

Decibel Reports Full-Year and Fourth Quarter 2025 Results: Revenue Grows 22% to \$113 Million, Issues 2026 Guidance

CALGARY, AB, April 16, 2026 /CNW/ - Decibel Cannabis Company Inc. (the "**Company**" or "**Decibel**") (TSXV: DB) (OTCQB: DBCCF), a leading Canadian branded cannabis company with a growing international platform, today announced its audited financial results for the three and twelve month periods ended December 31, 2025.

"Our 2025 performance tells a compelling story with 22% revenue growth, \$23 million of Adjusted EBITDA and Free Cash Flow up almost 3x from last year. All in the same period where we successfully integrated a transformational acquisition and more than doubled its Adjusted EBITDA target with a growing backlog of international business. To start 2026, we have refinanced our debt with industry-leading terms to strengthen our balance sheet and support further growth. Decibel is generating real cash flow, growing internationally and compounding value with our best still yet to come. Benjamin Sze – Chief Executive Officer

Full Year 2025 Highlights

- Net Revenue of \$113 million, growth of 22%
- International Sales of \$24 million, growth of 484%
- Adjusted EBITDA⁽¹⁾ of \$23 million, growth of 29%
- Free Cash Flow⁽¹⁾ of \$5.5 million, growth of 292%
- First full year of AgMedica Bioscience Inc. ("AgMedica") operations delivered Adjusted EBITDA⁽¹⁾ of \$7 million, well above initial target of \$4 million, implying a <1x transaction multiple. This represents one of the most value-accretive acquisitions in the cannabis sector.

Note:

¹ Non-GAAP financial measure. Refer to "Cautionary Statements – Non-GAAP Measures" for further details.

2026 Outlook⁽¹⁾

Financial Outlook

- Net Revenue of \$130 to \$135 million, implying growth of 18% to midpoint of range
- Adjusted EBITDA⁽²⁾ of \$27 to \$31 million, implying growth of 26% to midpoint of range

International Outlook

Decibel's international sales grew 484% in 2025, with volumes ramping throughout the course of the year as management developed a robust customer and supplier network and a resulting backlog. We believe international sales are positioned for significantly high double-digit growth through 2026 and beyond driven by the following:

- 14+ international customers with executed supply agreements
- 40+ GACP cultivators onboarded with executed supply agreements
- 60 Tons per Annum of flower processing capacity at 30% utilization based on Q4 2025 results
- Expanding production of EUGMP extracts to meet growing demand, allowing for ease of access into vapes and oils, with ongoing shipments into multiple countries
- Increasing value-add services including doubling the capacity of our in-house microbial remediation services

Domestic Outlook

Entering 2026, Decibel has strengthened its domestic competitive position across multiple categories including refreshing infused pre-roll offerings, introducing new disposable vapes, and launched a new value brand, Standard Issue. These initiatives address the competitive dynamics that constrained domestic growth to <1% in 2025, and we believe domestic sales are now positioned for high single-digit growth through 2026 and beyond, driven by the following:

- Launched our new Standard Issue brand, expanding our domestic target market, with early sell-through data exceeding initial forecasts by 30%
- Refreshed vape portfolio with renewed momentum for General Admission disposable offering and liquid diamond formulations. Since launch in January of 2026, Standard Issue has already grown to be a top 10 vape brand based on HiFyre data
- Reinvigorated flower offering with 4 new strains and further supply to drive growth with reintroduction of standard pre-rolls, a segment Decibel is currently under-indexed in

Notes:

¹ The Company's outlook makes numerous assumptions. Assumptions used for the purposes of outlook may prove to be incorrect and actual results may differ from those anticipated. Refer to "Cautionary Statements – Preliminary Financial Information" for further details.

² Non-GAAP financial measure. Refer to "Cautionary Statements – Non-GAAP Measures" for further details.

