DECIBEL CANNABIS COMPANY INC.

Management's Discussion and Analysis

September 30, 2023

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Decibel Cannabis Company Inc. and its subsidiaries (the "Company" or "Decibel") is dated as of November 15, 2023.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three months and nine months ended September 30, 2023, and 2022, inclusive of the accompanying financial statements notes (the "Consolidated Interim Financial Statements"), all of which were prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". Readers should also refer to the "Forward-looking information" legal advisory and "Cautionary Statement Regarding Certain Non-GAAP Measures" cautionary statement at the end of this MD&A.

Certain financial terms and measures contained in this MD&A are "specified financial measures" (as such term is defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112")). The specified financial measures referred to in this MD&A are comprised of "non-GAAP financial measures" and "capital management measures" (as such terms are defined in NI 52-112). These measures are defined, qualified, and where required, reconciled with the nearest GAAP measure in the "Non-GAAP and Other Financial Measures" section of this MD&A.

The non-GAAP financial measures used herein do not have a standardized meaning prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that the non-GAAP financial measures should not be considered in isolation nor as an alternative to net income or other financial information determined in accordance with GAAP, as an indication of the Company's performance.

All financial amounts and measures are expressed in Canadian dollars unless otherwise indicated.

This MD&A has been prepared with reference to the National Instrument 51-102 Continuous Disclosure Obligations established by the Canadian Securities Administrators. Additional information concerning Decibel, including its Consolidated Financial Statements can be found on SEDAR at www.sedarplus.ca.

Company Overview

On March 1, 2020, pursuant to a series of internal reorganization transactions, Westleaf Inc. amalgamated with a wholly-owned subsidiary which resulted in the name of the Company changing to "Decibel Cannabis Company Inc.". The common shares of Decibel ("Common Shares") trade on the TSX-Venture Exchange ("TSX-V") under the ticker symbol "DB" and on the OTCQB Venture Market under the symbol "DBCCF". The Company's warrants trade on the TSX-V under the trading symbol "DB.WT.A".

Description of the Business and Corporate Strategy

Decibel's strategy is to build a cannabis company, focused on premium cannabis flower, vape, cannabis infused, and concentrate products, created through a vertically integrated business model. The three components of this strategy, among others, are:

i) cannabis cultivation, processing, and sale of cannabis flower products;
ii) extraction, processing, and manufacturing of a variety of cannabis derivative products; and
iii) cannabis retail.

Cannabis Cultivation

Decibel has a Health Canada licensed 26,000 square foot cultivation, processing and distribution facility consisting of 14,000 square feet of dedicated grow areas and 12,000 square feet of production support areas located in Creston, British Columbia (the "Creston Facility"). The Company received a licence to grow, harvest, trim and store medical cannabis from Health Canada becoming a licensed producer on August 25, 2017. On October 16, 2018, Health Canada approved an amendment to the licence to allow the Company to, in addition to growing, harvesting, trimming and storing cannabis, also sell or provide dried cannabis, fresh cannabis, cannabis plants and cannabis seed.

The Company has a second cannabis production facility with 80,000 square feet of indoor cultivation, packaging and processing space, located in Battleford, Saskatchewan (the "Thunderchild Cultivation Facility"). On January 29, 2021, Decibel's wholly owned subsidiary, dB Thunderchild Cultivation LP, which owns and operates the Thunderchild Cultivation Facility, received a cultivation license from Health Canada to grow, harvest, trim and store cannabis, becoming a licensed producer. Initial planting and activation of all 20 rooms at the Thunderchild Cultivation Facility was completed at the end of July 2021 and run-rate harvests were achieved in October 2021. To reinforce the Company's commitment to quality products, the Company accelerated the implementation of the planned infrastructure optimization of the integrated humidification system at its Thunderchild Cultivation Facility, which was complete in Q3 2022. On June 29, 2022, the Thunderchild Cultivation Facility received its CUMCS Equivalency IMC-G.A.P. certification to support the Company's international expansion, with the first export to Israel having occurred in Q4 2022.

The principal products produced and sold by the Company are ultra-premium cannabis flower and cannabis pre-rolls, and, on occasion, bulk amounts of cannabis biomass to other licensed producers in Canada and Israel (collectively, the "Cannabis Products").

The Company has entered into supply agreements for flower products with the Alberta Gaming, Liquor and Cannabis Commission (the "AGLC"), the Ontario Cannabis Retail Association, the British Columbia Liquor Distribution Board, the Manitoba Liquor & Lotteries Corporation, and has also agreed to supply Cannabis Products to the Prince Edward Island Cannabis Management Corporation and Cannabis New Brunswick. The Company is registered as a cannabis supplier in Saskatchewan.

Decibel has four dried cannabis brands, Qwest, Qwest Reserve, Blendcraft by Qwest, and General Admission.

Extraction and Manufacturing of Cannabis Derivative Products

Decibel has a large-scale cannabis extraction, processing, and manufacturing facility in Calgary, Alberta ("The Plant"). The Plant is a 60,000 square foot facility with approximately 24,000 square feet of Health Canada licensed space. On July 13, 2020, the Company received a sales amendment from Health Canada for the ability to manufacture and sell dried cannabis, cannabis extracts, and edible cannabis as finished cannabis products to provincial wholesalers and retailers. On March 14, 2022, Decibel announced the completion of the construction of Phase 1 of its processing hub expansion at The Plant, received its Health Canada license on May 2, 2022. The Phase 1 area includes newly automated processing and packaging lines for infused pre-roll products, packaging automation, and labeling automation, accompanied by significantly reduced labour and logistics costs.

Decibel engages in processing, manufacturing, and packaging activities at The Plant. Currently, the Company sells vape cartridges, cannabis infused products, pre-rolls, and cannabis extracts (also known as concentrates) from The Plant.

The Company has entered into supply agreements for derivative products with the AGLC, the Ontario Cannabis Retail Association, the British Columbia Liquor Distribution Board, the Manitoba Liquor & Lotteries Corporation and Cannabis New Brunswick. The Company is registered as a cannabis supplier in Saskatchewan.

Decibel has three cannabis derivative product brands, Pressed by Qwest, General Admission, and Vox which launched in Q2 2023.

Retail Locations and Operations

As of September 30, 2023, Decibel had six Prairie Records cannabis retail stores in operation in Saskatchewan and Alberta. There are three operational retail locations in Saskatchewan, with two stores located in Saskatoon and one in Warman, as well as an e-commerce cannabis platform throughout the Province of Saskatchewan. There are three operational retail locations in Alberta, with two stores located in Calgary and one in Edmonton.

