

DECIBEL CANNABIS COMPANY INC.

Management's Discussion and Analysis

September 30, 2025

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 18, 2025.

This MD&A should be read in conjunction with the Company’s condensed consolidated interim financial statements for the three and nine months ended September 30, 2025, and 2024, inclusive of the accompanying financial statements notes (the “Consolidated Financial Statements”), all of which were prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). 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

Decibel is a vertically integrated cannabis company with three licensed cultivation facilities and a licensed manufacturing facility. 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”.

Overall Performance

For the three and nine months ended September 30, 2025, Decibel reported net revenue of \$32.9 million and \$84.0 million, representing increases of 37% and 25% over the comparative periods. The increase was primarily attributable to the acquisition of AgMedica Bioscience Inc. (“AgMedica”), which contributed \$7.8 million and \$16.6 million in sales for the respective periods, including \$7.8 million in international sales during the three months ended September 30, 2025. The improvement in revenue was driven by increased international sales and modest growth in Canadian recreational sales.

Gross profit before fair value adjustments for the three and nine months ended September 30, 2025, was \$15.4 and \$40.0 million, an increase of 21% and 25% over the comparative periods. Gross margin before fair value adjustments was 47% in the third quarter, compared to 53% over the comparative period. The change is largely attributable to a lower gross margin on international sales, due in part to high testing costs and product types. Long term, management believes that international markets have the potential to be higher margin, as legalization occurs, supply chains normalize, and ready to consume products become the dominant consumption method, similar to the domestic market.

Adjusted Net Income (loss) (as defined herein) for the three and nine months ended September 30, 2025, was \$3.8 and \$7.1 million, an increase of \$1.7 and \$7.9 million over the comparative periods. Adjusted Earnings per Share for the three and nine months ended September 30, 2025, was \$0.01 and \$0.01, an improvement of nil and \$0.01 relative to the comparative periods. The improvement in profitability and Adjusted Net Income was driven primarily by

improved operating performance and net revenue growth outpacing spending. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.

Adjusted EBITDA (as defined herein) for the three and nine months ended September 30, 2025, was \$7.3 and \$17.0 million, an increase of 40% and 34% over the comparative periods. The increase in Adjusted EBITDA for the quarter was primarily driven by international sales and net Canadian recreational sales growth, as well as improved operating performance. Adjusted EBITDA is a non-GAAP financial measure. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.

During the quarter, the BC General Employees' Union strike (the “BCGEU Strike”), which formally commenced on September 22, 2025, disrupted central distribution operations at the BC Liquor Distribution Branch (the “LDB”), halting wholesale shipments from the province’s primary liquor and cannabis distribution hubs and resulting in limited availability of cannabis products available for sale, including Decibel’s products, until the end of October 31, 2025.

Also during the quarter, the German Federal Institute for Drugs and Medical Devices (“BfArM”) halted approval of imports of cannabis as the original 122 tonnes limit was exhausted (“BfArM Limit”). The BfArM has subsequently raised the cannabis import limit to 192.5 tonnes and begun granting permits at the end of October based on the application queue. Similarly, these events had a limited impact to Decibel during the three and nine months ended September 30, 2025, however Decibel is still assessing the overall impacts of this issue in subsequent periods, resulting from delays to the launch of new Decibel products in the German market and uncertainty in advancing new commercial contracts being advanced.

AgMedica Acquisition

Decibel acquired AgMedica on October 28, 2024 pursuant to an assignment agreement entered into with Callisto Capital Corp. (“Callisto”) in exchange for a \$6.3 million unsecured convertible debenture. The convertible debenture converted into 114,545,455 Common Shares on December 3, 2024, following receipt of final approval from the TSX-V for the AgMedica acquisition. In connection with the acquisition of AgMedica, Decibel entered into a five year industrial lease for the AgMedica Cultivation Facility (as defined below).

The acquisition of AgMedica expanded the Company’s licensed cultivation footprint and production capacity, while also facilitating entry into international markets requiring EU-GMP certification, thereby enabling greater international sales potential.

Description of the Business and Corporate Strategy

Decibel's strategy is to develop Canadian and international sales channels and cannabis brands, focused on craft flower and ready to consume cannabis products including vapes, cannabis infused pre-rolls, pre-rolls, edibles, and other value add products. Two components of this strategy, among others, are:

- i) cannabis cultivation, processing, and sale of cannabis flower products both domestically and internationally; and
- ii) extraction, processing, and manufacturing of a variety of cannabis derivative products sold both domestically and internationally.

Cannabis Cultivation

Creston Facility

The Creston indoor cultivation facility consists 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 seeds in both recreational and medical markets. On November 14, 2022, the Creston Facility received its Good Agricultural and Collection Practices (GACP) certification.