Fourth Quarter Highlights

- **Net Revenue** was \$28.7 million, a year-over-year increase of 13%. Net revenue growth in the quarter was driven by growth in international volumes supported by the AgMedica facility acquired on October 28, 2024. Total revenues contributed from the AgMedica facility were \$7.6 million, of which \$7.4 million were international sales and the remainder was sold domestically.
- **Net Canadian Recreational Sales** were \$21.3 million, a year over year decrease of 3%. The Company saw strong traction on new products including flower, ultra-high-potency vapes, infused pre-rolls and large format all-in-one disposable vapes, with market share gains carrying into Q1 2026. The year-over-year decline reflects the impact of the BC Liquor Distribution Branch strike, which resulted in no sales for more than a month in the province, with sales resuming in November 2025.
- **International Sales** were \$7.6 million, a year over year increase of 116%. The increase in international sales was driven by strong volume growth, with the Company's customer backlog continuing to expand. The quarter was partially impacted by the German Federal Institute for Drugs and Medical Devices ("BfArM") halting imports due to the annual approved limit being reached (the "BfArM Limit"). The BfArM Limit was subsequently expanded with imports resuming late Q4 2025. The Company remains confident that international demand continues to outpace supply and expects to deliver high double-digit growth in 2026.
- **Gross Margin Before Fair Value Adjustments** was 49% in the fourth quarter of 2025, compared to 49% in the fourth quarter of 2024.
- **Adjusted EBITDA⁽¹⁾** of \$6.2 million, a year over year increase of 19%. The increase in Adjusted EBITDA for the quarter was primarily driven by international sales.
- **Free Cash Flow⁽¹⁾** of \$3 million, a year over year increase of 34%. The increase in Free Cash Flow 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.
- **Adjusted Net Income⁽¹⁾** of \$2.6 million, a year over year increase of 157%.
- **Subsequent Events:**

- On February 10, 2026, Decibel announced the closing of a new \$61 million credit facility that extends Decibel's debt maturities out to 2030, reduces 2026 payment obligations by \$5 million and provides up to \$10 million in undrawn available capital. The Company's pro forma Debt to EBITDA is expected to remain below 2.50x.
- On February 25, 2026, Decibel announced that it had entered a conditional agreement for the sale of its cultivation property located in Creston, British Columbia. The agreed sales price is \$2.5 million. The sale reflects further optimization of Decibel's operating footprint, having no impact to the Company's revenue outlook while anticipated to save \$4 million annually.

Note:

¹ Non-GAAP financial measure. Refer to "Cautionary Statements – Non-GAAP Measures" for further details.

Summary Highlights

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
(thousands of Canadian dollars, except where noted)				
Gross Canadian recreational sales ¹	\$33,100	\$33,620	\$139,687	\$136,353
Net Canadian recreational sales ¹	\$21,302	\$21,869	\$88,514	\$88,392
International sales ¹	\$7,425	\$3,443	\$24,208	\$4,145
Total				
Gross revenue	\$40,525	\$37,263	\$163,895	\$140,498
Net revenue	\$28,727	\$25,312	\$112,722	\$92,537
Gross profit before fair value adjustments	\$14,026	\$12,323	\$54,007	\$44,355
Gross margin before fair value adjustments	49 %	49 %	48 %	48 %
Adjusted EBITDA ³	\$6,205	\$5,201	\$23,235	\$17,936
Net income (loss) and comprehensive income (loss)	(\$1,329)	\$13,260	(\$2,924)	\$9,463
Adjusted net income (loss) ³	\$2,602	\$1,014	\$9,659	\$200
Cash flow from continuing operations	\$3,716	\$2,390	\$7,458	\$2,319
Free cash flow ^{2, 3}	\$2,977	\$2,221	\$5,474	\$1,396
Per Share Metrics				
Income (loss) per share	-	\$0.03	(\$0.01)	\$0.03
Adjusted EPS ³	-	-	\$0.02	-

¹ Supplementary financial measure. Refer to "Cautionary Statements – Non-GAAP Measures" for further details.

² Non-GAAP financial measure. Refer to "Cautionary Statements – Non-GAAP Measures" for further details.

³ Non-GAAP ratio. Refer to "Cautionary Statements – Non-GAAP Measures" for further details.

Management of the Company is pleased with its growth over the 2025 financial year including the contributions reflecting the successful integration of AgMedica during the year and the increases in its international sales. Compared with the Company's outlook most recently provided on November 19, 2025, the 2025 year end results were largely inline with the forecast provided, and is further discussed below and in the Company's management's discussion & analysis for the three and twelve month periods ending December 31, 2025 ("MD&A"), which is available under the Company's profile on www.sedarplus.ca.

Decibel's audited condensed consolidated financial statements for the three and twelve month periods ending December 31, 2025 (the "Financial Statements") and related MD&A are available on SEDAR+ under the Company's profile at www.sedarplus.ca.

The Company will host a live conference call to discuss the results at 10:00 a.m. MST the same day. The conference call can be accessed by dialing 1-800-715-9871 for Canadian participants and 1-(888)-880-3330 for U.S. participants, referencing conference ID 6569457.

