



11/13/2025

# Vireo Growth (VREOF)

Company Update: Overweight

Sales	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev	CY28e	Prev																																																								
1Q	24.1	24.5 A	24.5	102.1	115.7	113.6	127.8	121.4																																																									
2Q	24.5	48.1 A	48.1	110.7	125.5	127.7	133.1	137.5																																																									
3Q	24.5	91.7 A	93.2	111.6	129.6	128.3	136.4	139.0																																																									
4Q	<u>24.5</u>	<u>95.6 E</u>	<u>108.3</u>	<u>111.5</u>	<u>131.4</u>	<u>128.6</u>	<u>139.5</u>	<u>139.6</u>																																																									
FY	97.6	259.9 E	274.1	436.0	502.2	498.3	536.8	537.4																																																									
EBITDA	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev	CY28e	Prev																																																								
1Q	6.1	6.6 A	6.6	28.4	34.1	35.2	40.9	37.9																																																									
2Q	8.1	13.3 A	13.3	31.8	37.6	41.2	42.6	44.8																																																									
3Q	6.4	25.4 A	25.3	32.3	39.2	41.6	43.8	45.6																																																									
4Q	<u>6.6</u>	<u>26.2 E</u>	<u>31.2</u>	<u>32.6</u>	<u>39.6</u>	<u>42.0</u>	<u>44.9</u>	<u>46.1</u>																																																									
FY	27.2	71.4 E	76.4	125.0	150.5	160.1	172.2	174.4																																																									
<b>Share price (US\$)</b>	0.57	<b>Perf.</b>	<b>VREOF</b>	<b>MSOS</b>	<b>S&amp;P500</b>	<b>Stance:</b> <b>Overweight</b>																																																											
Share count (mn)	949.9	30d	-14%	-14%	5%	no price target																																																											
Market Cap (US\$Mn)	541	90d	-26%	-17%	6%	FY=Dec																																																											
Ticker	VREOF	1yr	50%	6%	14%																																																												
<table border="1"> <thead> <tr> <th>\$Mn</th> <th>CY25</th> <th>CY26</th> <th>CY27</th> </tr> </thead> <tbody> <tr> <td>Projected EV</td> <td>715</td> <td>656</td> <td>563</td> </tr> <tr> <td>EV/Sales (proforma)</td> <td>1.4x</td> <td>1.2x</td> <td>0.9x</td> </tr> <tr> <td>EV/EBITDA (proforma)</td> <td>5.4x</td> <td>4.2x</td> <td>3.0x</td> </tr> <tr> <td></td> <th>CY25</th> <th>CY26</th> <th>CY27</th> </tr> <tr> <td>Net debt/Sales</td> <td>-0.1x</td> <td>0.1x</td> <td>0.2x</td> </tr> <tr> <td>Net debt/EBITDA</td> <td>-0.4x</td> <td>0.2x</td> <td>0.7x</td> </tr> <tr> <td>Free Cash Flow</td> <td>-24</td> <td>57</td> <td>92</td> </tr> <tr> <td>Net debt</td> <td>-29</td> <td>27</td> <td>119</td> </tr> <tr> <td></td> <th>CY25</th> <th>CY26</th> <th>CY27</th> </tr> <tr> <td>Consensus</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sales</td> <td>271</td> <td>482</td> <td>537</td> </tr> <tr> <td>EBITDA</td> <td>75</td> <td>148</td> <td>172</td> </tr> <tr> <td><b>Guidance CY25:</b></td> <td></td> <td>na</td> <td>na</td> </tr> </tbody> </table>										\$Mn	CY25	CY26	CY27	Projected EV	715	656	563	EV/Sales (proforma)	1.4x	1.2x	0.9x	EV/EBITDA (proforma)	5.4x	4.2x	3.0x		CY25	CY26	CY27	Net debt/Sales	-0.1x	0.1x	0.2x	Net debt/EBITDA	-0.4x	0.2x	0.7x	Free Cash Flow	-24	57	92	Net debt	-29	27	119		CY25	CY26	CY27	Consensus				Sales	271	482	537	EBITDA	75	148	172	<b>Guidance CY25:</b>		na	na
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# Company Update

We discuss here Vireo Growth's 3Q results, the near-term outlook, and the recently announced Schwazze deal. At 1.4x proforma CY25 sales and 5.5x EBITDA, the stock is attractively valued vs. tier 1 MSOs. See our [initiation report](#) (6/18) for company background.

## On 3Q and Outlook

We rate Vireo Growth Overweight. Since Dec'24, when Vireo Growth was transformed via three large acquisitions (MO, NV, UT) and a recapitalization plan, management has guided for a "roll-up" strategy of the US cannabis industry (via accretive deals). The deal for Schwazze, done at 3x EBITDA

**About 3Q results.** Vireo beat our sales estimates by 1% (\$91.7Mn) and EBITDA (\$25.4Mn) by 6%, with healthy EBITDA margins near 28%.

- 3Q was the first full quarter of three deal closed in 2Q in UT, MO, and NV. Respectively, Wholesome/Arches closed on 5/12/25, Proper on 6/5/25, and Deep Roots on 6/9/25. MO (\$24.9Mn vs. \$23.6Mn) and UT (\$13.3Mn vs. \$12.1Mn) sales were ahead of our estimates, while NV was slightly below (\$25Mn vs. \$25.8Mn)
- Sales in the base business were down: MD (64%/36% retail/wholesale) declined seq to \$10.4Mn from \$10.9Mn, with retail down 2% and wholesale -10%; NY revenues increased to \$6.1Mn from \$5.2Mn (all driven by wholesale growth to \$5.1Mn)
- MN only reflected 2 weeks of sales. Retail sales went from \$10.9Mn in 2Q to \$11.9Mn. We calculate sales for those two weeks were up about 1.5x (10.9/6, x5 and then taking that off 11.9). It is early days and supplies are still tight. Stores may be slow to open, so this should give Vireo's 8 stores a head start (see our recent [Zoom](#)). MN wholesale was minimal.
- Adjusted gross margins (i.e., ex one-offs) improved qoq to 55.4% from 51.7%. Some of these gains were offset by integration costs, so EBITDA margins were stable seq at 27.7%.
- Cash flow metrics are distorted by the new deals. Still, as reported, YTD FCF is -\$33Mn, and the company has gone from a net cash position of \$19Mn YE24 to net debt of \$39Mn at the end of Sep'25.