Thunderchild Facility

The Thunderchild indoor cultivation facility consists of 80,000 square feet of indoor cultivation, packaging and processing space, located in Battleford, Saskatchewan (the “Thunderchild Facility”). On January 29, 2021, Decibel’s wholly owned subsidiary, dB Thunderchild Cultivation LP, which owns and operates the Thunderchild Facility, received a cultivation license from Health Canada to grow, harvest, trim, store cannabis, and sell for medical purposes. On June 29, 2022, the Thunderchild Facility received its CUMCS Equivalency IMC-G.A.P. certification to support the Company’s international expansion.

AgMedica Facility

The AgMedica indoor cultivation facility consists of 115,000 square feet of indoor cultivation, packaging, and processing space, located in Chatham, Ontario (the “AgMedica Cultivation Facility”). Decibel acquired the AgMedica Cultivation Facility to accelerate Decibel’s international strategy. The AgMedica Cultivation Facility has a Health Canada license to grow, harvest, process, store, and sell cannabis in both recreational and medical markets, CUMCS Equivalency IMC-G.A.P. certification, and an EU GMP.

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.

Sales Channels and Brands

The Company sells through two channels: (1) domestic branded cannabis goods sold to provincial wholesalers for distribution with the end customers being cannabis consumers; and (2) exports to international partners of branded cannabis goods, services related to exporting cannabis goods, and bulk cannabis exports.

Domestic Sales Channel

Decibel has entered into supply agreements with each of the Alberta Gaming, Liquor and Cannabis Commission, 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, the Yukon, and Cannabis New Brunswick. The Company’s products are also distributed in Quebec, Saskatchewan, and Nova Scotia.

Decibel has two cannabis derivative product brands, General Admission and Vox.

Decibel has three dried cannabis brands, two positioned as premium brands, Qwest, and Qwest Reserve, and one positioned as a core-segment brand, General Admission.

In September 2025, the BC General Employees’ Union (“BCGEU”) went on strike which included the BCLDB cannabis distribution warehouse refusing deliveries from Licensed Producers from September 23, 2025 to the end of October (the “BCLDB Outage”) this resulted in retailers having limited availability of cannabis products available for sale, include Decibel products during this period of time.

International Sales Channel

Decibel has entered into supply agreements and exported to various customers in seven countries including Australia, Germany, United Kingdom, Israel, Spain, Denmark, and Norway. The Company exports dried flower, vapes cartridges, cannabis oils, and other products in both packaged and bulk formats subject to each country's regulations.

Decibel currently has two brands with an international presence, Qwest and General Admission.

In January 2024, the Israeli government issued a notification naming Canadian cannabis companies, including Decibel, indicating the launch of an "anti-dumping" investigation in respect of Canadian cannabis exports to Israel (the "Anti-Dumping Investigation"). The Company was named in the investigation and is participating in the investigation, which is voluntary. A finding of "dumping" under international trade law could result in the imposition of a dumping duty on Israeli importers of Canadian cannabis exports by companies whose pricing practices are determined to violate anti-dumping laws. For more information, see "Risk Factors" in Decibel's Management's Discussion and Analysis for the year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

In September 2025, the German Federal Institute for Drugs and Medical Devices ("BfArM") halting approval of imports of cannabis as the original 122 tonnes limit was exhausted ("BfArM Limit"). The BfArM has subsequently raised the cannabis import limit to 192.5 tonnes and begun granting permits at the end of October based on the application queue.

Discontinued Retail Operations and Location

During the period ending December 31, 2024, Decibel owned and operated, through a wholly owned subsidiary, six Prairie Records cannabis retail stores, three in Saskatchewan (two in Saskatoon, one in Warman) and three in Alberta (two in Calgary, one in Edmonton) ("**Prairie Records**"). Prairie Records also operated an e-commerce cannabis platform servicing the Province of Saskatchewan. On April 10, 2024, Decibel sold its Prairie Records retail assets to Fire & Flower Inc., a subsidiary of 2759054 Ontario Inc. d.b.a. FIKA.

Annual and Quarterly Financial Information

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars, except where noted)</i>				
Gross Canadian recreational sales ¹	\$38,970	\$36,587	\$106,587	\$102,534
Net Canadian recreational sales ¹	\$24,505	\$23,800	\$67,212	\$66,524
International sales ¹	\$8,407	\$309	\$16,783	\$701
Total				
Gross revenue	\$47,377	\$36,896	\$123,370	\$103,235
Net revenue	\$32,912	\$24,109	\$83,995	\$67,225
Gross profit before fair value adjustments	\$15,360	\$12,716	\$39,981	\$32,031
Gross margin before fair value adjustments	47%	53%	48%	48%
Adjusted EBITDA ³	\$7,268	\$5,207	\$17,030	\$12,736
Net loss and comprehensive loss	(\$1,340)	(\$585)	(\$1,595)	(\$3,796)
Adjusted net income (loss) ³	\$3,757	\$2,058	\$7,057	(\$814)
Cash flow from continuing operations	\$1,770	\$1,960	\$3,742	(\$71)
Free cash flow ^{2,3}	\$1,533	\$1,827	\$2,497	(\$825)
Adjusted free cash flow ^{2,3}	\$5,184	\$2,728	\$10,640	\$4,469
Per Share Metrics				
Income (loss) per share	-	-	-	-
Adjusted EPS ³	\$0.01	\$0.01	\$0.01	-

¹ Supplementary financial measure. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.

