



12/11/2024

MariMed Inc. (MRMD)

Company update: Overweight

US\$ Mn								
Sales	FY23a	FY24e	Prev	FY25e	Prev	FY26e	Prev	FY27e
1Q	34.4	37.9 A	37.9	47.4	47.4	55.8	55.8	60.3
2Q	36.5	40.4 A	40.4	50.0	50.0	58.2	58.2	62.7
3Q	38.8	41.0 E	41.0	52.2	52.2	60.5	60.5	64.9
4Q	<u>38.9</u>	<u>41.9</u> E	<u>41.9</u>	<u>55.3</u>	<u>55.3</u>	<u>62.7</u>	<u>62.7</u>	<u>67.2</u>
FY	148.6	160.8	161.3	204.9	204.9	237.2	237.2	255.1
EBITDA	FY23a	FY24e	Prev	FY25e	Prev	FY26e	Prev	FY27e
1Q	7.1	4.7 A	4.7	7.2	7.2	11.4	11.4	12.5
2Q	6.3	4.4 A	4.4	8.1	8.1	12.0	12.0	13.1
3Q	6.1	4.7 E	4.7	9.0	9.0	12.4	12.4	13.6
4Q	<u>5.2</u>	<u>5.7</u> E	<u>5.7</u>	<u>10.0</u>	<u>10.0</u>	<u>12.8</u>	<u>12.8</u>	<u>14.1</u>
FY	24.7	19.4	19.4	34.4	34.4	48.6	48.6	53.3

Share price (US\$)	0.13	Perf.	MRMD	MSOS	S&P500	Stance:	Overweight
Share count (mn)	385.6	30d	-20%	-13%	1%		no price target
Market Cap (\$Mn)	51	90d	-25%	-39%	10%		FY=Dec
Ticker	MRMD	1yr	-56%	-43%	32%		



US\$Mn	FY24	FY25	FY26
Projected EV	155.9	172.8	174.2
EV/Sales	1.0x	0.8x	0.7x
EV/EBITDA	8.0x	5.0x	3.6x

	FY24	FY25	FY26
Net debt/Sales	-0.4x	-0.4x	-0.3x
Net debt/EBITDA	-3.5x	-2.3x	-1.5x
Free Cash Flow	-5.5	-10.0	2.4
Net debt	-67.5	-77.5	-75.1

Consensus	FY24	FY25	FY26
Sales	161.4	204.2	218.6
EBITDA	19.4	34.2	45.3

Guidance CY24:	Sales up 6-8%
	EBITDA down 18-20%

Pablo Zuanic

ZUANIC & ASSOCIATES

pablo.zuanic@zuanicgroup.com

420Odysseus; www.zuanicassociates.com



On the Growth of Betty's Eddies

We rate MRMD Overweight. In this report we review the success of the company's Betty's Eddies edibles brand, which continues to gain market share, as per the Headset data, in the states of MD (#1 edibles brand), MA (#3; #1 by volume as per LitAlerts), and IL (where Betty's was only launched earlier this year). MRMD just launched Betty's in MO, an attractive market (larger than MA/MD in edibles). While the power of brands in the early stages of this industry can be debated, the data shows that manufactured categories like edibles and vape tend to have greater concentration and stickiness. In that sense, we believe Betty's represents hidden value in MRMD (an argument could be made based on past brand transactions, that the brand SOP of MRMD could imply an EV 4x above current levels). *Note: For financials and a broader review of MRMD, see our [post 3Q report \(12/3\)](#), our [MRMD: Core Markets Deep Dive \(10/16\)](#), and videos from our site visit to the company's Illinois operations ([management overview](#); [retail](#); [cultivation](#)).*

- Maryland.** Betty's was #1 in 3Q24 with 11.3% share, up from 9.4% in 3Q23 (we focus on quarterly numbers, but we note in the month of Nov Betty's share increased to 13.2%). Headset put Betty's retail sales at \$3.7Mn in 3Q24. Betty's has jumped from a #4 position in 3Q23 (the first quarter of rec) to #1 now. Green Thumb's Incredibles was #2 with 10.2% share (down from 12.1% in 3Q23); Curio Wellness was #3 with 8.9% (17.6%); Wyld 8.5% (0% in 3Q23); Verano's Encore 8.3% (11.6%). Importantly, MRMD also sold edibles in MD under InHouse (5% share in 3Q24) and Bubby's Baked (1.2%), for total combined edibles share of 17.5% (up from 15% in 3Q23). The data shows edibles prices in MD are below those of IL and MA, and most of the top brands have seen some deflation yoy. In terms of price points (\$/gram), also as per Headset, Betty's was at \$0.15 in 3Q4 (vs. \$0.19 in 3Q23) vs. \$0.14 for Incredibles (\$0.19 in 3Q23), Curio \$0.12 (\$0.14); Wyld \$0.23; and Encore \$0.18 (\$0.21). While our focus here is on Betty's we note regarding total sales for MRMD in MD, per Headset, InHouse accounted for 34% of sales in 3Q24, Nature's Heritage 32%, Betty's 27%, Bubby's 3%, and Vibrations 3%. Re formats, edibles accounted for 42% of MRMD's sales in MD in 3Q24, vape 21%, flower 18%, pre-rolls 6%, and beverages 3%.
- Massachusetts.** Betty's was the #3 edibles brand in 3Q24, with 7.5% segment share, up from 6.9% in 3Q23, per Headset (LitAlerts has Betty's as the #1 edibles brand in MA by volume). Camino was #1 with 12.5% share (up from 11%) and CUSA's Wana was #2 with 10.5%. House brands came fourth with combined 6.2% share. In \$, Headset put Betty's retail sales at \$3.5Mn in 3Q24. Betty's has consistently grown share, from 5% in CY22. If include Bubby's Baked, MRMD total share in MA edibles was 7.7% in 3Q24. In terms of price points (\$/gram), also as per Headset, Betty's was \$0.33 (vs. \$0.34 in 3Q23) vs. \$0.23 for Camino (\$0.24), Wana \$0.33 (\$0.34), and house brands at \$0.18 (\$0.20). While our focus here is on Betty's we note re total sales for MRMD in MA, per Headset, Nature's Heritage accounted for 46% of sales, Betty's 26%, and InHouse 25% (the rest was rounded by Bubby's Baked, Vibrations, and Kalm Fusion). Re formats, edibles accounted for 29% of MRMD's sales in MA in 3Q24, flower 21%, vape 14%, pre-rolls 14%, concentrates 6%, and beverages 2%.