### About the outlook.

- MN is tracking in line with expectations, but for now there is a shortage of supply in the market. Vireo is in the process of increasing capacity (coming on by late 1Q26). Despite the cap on rec canopy, we believe Vireo will have a window to supply 3<sup>rd</sup> party rec stores in 1H26. During 4Q its 8 stores will probably see little competition from new 3<sup>rd</sup> party stores as these are slow to open and garner supplies.

- Vireo plans to divest the PA cultivation facility it received from Verano as part of a legal settlement (it also received \$1Mn in cash); as part of the deal, the property was valued at \$10Mn, but Vireo believes the value is higher.
- The NY transaction is still on, but it has delayed due to the regulatory process.
- The Schwazze transaction should close by 1Q26. Management sees opportunities to further consolidate the retail channel in the states of CO and NM. See next section

## The Proforma Math of the Schwazze Deal

Here we give more color on the transaction announced on 10/2/25.

**Deal consistent with the roll-up strategy.** Since Dec'24, when Vireo Growth was transformed via three large acquisitions (MO, NV, UT) and a recapitalization plan, management has guided for a “roll-up” strategy of the US cannabis industry (via accretive deals). The deal for Schwazze, done at an estimated 3-4x EBITDA (well below the current MSO average of 9x, and also below the 4.2x it paid for the Dec deals), is consistent with that vision. That said, we would prefer deals in states with rec optionality (med states that could go rec), and of what we call the “license-restricted” kind. CO and NM are matured rec states, with below average pricing, and high store density. Still, in Schwazze, Vireo is buying one of the retail leaders in those states, which are consolidating, in part due to attrition and as the remaining operators seek to gain scale inorganically.

**About the transaction...** In essence (there are several steps, transactions, and affiliate entities involved; see [8-K filing](#) for the details), Vireo will take control of Schwazze by buying the company's senior secured convertible notes for \$62Mn (these notes had a face value of \$91Mn as of 10/10/25, including debt and interest, and account for 86% of all these notes outstanding) and eventually equitizing them. Vireo will issue 114.8mn to the holders of the notes, which will now own a 10.7% equity stake in Vireo (so the new Vireo share count will increase by about 12% to 1,065mn shares from 950mn). The senior secured convertible notes were due to mature Dec'26 and carried a 13% interest rate, but they were currently in default.

**About Schwazze.** Per Schwazze's latest corporate deck available (from Aug'24), Schwazze had 27 dispensaries in CO (under the Star Buds and Emerald Fields retail banners), and 35 in New Mexico (R. Greenleaf and Everest Cannabis). Retail store revenue accounted for 90% of Schwazze sales (wholesale for the balance). Schwazze has an estimated 8% retail share in both states in mid 2024. Among its five cultivation facilities, it has indoor growth (100K sq ft), hoop/greenhouses (104K sq ft), and 42 acres of outdoor growth. It also has four (2 in each state) manufacturing facilities. Some of its own brands include ‘Purplebee’s and ‘Every Day’. Schwazze last reported “preliminary” results on 11/7/24 for 3Q24 (sales of \$42Mn and EBITDA of \$11Mn), and had not filed a 10-Q since 3Q23.

**About the CO and NM markets.** Per the latest state data, NM sales in 3Q25 reached \$141Mn (77% rec; 23% med), down 4% yoy (and -3% qoq). The implied per capita \$ spend of \$264 (among the highest in the country) is partly explained by the proximity to Texas, in our view. There are 1,006

dispensaries open in NM (per the regulator's website), which implies average annual revenue per store of \$561K (annualizing 3Q); this is the lowest in the country. Colorado official data is out only thru July, and Jan-Jul sales (\$775Mn, 11% med and 89% rec) were down 6% yoy for that period; Headset data for CO shows sales in 3Q25 were down 7% yoy (stable qoq). With 689 dispensaries licensed for rec services (287 with med licenses), CO rev/store is about \$1.9Mn pa. It could be argued markets like NM and CO have already seen the bulk of the price compression that we tend to see in the more recently legalized rec states in the east. So, downside to current #s is less.

**Modelling.** We will not update our Vireo model yet for the sales and EBITDA impact from Schwazze until the transactions close in early 2026, although we understand a fair annual run rate for sales would be \$130Mn and \$30Mn for EBITDA. But for Vireo valuation purposes, we will take the share count disclosed as of 11/11/25 of 1,065mn (which is post the Schwazze transaction) and proforma numbers.

**Table 1: Proforma Valuation for CY25**

US\$ 000s			
<b>Spot proforma EV</b>	<b>725</b>		
Market cap (\$Mn)	609	<b>CY25 "proforma" sales</b>	<b>513</b>
Share price (US\$)	\$0.57	Z&A 4Q estimate annualized	383
Share count used for val purposes	1,067.9	Schwazze sales (est)	130
common shares	1,064.7		
RSUs and derivatives in the money	3.2	<b>CY25 "proforma" EBITDA</b>	<b>135</b>
Broadly defined net debt (\$Mn)	-116	Z&A 4Q estimate annualized	105
financial net cash (debt)	-39	Schwazze sales (est)	30
leases net of right of use assets	-9		
income tax debt	-53		
contingent consideration	-15		

*Source: Company reports, Z&A estimates*

## VREOF Valuation

We realize the call at present on MSOs is mostly related to federal reform news, but relative to peers, Vireo has upside from MN having started rec sales (mid Sep'25), from NY wholesale, as well as from its rollup strategy.