Going Concern

The Consolidated Interim Financial Statements have been prepared based on accounting policies applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. During the nine months ended September 30, 2023, the Company incurred a net loss of $0.6 million, cash flows of $5.2 million from operations and has working capital of $15.5 million as of September 30, 2023.

In order to continue as a going concern, the Company must generate sufficient income and cash flows to repay its obligations, finance operations and fund capital investments. The future of the Company is dependent on its ability to maintain profitable operations and maintain compliance with covenants relating to its lending agreements, generate sufficient funds from operations, continue receiving financial support from its lenders and obtain new financing. There is no certainty that the Company will raise these necessary funds from operations or financings.

As a result of these factors, there is material uncertainty that may result in significant doubt as to the ability of the Company to meets its obligations as they come due and continue as a going concern.

The Company expects to comply with the financial covenants applicable to our credit facility ("Credit Facility") with Connect First Credit Union Ltd. (the "Lender") for at least the next twelve months. A decrease or sustained period of materially reduced demand for Decibel's principal products may result in non-compliance with the financial covenants and reduced liquidity related to changes in the Credit Facility. Non-compliance with the financial covenants in the Credit Facility could result in the debt becoming due and payable on demand. Should the Company anticipate non-compliance, Decibel will proactively approach the Lender to amend the Credit Facility to ensure its availability. There is no certainty that the Company will be successful in negotiating such amendments.

The Consolidated Financial Statements do not reflect adjustments that may be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these Consolidated Interim Financial Statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and the statement of financial position classification used.

This MD&A and the Consolidated Interim Financial Statements do not reflect adjustments that may be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for the Consolidated Interim Financial Statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and the statement of financial position classification used.

Quarterly Financial Information

The following is a summary of select financial information of the Company for the years indicated.

Quarterly Highlights

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars, except where noted)				
Gross Canadian recreational sales [1,2]	$46,753	$26,162	$134,028	$72,047
Net Canadian recreational sales [1,2]	$27,836	$15,972	$80,964	$46,973
International sales [2]	$500	-	$2,266	-
Retail sales [1,2]	$1,854	$2,350	$4,995	$6,556
Number of retail stores	6	6	6	6
Total				
Gross revenue	$49,107	$28,512	$141,289	$78,603
Net revenue	$30,190	$18,322	$88,225	$53,529
Gross profit before fair value adjustments	$12,838	$9,451	$39,266	$22,944
Gross margin before fair value adjustments	43%	52%	45%	43%
Adjusted EBITDA [3]	$6,702	$4,259	$20,767	$9,948
Net income (loss) and comprehensive income (loss)	$413	$5,169	($579)	($1,315)
Adjusted net income [3]	$523	$2,926	$8,134	$1,345
Cash flow from operations	$1,937	$3,611	$5,174	$8,372
Free cash flow [3]	$1,157	$2,329	$3,444	$4,993
Per Share Metrics				
Income (loss) per share	-	$0.01	-	-
Adjusted EPS [4]	-	$0.01	$0.02	-

[1] In the table above, wholesale inventory transferred to the retail stores and subsequently sold of $802 thousand and $2.2 million for the three and nine month periods, has been eliminated from retail sales and attributed to Gross Canadian recreational sales and Net Canadian recreational sales to provide a more accurate depiction of business performance.
[2] Supplementary financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.
[3] Non-GAAP financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.
[4] Non-GAAP ratio. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.

- Net revenue for the three and nine months ended September 30, 2023, was $30.2 million and $88.2 million, respectively, an increase of 65% and 65% over the comparative periods. Net revenue growth was driven by the Company's continued growth in demand for derivative products, expansion of manufacturing capacity, launch of the Company's new brand Vox and General Admission Edibles, and branded sales to Israel. International sales were negatively impacted by delays in third party lab results which have since been resolved with Q3 volumes having been sold in Q4 2023.

- Net Canadian recreational sales for the three and nine months ended September 30, 2023, were $27.8 million and $81.0 million, respectively, an increase of 74% and 72% over the comparative periods. The increase in net Canadian recreational sales is primarily attributable to strong growth in demand for vapes and infused products, expansion of manufacturing capacity, and the launch of the Company's new brand Vox and General Admission Edibles.

- International sales for the three and nine months ended September 30, 2023, were $0.5 million and $2.3 million, respectively, compared to nil in the prior periods. The increase in international sales resulted from the launch of

Qwest in Israel in Q4 2022. International sales were negatively impacted by $1.4 million in delays in third party lab results which have since been resolved with Q3 volumes having been sold in Q4 2023.

- Gross profit before fair value adjustments for the three and nine months ended September 30, 2023, was $12.8 million and $39.3 million, respectively, an increase of 36% and 71% over the comparative periods. Gross margin before fair value adjustments was 43% in the third quarter, compared to 52% over the comparative period. The quarter was negatively impacted by a $368 thousand write off of aged product and temporary labour of $566 thousand as the Company is in the process of expanding manufacturing capacity, which was completed in November.

- Adjusted EBITDA (as defined herein) for the three and nine months ended September 30, 2023, was $6.7 million and $20.8 million, respectively, an increase of 57% and 109% over the comparative periods. The increase in Adjusted EBITDA was primarily driven by capacity expansions at the Plant, growth in net revenue and gross margin before fair value adjustments, outpacing selling general and administration expenses ("SG&A"). Adjusted EBITDA is a non-GAAP financial measure. Refer to *"Cautionary Statement Regarding Certain Non-GAAP Measures"* for further details.

- Adjusted Net Income (as defined herein) for the three and nine months ended September 30, 2023, was $0.5 million and $8.1 million, respectively, a decrease of 82% and an increase of 505% over the comparative periods. The decrease quarter over quarter in Adjusted Net Income was driven by a litigation expense of $3.0 million. The year-to-date increase in Adjusted Net Income was driven by capacity expansions at the Plant, growth in net revenue and gross margin before fair value adjustments, outpacing SG&A, and litigation expense. Adjusted EPS (as defined herein) for the three and nine months ended September 30, 2023, was nil and $0.02, respectively, a no impact and an increase of $0.02 over the comparative periods. Adjusted Net Income and Adjusted EPS is a non-GAAP financial measure. Refer to *"Cautionary Statement Regarding Certain Non-GAAP Measures"* for further details.