² Non-GAAP financial measure. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.

³ 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, 2025, was \$32.9 and \$84.0 million, an increase of 37% and 25% over the comparative periods. Net revenue growth in the quarter was primarily a result of contributions from AgMedica, which accelerated international sales, coupled with modest net Canadian recreational sales growth. Total sales contributed from AgMedica were \$7.8 and \$16.8 million for the respective periods.
- Gross profit before fair value adjustments for the three and nine months ended September 30, 2025, was \$15.4 and \$40.0 million, an increase of 21% and 25% over the comparative periods. Gross margin before fair value adjustments was 47% in the third quarter, compared to 53% over the comparative period, largely resulting from a lower gross margin on international sales. Refer to “*Company Overview – Overall Performance*”.
- Adjusted EBITDA (as defined herein) for the three and nine months ended September 30, 2025, was \$7.3 and \$17.0 million, an increase of 40% and 34% over the comparative periods. The increase in Adjusted EBITDA for the quarter was primarily driven by international sales and net Canadian recreational sales growth. Adjusted EBITDA is a non-GAAP financial measure. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.
- Net Canadian recreational sales for the three and nine months ended September 30, 2025, were \$24.5 and \$67.2 million, an increase of 3% and 1% over the comparative periods. The increase in net Canadian recreational sales is primarily attributable to successful Company initiatives including: new marketing campaigns, reinvesting in growing the Qwest brand presence, launching ultra high potency vapes and infused pre-rolls, new large format all-in-one disposable vapes, and milled flowers.
- International sales for the three and nine months ended September 30, 2025, were \$8.4 and \$16.8 million, an increase of \$8.1 and \$16.1 million over the comparative periods. Total sales contributed from AgMedica in the quarter were \$7.8 million. The Company has pursued additional contracts related to cannabis exports to international markets and delivered modest volumes in the third quarter. Refer to “*Company Overview – Overall Performance*” and “*Forward-Looking Information*”.
- Adjusted Net Income (loss) (as defined herein) for the three and nine months ended September 30, 2025, was \$3.8 and \$7.1 million, an increase of \$1.7 and \$7.9 million over the comparative periods. The increase in Adjusted Net Income was driven by a continued focus on net revenue growth outpacing spending. Adjusted Earnings per Share for the three and nine months ended September 30, 2025, was \$0.01 and \$0.01, an improvement of \$nil and \$0.01 relative to the comparative periods. Adjusted Net Income is a non-GAAP financial measure. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.
- Cash flow from operations for the three and nine months ended September 30, 2025, was \$1.8 and \$3.7 million, a decrease of \$0.2 and an increase of \$3.8 million over the comparative periods. The increase in cash flow from operations is primarily attributable to strong growth in net revenue, partially offset by changes in non-cash working capital as the Company positions itself for anticipated growth.

Operations

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Gross revenue	47,377	36,896	123,370	103,235
Excise taxes	(14,465)	(12,787)	(39,375)	(36,010)
Net revenue	32,912	24,109	83,995	67,225
Cost of goods sold	(17,552)	(11,393)	(44,014)	(35,194)
Gross profit before fair value adjustments	15,360	12,716	39,981	32,031
Unrealized gain on changes in fair value of biological assets	4,463	1,201	14,142	9,108
Change in fair value of biological assets realized through inventory sold	(9,560)	(3,844)	(22,794)	(12,090)
Gross profit	10,263	10,073	31,329	29,049
Selling, general and administration	(9,030)	(8,480)	(25,199)	(23,170)
Depreciation and amortization	(1,676)	(1,219)	(4,972)	(3,640)
Share-based (compensation) recovery	(478)	(162)	(832)	631
Income from operations	(921)	212	326	2,870
Finance costs	(661)	(728)	(2,022)	(2,253)
Foreign exchange (loss) income	(115)	(104)	(263)	(189)
Other income (loss)	357	27	364	(134)
Impairment loss	-	672	-	-
(Loss) income before income taxes	(1,340)	79	(1,595)	294
Current taxes	-	-	-	-
Deferred taxes	-	-	-	-
Net (loss) income and comprehensive (loss) income from continuing operations	(1,340)	79	(1,595)	294
Net loss and comprehensive loss from discontinued operations	-	(664)	-	(4,090)
Net loss and comprehensive loss	(1,340)	(585)	(1,595)	(3,796)

Net Revenue

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Gross Canadian recreational sales ¹	38,970	36,587	106,587	102,534
Excise taxes	(14,465)	(12,787)	(39,375)	(36,010)
Net Canadian recreational sales¹	24,505	23,800	67,212	66,524
International sales ¹	8,407	309	16,783	701
Net revenue	32,912	24,109	83,995	67,225

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, 2025, was \$32.9 and \$84.0 million, an increase of 37% and 25% over the comparative periods. Net revenue growth in the quarter was primarily a result of contributions from AgMedica, which accelerated international sales, coupled with modest net Canadian recreational growth. Total sales contributed from AgMedica were \$7.8 and \$16.6 million for the respective periods.