**In terms of the valuation several adjustments are needed (see table), and we prefer to look at the valuation on a proforma basis,**

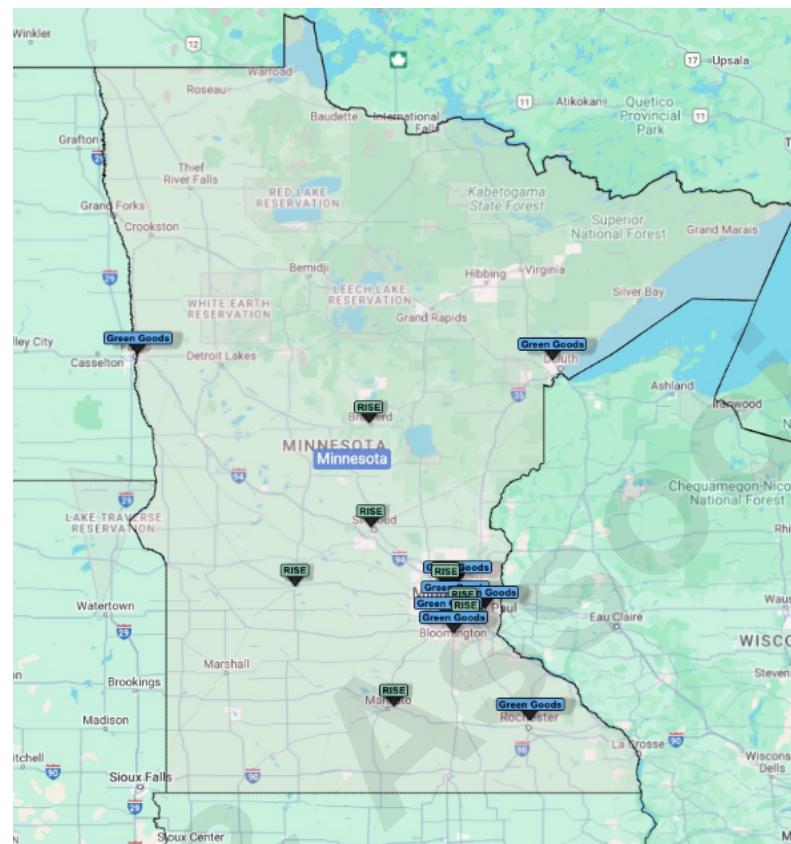
- For the market cap, we take the current share price of \$0.57 and share count (as of 11/11) of 1,065mn (plus 3.2mn vested RSUs).
- In the EV, we also factor Sep net financial debt of \$39Mn; leases net of right of use assets of \$9Mn; contingent consideration of \$15Mn; and \$53Mn in uncertain tax liability net of income tax receivable and indemnified assets (\$84.8Mn - \$14.4 - \$17.5Mn).

- In total that makes for a proforma spot EV (not the same as forward EV) of \$725Mn.
- Given the moving parts in the 2025 numbers (MN began rec late in Sep; Schwazze sales and EBITDA are not included), we prefer to take a proforma number for 2025:
  - 4Q25 annualized as that includes a full quarter of MN rec; that would mean sales of \$383Mn and EBITDA of \$105Mn
  - Plus the figures mentioned above from Schwazze (\$130Mn and \$30Mn, resp).
  - So total sales of \$513Mn plus \$135Mn.
- All this implies proforma CY25 EV/Sales of 1.4x and EV/EBITDA of 5.4x; in both cases, this is well below their 1 average of ~2x and 8x, respectively.
- We do not set price targets, but on our CY27 estimates, at 10x EBITDA, Vireo shares would have near 3x upside by Dec'26 (1yF basis). In the event of a sector rerating, say to 4x EV/Sales, by Dec'26 the stock could be 6x higher.

*For other company background, see our recent reports:*

- [debt refinancing](#)
- [2Q review](#)

Table 2: Dispensaries Operating in MN (Green Goods 8; Rise 8)



Source: Maptive, company websites, Z&amp;A

Table 3: Companies mentioned in this report

Company name	Ticker	Ticker	Rating	Company name	Ticker	Rating				
<b>US MSOs</b>										
Ascend Wellness	AAWH		not rated	Aurora Cannabis	ACB	Neutral				
AYR Wellness	AYRWF		not rated	Auxly Cannabis Group	XLY	not rated				
Cannabist	CCHWF		not rated	Avant Brands	AVNT	not rated				
Cansortium	CNTMF		will cover	Cannara Biotech	LOVFF	not rated				
Cresco Labs	CRLBF		Overweight	Canopy Growth	CGC	Neutral				
Curaleaf Holdings	CURLF		will cover	Cronos Group	CRON	will cover				
GlassHouse Brands	GLASF		not rated	Decibel Cannabis Co	DB	Overweight				
Green Thumb Industries	GTBIF		Overweight	Organigram Holdings	OGI	will cover				
Jushi Holdings	JUSHF		Overweight	Rubicon Organics	RUBI	Overweight				
MariMed	MRMD		Overweight	Simply Solventless	HASH	will cover				
Planet 13 Holdings	PLNHF		Overweight	SNDL Inc	SNDL	not rated				
TerrAscend	TSNDF		not rated	Tilray Brands	TLRY	Neutral				
Trulieve Cannabis	TCNNF		will cover	Village Farms Intl	VFF	Overweight				
Verano Holdings	VRNOF		Overweight	<b>Vape Parts</b>						
Vext Science	VEXTF		Overweight	Greenlane Holdings	GNLN	will cover				
Vireo Growth	VREOF		Overweight	Inspire Technology	ISPR	will cover				
<b>CBD/Hemp</b>										
Charlotte's Web	CWBHF		Overweight	Smoore International	SMORF	will cover				
CV Sciences	CVSI		not rated	TILT Holdings	TLLTF	Neutral				
Flora Growth	FLGC		not rated	<b>Finance (MJ) Companies</b>						
LFTD Partners Inc.	LIFD		not rated	AFC Gamma	AFCG	Neutral				
<b>International</b>										
Cantourage	HIGH		not rated	Chicago Atlantic BDC	LIEN	Overweight				
IM Cannabis	IMCC		not rated	Chicago Atlantic REAF	REFI	Overweight				
Intercure	INCR		Overweight	Innovative Industrial Properties	IIPR	not rated				
Little Green Pharma	LGP		not rated	New Lake Capital Partners	NLCP	Overweight				
<b>Tech</b>										
	WM Technology			WM Technology	MAPS	Neutral				