- Cash flow from operations was $1.9 million and $5.2 million for the three and nine months ended September 30, 2023, respectively, a decrease of $1.7 million and $3.2 million over the comparative periods.

- Free Cash Flow (as defined herein) was $1.2 million and $3.4 million for the three and nine months ended September 30, 2023, respectively, a decrease of $1.2 million and $1.5 million over the comparative periods. Free Cash Flow decreased largely as a result of accounts receivable increases partially offset by a reduction in capital investments and an increase to accounts payable.

Operations

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Gross revenue	49,107	28,512	141,289	78,603
Excise taxes	(18,917)	(10,190)	(53,064)	(25,074)
Net revenue	**30,190**	**18,322**	**88,225**	**53,529**
Cost of goods sold	(17,352)	(8,871)	(48,959)	(30,585)
Gross profit before fair value adjustments	**12,838**	**9,451**	**39,266**	**22,944**
Unrealized gain on changes in fair value of biological assets	4,682	5,425	9,107	12,856
Change in fair value of biological assets realized through inventory sold	(4,792)	(3,182)	(17,820)	(15,516)
Gross profit	**12,728**	**11,694**	**30,553**	**20,284**
Selling, general and administration	(10,270)	(5,614)	(25,266)	(14,874)
Depreciation and amortization	(834)	(895)	(2,518)	(2,714)
Share-based compensation	(493)	738	(1,064)	(1,355)
Income from operations	**1,131**	**5,923**	**1,705**	**1,341**
Finance costs	(732)	(637)	(2,171)	(2,464)
Foreign exchange (loss)	(39)	(99)	(283)	(216)
(Loss) on disposal of property, plant and equipment	-	(81)	-	(81)
Transaction costs	-	-	-	(10)
Other income	53	63	170	115
Income (loss) before taxes	**413**	**5,169**	**(579)**	**(1,315)**
Current taxes	-	-	-	-
Deferred taxes	-	-	-	-
Net income (loss) and comprehensive income (loss)	**413**	**5,169**	**(579)**	**(1,315)**

Net Revenue

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Gross Canadian recreational sales [1]	46,753	26,162	134,028	72,047
Excise taxes	(18,917)	(10,190)	(53,064)	(25,074)
Net Canadian recreational sales [1]	**27,836**	**15,972**	**80,964**	**46,973**
International sales [1]	500	**-**	2,266	**-**
Retail sales [1]	1,854	2,350	4,995	6,556
Net revenue	**30,190**	**18,322**	**88,225**	**53,529**

[1] Supplementary financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.

Net revenue for the three and nine months ended September 30, 2023, was $30.2 million and $88.2 million, respectively, an increase of 65% and 65% over the comparative periods. Net revenue growth was driven by the Company's continued growth in demand for derivative products, expansion of manufacturing capacity, launch of the Company's new brand Vox and General Admission Edibles, and branded sales to Israel. International sales were negatively impacted by discrepancies in third party lab results which have since been resolved with Q3 volumes having been sold in Q4 2023.

Excise Taxes

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars, except where noted)				
Gross Canadian recreational sales [1]	46,753	26,162	134,028	72,047
Excise taxes	18,917	10,190	53,064	25,074
Excise taxes as a percentage of gross Canadian recreational sales	**40.5%**	**38.9%**	**39.6%**	**34.8%**

[1] Supplementary financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.

Excise taxes as a percentage of wholesale revenue increased over the comparative periods due to increased sales of derivative products which have a higher excise tax rate relative to dried flower. Derivative products are taxed based on milligrams of THC whereas flower products are taxed on a flat rate, resulting in derivative products having a disproportionate amount of excise tax as a percentage of gross revenue relative to flower products. The Company continues to see significant growth in sales of its derivative products which drove the increase within the periods.

Gross Profit before Fair Value Adjustments

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars, except where noted)				
Net revenue	30,190	18,322	88,225	53,529
Cost of goods sold	(17,352)	(8,871)	(48,959)	(30,585)
Gross profit before fair value adjustments	**12,838**	**9,451**	**39,266**	**22,944**
Gross margin before fair value adjustments	43%	52%	45%	43%

During the three and nine months ended September 30, 2023, the Company incurred cost of goods sold of $17.4 million and $49.0 million, resulting in a gross profit before fair value adjustments of $12.8 million and $39.3 million, respectively. Gross margin before fair value adjustments was 43% and 45% over the comparative periods. The quarter was negatively impacted by a $368 thousand write off of aged product and temporary labour of $566 thousand as the Company is in the process of expanding manufacturing capacity, which was completed in November.

Unrealized Gain on Changes in Fair Value of Biological Assets

Unrealized gain on changes in fair value of biological assets represents the markup to fair value of biological assets as they are undergoing biological transformation. This fair value is determined using the expected sales price net of costs to sell and costs to complete. For the three and nine months ended September 30, 2023, the Company recognized unrealized gains of $4.7 million and $9.1 million, respectively, a decrease of 14% and 29% over the comparative periods. The decrease is primarily attributable to lower expected selling prices of flower and standard pre-roll products.

Change in Fair Value of Biological Assets Realized Through Inventory Sold

Change in fair value of biological assets realized through inventory sold is the fair value less costs to sell recognized during the biological transformation process related to cannabis inventory sold during the period. For the three and nine months ended September 30, 2023, the Company recognized a change in the fair value of inventory sold of $4.8 million and $17.8 million, respectively. The increase in fair value change over both periods was driven by sale of higher fair value inventory and net of fair value assigned to current cannabis inventory.

