Canada's best consumer facing businesses including, Canadian Tire, Mark's, Princess Auto, Spence Diamonds, Kit & Ace, and Alcanna Nova Cannabis
- A brand builder establishing and growing sustainable consumer brand positions that create enterprise value and enduring relevance

#### **BILLY YELLOWHEAD**

#### Advisor

- Council member of Thunderchild First Nation, heading the Legislation, Culture and ANCFS portfolios
- Previously served as Land Coordinator for Thunderchild First Nation
- Owned and operated Yellowhead Outfitters

#### Flower & Pre-Rolls

blendcraft BY QW'EST

> Curated Blends



**Trend** 

Setters















Ultra Rare **Drops** 

#### **Derivatives**

Rich

**Extracts** 







Diamond Infused **Pre-rolls** 

GENERAL ADMISSION

#### Flower & Pre-Rolls

Convenient Multi-packs



The **Classics** 



Big **Flavours** (Distillate)



Bold **Expressions** (Live Resin)



Derivatives

Terpene Infused **Pre-rolls** 