Through out this year, the Company has launched new products and introduced marketing campaigns to combat declines in Canadian recreational segments, with these efforts resulting in continued growth in the third quarter of 2025.

Excise Taxes

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars, except where noted)</i>				
Gross Canadian recreational sales ¹	38,970	36,587	106,587	102,534
Excise taxes	14,465	12,787	39,375	36,010
Excise taxes as a percentage of gross Canadian	37.1%	34.9%	36.9%	35.1%

¹Supplementary 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 higher excise tax cannabis products including the recently launched ultra high potency vapes and infused pre-rolls. Historically, Decibel’s Canadian recreational sales have been a higher proportion of derivative cannabis products relative to flower products. Derivative cannabis products are taxed based on milligrams of tetrahydrocannabinol whereas flower products are taxed on a flat rate, resulting in derivative cannabis products having a disproportionate amount of excise tax as a percentage of gross revenue relative to flower products.

Gross Profit before Fair Value Adjustments

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars, except where noted)</i>				
Net revenue	32,912	24,109	83,995	67,225
Cost of goods sold	(17,552)	(11,393)	(44,014)	(35,194)
Gross profit before fair value adjustments	15,360	12,716	39,981	32,031
Gross margin before fair value adjustments	47%	53%	48%	48%

During the three and nine months ended September 30, 2025, the Company incurred cost of goods sold of \$17.6 and \$44.0 million, resulting in a gross profit before fair value adjustments of \$15.4 and \$40.0 million, respectively. Gross margin before fair value adjustments was 47% in the third quarter, compared to 53% over the comparative period.

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 as the expected sales price net of costs to sell and costs to complete. For the three and nine months ended September 30, 2025, the Company recognized unrealized gains of \$4.5 and \$14.1 million, an increase of 272% and 55% over the comparative period. The increase over both periods is primarily attributable to the acquisition of AgMedica coupled with improved pricing resulting from weighting towards international sales.

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, 2025, the Company recognized a change in the fair value of inventory sold of \$9.6 and \$22.8 million. The increase in fair value change over both periods was driven by higher volumes of cannabis sold.

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	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Salaries, wages, and contracting fees	4,068	3,232	11,793	9,890
Office and general	1,958	2,534	6,467	4,621
Sales and marketing	2,372	1,931	5,782	6,398
Professional fees	345	349	864	1,641
Bad debt expense	259	430	259	513
Severance	28	4	34	107
Total selling, general and administration	9,030	8,480	25,199	23,170

SG&A expenses were \$9 million for the three months ended September 30, 2025, representing an increase of 6.1% over the comparative period, primarily due to the acquisition of AgMedica and increased investment to meet anticipated demand for international sales, partially offset by decreases in recurring expenses including office and general expenses. Sales and marketing expenses for the quarter were \$2.3 million, an increase of 18.6%.

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

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Net loss and comprehensive loss	(1,340)	(585)	(1,595)	(3,796)
Unrealized gain on changes in fair value of biological assets	(4,463)	(1,201)	(14,142)	(9,108)
Change in fair value of biological assets realized through inventory sold	9,560	3,844	22,794	12,090
Depreciation and amortization	1,676	1,219	4,972	3,640
Share-based compensation (recovery)	478	162	832	(631)
Other loss (income)	(357)	(27)	(364)	134
Finance costs	661	728	2,022	2,253
Foreign exchange loss (income)	115	104	263	189
Non-cash cost of goods sold ¹	680	480	1,989	3,032
Other adjustments ²	258	483	259	4,933
Adjusted EBITDA³	7,268	5,207	17,030	12,736

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 and nine months ended September 30, 2025, non-cash cost of goods sold was comprised of \$0.7 and \$2.0 million of depreciation and amortization (September 30, 2024 - \$0.5 and \$3 million) and \$nil million in inventory write-downs (September 30, 2024 - \$nil million).

² Non-recurring income or expenses are added back in the Company’s Adjusted EBITDA calculation for covenant reporting purposes. For the three and nine months ended September 30, 2025, other adjustments were \$0.3 and 0.3 million (September 30, 2024 - \$0.5 and \$4.9 million).

³ Non-GAAP financial measure. Refer to “Cautionary Statement Regarding Certain Non-GAAP Measures” for further details.

The increase in Adjusted EBITDA for the quarter was primarily a result of strong international sales growth and modest net Canadian recreational sales growth. Refer to “Cautionary Statement Regarding Certain Non-GAAP Measures” for further details.

