



Company Update

We realize when it comes to MSOs (and NASDAQ-listed proxies), investor sentiment is chiefly driven by DC news flow whether positive or negative (new Drug Czar comments; the upcoming Bill Maher interview; regurgitation of campaign “tweets”; on/off HHS Sec comments; potential negative read from the WH views of the impact of MJ decriminalization in DC). All that said, taking a long-term view, the well-managed and well-funded MSOs are attractively valued, and some have significant growth torque ex reg unlocks, whether federal or state level. Vext is a case in point, valued at 5x current EBITDA and 3x by YE25. The company is scaling from 2 stores in OH to 8 (a state where new AU rules, out later this year, should accelerate market growth), and with EBITDA margins likely in the mid-teens in AZ and ~50% in OH, it should see a ramp in EBITDA \$. The stock has outperformed the MSOS ETF by over 30pt since mid Feb (see price chart). We rate Vext Overweight.

On Vext's 4Q print (Dec qtr results were released on 3/31 pre-market).

- Sales of \$10.2Mn were up 13 % seq (+21% yoy), but slightly below our estimates due to the slower ramp of the OH market. AZ contributed \$5.8Mn (2 stores plus wholesale) and OH \$4.4Mn (2 stores plus wholesale); respectively, sales were down 12% yoy and + 129%.
- The AZ stores continue to outperform the market, both in rev/store (~\$10Mn pa vs. ~\$7Mn) and vs. the market decline (rev/store fell 16% in the state in 4Q vs. -12% for Vext). In OH, the company benefited from a full quarter of non-med sales (in retail as well as wholesale, even though the latter is not a long-term priority).
- The benefits from the higher margins in the OH market can be seen in the company's gross margins, of 22% in 1H24 and 41% in 2H24. As the company scales in OH and the market picks up, we would expect gross margins to move up to the 45-50% range. EBITDA margins jumped from 18% in 1H to 32% in 2H.
- Operating cash flow of \$4Mn in 4Q marked a turnaround from recent qtrs (OCF CY24 +\$3.2Mn), and it was almost in line with total CY23 OCF of \$4.4Mn. In terms of EBITDA to OCF conversion, the ratio for the year was 36% (\$3.3Mn vs. \$9.2Mn).
- Net debt remains high (\$31.1Mn), at 76% of sales and 2.4x EBITDA (4Q annualized). But with most expansion projects already funded, growing FCF due to OH and efficiency gains in AZ, we expect debt ratios to come down. Indeed management, expects to have paid down all non-mortgage debt by end of CY26.

Macro color on the OH and AZ markets.

- **Ohio:** Per the official data, total rec/med sales in OH reached \$250Mn in 1Q25 (71% rec), which is 2.1x 2Q24 (rec began on 8/6/24), but only 4% up from 4Q24. Total weekly sales

have remained stable at \$33-34Mn for the past two months. We had expected much faster growth in OH given the underdeveloped state of the med market (vs. PA). Pricing has stabilized in the last month, but it is >25% below when non-med sales began; average prices were \$6.94/gram (\$24.3 for 1/8 oz) at the end of March, per state data, vs. \$9.40 in early Aug'24. Potential market growth acceleration will depend on Adult Use rules – the timing and content of these is unclear, but the consensus among market participants is “around June”. Much is being debated (advertising, taxes, new formats like pre-rolls, potency, home grow, hemp rules as part of the same program?), and the shape of the final AU rules will play a big part on future market growth. In terms of stores, there are now 138 licensees with certificates of operation (COs) and 12 with provisional licenses; given grandfathering rules, this number will increase to 265 (1H26) and eventually to 350 (state cap, TBC), following a new round of licensing. That would equate to 29 stores per 1mn people, which should make for attractive retailer economics (AZ 23, MO 33, MA 60, MI 100, CO 190).

- **Arizona:** Official sales data is out only thru Jan'25, but it points to a continued \$ decline in total sales, mostly deflation driven. Total taxable sales in 4Q24 were \$303Mn (med is around 18% of total sales; there are no taxes on MMJ sales, so this represents >16% in savings for patients), down 12% yoy. Per Headset, flower prices in 4Q24 were down 15% yoy and vape -23%. Retail prices in AZ of \$3.83/gram are almost half of those in OH. All this said, the cap of 168 stores in AZ, implies decent economics for retailers (\$7.3Mn in annual sales per store; gross margins in the mid 40s), albeit the same cannot be said of cultivators. No cap has been set on cultivator licenses; pricing conditions are also due to the illicit market (proximity to CA and the border) and hemp-derivatives (although new rules point to a potential crackdown; let's see how this is enforced).

Outlook. Vext's economics have been transformed with the entry into the OH market (obviously the company initially outmaneuvered several MSOs in garnering licenses for a vertical operation).

- The company expects to have the 8 stores open by early 2026 (4 with drive-thru), with a mix of rural stores and metro area stores (in 1Q25 it was still consolidating only two stores: Jackson and Columbus). AU rules and greater consumer awareness (40% of OH's population do not know non-med sales are legal).
- Vext expects to start consolidating another 2 stores in OH in early April (it is waiting for regulatory approval for the ownership transfer of dispensaries #3 and #4, in Athens and Jeffersonville). It expects to open the fifth store in Portsmouth during 2Q25 (construction is underway).
- For modelling purposes, we assume 4 stores for the full 2Q25 (2 for 1Q5); 5 in full for 3Q25. We factor 7 stores in full by 1Q26 and 8 by 2Q26. We expect the company to double cultivation from 25k sq ft to 50k sq ft as the new stores open.