Selling, General and Administration

Details of the most significant expense items in SG&A, are as follows:

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Salaries and wages	2,924	2,542	8,591	6,513
Office and general	1,951	1,469	5,282	3,902
Consulting fees	776	461	2,970	959
Professional fees	258	202	1,303	322
Travel and accommodation	284	161	745	507
Marketing and branding	1,509	733	3,807	2,322
Severance	-	46	-	349
Litigation	2,573	-	2,573	-
Selling costs	(5)	-	(5)	-
Total selling, general and administration	**10,270**	**5,614**	**25,266**	**14,874**

SG&A expenses increased over the comparative periods primarily due to litigation expense, increases in salaries and wages and marketing and branding spent to support broader distribution across Canada and increased activity for The Plant in support to meet growing demand. The litigation expense of $2.6 million and associated $0.4 million of professional fees are one-time expenses related to arbitration with UCG Canada LP.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Net income (loss)	413	5,169	(579)	(1,315)
Unrealized gain on changes in fair value of biological assets	(4,682)	(5,425)	(9,107)	(12,856)
Change in fair value of biological assets realized through inventory sold	4,792	3,182	17,820	15,516
Depreciation and amortization	834	895	2,518	2,714
Share-based compensation	493	(738)	1,064	1,355
Other (income)	(53)	(63)	(170)	(115)
Transaction costs	-	-	-	10
Finance costs	732	637	2,171	2,464
Foreign exchange loss	39	99	283	216
Loss on disposal of property, plant, and equipment	-	81	-	81
Non-cash cost of goods sold[1]	1,177	376	3,810	1,284
Other adjustments[2]	2,957	46	2,957	594
Adjusted EBITDA[3]	**6,702**	**4,259**	**20,767**	**9,948**

[1] Relates to depreciation and amortization included in cost of goods sold, write downs of inventory to net realizable value, and abnormal waste. For the three months ended September 30, 2023, non-cash cost of goods sold was comprised of $0.8 million of depreciation and amortization and $368 thousand of write offs. For the nine months ended September 30, 2023, non-cash cost of goods sold was comprised of $3.8 million of depreciation and amortization and $0.8 million of write offs.

[2] Severance payments and litigation expenses are added back in the Company's Adjusted EBITDA calculation for covenant reporting purposes. For the nine months ended September 30, 2023, severance payments were nil and litigation expenses were $3.0 million. These amounts are included in SG&A expenses and cost of goods sold in the Company's consolidated statements of income (loss) and comprehensive income (loss).
[3] Non-GAAP financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.

The increase in Adjusted EBITDA was primarily driven by capacity expansions at the Plant, growth in net revenue and gross margin before fair value adjustments, outpacing SG&A.

Adjusted Net Income ("Adjusted Net Income")[1]

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Net income (loss) and comprehensive income (loss)	413	5,169	(579)	(1,315)
Unrealized gain on changes in fair value of biological assets	(4,682)	(5,425)	(9,107)	(12,856)
Change in fair value of biological assets realized through inventory sold	4,792	3,182	17,820	15,516
Adjusted net income [1]	**523**	**2,926**	**8,134**	**1,345**
Weighted average number of shares outstanding	472,318,208	480,431,159	409,039,064	404,053,811
Adjusted EPS [2]	**-**	**$0.01**	**$0.02**	**-**

[1] Non-GAAP financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.
[2] Non-GAAP ratio. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.

The decrease quarter over quarter in Adjusted Net Income was driven by a litigation expense of $3.0 million. The year-to-date increase in Adjusted Net Income was driven by capacity expansions at the Plant, growth in net revenue and gross margin before fair value adjustments, outpacing SG&A.

Free Cash Flow ("Free Cash Flow")[1]

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Cash provided by operating activities	1,937	3,611	5,174	8,372
Cash used in investing activities	(780)	(1,282)	(1,730)	(3,379)
Free cash flow [1]	**1,157**	**2,329**	**3,444**	**4,993**

[1] Non-GAAP financial measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures*" for further details.

Free cash flow was $1.2 million and $3.4 million for the three and nine months ended September 30, 2023, respectively, a decrease of $1.2 million and $1.5 million over the comparative periods. Free Cash Flow decreased largely as a result of accounts receivable increases partially offset by a reduction in capital investments and an increase to accounts payable.

Statement of Financial Position

Inventory

As of September 30, 2023, the Company had $46.2 million (December 31, 2022 - $45.4 million) in inventory related to cannabis and cannabis accessories. The increase from year end is primarily due to growth in inventory related to derivative products to satisfy growing demand including the launch of Vox Popz, General Admission edibles, and the anticipated launch of General Admission proprietary "Blinker" closed loop vape system.

Other Current Assets

As of September 30, 2023, the Company had other current assets of $1.9 million (December 31, 2022 - $2.4 million). This balance is comprised of deposits for inventory purchases or services.

Other Long-term Assets

As of September 30, 2023, the Company had other long-term assets of $3.2 million (December 31, 2022 - $3.9 million). This balance is comprised of deposits for genetic purchases, insurance, and leases.

The genetics purchase agreement that Decibel entered into on January 1, 2021, allows the Company to purchase genetics assets from a non-arm's length third party over a three plus two-year optional term. Amounts are payable quarterly and are presented on the consolidated statements of financial position as deposits until such time that title of the intangible assets are transferred to the Company.

The sub-lease receivable asset relates to a leased corporate head office real property location that has been sub-leased to a third party for a term of fifty-two months.

Capital Additions

For the nine months ended September 30, 2023, the Company incurred the following:

- $257 thousand (2022 – $1.4 million) in construction costs.
- $258 thousand (2022 - $446) in building additions. These additions relate to capital improvements at The Plant.
- $450 thousand (2022 - $504) in production equipment. These additions are related to production equipment at The Plant to reduce labour force requirements, expand capacity, and streamline production.
- $1 thousand (2022 - $2) in leasehold improvements relating to retail stores.
- $133 thousand (2022 - $429) in other capital additions related to furniture, fixtures, and computer hardware and software for corporate purposes.

Right-of-Use Assets and Lease Liabilities

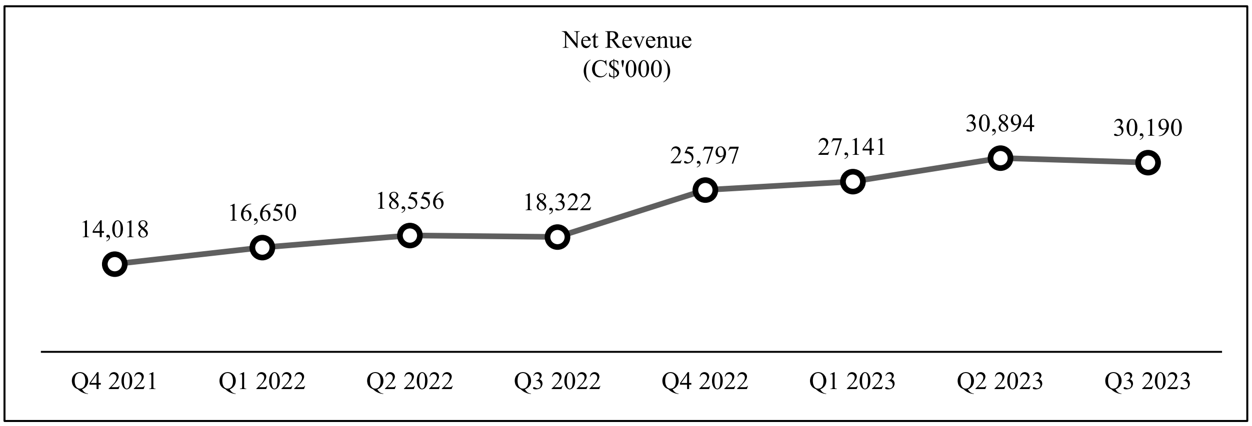
As of September 30, 2023, right-of-use assets totalled $5.9 million (December 31, 2022 - $4.6 million) and lease liabilities totalled $5.6 million (December 31, 2022 - $4.8 million). The increase of right-of-use assets and lease liabilities was driven by additional equipment leases related to new equipment installed during 2023, partially offset by depreciation and repayment of the lease liabilities.