Adjusted Net Income (Loss) (“Adjusted Net Income (Loss)”)¹

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Net loss and comprehensive loss	(1,340)	(585)	(1,595)	(3,796)
Unrealized gain on changes in fair value of biological assets	(4,463)	(1,201)	(14,142)	(9,108)
Change in fair value of biological assets realized through inventory sold	9,560	3,844	22,794	12,090
Adjusted net income (loss)¹	3,757	2,058	7,057	(814)
Weighted average number of shares outstanding	576,861,161	409,039,064	578,985,649	409,039,064
Adjusted EPS	\$0.01	\$0.01	\$0.01	-

¹ Non-GAAP financial measure. Refer to “Cautionary Statement Regarding Certain Non-GAAP Measures” for further details.

The increase in Adjusted Net Income was driven by a continued focus on net revenue growth outpacing spending.

Free Cash Flow (“Free Cash Flow”)¹

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Cash provided by (used in) continuing operating activities	1,770	1,960	3,742	(71)
Cash used in investing activities	(237)	(133)	(1,245)	(754)
Free cash flow¹	1,533	1,827	2,497	(825)

¹ Non-GAAP financial measure. Refer to “Cautionary Statement Regarding Certain Non-GAAP Measures” in this MD&A for further details.

Free Cash Flow was \$1.5 and \$2.5 million for the three and nine months ended September 30, 2025, a decrease of \$0.3 and an increase of \$3.3 million over the comparative periods. Free Cash Flow improved substantially from strong cash provided by continuing operating activities partially offset by changes in non-cash working capital to support anticipated international demand.

Adjusted Free Cash Flow (“Free Cash Flow”)¹

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Free cash flow ¹	1,533	1,827	2,497	(825)
Cash used in investing activities	237	133	1,245	754
Changes in non-cash working capital	3,890	1,482	8,892	6,621
Repayment of long-term debt	(476)	(714)	(1,994)	(2,081)
Adjusted free cash flow¹	5,184	2,728	10,640	4,469

¹ Non-GAAP financial measure. Refer to “Cautionary Statement Regarding Certain Non-GAAP Measures” in this MD&A for further details.

Adjusted Free Cash Flow was \$5.2 and \$10.6 million for the three and nine months ended September 30, 2025, an increase of 106% and 148% over the comparative periods. Adjusted Free Cash Flow improved substantially with the growth of net revenue that translated into strong Free Cash Flow generation.

Statement of Financial Position

Inventory

As at September 30, 2025, the Company had \$33.4 million (December 31, 2024 - \$41.8 million) in inventory related to cannabis cultivation products in varying stages and raw materials for the manufacturing of derivative cannabis products.

Other Current Assets

As at September 30, 2025, the Company had other current assets of 2.5 million (December 31, 2024 - \$2.4 million). This balance is comprised of deposits for inventory purchases or services.

Other Long-term Assets

As at September 30, 2025, the Company had other long-term assets of \$3.9 million (December 31, 2024 - \$5.7 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.

Capital Additions

For the nine months ended September 30, 2025, the Company incurred the following:

- Nil (2024 – \$0.4 million) in construction costs. These additions relate expenditures incurred for construction relating to the cultivation facilities, in which a number of grow rooms are in varying stages nearing completion.
- \$1.2 million (2024 - \$0.1 million) in production equipment. These additions relate to facility upgrades to enhance quality and yields.
- Nil (2024 - \$0.1 million) in other capital assets. These additions relate to leasehold improvements and other capital assets.