- Illinois.** Betty's only launched in IL earlier this year, but it is already the #12 brand (3Q24) with 2.8% share, up from 1% in 1Q24 (we focus on quarterly numbers, but we note in the month of Nov Betty's already had 3.3% share), all as per the Headset data (LitAlerts has Betty's as the #7 edibles brand in IL by volume). We note that 3 of the top 5 brands have lost share yoy. The top 5 brands are Green Thumb's Incredibles with 10.6% edibles share (down from 13% in 3Q23); Wana 9.5% (8.3%); Wyld 9.4% (8%); Verano's Encore 7.6% (9.3%); and Ascend's Ozone 5.5% (6.9%). In \$, Headset put Betty's retail sales at \$1.7Mn in 3Q24. The data shows edibles prices in IL are below those of MA, and most of the top brands have seen some deflation yoy. In terms of price points (\$/gram), also as per Headset, Betty's was at \$0.21 in 3Q4 (vs. \$0.33 in MA) vs. \$0.17 for Incredibles (\$0.19 in 3Q23), Wana \$0.21 (\$0.21); Wyld \$0.21 (\$0.21); Encore \$0.19 (\$0.25); and Ozone \$0.23 (\$0.28). While our focus here is on Betty's we note re total sales for MRMD in IL, per Headset, InHouse accounted for 69% of sales in 3Q24, Betty's 22%, Bubby's 6%, and Vibrations 3% (MRMD is in the process of launching flower). Re formats, vape accounted for 63% of MRMD's sales in IL in 3Q24, and edibles for 31%.
- Missouri:** MRMD just launched Betty's in MO. During 3Q24, edibles sales amounted to \$48.3Mn (per Headset), which makes MO a sizeable and attractive market for MRMD (larger than MA and MD). In IL, the edibles market was \$59Mn in 3Q24, MA \$46.2Mn, MD \$33.1Mn. During 3Q24, the top 5 edibles brands in MO were Gron with 11.4% share (12.5% in 3Q23), Smokiez 9.8% (11.9%), Good Day Farm 9.6% (5.4%), Wyld 8.3% (1.8%), and Wana 6.6% (11.9%). Just like Wyld has made significant gains in MO, we would expect Betty's to do so as well (given its track record in other states). Price points vary widely but are generally below the other states reviewed here: Gron \$0.11/gram, Smokiez \$0.14, Good Day Farm \$0.12, Wyld \$0.14, and Wana \$0.22 (note that Wana's share has almost halved yoy).
- Ohio:** At present MRMD does not have production in the state. Edibles sales amounted to \$25.3M in 3Q24 (non-med sales only began 8/6), per Headset. The top 5 brands were Green Thumb's Incredibles with 12.3% share, Kiva's Camino 10.8%, Certified 8.9%, Neighborhoods 6.8%, and UB GOOD 6.8%. Prices for the top 5 ranged from \$0.12 to \$0.17.
- Delaware:** We do not have Headset data for DE. Per LitAlerts, Betty's is the #1 edibles brand by volume.

Valuation. We realize the investment call on cannabis stocks at present is mostly sectoral. That said, MRMD is attractively valued vs. peers, has various "self-help" growth drivers (i.e., not just dependent on reg unlocks at the state level), and has a robust balance sheet. As a result, we rate MRMD Overweight. Our calls are based on fundamentals - not on one-off speculative short-term trading so-called "opportunities". On a spot EV basis, MRMD trades at 1x CY24 sales compared with 1.5x for the MSO average (Curaleaf and Green Thumb are at 2x); it trades below 5x our CY25 EBITDA estimate. We believe the peer discount is overdone. Also, if we go by brand M&A activity from recent years (see our [C-USA report](#)), the stock is undervalued. On 12mo trailing (TMT) retail sales data just for the states of MA/MD/IL, the company EV could be \$360Mn to \$600Mn, using 3x to 5x EV to retail sales (Nature's Heritage TMT \$50Mn; InHouse \$40Mn; Betty's Eddies \$30Mn).

For EV math, see appendix. *Note: Cannabis stocks are down since the Nov election given the uncertainty around a GOP-led WH/Congress (the president-elect prior comments notwithstanding), but the stocks with FL exposure have taken the biggest hit in the last 90 days (the 11/5 ballot did not reach the 60% threshold); as a result, the MSOS ETF is down 39% in the last 30 days (AYR -73%; Verano -57%; Trulieve -50%) vs. -25% for MRMD.*

Table 1: Companies mentioned in this report.