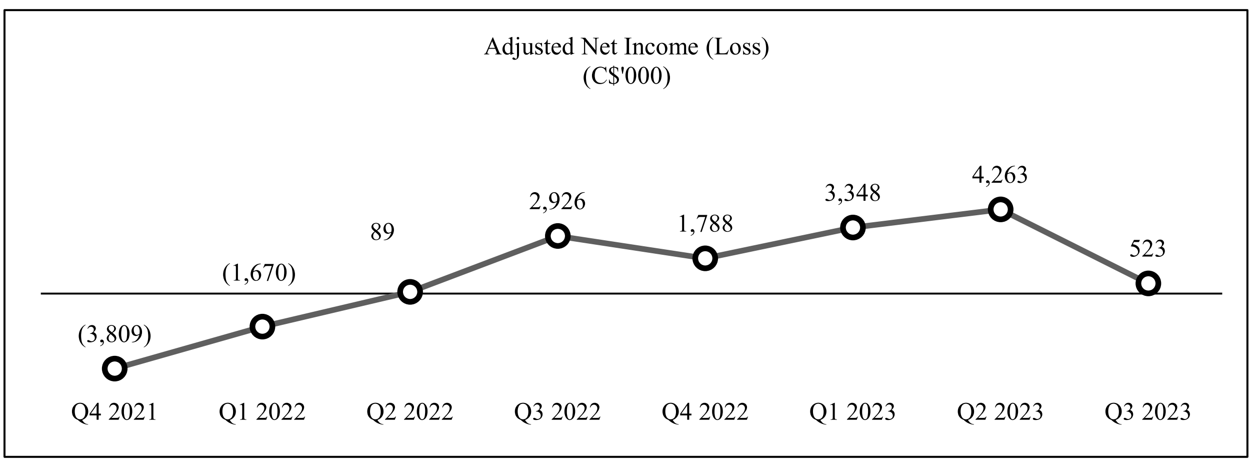
Summary of Quarterly Results

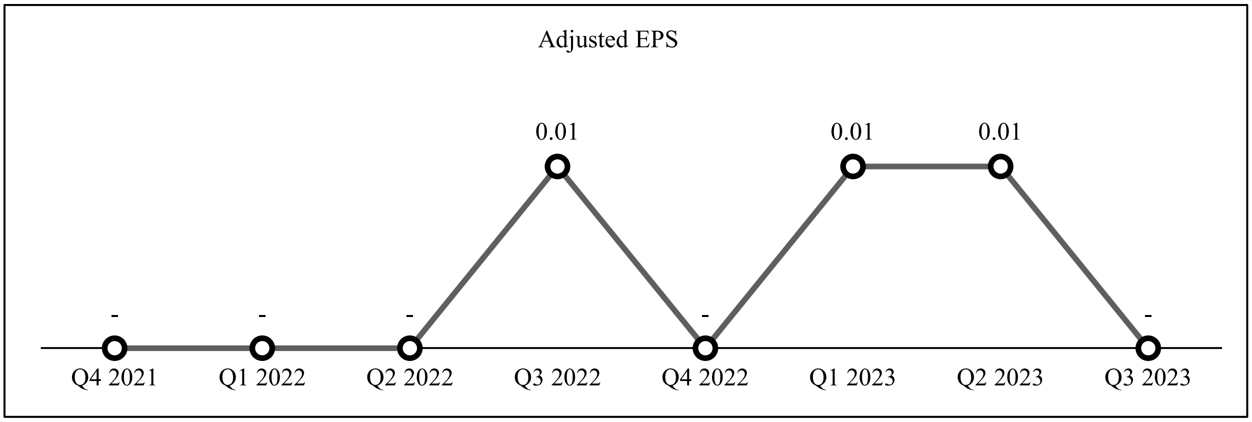
The following tables set out certain financial information for each of the Company's prior quarterly reporting periods:

	Net Revenue	Adjusted Net Income (loss) [1]	Adjusted EPS (loss) basic / diluted [2]
(thousands of Canadian dollars, except per share amounts)			
December 31, 2021	14,018	(3,809)	- / -
March 31, 2022	16,650	(1,670)	- / -
June 30, 2022	18,556	89	- / -
September 30, 2022	18,322	2,926	0.01 / 0.01
December 31, 2022	25,797	1,788	- / -
March 31, 2023	27,141	3,348	0.01 / 0.01
June 30, 2023	30,894	4,263	0.01 / 0.01
September 30, 2023	30,190	523	- / -

[1] Non-GAAP financial measure. Refer to "*Non-GAAP and Other Financial Measures"* for further details.
[2] Non-GAAP ratio. Refer to "*Non-GAAP and Other Financial Measures"* for further details.







The increase in net revenue over the last eight quarters is primarily attributable to increased volumes of vape and infused products, the launch of Vox Popz and General Admission edibles, and the launch of Qwest in Israel.

Adjusted Net Income (loss) over the last eight quarters has steadily grown primarily due to net revenue growth, cost engineering measures employed by management, and gross margin expansion.

Liquidity and Capital Resources

To date, the Company has met its operational and capital requirements primarily through debt financing, equity financings, and the generation of net revenues. The Company's ability to sustain its capital resourcing needs with cash

flows from operations is contingent upon successful ongoing operations and the availability of future financing to sustain working capital requirements.