Source: Z&amp;A

# Appendix I: Company Financials

## Exhibit 1: Financial highlights (not factoring Schwazze deals)

US\$ Mn	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25	Sep 3Q25	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e	Dec CY28e
<b>P&amp;L Highlights</b>														
Revenues	88.1	99.4	24.5	48.1	91.7	95.6	259.9	102.1	110.7	111.6	111.5	436.0	498.3	537.4
qoq ch %	na	na	-2%	96%	91%	4%	na	7%	8%	1%	0%	na	na	na
yoy ch %	18%	13%	2%	91%	264%	282%	162%	316%	130%	22%	17%	68%	14%	8%
<i>Consensus Sales</i>						103.9	270.5	115.7	125.5	129.6	131.4	481.6	536.8	na
Gross profit	44.1	50.8	12.4	20.4	37.4	42.1	112.3	47.0	53.1	55.8	55.8	211.7	264.1	284.8
as % of sales	50.0%	51.1%	50.6%	42.5%	40.8%	44.0%	43.2%	46.0%	48.0%	50.0%	50.0%	48.6%	53.0%	53.0%
Total SGA	-33.5	-37.2	-10.4	-22.4	-36.6	-21.5	-91.0	-21.8	-24.5	-26.8	-26.6	-99.7	-118.2	-125.6
SGA/sales	-38.0%	-37.4%	-42.5%	-46.7%	-39.9%	-22.5%	-35.0%	-21.3%	-22.2%	-24.0%	-23.8%	-22.9%	-23.7%	-23.4%
Operating income	10.6	13.6	2.0	-2.0	0.8	20.6	21.3	25.2	28.6	29.0	29.2	112.0	145.9	159.2
operating margin	12.0%	13.6%	8.1%	-4.2%	0.9%	21.5%	8.2%	24.7%	25.8%	26.0%	26.2%	25.7%	29.3%	29.6%
Adj EBITDA	19.6	25.1	6.6	13.3	25.4	26.2	71.4	28.4	31.8	32.3	32.6	125.0	160.1	174.4
EBITDA margin	22.2%	25.3%	26.8%	27.6%	27.7%	27.4%	27.5%	27.8%	28.7%	29.0%	29.2%	28.7%	32.1%	32.4%
<i>Consensus EBITDA</i>						30.7	75.2	34.1	37.6	39.2	39.6	147.8	172.3	na
as % of sales						29.5%	27.8%	29.5%	30.0%	30.2%	30.1%	30.7%	32.1%	na
Net interest expense	-31.3	-31.2	-7.6	-7.6	-6.9	-5.4	-27.6	-5.2	-5.2	-5.1	-5.1	-20.6	-19.9	-18.9
Net int exp/sales	-35.5%	-31.4%	-31.0%	-15.9%	-7.5%	-5.6%	-10.6%	-5.1%	-4.7%	-4.6%	-4.6%	-4.7%	-4.0%	-3.5%
Profit before tax	-17.8	-16.9	-4.8	-10.1	-13.0	15.2	-12.7	20.0	23.4	23.9	24.1	91.4	126.0	140.3
Net profit	-25.5	-28.0	-6.5	-14.9	-26.3	12.1	-35.6	16.0	18.7	19.1	19.3	73.1	100.8	112.3
EPS	-0.19	-0.16	-0.02	-0.03	-0.04	0.01	-0.06	0.02	0.02	0.02	0.02	0.07	0.09	0.11
ending share count (mn)	143.1	366.0	367.2	949.8	949.9	1,064.7	1,064.7	1,064.7	1,064.7	1,064.7	1,064.7	1,064.7	1,064.7	1,064.7
<b>BS and CF Highlights</b>														
Operating cash flow	-1.0	-10.2	-3.3	-4.8	-6.8	15.9	1.0	16.1	17.9	21.9	22.7	78.6	106.9	122.2
(-) Capex	-5.0	-11.7	-1.1	-3.7	-13.7	-6.7	-25.2	-5.1	-5.5	-5.6	-5.6	-21.8	-14.9	-16.1
Free cash flow	-5.9	-21.9	-4.5	-8.5	-20.5	9.2	-24.2	11.0	12.4	16.4	17.1	56.8	91.9	106.0
Financial net (debt)	-53.4	19.4	13.8	-12.4	-38.6	-29.4	-29.4	-18.4	-6.1	10.3	27.4	119.3	225.4	
cash	16.0	91.6	86.3	106.2	118.6	117.2	117.2	128.3	140.8	157.2	174.3	174.3	266.5	372.8
debt	69.4	72.2	72.5	118.6	157.2	146.6	146.6	146.8	146.9	146.9	146.9	146.9	147.2	147.4
Net debt to Sales	-0.6x	0.2x	0.1x	-0.1x	-0.1x	-0.1x	-0.1x	0.0x	0.0x	0.0x	0.1x	0.1x	0.2x	0.4x
Net debt to EBITDA	-2.7x	0.8x	0.5x	-0.2x	-0.4x	-0.3x	-0.4x	-0.2x	0.0x	0.1x	0.2x	0.2x	0.7x	1.3x
OCF/Sales	-1.1%	-10.3%	-13.5%	-10.0%	-7.4%	16.6%	0.4%	15.7%	16.2%	19.7%	20.4%	18.0%	21.4%	22.7%
Capex/Sales	-5.6%	-11.8%	-4.7%	-7.6%	-14.9%	-7.0%	-9.7%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-3.0%	-3.0%
Broad net debt (inc taxes, ol)	-85.2	-24.0	-31.1	-109.0	-147.8	-138.8	-138.8	-128.2	-116.2	-99.9	-82.8	-82.8	8.2	113.7