About Decibel

Decibel is a consumer-focused cannabis company with a strong foundation in the Canadian adult-use market, built on leading brands including General Admission, Qwest and Standard Issue. The Company focuses on disciplined innovation, consistent product quality and strong brand execution. Alongside its leadership position in Canada, Decibel is a significant and growing participant in international cannabis markets. Decibel operates a processing and manufacturing facility in Calgary, Alberta, a cultivation facility in Battleford, Saskatchewan, and an EU GMP licensed cultivation and processing facility in Chatham, Ontario.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Statements

Non-GAAP Measures

This news release contains certain financial performance measures, namely Adjusted EBITDA, Adjusted Net Income and Free Cash Flow, that are not recognized or defined under IFRS (termed "Non-GAAP Measures"). As a result, this data may not be comparable to data presented by other licensed producers and cannabis companies. For an explanation of these measures to related comparable financial information presented in the Financial Statements prepared in accordance with IFRS, refer to the discussion below. The Company believes that these Non-GAAP Measures are useful indicators of operating performance and are specifically used by management to assess the financial and operational performance of the Company. Accordingly, these Non-GAAP Measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure that is calculated as net income (loss) and comprehensive income (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. This non-GAAP financial measure should be considered together with other financial information prepared in accordance with IFRS to enable investors to evaluate Decibel's operating results, underlying performance and prospects in a manner similar to Decibel's management.

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
(thousands of Canadian dollars)				
Net income (loss) and comprehensive income (loss)	(1,329)	13,260	(2,924)	9,463
Unrealized gain on changes in fair value of biological assets	(3,183)	(1,685)	(17,325)	(10,792)
Change in fair value of biological assets realized through inventory sold	7,114	5,480	29,908	17,570
Depreciation and amortization	1,638	1,396	6,610	5,036
Share-based compensation (recovery)	471	(246)	1,303	(877)
Other (income) loss	97	1,171	(268)	1,305
Finance costs	630	648	2,652	2,902
Foreign exchange loss	136	50	399	239
Non-cash cost of goods sold ¹	448	1,184	2,438	4,216
Other adjustments ²	183	(16,057)	442	(11,126)
Adjusted EBITDA³	6,205	5,201	23,235	17,936

Adjusted Net Income is a non-GAAP financial measure that is calculated as net income (loss) and comprehensive income (loss) excluding unrealized gain on changes in fair value of biological assets and change in fair value of biological assets realized through inventory sold.

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
(thousands of Canadian dollars)				
Net (loss) income and comprehensive (loss) income	(1,329)	13,260	(2,924)	9,463
Unrealized gain on changes in fair value of biological assets	(3,183)	(1,685)	(17,325)	(10,792)
Change in fair value of biological assets realized through inventory sold	7,114	5,480	29,908	17,570
Gain on acquisition of AgMedica Bioscience Inc.	-	(16,041)	-	(16,041)
Adjusted net income¹	2,602	1,014	9,659	200
Weighted average number of shares outstanding	576,861,161	475,391,666	576,868,079	425,961,115
Adjusted EPS	-	-	\$0.02	-

These measures are intended to provide a proxy for the Company's net income (loss) and comprehensive income (loss) and are used to compare Decibel to its competitors and derive expectations of future financial performance of the Company and should be considered together with other financial information prepared in accordance with IFRS to enable investors to evaluate Decibel's operating results, underlying performance and prospects in a manner similar to Decibel's management.

	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
(thousands of Canadian dollars)				
Cash provided by continuing operating activities	3,716	2,390	7,458	2,319
Cash (used in) provided by investing activities	(739)	1,941	(1,984)	1,187
Proceeds from the sale of Prairie Records Retail assets	-	(2,110)	-	(2,110)
Free cash flow¹	2,977	2,221	5,474	1,396

Free Cash Flow is a non-GAAP financial measure that is calculated as cash flow from operations less cash provided by (used in) investing activities. This non-GAAP financial measure should be considered together with other financial information prepared in accordance with IFRS to enable investors to evaluate Decibel's operating results, underlying performance and prospects in a manner similar to Decibel's management.

Non-GAAP Ratios

Adjusted EPS, or adjusted earnings per share, is a non-GAAP ratio, does not have a standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EPS is calculated as net income (loss) and comprehensive income (loss) excluding unrealized gain on changes in fair value of biological assets and change in fair value of biological assets realized through inventory sold, divided by the weighted average common shares outstanding. The Company believes that adjusted earnings per share is a useful metric to normalize net income for biological asset accounting impacts.

Supplementary Financial Measures

International Sales is a supplementary financial measure intended to provide a more accurate depiction of international sales earned by the Company's wholesale operations.

Gross Canadian Recreational Sales is a supplementary financial measure intended to provide a more accurate depiction of gross revenue earned by the Company's wholesale operations.

Net Canadian Recreational Sales is a supplementary financial measure intended to provide a more accurate depiction of net revenue earned by the Company's wholesale operations.

Forward-Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release.

Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

In this news release, forward-looking statements relate to, among other things: expectations relating to the scaling of internal sales and management's belief that significant opportunity lies ahead for Decibel's operations, including the belief the Standard Issue brand launch, refreshed vape portfolio, and the reinvigorated flower offering will strengthen Decibel's domestic competitive position; expectations that demand for Decibel's products will grow, including demand for the Standard Issue brand, refreshed vape portfolio, and the reinvigorated flower offering; the ability of the Company to extend its product offering to new countries and create a global footprint, including anticipation of incremental international volumes, new contracts, new GACP cultivators onboarded, increasing value-add services, and the anticipated contributions from these activities, and the timing thereof; Decibel's expectations relating to the impacts from the BfArM import halt and subsequent recommencement, the impacts from the B.C. General Employees' Union strike, and adjustments relating to restructuring of pricing in certain contracts, including management's expectation that these impacts will be transitory in nature and/or not disruptive to long term earnings potential; the Company's marketing efforts and brand expansion, and the expected benefits therefrom; and its other business plans and expectations. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this news release. Except as required by law, the Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections or other factors should they change, except as required by law.

Forward-looking statements and FOFI (as defined herein) are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: risks relating to delays, regulatory changes and impacts; capital requirements; construction impacts; the ability to obtain and maintain licences to retail cannabis products; the ability to successfully market and sell its products domestically (including the Standard Issue brand, refreshed vape portfolio, and reinvigorated flower offering) and internationally; the ability for the Company to continue successful relationships with international customers and GACP cultivators; review of the Company's production facilities by Health Canada and maintenance of licences (including any amendments thereto) from Health Canada in respect thereof; future legislative and regulatory developments involving cannabis; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the labour market generally and the ability to access, hire and retain employees; general business, economic, competitive, political and social uncertainties; including the imposition of levies and tariffs, and the general impact of such policies on the broader economy; the risk that the Company may not be able to meet consumer demand; the risk that the Company may not improve its operational capacity when anticipated or at all; the risk that Decibel may not remain in compliance with its financial covenants for the remainder of its twelve-month forecast period; and the delay or failure to receive board, regulatory or other approvals, including any approvals of the TSX Venture Exchange, as applicable. Many of these risks and uncertainties and additional risk factors are described in the Company's MD&A for the year ended December 31, 2025, which is available under the Company's profile at www.sedarplus.ca.

With respect to forward-looking statements and FOFI contained in this news release, Decibel has made assumptions regarding, but not limited to: growth of the brand and recognition in Canada will lead to growth internationally; demand for Decibel's products; 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; the Company's expectation that its new Standard Issue brand, refreshed vape portfolio and reinvigorated flower offering strengthen its domestic competitive position and increase domestic sales; 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 Decibel's 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; the continued relationships with the Company's international customers and GACP cultivators, and the successful expansion of EUGMP extracts and related growing demand for such extracts; 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.

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

Preliminary Financial Information

Any financial outlook or future oriented financial information (in each case "FOFI") contained in this news release regarding the Company's prospective financial position, including, but not limited to net revenue and Adjusted EBITDA projections relating to the full year 2025 guidance in this news release, is based on reasonable assumptions about future events, including those described above, based on an assessment by management of Company of the relevant information that is currently available.

The Company's anticipated financial results for its full year 2026, including, but not limited to, net revenue and Adjusted EBITDA (see "– Non-GAAP Financial Measures" above) assumes, among other things: (i) relative stability in interest rates; (ii) limited relative deterioration in foreign exchange rates due to ongoing and evolving trade and tariff policies; (iii) limited overall impact to the Company's costs resulting from trade and tariff policies; (iv) limited overall impact to domestic and international demand for our products resulting from the broader economic impacts from trade and tariff policies, and related uncertainty; (v) the Company's ability to strengthen its domestic competitive position; (vi) the growth of domestic sales for the Company's products, including, but not limited to, the Standard Issue brand, refreshed vape portfolio, and reinvigorated flower offering; and (vii) the Company's international outlook, including, but not limited to, its ability to maintain its international customers, GACP cultivators, flower processing capacity, and EUGMP extract demand. The actual results will likely vary from the amounts set forth herein and such variations may be material.

The Company's anticipated financial results are unaudited and preliminary estimates that: (i) represent the most current information available to management as of the date of this news release; (ii) are subject to completion review and audit procedures that could result in significant changes to the estimated amounts; and (iii) do not present all information necessary for an understanding of the Company's financial condition as of, and the Company's results of operations for, such periods. The anticipated financial results are subject to the same limitations and risks as discussed under "– Forward-Looking Statements" above. Accordingly, the Company's anticipated financial results for such periods may change upon the completion and approval and audit of the financial statements for such periods and the changes could be material.

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