Right-of-Use Assets and Lease Liabilities

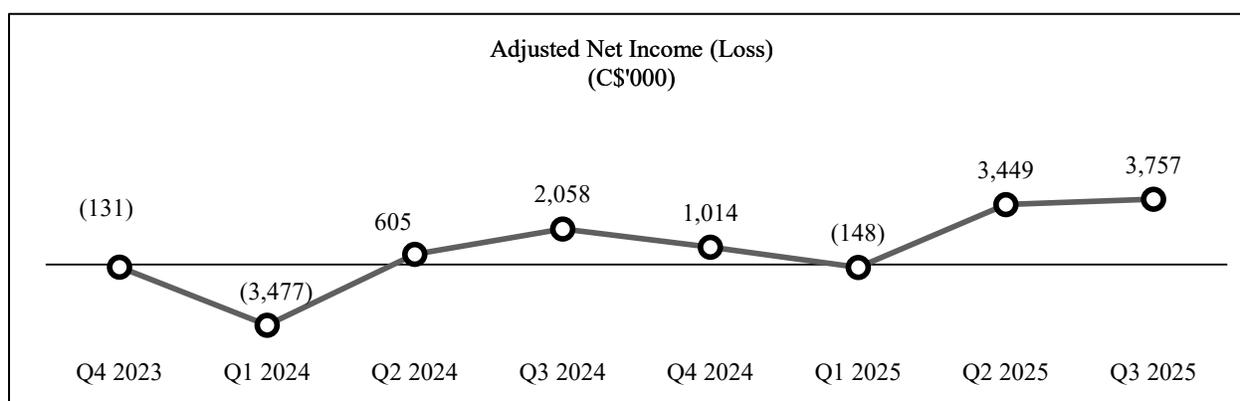
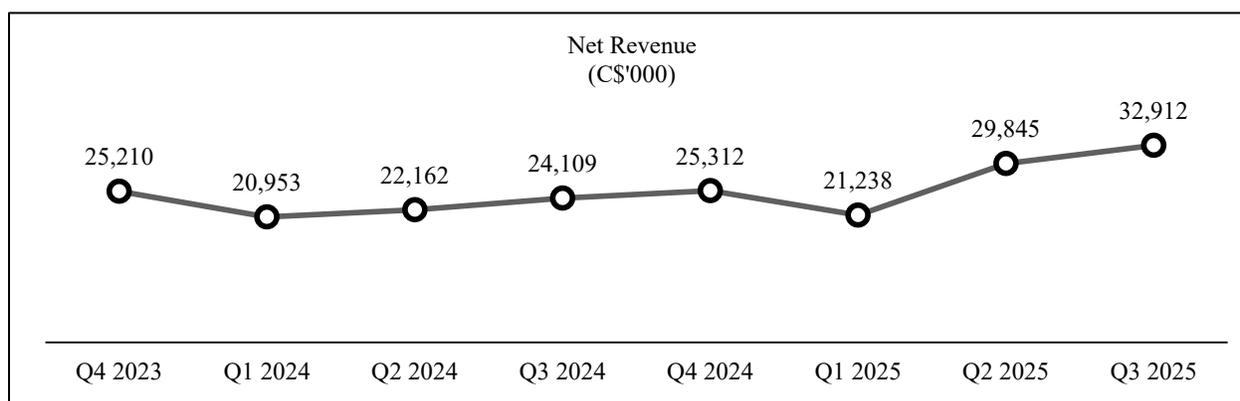
As at September 30, 2025, right-of-use assets totalled \$9.4 million (December 31, 2024 - \$10.6 million) and lease liabilities totalled \$9.5 million (December 31, 2024 - \$10.1 million). The decrease in right-of-use assets and lease liabilities was due to depreciation of the right-of-use assets and lease payments.

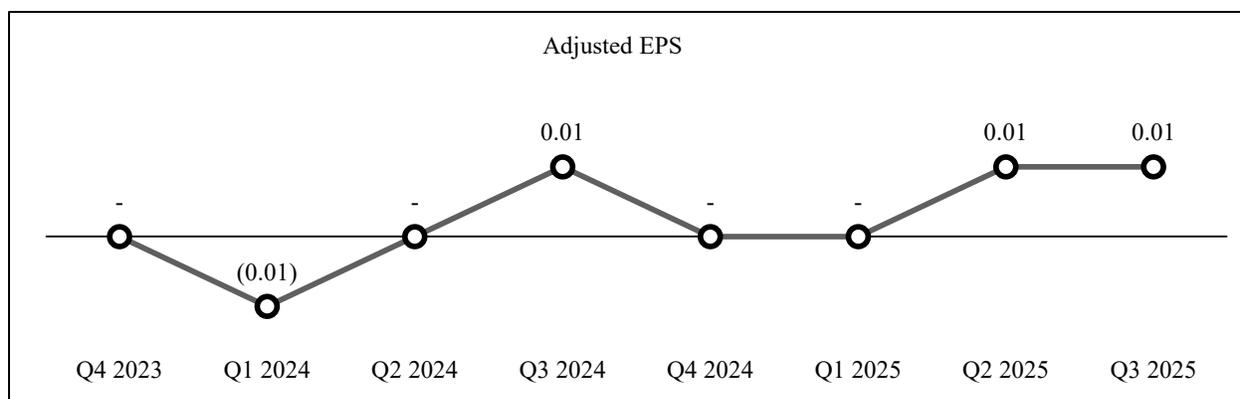
Summary of Quarterly Results

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
<i>(thousands of Canadian dollars, except per share amounts)</i>			
December 31, 2023	25,210	(131)	- / -
March 31, 2024	20,953	(3,477)	(0.01) / (0.01)
June 30, 2024	22,162	605	- / -
September 30, 2024	24,109	2,058	0.01 / 0.01
December 31, 2024	25,312	1,014	- / -
March 31, 2025	21,238	(148)	- / -
June 30, 2025	29,845	3,449	0.01 / 0.01
September 30, 2025	32,912	3,757	0.01 / 0.01

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





The volatility in net revenue over the last four quarters reflects seasonality, with positive impacts from the acquisition of AgMedica, growth in international exports and new contracts, and domestic sales of vapes and dried flower.