Source: Z&amp;A estimates, company reports

## Exhibit 2: Sales projections (not factoring Schwazze deals)

US\$ Mn	CY23	CY24	1Q25	2Q25	3Q25	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e	CY28e
<b>Total sales reported (\$Mn)</b>	<b>86.1</b>	<b>99.4</b>	<b>24.5</b>	<b>48.1</b>	<b>91.7</b>	<b>95.6</b>	<b>259.9</b>	<b>102.1</b>	<b>110.7</b>	<b>111.6</b>	<b>111.5</b>	<b>436.0</b>	<b>498.3</b>	<b>537.4</b>
Retail	71.7	79.5	19.2	36.8	76.0	79.9	211.9	85.6	92.1	91.6	89.0	358.3	397.1	427.9
Wholesale (net)	14.5	19.8	5.3	11.3	15.7	15.7	48.0	16.5	18.5	20.1	22.5	77.6	101.2	109.5
<b>Total sales</b>	<b>86.1</b>	<b>99.4</b>	<b>24.5</b>	<b>48.1</b>	<b>91.7</b>	<b>95.6</b>	<b>259.9</b>	<b>102.1</b>	<b>110.7</b>	<b>111.6</b>	<b>111.5</b>	<b>436.0</b>	<b>498.3</b>	<b>537.4</b>
FL				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MD	27.0	42.2	10.9	10.9	10.4	9.8	42.0	8.8	9.5	9.5	9.5	37.3	37.7	38.2
MN	45.2	46.1	11.5	11.0	12.0	17.6	52.2	21.3	28.4	30.1	31.6	111.4	164.1	185.5
MO				7.3	24.9	23.8	55.9	24.1	25.2	25.6	26.0	100.9	110.2	120.1
NV				6.4	25.0	25.0	56.4	27.1	26.5	25.2	23.0	101.8	95.0	95.0
NY	14.0	11.1	2.1	5.2	6.1	6.4	19.9	6.6	6.7	6.9	7.1	27.3	28.3	29.3
UT				7.2	13.3	13.0	33.6	14.3	14.3	14.3	14.3	57.2	62.9	69.2
<b>Sales mix %</b>														
FL	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
MD	42%	44%	23%	11%	10%	16%	9%	9%	8%	9%	9%	9%	8%	7%
MN	46%	47%	23%	13%	18%	20%	21%	26%	27%	28%	26%	33%	35%	
MO	0%	0%	15%	27%	25%	22%	24%	23%	23%	23%	23%	22%	22%	22%
NV	0%	0%	13%	27%	26%	22%	27%	24%	23%	21%	23%	19%	18%	
NY	11%	9%	11%	7%	7%	8%	6%	6%	6%	6%	6%	6%	6%	5%
UT	0%	0%	15%	15%	14%	13%	14%	13%	13%	13%	13%	13%	13%	13%
<b>Market size assumptions (\$Mn)</b>														
FL	1,852	1,789	437	422	396	418	1,673	421	424	427	429	1,700	1,736	1,753
MD	787	1,141	281	298	296	296	1,170	285	306	306	306	1,203	1,218	1,233
NV	825	812	190	186	177	161	715	181	177	168	153	679	679	679
MO	1,338	1,461	370	384	374	381	1,509	385	404	410	416	1,615	1,763	1,922
NY	417	1,122	392	473	671	720	2,256	741	765	790	815	3,111	3,237	3,372
MN	66	125	34	35	39	56	164	70	96	106	117	389	657	742
UT	143	163	45	45	45	45	179	49	49	49	49	197	217	239