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Acreage Holdings		ACRDF	not rated
Ascend Wellness		AAWH	not rated
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Consortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	not rated
Gold Flora		GRAM	Overweight
Goodness Growth		GDNSF	not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	not rated
Jushi Holdings		JUSHF	Overweight
MariMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	will cover
StateHouse Holdings Inc		STHZF	not rated
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
Tech			
Leafly		LFLY	not rated
Springbig		SBIG	not rated
WM Technology		MAPS	Neutral

Source: Z&A

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	will cover
Avant Brands	AVTBF	will cover
Avicanna	AVCN	not rated
BZAM	BZAMF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth Corporation	CGC	will cover
Cronos Group	CRON	not rated
Decibel Cannabis Co	DBCCF	Overweight
Organigram Holdings	OGI	not rated
Rubicon Organics	ROMJF	not rated
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
Finance Companies		
AFC Gamma	AFCG	Overweight
Chicago Atlantic BDC	LIEN	will cover
Chicago Atlantic REFC	REFI	Overweight
Innovative Industrial Properties	IIPR	not rated
New Lake Capital Partners	NLCP	Overweight
RIV Capital	CNPOF	not rated
SHF Holdings	SHFS	not rated
Other		
Intercure	INCR	not rated
LFTD Partners Inc.	LIFD	Overweight
Ispire Technology	ISPR	will cover
Smoores International	SMORF	will cover



Appendix I: Company Financials

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 1: Financial highlights

US\$ Mn	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec CY24e	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
P&L Highlights														
Sales (product rev + other)	134.0	148.6	37.9	40.4	40.6	41.9	160.8	47.4	50.0	52.2	55.3	204.9	237.2	255.1
qoq ch %	na	na	-2%	7%	0%	3%	na	13%	5%	4%	6%	na	na	na
yoy ch %	10%	11%	10%	11%	5%	8%	8%	25%	24%	29%	32%	27%	16%	8%
Consensus Sales						42.5	161.4	54.8	56.5	58.2	60.2	204.2	218.6	na
Gross profit	64.0	65.9	16.5	16.9	16.8	19.7	69.8	22.8	24.5	25.6	27.6	100.5	118.6	127.6
as % of sales	47.7%	44.4%	43.4%	41.8%	41.3%	47.0%	43.4%	48.0%	49.0%	49.0%	50.0%	49.0%	50.0%	50.0%
Total SGA	-43.6	-51.5	-14.5	-16.0	-15.4	-16.6	-62.4	-18.1	-18.9	-19.1	-20.2	-76.4	-79.5	-84.3
SGA/sales	-32.5%	-34.7%	-38.1%	-39.5%	-38.0%	-39.6%	-38.8%	-38.1%	-37.8%	-36.7%	-36.6%	-37.3%	-33.5%	-33.0%
Operating income	20.4	14.4	2.0	1.0	1.3	3.1	7.4	4.7	5.6	6.4	7.4	24.1	39.1	43.3
operating margin	15.2%	9.7%	5.3%	2.4%	3.3%	7.4%	4.6%	9.9%	11.2%	12.3%	13.4%	11.8%	16.5%	17.0%
Adj EBITDA	32.4	24.7	4.7	4.4	4.7	5.7	19.4	7.2	8.1	9.0	10.0	34.4	48.6	53.3
EBITDA margin	24.2%	16.6%	12.3%	10.8%	11.5%	13.6%	12.1%	15.2%	16.3%	17.3%	18.1%	16.8%	20.5%	20.9%
Consensus EBITDA						6.1	19.4	8.1	9.1	9.9	10.9	34.2	45.3	na
as % of sales						14.4%	12.0%	14.8%	16.1%	17.0%	18.1%	16.7%	20.7%	na
Net interest expense	-0.7	-8.9	-1.6	-1.7	-1.7	-2.9	-7.8	-2.7	-2.8	-2.8	-2.8	-11.1	-10.5	-9.6
Net int exp/sales	-0.5%	-6.0%	-4.2%	-4.2%	-4.1%	-6.8%	-4.9%	-5.8%	-5.5%	-5.3%	-5.1%	-5.4%	-4.4%	-3.8%
Profit before tax	19.5	-6.6	0.4	-0.8	-0.3	0.2	-0.5	1.9	2.8	3.7	4.6	13.0	28.7	33.6
Net profit	13.5	-16.0	-1.3	-1.7	-1.0	-3.8	-7.8	-2.8	-2.3	-1.7	-1.2	-7.9	3.7	6.7
EPS	0.04	-0.04	0.00	0.00	0.00	-0.01	-0.02	-0.01	-0.01	0.00	0.00	-0.02	0.01	0.02
AFD share count (mn)	380.3	363.4	375.2	379.5	380.6	380.6	379.0	380.6	380.6	380.6	380.6	380.6	380.6	380.6
Guidance														
Sales				na	na	na	up 6-8%	na	na	na	na	na	na	na
EBITDA							down 18-20%	na	na	na	na	na	na	na
BS and CF Highlights														
Operating cash flow	7.3	7.9	3.2	3.2	0.8	-1.3	5.9	-1.1	-0.1	0.6	0.9	0.3	11.9	15.9
(-) Capex	-12.1	-20.1	-3.4	-5.0	-2.6	-0.5	-11.4	-2.4	-2.5	-2.6	-2.8	-10.2	-9.5	-10.2
Free cash flow	-4.8	-12.2	-0.2	-1.8	-1.8	-1.8	-5.5	-3.5	-2.6	-2.1	-1.8	-10.0	2.4	5.7
Financial net (debt)	-20.0	-51.7	-53.3	-63.2	-65.7	-67.5	-67.5	-71.0	-73.6	-75.7	-77.5	-77.5	-75.1	-69.4
cash	9.7	14.6	15.2	10.2	9.8	12.1	12.1	9.2	6.9	5.0	4.0	4.0	6.7	12.9
debt	29.7	66.4	68.5	73.4	75.5	79.6	79.6	80.2	80.5	80.7	81.5	81.5	81.9	82.4
Net debt to Sales	-0.1x	-0.3x	-0.4x	-0.4x	-0.4x	-0.4x	-0.4x	-0.4x	-0.4x	-0.4x	-0.4x	-0.4x	-0.3x	-0.3x
Net debt to EBITDA	-0.6x	-2.1x	-2.9x	-3.6x	-3.5x	-3.0x	-3.5x	-2.5x	-2.3x	-2.1x	-1.9x	-2.3x	-1.5x	-1.3x
OCF/Sales	5.5%	5.3%	8.5%	7.9%	2.0%	-3.2%	3.6%	-2.4%	-0.2%	1.1%	1.7%	0.1%	5.0%	6.2%
Capex/Sales	-9.1%	-13.5%	-8.9%	-12.3%	-6.3%	-1.2%	-7.1%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-4.0%	-4.0%
Broad net debt (inc taxes, oth	-32.0	-66.9	-70.3	-80.4	-83.4	-85.9	-85.9	-92.3	-96.2	-99.4	-102.9	-102.9	-104.3	-100.9
Income taxes paid	14.6	6.4	0.1	0.9	0.0									