The Company's objective when managing its liquidity and capital resources is to maintain sufficient liquidity to support financial obligations as they come due while executing operating and strategic plans. The Company manages its liquidity through preparation and use of cash flow forecasts and budgets to ensure it has sufficient funds to meet obligations as they become due. The Company manages its working capital as part of this process, and in doing so meets its funding needs by pursuing additional debt and equity financing sources, managing the timing of capital expenditures and other measures. Decibel's future business activities may require additional debt or equity financing sources to develop and operate. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Refer to "*Going Concern*".

The Company's working capital details are as follows:

As at	September 30, 2023	December 31, 2022
(thousands of Canadian dollars)		
Cash	3,391	2,966
Accounts receivable	21,032	16,612
Other current assets	1,902	2,413
Biological assets	1,946	2,358
Inventory	46,479	45,424
Accounts payable and accrued liabilities	(45,826)	(44,325)
Current portion of lease liabilities	(1,050)	(868)
Current portion of long-term debt	(8,748)	(8,687)
Other current liabilities	(3,590)	-
Total working capital[1]	**15,536**	**15,893**

[1] Capital management measure. Refer to "*Cautionary Statement Regarding Certain Non-GAAP Measures"* for further details.

As of September 30, 2023, the Company had a total working capital (see "*Cautionary Statement Regarding Certain Non-GAAP Measures"*) surplus of $15.5 million (2022 - $15.9 million surplus) and a total consolidated cash position of $3.4 million (December 31, 2022 - $3.0 million). This cash is not subject to any restrictions.

As at	September 30, 2023	December 31, 2022
(thousands of Canadian dollars)		
Term loans[1]	41,784	43,733
Share Capital	54,078	53,533
Total Capitalization [2]	**95,862**	**97,266**

[1] Term loans include the Company's term debt and authorized overdraft which both have a five-year term with a maturity date of January 1, 2027. Principal repayments vary by facility and are based on ten-year amortization periods, for more information, refer to Note 7 of the Consolidated Financial Statements.
[2] Non-GAAP financial measure. Refer to "Non-GAAP and Other Financial Measures" for further details.

The decrease in Decibel's total capitalization as of September 30, 2023, over the comparative period is primarily related to the debt repayment during the period. Refer to "*Going Concern".*

As of September 30, 2023, the Company had $41.8 million of debt outstanding. The Company's $7.5 million accordion remains undrawn. The $7.5 million accordion is subject to a trailing twelve month funded debt to EBITDA ratio ("Debt to EBITDA Ratio") of less than or equal to 3.00:1.00 and other conditions as agreed upon with the Lender. As of September 30, 2023, Debt to EBITDA Ratio was 1.50:1.00, and as a result the accordion is now available to the Company and will continue to be subject to maintaining a Debt to EBITDA Ratio of less than or equal to 3.00:1.00 and other conditions as agreed upon with the lender.

The Credit Facility is subject to the following financial covenants.

(a) Debt service coverage ratio

The Company shall not permit the debt service coverage ratio, defined as earnings before interest, depreciation, and amortization ("EBITDA") less dividends declared or shareholder distributions, divided by the sum of all scheduled principal and interest paid by the Company for its current fiscal reporting year, calculated quarterly, to fall below 1.40:1.00.

As of September 30, 2023, the debt service coverage ratio was 4.31:1.00.

(b) Debt to equity ratio

The Company shall not permit the debt to equity ratio, defined as total liabilities divided by total equity adjusted for lender approved adjustments for conversions and appraisals, as presented on the consolidated statements of financial position, calculated annually to be greater than 1.00:1.00.

The debt to equity covenant test commences December 31, 2023. The company is forecasting to be in compliance with this covenant when it commences as at December 31, 2023.

As at September 30, 2023 the debt to equity ratio was 1.05:1:00.

(c) Current ratio

The Company shall not permit the current ratio, defined as the ratio of current assets to current liabilities, as presented on the consolidated statements of financial position, calculated monthly on the last day of each month to fall below 1.25:1.00.

As of September 30, 2023, the current ratio was 1.26:1.00.

Cash Flows

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Cash provided by operating activities	1,937	3,611	5,174	8,372
Cash used in investing activities	(780)	(1,282)	(1,730)	(3,379)
Free cash flow	**1,157**	**2,329**	**3,444**	**4,993**
Cash used in financing activities	(1,132)	(1,052)	(3,019)	(2,507)
Increase in cash	**25**	**1,277**	**425**	**2,486**
Cash, beginning of period	3,366	3,128	2,966	1,919
Cash, end of period	**3,391**	**4,405**	**3,391**	**4,405**

For the three and nine months ended September 30, 2023, cash provided by operating activities was $1.9 million and $5.2 million, respectively, a decrease of $1.7 million and $3.2 million over the comparative periods.

For the three and nine months ended September 30, 2023, cash used in investing activities was $0.8 million and $1.7 million, respectively. Cash used in investing activities during the period is primarily due to purchases of equipment as a part of the Company's automation and capacity expansion activities. Refer to "*Statement of Financial Position – Capital Additions*".

For the three and nine months ended September 30, 2023, cash used in financing activities was $1.1 million and $3.0 million, respectively. Cash used in financing activities during the period is primarily due to repayment of long-term debt and lease liabilities. Refer to "*Liquidity and Capital Resources*".

Contractual Obligations

As of September 30, 2023 Decibel had contractual obligations as detailed below:

	Total	<1 Year	<2 Years	<3 Years	<4 Years	<5 Years	Thereafter
Accounts payable and accrued liabilities	45,826	45,826	-	-	-	-	-
Lease liabilities (i)	7,721	1,551	1,435	1,097	1,028	544	2,066
Loans and borrowings (ii)	52,544	10,625	4,640	4,486	4,434	4,434	23,925
Total	**106,091**	**58,002**	**6,075**	**5,583**	**5,462**	**4,978**	**25,991**

(i) Includes the interest portion of lease obligations.
(ii) Loans and borrowing balances are based on the credit facility in place as of September 30, 2023. Included are the estimated interest and principal repayments, based on current amounts outstanding and current interest rates as of September 30, 2023. Both are variable in nature.

Commitments

Legal Claims

In connection with the arbitration with UCG Canada LP, UCG was granted a final award consisting of a termination fee, solicitor client cost and interest for a total of $2.6 million. The company has recognized all costs associated with this award in September 2023 and there are no further implications to the business anticipated.