Source: Z&amp;A estimates, company reports

## Exhibit 3: Market projections

US\$ Mn	CY19	CY20	CY21	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	CY26e	CY27e	CY28e	CY29e	CY30e	rec began
<b>Total</b>	<b>11,994</b>	<b>18,960</b>	<b>25,030</b>	<b>26,181</b>	<b>28,272</b>	<b>30,221</b>	<b>7,472</b>	<b>7,767</b>	<b>7,860</b>	<b>8,067</b>	<b>31,166</b>	<b>32,708</b>	<b>34,308</b>	<b>36,327</b>	<b>39,092</b>	<b>41,723</b>	
rec	11,500	15,953	17,004	19,307	21,562	5,404	5,689	5,837	5,997	22,927	24,213	24,887	25,522	26,208	26,930		
med	7,460	9,076	9,177	8,966	8,659	2,068	2,078	2,023	2,070	8,240	8,495	9,421	10,805	12,884	14,793		
AZ	841	801	1,359	1,426	1,419	1,274	320	304	264	295	1,183	1,165	1,187	1,209	1,231	1,254	Jan'21
CA	2,804	4,704	5,780	5,399	4,464	4,209	956	990	975	984	3,906	3,828	3,828	3,904	3,982	4,062	Oct'16
CO	1,748	2,191	2,229	1,769	1,529	1,397	325	334	330	327	1,316	1,297	1,294	1,296	1,309	1,323	Jan'14
CT	84	117	150	150	277	294	70	73	72	81	296	322	332	342	354	366	Jan'23
FLA	506	1,308	1,603	1,708	1,852	1,789	437	422	396	418	1,673	1,700	1,736	1,753	2,663	4,001	Jul'29
GA	0	1	16	49	109	34	34	34	34	34	136	156	216	355	475	530	med
IL	251	1,035	1,776	1,907	1,960	2,008	482	507	485	500	1,974	1,993	2,017	2,042	2,068	2,095	Jan'20
MA	677	962	1,644	1,755	1,806	1,838	432	453	459	465	1,810	1,831	1,858	1,892	1,927	2,048	Nov'18
MD	252	453	551	509	787	1,141	281	298	296	296	1,170	1,203	1,218	1,233	1,248	1,264	Jul'23
ME	300	264	302	379	437	464	103	105	113	104	426	428	433	438	451	465	Oct'20
MI	289	985	1,793	2,294	3,029	3,290	766	804	809	826	3,206	3,276	3,282	3,289	3,296	3,302	Dec'19
MN	20	20	25	36	66	125	34	35	39	56	164	389	657	742	912	1,027	Sep'25
MO	20	21	210	390	1,338	1,461	370	384	374	381	1,509	1,615	1,763	1,922	2,098	2,291	Feb'23
MT			304	319	304	76	81	87	88	333	351	350	350	350	347	Jan'22	
NH	10	13	17	20	24	27	8	8	8	8	30	34	37	40	44	47	med
NJ	95	196	217	556	800	1,084	277	284	267	298	1,126	1,153	1,175	1,200	1,225	1,251	Apr'22
NM	119	119	119	358	556	589	139	145	141	141	567	567	576	576	576	576	Apr'22
NV	702	780	1,042	882	825	812	190	186	177	161	715	679	679	679	679	679	Jul'17
NY	173	200	250	265	417	1,122	392	473	671	720	2,256	3,111	3,237	3,372	3,516	3,670	Dec'22
OH	56	223	379	467	482	675	248	263	269	282	1,062	1,194	1,370	1,431	1,494	1,560	Aug'24
OK	428	831	941	780	728	714	179	185	175	175	714	724	735	746	757	769	med
OR	840	1,111	1,184	994	955	960	226	235	235	239	936	945	954	964	974	983	Oct'15
PA	306	823	1,353	1,457	1,530	1,726	428	449	448	427	1,752	1,607	1,870	2,459	2,806	2,856	Jul'27
RI	40	47	44	53	108	118	28	30	31	31	120	132	142	151	161	170	Dec'22
VA	0	10	27	100	167	237	67	68	70	71	276	307	501	995	1,245	1,403	Jul'27
VT	5	6	8	9	11	12	3	3	3	14	15	17	19	20	22	May'22	
WA	1,200	1,280	1,422	1,294	1,244	1,224	281	286	284	299	1,151	1,128	1,128	1,128	1,128	1,128	Jul'14
WV	0	0	0	22	66	85	23	24	25	26	99	116	129	129	129	129	med
Other states	229	459	603	883	1,027	1,132	298	302	321	328	1,248	1,443	1,591	1,672	1,977	2,108	

Source: Z&amp;A estimates, company reports

## Exhibit 4: Cash Flow (not factoring Schwazze deals)

US\$ 000s	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25	Sep 3Q25	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e	Dec CY28e
<b>SUMMARY CASH FLOW</b>														
Net earnings	-25,547	-28,008	-6,509	-14,934	-26,299	12,137	-35,605	16,026	18,719	19,112	19,280	73,137	100,800	112,264
(+) D&A	3,602	3,356	827	1,961	3,896	5,663	12,347	3,137	3,214	3,297	3,380	13,028	14,182	15,103
<b>Cash earnings</b>	<b>-21,945</b>	<b>-24,651</b>	<b>-5,682</b>	<b>-12,973</b>	<b>-22,403</b>	<b>17,800</b>	<b>-23,257</b>	<b>19,163</b>	<b>21,932</b>	<b>22,409</b>	<b>22,660</b>	<b>86,165</b>	<b>114,982</b>	<b>127,367</b>
(-) Working capital changes	2,304	5,104	-1,299	-2,212	-7,378	-1,886	-12,776	-3,086	-4,041	-469	50	-7,546	-8,112	-5,203
(-) Other operating flows	0	0	3,658	10,357	22,988	0	37,003	0	0	0	0	0	0	0
<b>Operating cash flow</b>	<b>-966</b>	<b>-10,235</b>	<b>-3,323</b>	<b>-4,829</b>	<b>-6,793</b>	<b>15,914</b>	<b>970</b>	<b>16,077</b>	<b>17,892</b>	<b>21,940</b>	<b>22,710</b>	<b>78,619</b>	<b>106,870</b>	<b>122,164</b>
(-) net capex	-4,963	-11,695	-1,147	-3,658	-13,657	-6,694	-25,156	-5,107	-5,533	-5,582	-5,577	-21,799	-14,948	-16,122
<b>Free cash flow</b>	<b>-5,929</b>	<b>-21,930</b>	<b>-4,470</b>	<b>-8,486</b>	<b>-20,450</b>	<b>9,220</b>	<b>-24,186</b>	<b>10,970</b>	<b>12,359</b>	<b>16,358</b>	<b>17,133</b>	<b>56,819</b>	<b>91,922</b>	<b>106,042</b>
(-) acquisitions	0	0	0	38,361	-14	0	38,347	0	0	0	0	0	0	0
(-) divestitures	253	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-4,841	13,815	-1,214	-56,110	-5,790	0	-63,114	0	0	0	0	0	0	0
(+) share issuance	0	80,829	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	0	86	62	57	10	0	129	0	0	0	0	0	0	0
<b>Change in net</b>	<b>-10,517</b>	<b>72,801</b>	<b>-5,622</b>	<b>-26,178</b>	<b>-26,245</b>	<b>9,220</b>	<b>-48,824</b>	<b>10,970</b>	<b>12,359</b>	<b>16,358</b>	<b>17,133</b>	<b>56,819</b>	<b>91,922</b>	<b>106,042</b>
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Ending net (debt)</b>	<b>-53,396</b>	<b>19,405</b>	<b>13,783</b>	<b>-12,395</b>	<b>-38,640</b>	<b>-29,419</b>	<b>-29,419</b>	<b>-18,449</b>	<b>-6,091</b>	<b>10,267</b>	<b>27,400</b>	<b>27,400</b>	<b>119,322</b>	<b>225,363</b>
Cash/inv/sec	15,965	91,605	86,261	106,189	118,552	117,214	117,214	128,301	140,813	157,188	174,319	174,319	266,549	372,788
Gross debts/loans/bonds	69,361	72,200	72,478	118,584	157,191	146,633	146,633	146,750	146,904	146,921	146,919	146,919	147,227	147,425