Source: Z&A estimates, company reports

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 2: Cash Flow

US\$ 000s	Dec	Dec	Mar	Jun	Sep	Dec	Dec	Mar	Jun	Sep	Dec	Dec	Dec	Dec
SUMMARY CASH FLOW	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net earnings	13,614	-16,007	-1,292	-1,639	-995	-3,808	-7,734	-2,779	-2,289	-1,684	-1,190	-7,942	3,675	6,702
(+) D&A	4,714	8,574	2,312	2,817	2,685	2,611	10,425	2,506	2,541	2,579	2,618	10,244	9,498	10,083
Cash earnings	18,328	-7,433	1,020	1,178	1,690	-1,197	2,691	-273	253	895	1,428	2,303	13,174	16,785
(-) Working capital changes	-21,931	-1,291	1,704	1,335	-1,191	-212	1,636	-911	-418	-369	-506	-2,203	-1,208	-754
(-) Other operating flows	10,914	16,634	486	672	304	78	1,540	57	47	34	24	162	-75	-137
Operating cash flow	7,311	7,910	3,210	3,185	803	-1,331	5,867	-1,127	-118	560	947	262	11,890	15,895
(-) net capex	-12,140	-20,130	-3,368	-4,968	-2,566	-500	-11,402	-2,372	-2,499	-2,611	-2,765	-10,246	-9,489	-10,205
Free cash flow	-4,829	-12,220	-158	-1,783	-1,763	-1,831	-5,535	-3,499	-2,617	-2,051	-1,818	-9,985	2,401	5,689
(-) acquisitions	-14,248	-4,999	-836	-4,522	467	0	-4,891	0	0	0	0	0	0	0
(-) divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-11,924	-14,640	-20,386	-18,773	-26,718	0	-65,877	0	0	0	0	0	0	0
(-) distributions	-259	-158	-45	-38	-37	0	0	0	0	0	0	0	0	0
(+) share issuance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	10	109	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	-30,991	-31,750	-21,380	-25,078	-28,014	-1,831	-15,804	-3,499	-2,617	-2,051	-1,818	-9,985	2,401	5,689
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending net (debt)	-19,980	-51,730	-53,271	-63,183	-65,703	-67,534	-67,534	-71,033	-73,650	-75,700	-77,519	-77,519	-75,118	-69,429
Cash/inv/sec	9,737	14,645	15,234	10,192	9,788	12,096	12,096	9,194	6,852	5,043	4,000	4,000	6,749	12,932
Gross debts/loans/bonds	29,717	66,375	68,505	73,375	75,491	79,630	79,630	80,228	80,501	80,743	81,519	81,519	81,867	82,361

Source: Z&A estimates, company reports

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 3: Cannabis sales projections

US\$ Mn	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec CY24e	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
Total revenues	134.0	148.6	37.9	40.5	40.6	41.9	160.9	47.4	50.0	52.2	55.3	204.9	237.2	255.1
Product revenue	125.7	144.3	36.9	39.5	39.7	40.6	156.7	46.3	49.0	51.3	54.0	200.7	233.0	250.9
Other	8.3	4.3	1.1	0.9	0.9	1.3	4.2	1.1	0.9	0.9	1.3	4.2	4.2	4.2
Product revenue	125.7	144.3	36.9	39.5	39.7	40.6	156.7	46.3	49.0	51.3	54.0	200.7	233.0	250.9
wholesale	32.9	48.8	14.5	15.9	16.3	16.6	63.3	21.9	23.2	24.8	26.4	96.2	120.3	131.8
retail	92.8	95.5	22.3	23.6	23.4	24.0	93.3	24.5	25.8	26.6	27.6	104.5	112.7	119.1
YoY ch %	16%	15%	10%	12%	5%	8%	9%	26%	24%	29%	33%	28%	16%	8%
wholesale	26%	48%	40%	44%	20%	21%	30%	51%	46%	52%	59%	52%	25%	10%
retail	13%	3%	-4%	-3%	-3%	0%	-2%	10%	9%	14%	15%	12%	8%	6%
QoQ ch %	na	na	-2%	7%	0%	2%	na	14%	6%	5%	5%	na	na	na
wholesale	na	na	6%	10%	3%	2%	na	32%	6%	7%	6%	na	na	na
retail	na	na	-6%	6%	-1%	3%	na	2%	5%	3%	4%	na	na	na
By states (our est)	125.7	144.3	36.9	39.5	39.7	40.6	156.7	46.3	49.0	51.3	54.0	200.7	233.0	250.9
IL	71.9	67.9	15.0	15.6	15.3	15.6	61.6	15.5	16.3	16.6	17.7	66.1	76.8	78.2
MA	41.3	44.9	11.6	13.6	13.4	13.5	52.2	13.6	14.6	15.6	16.3	60.1	67.2	69.2
MD	12.5	31.0	10.0	10.0	10.6	11.0	41.6	12.7	13.4	14.2	14.9	55.3	67.4	79.2
MO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	3.9	4.1	4.1	15.9	17.1	18.3
OH	0.0	0.5	0.2	0.2	0.4	0.4	1.3	0.7	0.8	0.9	0.9	3.2	4.4	6.0
Other														
Sales mix %														
IL	57%	47%	41%	40%	39%	39%	39%	33%	33%	32%	33%	33%	33%	31%
MA	33%	31%	32%	34%	34%	33%	33%	29%	30%	30%	30%	30%	29%	28%
MD	10%	22%	27%	25%	27%	27%	27%	27%	27%	28%	28%	28%	29%	32%
MO	0%	0%	0%	0%	0%	0%	0%	8%	8%	8%	8%	8%	7%	7%
OH	0%	0%	1%	1%	1%	1%	1%	1%	2%	2%	2%	2%	2%	2%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Z&A estimates, company reports