Liquidity and Capital Resources

To date, the Company has met its operational and capital requirements primarily through cash flow from operations, debt financing, and equity financings. The Company's objective when managing its liquidity and capital resources is to maintain sufficient cash flow and 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's working capital details are as follows:

As at,	September 30, 2025	December 31, 2024
<i>(thousands of Canadian dollars)</i>		
Cash	6,081	6,997
Accounts receivable	20,633	11,786
Other current assets	2,526	2,419
Biological assets	1,911	1,541
Inventory	33,367	41,795
Accounts payable and accrued liabilities	(36,383)	(38,195)
Current portion of lease liabilities	(2,464)	(1,878)
Current portion of long-term debt	(9,070)	(8,767)
Other current liabilities	(132)	(221)
Total working capital¹	16,469	15,477

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

As at September 30, 2025, the Company had a total working capital (see "Cautionary Statement Regarding Certain Non-GAAP Measures") surplus of \$16.5 million (December 31, 2024 - \$15.5 million surplus) and a total consolidated cash position of \$6.1 million (December 31, 2024 - \$7.0 million). This cash is not subject to any restrictions.

As at,	September 30, 2025	December 31, 2024
<i>(thousands of Canadian dollars)</i>		
Term loans ¹	36,268	38,226
Share Capital	63,248	63,225
Total capitalization	99,516	101,451

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 17 of the Consolidated Financial Statements.

The decrease in Decibel’s total capitalization as at September 30, 2025, over the comparative period is primarily related to the debt repayment during the period.

As at September 30, 2025, the Company had \$36.3 million of debt outstanding. The Company’s \$7.5 million accordion remains undrawn. The \$7.5 million accordion is subject to a trailing three 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 Connect First Credit Union Ltd. (the “Lender”). As at September 30, 2025, Debt to EBITDA Ratio was 1.63x, and as a result the accordion is 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 Company’s credit facility 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 at September 30, 2025, the debt service coverage ratio was 3.24:1.00.

(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.

As at December 31, 2024, the debt to equity ratio was 0.79:1.00.

(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 at September 30, 2025, the current ratio was 1.34:1.00.

Cash Flows

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Cash provided by (used in) continuing operating activities	1,770	1,960	3,742	(71)
Cash used in investing activities	(237)	(133)	(1,245)	(754)
Free cash flow¹	1,533	1,827	2,497	(825)

¹ Non-GAAP financial measure. Refer to “Cautionary Statement Regarding Certain Non-GAAP Measures” for further details.

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Free cash flow ¹	1,533	1,827	2,497	(825)
Cash provided by discontinued operating activities	-	(54)	-	3,837
Cash used in financing activities	(798)	(1,156)	(3,413)	(3,472)
Decrease in cash	735	617	(916)	(460)
Cash, beginning of period	5,346	2,404	6,997	3,481
Cash, end of period	6,081	3,021	6,081	3,021

¹ Non-GAAP financial measure. Refer to “*Cautionary Statement Regarding Certain Non-GAAP Measures*” for further details.

For the three and nine months ended September 30, 2025, cash used by operating activities was \$1.8 and \$3.7 million, a decrease of \$0.2 and an increase of \$3.8 million over the comparative periods. The increase in cash flow from operations is primarily attributable to net revenue growth, partially offset by changes in non-cash working capital as the Company anticipates additional growth from international demand.

For the three and nine months ended September 30, 2025, cash used by investing activities was \$0.2 and \$1.2 million. Refer to “Statement of Financial Position – Capital Additions”.

For the three and nine months ended September 30, 2025, cash used by financing activities was \$0.8 and \$3.4 million. The change in cash used in financing activities during the period is due to the repayment of long-term debt and lease liabilities. Refer to “Liquidity and Capital Resources”.

Contractual Obligations

As at September 30, 2025, Decibel had contractual obligations as detailed below:

	Total	<1 Year	<2 Years	<3 Years	<4 Years	<5 Years	Thereafter
Accounts payable and accrued liabilities	36,383	36,383	-	-	-	-	-
Lease liabilities ⁽ⁱ⁾	11,392	3,203	3,381	2,600	1,135	140	933
Loans and borrowings ⁽ⁱⁱ⁾	43,304	10,511	32,793	-	-	-	-
Total	91,079	50,097	36,174	2,600	1,135	140	933

(i) Includes the interest portion of lease obligations.

(ii) Loans and borrowing balances are based on the credit facility in place at September 30, 2025. Included are the estimated interest and principal repayments, based on current amounts outstanding and current interest rates at September 30, 2025. Both are variable in nature.

Outstanding Share Data

As of the date of this MD&A, the Company had 576.9 million Common Shares outstanding, 0.4 million restricted share units outstanding, and 30.9 million stock options outstanding.

Capital

As at September 30, 2025, and September 30, 2024, 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 at September 30, 2025, 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 three and nine months ended September 30, 2025.

Critical accounting judgements, estimates and assumptions

The preparation of the Company's Consolidated 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 significant estimates and assumptions in calculating the fair value less costs to sell and costs to complete of biological assets. The significant estimates and assumptions in determining the fair value less costs to sell and costs to complete of biological assets include the estimated average selling price per gram and average yield per plant. Further information on estimates used in determining the fair value of biological assets is contained in Note 4 in the Consolidated 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.

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 at September 30, 2025, 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 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

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.

- 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 EBITDA 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.