Source: Z&amp;A estimates, company reports

## Appendix II: Valuation Comps

## Exhibit 5: MSOs Valuation Multiples (taking spot EV; proforma for Vireo Growth)

US\$Mn C\$Mn	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS			BROADER DEFINITION OF NET DEBT				
	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	BDND/Sales	CY25	BDND/EBITDA	CY25
<b>Tier 1 MSOs</b>	<b>2.0x</b>	<b>2.1x</b>	<b>1.9x</b>	<b>7.9x</b>	<b>10.2x</b>	<b>7.9x</b>								
Cresco Labs	1.8x	1.8x	1.8x	7.5x	7.8x	7.7x	-0.5x	-0.5x	-2.2x	-2.3x	-1.0x	-1.0x	-4.1x	-4.3x
Curaleaf	2.0x	2.7x	2.5x	7.0x	13.0x	11.2x	-0.4x	-0.5x	-1.4x	-2.5x	-0.7x	-1.0x	-2.5x	-4.7x
Glass House	3.2x	4.0x	3.1x	19.5x	31.0x	16.7x	-0.1x	-0.1x	-0.7x	-1.1x	-0.1x	-0.2x	-0.8x	-1.2x
Green Thumb	1.6x	1.6x	1.5x	5.7x	5.6x	5.5x	0.0x	0.0x	0.0x	0.0x	-0.1x	-0.1x	-0.4x	-0.4x
TerrAscend	1.8x	2.1x	2.0x	4.8x	8.5x	7.7x	-0.6x	-0.6x	-1.5x	-2.6x	-1.0x	-1.2x	-2.6x	-4.7x
Trulieve	2.0x	1.8x	1.8x	6.6x	5.2x	5.3x	-0.2x	-0.2x	-0.7x	-0.5x	-0.7x	-0.7x	-2.5x	-1.9x
Verano	1.4x	1.4x	1.3x	5.3x	4.9x	4.7x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.2x	-2.9x
Vireo Growth	na	1.4x	1.2x	na	5.4x	4.2x	-0.1x	na	-0.4x	na	-0.3x	na	-1.1x	na
<b>Tier 2 MSOs</b>	<b>1.1x</b>	<b>1.1x</b>	<b>1.0x</b>	<b>4.9x</b>	<b>5.3x</b>	<b>19.7x</b>								
Ascend Wellness	1.0x	1.4x	1.3x	4.6x	6.1x	5.7x	-0.4x	-0.5x	-1.6x	-2.1x	-0.8x	-1.1x	-3.6x	-4.8x
Cannabist Co	0.7x	1.3x	1.3x	2.7x	18.4x	21.9x	-0.4x	-0.9x	-1.8x	-12.3x	-0.6x	-1.2x	-2.6x	-17.3x
Cansortium	1.3x	na	na	9.2x	na	na	-0.5x	na	-3.1x	na	-1.0x	na	-6.9x	na
Grown Rogue	1.6x	na	na	2.3x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
Jushi	1.8x	1.8x	1.7x	9.3x	9.7x	8.6x	-0.7x	-0.7x	-3.5x	-3.7x	-1.4x	-1.4x	-7.0x	-7.3x
MariMed	0.9x	0.9x	0.9x	7.1x	7.9x	6.4x	-0.4x	-0.4x	-3.2x	-3.6x	-0.6x	-0.6x	-4.6x	-5.2x
Planet 13	0.8x	0.9x	0.8x	na	-10.2x	93.1x	0.1x	0.1x	na	-1.1x	-0.3x	-0.3x	na	3.2x
Vext Science	1.5x	1.4x	1.0x	4.3x	4.8x	2.1x	-0.5x	-0.5x	-1.5x	-1.7x	-0.6x	-0.5x	-1.6x	-1.8x
<b>Other MSOs</b>														
Ayr Wellness	6.6x	na	na	25.2x	na	na	-5.1x	na	-19.4x	na	-6.6x	na	-25.1x	na
4Front Ventures	1.7x	na	na	11.1x	na	na	-1.0x	na	-6.5x	na	-1.7x	na	-11.1x	na
iAnthus	1.2x	na	na	na	na	na	-1.0x	na	na	na	-1.0x	na	na	na
Schwazze	na	1.0x	na	5.1x	na	na	na	na	-4.2x	na	na	na	-5.1x	na
TILT	7.2x	na	na	na	na	na	-4.2x	na	na	na	-7.0x	na	na	na

1) Current is based on the latest reported qtr annualized (Sales and EBITDA); 2) We take FactSet consensus estimates for CY25e and CY26e multiples, if available.