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 4: Market growth assumptions

US\$ Mn	CY21	CY22	CY23	1Q24	2Q24e	3Q24e	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e	rec began
Total	25,035	25,711	28,499	7,353	7,587	7,812	7,823	30,575	8,044	8,311	8,425	8,489	33,269	35,359	38,312	
rec	15,961	16,581	18,267	4,706	4,902	5,123	5,116	19,847	5,196	5,423	5,561	5,593	21,773	23,867	26,701	
med	9,074	9,130	10,232	2,648	2,685	2,689	2,707	10,728	2,848	2,888	2,864	2,896	11,496	11,492	11,611	
Total (med/rec)	25,035	25,711	28,499	7,353	7,587	7,812	7,823	30,575	8,044	8,311	8,425	8,489	33,269	35,359	38,312	
AZ	1,359	1,426	1,376	325	301	311	331	1,267	325	306	316	337	1,284	1,306	1,330	Jan'21
CA	5,780	5,393	5,177	1,222	1,294	1,264	1,245	5,025	1,251	1,324	1,294	1,274	5,143	5,262	5,380	Oct'16
CO	2,229	1,769	1,529	356	360	378	318	1,413	342	345	362	305	1,354	1,345	1,348	Jan'14
CT	150	150	277	73	73	76	76	298	80	84	89	93	346	419	493	Jan'23
FLA	1,616	1,705	1,860	489	480	497	501	1,966	491	488	488	487	1,954	1,956	1,977	med
GA	1	16	49	21	27	29	32	109	34	34	34	34	136	156	157	med
IL	1,776	1,907	1,960	493	505	496	504	1,998	488	503	497	509	1,998	2,033	2,070	Jan'20
MA	1,644	1,755	1,806	441	457	470	480	1,848	462	471	487	488	1,907	1,941	1,976	Nov'18
MD	551	509	787	273	284	292	297	1,146	310	320	330	343	1,304	1,516	1,780	Jul'23
ME	93	171	229	58	63	76	67	265	66	72	87	77	303	346	396	Oct'20
MI	1,793	2,294	3,029	793	837	912	892	3,433	919	947	975	1,005	3,846	4,075	4,165	Dec'19
MN	25	36	66	19	20	21	21	80	18	17	15	15	66	376	619	Jan'26
MO	210	390	1,338	348	363	375	381	1,467	385	395	405	409	1,593	1,708	1,833	Feb'23
NH	17	20	24	7	7	7	7	27	8	8	8	8	30	34	37	med
NJ	217	556	800	225	235	245	256	962	268	279	291	303	1,142	1,251	1,372	Apr'22
NM	119	358	556	147	150	156	156	609	157	158	162	162	640	654	670	Apr'22
NV	1,042	882	825	219	212	208	206	844	210	218	212	207	847	869	893	Jul'17
NY	250	265	431	138	152	172	192	654	201	216	230	245	892	1,164	1,259	Dec'22
OH	379	467	482	122	120	175	208	625	225	262	284	307	1,078	1,463	1,994	Aug'24
OK	941	780	728	179	185	175	175	714	179	185	175	175	714	724	735	med
OR	1,184	994	955	234	243	249	242	968	239	248	254	247	987	1,007	1,027	Oct'15
PA	1,353	1,457	1,530	411	426	411	405	1,653	399	387	346	333	1,464	1,429	2,378	Jul'26
RI	44	53	108	29	30	29	29	117	24	24	24	24	96	106	115	Dec'22
VA	27	100	167	52	57	62	67	237	67	68	70	71	276	307	357	med
VT	8	9	11	3	3	3	3	12	3	3	3	3	14	15	17	May'22
WA	1,422	1,294	1,259	305	314	327	319	1,265	307	316	328	321	1,272	1,278	1,284	Jul'14
WV	0	22	66	20	21	22	22	85	23	24	25	26	99	116	133	med
Other states	804	932	1,073	353	369	375	391	1,488	565	611	632	679	2,486	2,501	2,515	

Source: Z&A estimates, Headset, state official data

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 5: Forward EV calculations and forward multiples as per our methodology (this is not the same as spot EV)

US\$ Mn	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec CY24e	Dec CY25e	Dec CY26e	Dec CY27e
EV calculation for val purposes	82.6	136.6	140.0	150.0	153.4	155.9	155.9	172.8	174.2	170.9
Market cap (\$Mn)	50.7	50.7	50.7	50.7	51.0	51.0	51.0	51.0	51.0	51.0
Share price (US\$)	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Share count used for val pu	385.6	385.6	385.6	385.6	388.0	388.0	388.0	388.0	388.0	388.0
common shares	380.6	380.6	380.6	380.6	381.3	381.3	381.3	381.3	381.3	381.3
RSUs and derivatives in th	5.0	5.0	5.0	5.0	6.7	6.7	6.7	6.7	6.7	6.7
Broadly defined net debt (\$M)	-32.0	-66.9	-70.3	-80.4	-83.4	-85.9	-85.9	-102.9	-104.3	-100.9
financial net cash (debt)	-20.0	-51.7	-53.3	-63.2	-65.7	-67.5	-67.5	-77.5	-75.1	-69.4
leases net of right of use as:	-0.5	-0.7	-0.8	-0.8	-0.7	-0.8	-0.8	-2.1	-2.8	-3.3
st taxes	-11.5	-14.4	-16.3	-16.4	-17.0	-17.6	-17.6	-23.2	-26.3	-28.2
contingent warrant inflow										
Other preferred stock		19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
minority interest adj										
Valuation Multiples		CY23					CY24	CY25	CY25	CY25
EV/Sales		0.9x			0.9	0.9	1.0	0.8	0.7	0.7
EV/EBITDA		5.5x			8.2x	6.8x	8.0x	5.0x	3.6x	3.2x