	Three months ended		Nine months ended	
	2025	September 30 2024	2025	September 30 2024
<i>(thousands of Canadian dollars)</i>				
Net loss and comprehensive loss	(1,340)	(585)	(1,595)	(3,796)
Unrealized gain on changes in fair value of biological assets	(4,463)	(1,201)	(14,142)	(9,108)
Change in fair value of biological assets realized through inventory sold	9,560	3,844	22,794	12,090
Depreciation and amortization	1,676	1,219	4,972	3,640
Share-based compensation (recovery)	478	162	832	(631)
Other loss (income)	(357)	(27)	(364)	134
Finance costs	661	728	2,022	2,253
Foreign exchange loss (income)	115	104	263	189
Non-cash cost of goods sold ¹	680	480	1,989	3,032
Other adjustments ²	258	483	259	4,933
Adjusted EBITDA³	7,268	5,207	17,030	12,736

- Adjusted Net Income and Adjusted Earnings per Share ("Adjusted EPS"):** Adjusted Net Income and Adjusted EPS 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 EPS 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		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Net loss and comprehensive loss	(1,340)	(585)	(1,595)	(3,796)
Unrealized gain on changes in fair value of biological assets	(4,463)	(1,201)	(14,142)	(9,108)
Change in fair value of biological assets realized through inventory sold	9,560	3,844	22,794	12,090
Adjusted net income (loss)¹	3,757	2,058	7,057	(814)
Weighted average number of shares outstanding	576,861,161	409,039,064	578,985,649	409,039,064
Adjusted EPS	\$0.01	\$0.01	\$0.01	-

- 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.

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Cash provided by (used in) continuing operating activities	1,770	1,960	3,742	(71)
Cash used in investing activities	(237)	(133)	(1,245)	(754)
Free cash flow¹	1,533	1,827	2,497	(825)

- Adjusted Free Cash Flow (“Adjusted Free Cash Flow”): Adjusted 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 Adjusted Free Cash Flow as Free Cash Flow excluding cash used in investing activities, changes in non-cash working capital, less repayment of long term debt. 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.

	Three months ended		Nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
<i>(thousands of Canadian dollars)</i>				
Free cash flow ¹	1,533	1,827	2,497	(825)
Cash used in investing activities	237	133	1,245	754
Changes in non-cash working capital	3,890	1,482	8,892	6,621
Repayment of long-term debt	(476)	(714)	(1,994)	(2,081)
Adjusted free cash flow¹	5,184	2,728	10,640	4,469

- 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 Consolidated Financial Statements.

- 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.
- 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. Excise taxes associated with Gross Canadian Recreational Sales are subtracted from Gross Canadian Recreational Sales to arrive at Net Canadian Recreational Sales.

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 Consolidated Financial Statements. As at September 30, 2025, 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 19 to the Consolidated Financial Statements.

As at,	September 30, 2025	December 31, 2024
<i>(thousands of Canadian dollars)</i>		
Cash	6,081	6,997
Accounts receivable	20,633	11,786
Other current assets	2,526	2,419
Biological assets	1,911	1,541
Inventory	33,367	41,795
Accounts payable and accrued liabilities	(36,383)	(38,195)
Current portion of lease liabilities	(2,464)	(1,878)
Current portion of long-term debt	(9,070)	(8,767)
Other current liabilities	(132)	(221)
Total working capital¹	16,469	15,477

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:

- future liquidity and financial position;
- the Company's growth and business strategies;
- the Company's markets for current and proposed product offering;
- the sufficiency of the Company's resources to fund continued operations;
- the Company's expectations regarding its future sales;
- the Company's expectations relating to the success of AgMedica and its continued integration into the Company's overall operations;
- the Company's expectations regarding the competitive landscape generally, and with respect to future volatility in its gross margin related to price competition;
- 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;
- the Company's expectations relating to the international regulatory landscape applicable to the Company's business;
- the Company's expectations with respect to any ongoing construction activities or further expansion or development of the Company's facilities;
- the Company's expectation relating to the BCGEU Strike disruptions; 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 information 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 successfully integrate AgMedica's operations;
- 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 continuing impacts from the BfArM import limitations;
- the continuing impacts from the BCGEU Strike;
- 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 contained herein 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 impact of the imposition of duties and tariffs and other trade barriers, and the impact of such measures on the broader Canadian economy;
- the impact of strikes, including continuing impacts from the BCGEU Strike, and other similar disruptions to the Company's business;
- regulatory uncertainty from anticipated and unanticipated changes in evolving international regulatory frameworks;
- inflation, price volatility and other economic risks that may impact the costs of the Company's products;
- the labour market generally and the ability to access, hire and retain employees; and
- general business, economic, competitive, political and social uncertainties.

Readers are cautioned that the foregoing list of assumptions and risk factors is not exhaustive. The forward-looking information and statements and information contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information and statements 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 Decibel's Management's Discussion and Analysis for the year ended December 31, 2024, as filed on SEDAR+ at www.sedarplus.ca.