Outstanding Share Data

As of the date of this MD&A, the Company had 409.0 million Common Shares outstanding, 29.0 million Common Share purchase warrants outstanding, 0.5 million restricted share units outstanding, and 34.3 million stock options outstanding.

Capital

As of September 30, 2023, and September 30, 2022, the Company was authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as of September 30, 2023, in the Consolidated Financial Statements nor as of the date of this MD&A that have or are reasonably likely to have a current or future effect on our financial performance or financial condition.

Changes in Accounting Policies

There were no changes in accounting policies during the nine months ended September 30, 2023.

Critical Accounting Estimates

The preparation of the Company's consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and revenues and expenses. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Biological assets and inventory

The Company is required to make a number of estimates in calculating the fair value less costs to sell of biological assets. These estimates include a number of significant assumptions including weighted average selling price per gram, average yield per plant and post-harvest cost per gram. Further information on estimates used in determining the fair value of biological assets is contained in Note 5 to the Consolidated Interim Financial Statements.

The valuation of biological assets at the point of harvest is the cost basis for all cannabis-based inventory in the cultivation facility and, thus, any critical estimates and judgments related to the valuation of biological assets are also applicable for inventory. The valuation of work-in-process and finished goods also requires the estimate of conversion costs incurred, which become part of the carrying amount for the inventory. The Company must also determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased, or inventory has spoiled or has otherwise been damaged.

Business combinations

In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert of management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

Financial Instruments

IFRS requires that the Company disclose information about the fair value of our financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company's financial instruments consist of cash, investments, deposits included in other assets, accounts receivable, accounts payable and accrued liabilities, and term loan debt. Management estimates that the fair value of its cash, accounts receivable, and accounts payable and accrued liabilities approximates their carrying values as of September 30, 2023, due to the relatively short maturity periods of these instruments.

Cautionary Statement Regarding Certain Non-GAAP Measures

Certain financial terms and measures contained in this MD&A are "specified financial measures" (as such term is defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure ("NI 52-112")). The specified financial measures referred to in this MD&A are comprised of "Non-GAAP financial measures" and "capital management measures" (as such terms are defined in NI 52-112). These measures are defined, qualified, and where required, reconciled with the nearest GAAP measure below.

Non-GAAP Financial Measures[4]

The Non-GAAP financial measures used herein do not have a standardized meaning prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that the non-GAAP financial measures should not be considered in isolation nor as an alternative to net income (loss) or other financial information determined in accordance with GAAP, as an indication of the Company's performance.

Non-GAAP Financial Measures

- Adjusted EBITDA: Adjusted EBITDA is a measure of the Company's financial performance. It is intended to provide a proxy for the Company'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 Company. 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 EBTIDA is not a recognized, defined, or standardized measure under IFRS. The Company 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 and severance payments. 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. The numbers that are input into this calculation can be found in the statement of income and comprehensive income in the Consolidated Financial Statements.

- Adjusted Net Income and Adjusted Earnings per Share ("Adjusted EPS"): Adjusted Net Income and Adjusted Earnings per Share is a measure of the Company's financial performance. It is intended to provide a proxy for the Company's net income and comprehensive income and is used to compare Decibel to its competitors and derive expectations of future financial performance of the Company. These measures increase comparability between comparative companies by eliminating variability resulting from differences in management assumptions related to the impact of fair value adjustments on biological assets, which may be volatile on a period to period basis. These measures are not a recognized, defined, or standardized measure under IFRS. The Company calculates Adjusted Net Income 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. The Company calculates Adjusted Earnings per Share 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, dividend by the weighted average common shares outstanding. Refer to "*Adjusted Net Income*" for a detailed calculation of these measures. The numbers that are input into this calculation can be found in the statement of income and comprehensive income in the Company's Consolidated Financial Statements.

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
(thousands of Canadian dollars)				
Net income (loss) and comprehensive income (loss)	413	5,169	(579)	(1,315)
Unrealized gain on changes in fair value of biological assets	(4,682)	(5,425)	(9,107)	(12,856)
Change in fair value of biological assets realized through inventory sold	4,792	3,182	17,820	15,516
Adjusted net income [1]	**523**	**2,926**	**8,134**	**1,345**
Weighted average number of shares outstanding	472,318,208	480,431,159	409,039,064	404,053,811
Adjusted EPS [2]	**-**	**$0.01**	**$0.02**	**-**

- Free Cash Flow ("Free Cash Flow"): Free Cash Flow is a measure of the Company's financial performance. It is a useful measure of Decibel's ability to generate value and grow the Company's business. This measure is not a recognized, defined, or standardized measure under IFRS. The Company calculates Free Cash Flow as cash flow from operations less cash used in investing activities. Refer to "*Free Cash Flow*" for a detailed calculation of these measures. The numbers that are input into this calculation can be found in the statement of cash flows in the Company's Consolidated Financial Statements.

- Total Capitalization ("Total Capitalization"): Total Capitalization is a measure of the Company's total capital invested into the business. It is a useful measure of Decibel's efficiency of capital investment when compared to peers. This measure is not recognized, defined or a standardized measure under IFRS. The Company calculates Total Capitalization as total debt plus share capital. Refer to "Total Capitalization" for a detailed calculation of these measures. The numbers that are input into this calculation can be found in the statement of financial position in the Company's Consolidated Financial Statements.

- Retail Sales: Retail Sales is a measure intended to provide a more accurate depiction of the revenue earned by the Company's retail operations. Inventory transferred directly from the Company's wholesale operations to the Company's retail operations is removed from Retail Revenue as presented in the Consolidated Financial Statements. In the MD&A, wholesale inventory transferred to the retail stores and subsequently sold is eliminated from retail sales and attributed to Gross Canadian Recreational Sales to provide a more accurate depiction of business performance.

- International Sales: International Sales is a measure intended to provide a more accurate depiction of the revenue earned by the Company's international operations.

- Gross Canadian Recreational Sales: Gross Canadian Recreational Sales is a supplementary measure intended to provide a more accurate depiction of gross revenue earned by the Company's wholesale operations. Inventory transferred directly from the Company's wholesale operations to the Company's retail operations is added to Gross Canadian Recreational Sales as found in the Company's Consolidated Financial Statements to arrive at Gross Canadian Recreational Sales. In the MD&A, wholesale inventory transferred to the retail stores and subsequently sold is eliminated from retail sales and attributed to Gross Canadian Recreational Sales to provide a more accurate depiction of business performance.