Source: Z&A estimates, company reports

Exhibit 6: Potential share price upside

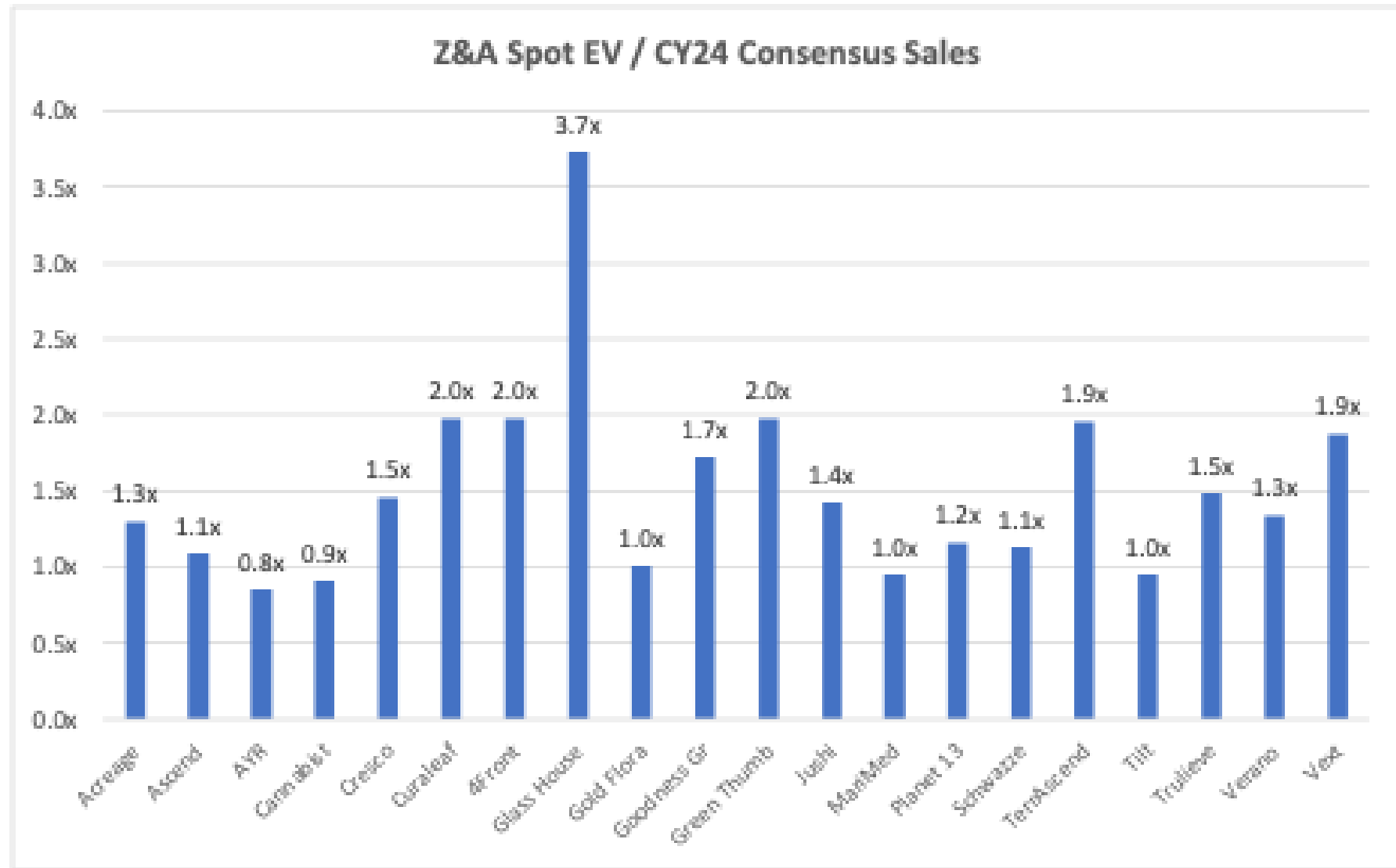
US\$ Mn	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24e	Dec CY24e	Dec CY25e	Dec CY26e	Dec CY27e	upside
Scenarios							by Dec'23	by Dec'24	by Dec'25	by Dec'26	by Dec'25
EV/Sales of		1.0x					0.14	0.21	0.29	0.35	124%
EV/Sales of		1.5x					0.35	0.48	0.60	0.68	356%
EV/Sales of		2.0x					0.56	0.74	0.91	1.01	589%
EV/Sales of		3.0x					0.97	1.27	1.52	1.66	1054%
EV/Sales of		5.0x					1.80	2.33	2.74	2.98	1985%
EV/Sales of		7.0x					2.63	3.38	3.96	4.29	2915%
EV/EBITDA of		5.0x					-0.02	0.13	0.31	0.38	135%
EV/EBITDA of		7.0x					0.08	0.31	0.56	0.65	326%
EV/EBITDA of		8.0x					0.13	0.39	0.69	0.79	422%
EV/EBITDA of		10.0x					0.23	0.57	0.94	1.07	612%
EV/EBITDA of		15.0x					0.48	1.01	1.56	1.75	1089%