3) The 'tiering' above is based on \$ market cap

Source: FactSet, Z&A estimates, and company reports

## Exhibit 6: MSOs EV Calculations

US\$Mn C\$Mn	Z&A Spot EV	US\$ price	mn shares	mn deriv	= Total Mkt Cap	Financial net debt	Net leases	Income tax liab.	Conting Cons.	ITM deriv inflow	= Total BDND	Pref Stock or Min Int
<b>Tier 1 MSOs</b>												
Cresco Labs	1,191	\$1.15	445	26	542	-346	-56	-238	-10	0	-650	0
Curaleaf	3,457	\$2.77	764	12	2,150	-672	-46	-491	-33	0	-1,242	64
Glass House	783	\$7.46	82	7	663	-28	0	-2	0	0	-31	89
Green Thumb	1,834	\$7.04	232	11	1,707	-12	-33	-82	0	0	-127	277
TerrAscend	555	\$0.70	356	2	249	-171	-6	-126	-3	0	-306	0
Trulieve	2,186	\$6.91	191	8	1,373	-222	-27	-560	-4	0	-813	0
Verano	1,130	\$1.24	362	5	455	-318	-9	-348	0	0	-676	0
Vireo Growth	725	\$0.57	1,065	3	609	-39	-9	-53	-15	0	-116	0
<b>Tier 2 MSOs</b>												
Ascend Wellness	687	\$0.67	205	13	146	-233	-133	-174	0	0	-541	0
Cannabist Co	424	\$0.05	473	8	25	-284	-26	-89	0	0	-399	0
Cansortium	144	\$0.06	627	4	36	-48	-7	-53	0	0	-108	0
Grown Rogue	48	\$0.35	143	0	50	5	-2	-2	0	0	1	0
Jushi	476	\$0.60	197	0	118	-181	-5	-172	0	0	-358	0
MariMed	147	\$0.09	395	9	36	-67	-1	-28	0	0	-95	15
Planet 13	90	\$0.19	325	0	62	9	-10	-27	0	0	-28	0
Vext Science	78	\$0.20	248	0	48	-27	0	-2	0	0	-30	0
<b>Other MSOs</b>												
Ayr Wellness	701	\$0.02	116	3	2	-541	-20	-139	0	0	-699	0
4Front Ventures	139	\$0.00	915	4	0	-81	-11	-42	-5	0	-139	0
iAnthus	204	\$0.01	6,746	0	42	-158	-4	0	0	0	-162	0
Schwazze	186	\$0.00	80	0	0	-151	-2	-33	0	0	-186	0
TILT	126	\$0.01	391	1	3	-73	-47	-3	0	0	-123	0

Note: The "tiering" above is based on \$ market cap

Source: FactSet, Z&A estimates, and company reports

## Exhibit 7: Performance

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>US Operators</b>			
Ascend	-24%	4%	34%
Ayr	-39%	-61%	-98%
Cannabist	-46%	-63%	-49%
Cresco	-8%	3%	11%
Curaleaf	-8%	-10%	67%
C21 Investments	-17%	-17%	122%
Fluent	-17%	-30%	-34%
GlassHouse	-8%	-1%	1%
Grown Rogue	-16%	-29%	-44%
Green Thumb	-14%	-22%	-10%
iAnthus	-26%	4%	-9%
Jushi	-26%	-8%	122%
MariMed	-45%	-31%	-38%
Nevis Brands	-19%	11%	-30%
Planet13	-14%	-55%	-56%
Rythm	-41%	-23%	397%
Trulieve	-10%	-23%	24%
TerrAscend	-11%	-22%	4%
Verano	-11%	-16%	-19%
Vext Science	-24%	-1%	51%
Vireo Growth	-14%	-26%	50%
<b>International</b>			
IM Cannabis	-26%	5%	16%
InterCure	-16%	-15%	-27%
PharmaCielo	-37%	0%	91%

Source: FactSet and company reports

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
Aurora	-15%	-18%	-5%
Auxly	39%	6%	314%
Avant	-21%	-7%	1%
Ayurcann	-3%	25%	-58%
Cannara Biotech	-29%	-37%	93%
Canopy Growth	-14%	-28%	-71%
Cronos	1%	-3%	29%
Decibel	-3%	6%	76%
High Tide	-13%	21%	12%
NextLeaf Solutions	-24%	-6%	-22%
OGI	-16%	1%	3%
Rubicon	-7%	-15%	37%
Simply Solventless	-19%	-37%	-67%
SNDL	-28%	-16%	-9%
Tilray	-29%	-2%	-12%
VFF	6%	36%	352%
<b>Tech</b>			
Leafly	0%	-64%	-95%
Springbig	-25%	-30%	-75%
Weedmaps	-14%	-25%	29%
<b>Vape parts</b>			
Greenlane	-28%	-22%	-100%
Ispire	-25%	-43%	-72%
Smoore	0%	0%	2%
Tilt Holdings	1%	-1%	-17%

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	-4%	-28%	-66%
IIPR	-1%	-7%	-53%
NLCP	1%	-13%	-24%
SHFS	-57%	-43%	-78%
LIEN	-1%	-3%	-21%
REFI	6%	-10%	-18%
<b>Pix &amp; Shovel</b>			
GRWG	5%	16%	-7%
HYFM	-43%	-58%	-67%
SMG	6%	-8%	-21%
UGRO	-17%	-33%	-79%
<b>CBD</b>			
CVSI	-25%	-15%	-27%
CWEB	-51%	-30%	-36%
LFID	11%	-11%	-46%
<b>Stock Market Indexes and ETFs</b>			
S&P 500	5%	6%	14%
S&P 477	-1%	-5%	-1%
Nasdaq	0%	-7%	12%
MSOS ETF	-14%	-17%	6%
YOLO ETF	-10%	-4%	24%
<b>Simple Group Averages</b>			
Large Canada LPs	-16%	-5%	48%
Tier 1 MSOs	-10%	-13%	15%

## Appendix III: Bio and Disclaimers

## Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US, Canada, Germany, Australia, and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short-term consulting and research advisory projects. Now, more than a year since its inception, the firm has collaborated with over 25 companies (in North America and overseas; plant touching and service providers; public and private), both on an on-going basis as well for specific projects. At various points in his career, Pablo Zuanic was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. *Pablo Zuanic can be contacted via the company's portal <https://zuanicassociates.com/>; via email at [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com); or via X @4200Odysseus.*

## Disclosures and Disclaimers

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