- Net Canadian Recreational Sales: Net Canadian Recreational Sales is a supplementary measure intended to provide a more accurate depiction of gross revenue earned by the Company's wholesale operations. Inventory transferred directly from the Company's wholesale operations to the Company's retail operations is added to Net Canadian Recreational Sales as found in the Company's Consolidated Financial Statements to arrive at Net Canadian Recreational Sales. Excise taxes associated with Gross Canadian Recreational Sales are subtracted from Gross Canadian Recreational Sales to arrive at Net Canadian Recreational Sales. In the MD&A, wholesale inventory transferred to the retail stores and subsequently sold is eliminated from retail sales and attributed to Net Canadian Recreational Sales to provide a more accurate depiction of business performance.

Other Financial Measures

Capital management measures are defined as financial measures disclosed by an issuer that are intended to enable an individual to evaluate the entity's objectives, policies and processes for managing the entity's capital, are not a component of a line item or a line item on the primary financial statements, and which are disclosed in the notes to the financial statements. As of September 30, 2023, the Company's capital management measures disclosed in the notes to the Consolidated Financial Statements include Working Capital.

- Working Capital: Working Capital is a capital management measure of the Company's ability to service its short-term financial obligations with short-term assets. Management believes this measure provides useful information about the Company's current short-term liquidity. Refer to "*Liquidity and Capital Resources*" for a detailed calculation of this measure. See note 16 to the Consolidated Financial Statements.

As at	September 30, 2023	December 31, 2022
(thousands of Canadian dollars)		
Cash	3,391	2,966
Accounts receivable	21,032	16,612
Other current assets	1,902	2,413
Biological assets	1,946	2,358
Inventory	46,479	45,424
Accounts payable and accrued liabilities	(45,826)	(44,325)
Current portion of lease liabilities	(1,050)	(868)
Current portion of long-term debt	(8,748)	(8,687)
Other current liabilities	(3,590)	-
Total working capital[1]	**15,536**	**15,893**

Other MD&A Disclosures

Forward-Looking Information

This MD&A may contain "forward-looking information" with respect to the Company. This information may take the form of statements found within this document expressing the Company's expectations as to future outcomes and events based on the information currently available. All statements contained herein are given as at the date of this MD&A and the Company undertakes no obligation to update the information for new events or circumstances other than as required by securities laws. Forward-looking information and statements may be identifiable by the use of words such as "achieve", "anticipate", "budget", "could", "estimate", "expect", "future", "forecast", "intend", "may", "might", "occur", "plan", "potential", "prospective", "should", "will", "would" and other similar expressions. By their nature, forward-looking information and statements are inherently subject to the risk that the actual results can be materially different from the expected outcomes. The Company does not provide any assurance as to the accuracy of this forward-looking information and statements and cautions readers not to place undue reliance on such.

Certain forward-looking statements in this MD&A include, but are not limited to:

- the Company's expectations with respect to its ability to comply with its financial covenants for at least the next twelve months;
- the Company's expectations regarding future volatility in its gross margin related to price competition;
- the expectation that certain identified cost engineering initiatives and capital investments will reduce labour and logistics costs;
- the Company's ability to amend the Credit Facility to ensure their availability should the Company anticipate non-compliance;
- the Company's expectations regarding maintaining licensing related to the cultivation, production and sale of cannabis and cannabis products by the Company, its subsidiaries, affiliates and partnerships;
- expectations regarding future expenditures, including but not limited to both operational and capital expenditures;
- the Company's ability to ensure that it has sufficient funds to meet obligations as they become due;
- the Company's ability to access debt financing; and
- the Company's contractual obligations and the anticipated timing thereof.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from those anticipated in such forward-looking statements. Although the forward-looking statements contained in the MD&A are based upon what the Company believes to be reasonable assumptions, no assurance can be given that these expectations will prove to be accurate and such forward-looking statements included in this MD&A should not be unduly relied upon by investors. With respect to the forward-looking statements and FOFI (as defined below) contained in this MD&A, management has made assumptions regarding, among other things:

- Decibel's ability to enter new markets and industry verticals;
- Decibel's ability to attract, develop and retain key personnel;
- Decibel's ability to raise additional capital and to execute on its expansion plans;
- the timelines for new product launches,
- Decibel's ability to continue investing in infrastructure and implement scalable controls, systems and processes to support its growth;
- the impact of competition;
- the changes and trends in our industry or the global economy;
- the Company's ability to generate sufficient cash flow from operations and obtain financing, if needed, on acceptable terms or at all;
- the general economic, financial market, regulatory and political conditions in which the Company operates;
- the ability of the Company to ship its products and maintain supply chain stability;
- consumer interest in the Company's products;
- anticipated and unanticipated costs;
- government regulation of the Company's activities and products;
- the timely receipt of any required regulatory approvals;
- the Company's ability to conduct operations in a safe, efficient and effective manner;
- the Company's construction plans and timeframe for completion of such plans; and
- the changes in laws, rules, regulations, and global standards.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking information and statements and FOFI contained herein include the risk factors set out in the Company's annual information form and management's discussion and analysis for the three and nine months ended September 30, 2023 and also include, but are not limited to:

- the ability to obtain and maintain licences to retail cannabis products;
- review of the Company's production facilities by Health Canada and maintenance of licences (including any amendments thereto) from Health Canada and other third regulatory bodies;
- 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 risk that the Company will be unable to amend the terms of the Credit Facility to ensure their availability should the Company anticipate non-compliance with its financial covenants;
- the labour market generally and the ability to access, hire and retain employees; and
- general business, economic, competitive, political and social uncertainties.

Any financial outlook or future oriented financial information (in each case "**FOFI**") contained in this MD&A regarding prospective financial position, including, but not limited to: anticipated target gross margin and the potential for a significant reduction in labour requirements and logistics costs, is based on reasonable assumptions about future events, including those described above, based on an assessment by management of the relevant information that is currently available. The actual results will likely vary from the amounts set forth herein and such variations may be material.

Readers are cautioned that the foregoing list of assumptions and risk factors is not exhaustive. The forward-looking information and statements and FOFI contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information and statements and FOFI included in this MD&A are made as of the date hereof and Decibel does not undertake any obligation to publicly update such forward-looking information and statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

Industry Trends and Risks

Decibel's industry trends and risks remain unchanged from that discussed in the annual MD&A for the year ended December 31, 2022, as filed on SEDAR at www.sedarplus.ca.