Source: Z&A estimates, company reports



Appendix II: MSO Valuation Comps

Exhibit 7: Valuation Comps – MSOs



Source: FactSet; company reports

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 8: Valuation Comps – MSOs

US\$Mn 11-Dec-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	CY24e	CY25e	Current	CY24e	CY25e	CY24	Current	CY24	Current	CY24	Current	CY24	Current
US MSOs	1.6x	1.5x	1.3x	8.4x	6.5x	5.6x								
Ascend Wellness	1.1x	1.1x	1.1x	6.1x	5.6x	5.1x	-0.4x	-0.4x	-2.2x	-2.4x	-0.9x	-0.9x	-4.6x	-5.1x
Ayr Wellness	0.9x	0.8x	0.8x	3.7x	3.7x	3.4x	-0.8x	-0.8x	-3.4x	-3.4x	-0.7x	-0.7x	-2.9x	-2.9x
Cannabist Co	0.9x	0.9x	0.9x	7.2x	7.0x	5.3x	-0.6x	-0.6x	-4.4x	-4.5x	-0.8x	-0.8x	-6.2x	-6.4x
Consortium	1.1x	1.1x	na	4.0x	4.0x	na	na	na	na	na	na	na	na	na
Cresco Labs	1.5x	1.5x	1.5x	5.1x	5.2x	5.4x	-0.5x	-0.5x	-1.8x	-1.8x	-0.8x	-0.8x	-2.8x	-2.7x
Curaleaf	2.0x	2.0x	1.9x	8.8x	8.8x	7.4x	-0.5x	-0.5x	-2.3x	-2.3x	-0.9x	-0.9x	-3.8x	-3.8x
4Front Ventures	2.0x	2.0x	na	7.4x	7.4x	na	na	-1.0x	na	-3.8x	na	-1.7x	na	-6.5x
Glass House	2.9x	3.7x	na	8.9x	20.7x	na	-0.1x	na	-0.7x	na	-0.3x	-0.2x	-1.7x	-0.8x
Gold Flora	1.0x	1.0x	0.8x	11.9x	55.1x	7.4x	na	-0.3x	na	na	na	-0.9x	na	na
Goodness Growth	1.7x	1.7x	na	-97.4x	7.0x	na	-0.5x	-0.5x	-2.1x	29.1x	-0.9x	-0.9x	-3.7x	51.1x
Green Thumb	1.9x	2.0x	1.9x	6.3x	6.2x	6.2x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
Grown Rogue	3.7x	3.7x	na	5.0x	5.0x	na	na	na	na	na	na	na	na	na
iAnthus	1.2x	1.2x	na	9.2x	9.2x	na	na	-1.0x	na	-7.3x	na	-1.0x	na	-7.5x
Jushi	1.5x	1.4x	1.3x	8.9x	7.2x	6.1x	-0.6x	-0.7x	-3.2x	-4.0x	-1.2x	-1.2x	-5.9x	-7.4x
MariMed	0.9x	1.0x	0.8x	8.2x	7.8x	4.7x	-0.4x	-0.4x	-3.3x	-3.5x	-0.5x	-0.5x	-4.2x	-4.5x
Planet 13	1.1x	1.2x	na	26.5x	29.0x	na	0.2x	0.1x	4.0x	3.7x	-0.1x	-0.1x	-1.7x	-1.5x
Schwazze	1.1x	1.1x	na	8.1x	5.4x	na	-0.9x	-0.9x	-4.2x	na	-1.1x	-1.1x	-5.2x	na
TerrAscend	2.0x	1.9x	1.9x	10.8x	10.1x	9.4x	-0.6x	-0.6x	-2.9x	-3.1x	-1.0x	-1.0x	-5.3x	-5.7x
TILT	1.0x	1.0x	1.0x	-17.8x	-17.8x	88.0x	-0.5x	-0.6x	13.0x	9.9x	-0.9x	-1.0x	22.7x	17.3x
Trulieve	1.5x	1.5x	1.4x	4.5x	4.3x	4.4x	-0.3x	-0.3x	-0.7x	-0.8x	-0.6x	-0.6x	-1.8x	-1.8x
Verano	1.4x	1.3x	1.3x	4.6x	4.4x	4.2x	-0.4x	-0.4x	-1.3x	-1.4x	-0.7x	-0.8x	-2.5x	-2.5x
Vext	1.9x	1.9x	na	5.8x	7.7x	na	-0.9x	-0.9x	-3.6x	-2.8x	-0.9x	-0.9x	-3.6x	-2.7x

1) We take FactSet consensus estimates for CY24e and CY25e multiples; 2) By "current", we mean the latest reported qtr annualized

Source: FactSet and company reports

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 9: Spot EV calculation - MSOs

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
11-Dec-24	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
US MSOs													
Ascend Wellness	596	617	0.46	214.5	13.3	105	-241	-134	-137			-512	
Ayr Wellness	622	394	0.57	114.0	31.1	83	-359	4	-11	0	55	-311	
Cannabist Co	552	427	0.10	472.7	8.2	47	-269	-26	-86			-380	
Cansortium	140	124	0.09	304.9	5.6	27	-59	-9	-29			-97	
Cresco Labs	925	1,054	1.10	441.0	8.9	493	-365	-56	-130	-10		-561	
Curaleaf	2,182	2,660	1.84	743.8	11.2	1,388	-678	-24	-389	-56		-1,146	126
4Front Ventures	237	154	0.02	915.2	3.8	20	-79	-8	-40	-6	0	-134	
Glass House	480	730	7.05	81.0	3.5	596	-25	0	-4	-32		-61	72
Gold Flora	130	132	0.03	287.7	0.1	9	-40	-34	-44	-4		-123	
Goodness Growth	103	170	0.34	230.3	4.1	81	-51	-10	-29			-89	
Green Thumb	2,205	2,234	8.56	236.2	9.3	2,101	-82	-28	-23	0	0	-133	
Grown Rogue	75	99	0.70	143.5		100	5	-2	-2			1	
iAnthus	35	196	0.01	6,615.3		35	-156	-5				-161	
Jushi	333	367	0.32	196.7	0.0	63	-165	-1	-139			-305	
MariMed	134	153	0.13	381.3	6.7	51	-66	-1	-17			-83	19
Planet 13	99	138	0.40	325.2	0.3	130	19	-7	-16	-5		-8	
Schwazze	180	194	0.10	80.2		8	-151	-2	-33	0		-186	
TerrAscend	456	593	0.79	355.8	3.1	283	-172	-5	-128	-4		-310	
TILT	109	111	0.01	390.6	4.4	3	-62	-44	-2			-108	
Trulieve	1,098	1,747	5.48	186.0	3.3	1,037	-300	-21	-384	-5		-710	
Verano	863	1,177	1.44	356.9	8.6	526	-355	-6	-285	-4		-651	
Vext	50	67	0.14	245.5	3.4	36	-32	1				-31	

Source: FactSet and company reports

11 December 2024

MariMed: Deep Dive into the Growth of Betty's Eddies

Exhibit 10: Stock Performance

11-Dec-24	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	-23%	-53%	-69%
Ayr	-38%	-73%	-78%
Cannabist	-27%	-57%	-78%
Consortium	-10%	-53%	-13%
Cresco	-12%	-35%	-39%
Curaleaf	-14%	-38%	-56%
4Front	-45%	-57%	-83%
GlassHouse	-11%	-24%	54%
Gold Flora	-30%	-62%	-73%
Vireo Growth	-18%	-29%	37%
Grown Rogue	9%	10%	153%
Green Thumb	-4%	-18%	-25%
iAnthus	-23%	-56%	-82%
Jushi	-10%	-41%	-53%
MariMed	-20%	-25%	-56%
Planet13	-21%	-32%	-52%
Schwazze	-9%	-67%	-83%
StateHouse	MN/A	-35%	-32%
Trulieve	-22%	-50%	-9%
TerrAscend	-14%	-36%	-50%
Vext	7%	-28%	-30%
Verano	-26%	-57%	-68%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-8%	-22%	-15%
Avant	-21%	-54%	-88%
Auxly	-23%	-15%	113%
Cannara	5%	6%	-18%
Canopy	-17%	-27%	-56%
Cronos	1%	-8%	-4%
Decibel	-3%	11%	-47%
Entourage	56%	-14%	-36%
High Tide	26%	58%	113%
Nova	MN/A	MN/A	MN/A
OGI	-2%	-16%	16%
Rubicon	1%	-21%	-23%
SNOL	-5%	-10%	28%
Tilray	-14%	-25%	-33%
VFF	-5%	-20%	0%
CBD			
CVSI	-26%	-25%	-13%
CWEB	-17%	-24%	-52%
LFID	4%	0%	-77%
International			
InterCure	-8%	-25%	-13%
PharmaCielo	75%	60%	159%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-2%	-6%	-23%
CNPOF	-5%	-26%	-11%
IIPR	0%	-15%	21%
NLCP	9%	-2%	38%
SHFS	17%	-29%	-59%
LIEN	1%	12%	35%
REFI	2%	2%	3%
Tech			
LFLY	-14%	-33%	-77%
SBIG	-15%	41%	-35%
MAPS	77%	45%	52%
Vape parts			
GNLN	-27%	-68%	-76%
ISPR	-6%	-18%	-48%
SMORF	3%	16%	78%
TLLTF	-17%	-48%	-70%
Index			
S&P 500	1%	10%	32%
S&P 477	2%	0%	21%
Nasdaq	2%	12%	48%
MSOS ETF	-13%	-39%	-43%
YOLO ETF	-7%	-21%	-18%

Source: FactSet



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 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 specific reports 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. At various points in his career, Pablo 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 www.zuanicassociates.com; via email pablo.zuanic@zuanicgroup.com; or via X @420Odysseus.*



Disclosures and Disclaimers

About the firm: Zuanic & Associates is a domestic limited liability company (LLC) registered in the state of New Jersey. The company's registered address is Five Greentree Centre, 525 Route 73, N Suite 104, Marlton, New Jersey 08053, USA. Pablo Zuanic is the registered agent. The firm publishes equity research on selected stocks in the cannabis and psychedelics sector, as well as thematic macro industry notes. The firm also provides consulting and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

Analyst Certification: The publishing analyst, whose name appears on the front page of this report, certifies that the views expressed in this independent research report accurately reflects his personal views about the subject securities or issuers discussed in this report. His opinions and estimates are based on his best judgement at the time of publication and are subject to change without notice. As per the company's policy, the author of this report does not own shares in any company he covers.

Other: This report is for use by professional and or institutional investors only, and it is deemed impersonal investment advice, published on a bona fide and regular basis. This report is for informational purposes only and is based on publicly available data believed to be reliable, but no representation is made whether such data are accurate or complete. As such, this report should not be regarded by its recipients as a substitute for obtaining independent investment advice and/or exercise of their own judgement. When making an investment decision this information should be viewed as just one factor in the investment decision process. Neither the publishing analyst, nor any of the company's officers and directors, accept any liability for any loss or damage arising out of the use of all or any part of the analyst's research.

Risks: The financial instruments mentioned in this report may not be suitable for all investors and investors must make their own investment decisions based on their specific investment objectives. Past performance should not be taken as an indication or guarantee of future performance. The price, value of and income from, any of the financial instruments featured in this report can rise as well as fall and be affected by changes in political, financial, and economic factors. If a financial instrument is denominated in a currency other than the investor's currency, a change in exchange rates may adversely affect the price or value of, or income derived from, the financial instrument, and such investors effectively assume currency risk.

Disclosure: Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. The company discussed in this report is a paying customer of the services provided by the firm.

Copyright: No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the author.