- It will pay a pending \$2.6Mn for the two MSA stores, and estimates \$4Mn in capex for the other four stores. In addition, it guides of \$2Mn in maintenance capex. Cash flow generation will fund the scaling up in OH. Most of the acquisitions have been “funded” with advances to the sellers.
- As the company reaches the 8-store mark, it will allocate most of its flower production to own stores, so wholesale as % of sales in OH should drop for Vext (mostly processed type products would be supplied to 3rd party stores).
- It plans to pay down all non-mortgage debt by end of 2026 (about \$6.5Mn this year and another \$6.5Mn in 2026).
- Like Green Thumb, Vext is among the very few MSOs that continue to pay income taxes in line with 280E regulations, and the company continues to do so, while also generating positive FCF.
- Although the company won a processor license in KY, we expect this license to be sold, in our view, given the company’s focus on cash flow and the state of the balance sheet, and goals to scale in OH.
- That said, we do not rule out Vext entering other states in the Midwest, either existing rec markets (MO?), and or future med markets in that region, provided the economics make sense.
- Management does not rule out buying stores in AZ in the future, albeit it will likely wait for market prices to come down.
- The company will exit its JV interests in CA (50% interest) and OK (25% interest).

Valuation and share price scenarios. For spot EV purposes, we calculate an EV of \$62Mn; the market cap is \$31Mn (247.7mn shares at 13c) and net debt is \$31Mn. On a spot basis taking 4Q24 results, Vext trades above the public MSO group at 1.5x sales (MSOs at 1.3x) and below on EBITDA (4.8x vs. 6.6x). On a projected basis, the stock valuation is attractive, in our view. On our projected estimates, by 4Q25 Vext would be trading at 1.1x sales and only 3.3x EBITDA (CY26: 0.6x and 1.9x, respectively). We realize our forward estimates are sensitive to the evolution of the OH market (new AU rules; increase in the number of licenses) and Vext’s ability to scale in that market. That said, on our positive FCF assumptions, we project EV of ~\$50Mn by CY26. While we do not set price targets, we calculate Vext could have ~5x valuation upside by late Dec’25 (on 1yF basis), if the stock could rerate to an EBITDA multiple more in line with the group (~7x) and maintain the new level of profitability. Yes, we realize the company is smaller and has higher debt load than the average MSO (although this should come down give FCF; we project net cash by CY27), but on the other hand the stock’s EBITDA torque to OH rec is the highest in the MSO group, per our estimates.

1 April 2025

Vext Science: Encouraging CY25 Outlook

Table 1: Forward price scenarios (on EV/EBITDA multiples) under our base case financial estimates

US\$ Mn	Dec CY22	Dec CY23	Dec CY24	1Q25e	2Q25e	3Q25e	4Q25e	Dec CY25e	Dec CY26e	Dec CY27e	
Current valuation											
EV (\$Mn)		54	62	61	65	64	62	62	50	28	
Market cap (\$Mn)		27	31	31	31	31	31	31	31	31	
Share price (US\$)		0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	
FD share count (Mn)		217.5	247.9	247.7	247.7	247.7	247.7	247.7	247.7	247.7	
common shares (proforma)		217.5	247.6	247.6	247.6	247.6	247.6	247.6	247.6	247.6	
RSUs		0.0	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	
derivatgives in the money											
Broadly defined net debt		-27	-31	-30	-34	-33	-31	-31	-19	3	
net financial debt (proforma)		-27	-31	-31	-34	-33	-32	-32	-19	3	
net leases		0	0	0	0	0	0	0	0	1	
other debt (taxes payable)		0	0	0	0	0	0	0	0	0	
contingent											
warrant inflow											
Multiples (Z&A)											
PE		4.7x	-1.3x	-5.6x	-20.8x	-128.5x	-65.7x	-16.1x	5.3x	2.9x	
EV/Sales		1.6x	1.7x	1.5x	1.3x	1.1x	1.1x	1.2x	0.6x	0.3x	
EV/EBITDA		9.8x	6.8x	5.0x	3.8x	3.3x	3.3x	3.7x	1.9x	0.9x	
Price scenarios											
EV/Sales		1.0x	0.02					0.08	0.24	0.39	96%
EV/Sales		1.5x	0.09					0.18	0.40	0.58	224%
EV/Sales		2.0x	0.16					0.29	0.56	0.77	352%
EV/Sales		3.0x	0.31					0.49	0.88	1.15	607%
EV/Sales		4.0x	0.45					0.70	1.20	1.53	863%
EV/Sales		5.0x	0.60					0.91	1.52	1.90	1119%
EV/EBITDA		3.0x	-0.02					0.08	0.25	0.40	96%
EV/EBITDA		5.0x	0.06					0.21	0.46	0.66	267%
EV/EBITDA		7.0x	0.13					0.35	0.67	0.92	437%
EV/EBITDA		10.0x	0.24					0.56	0.99	1.31	693%
EV/EBITDA		15.0x	0.43					0.90	1.53	1.96	1120%
EV/EBITDA		20.0x	0.61					1.24	2.06	2.61	1547%

Source: FactSet, Z&A estimates

Table 2: Companies mentioned in this report.

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	will cover
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Cansortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	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	not rated
TerrAscend		TSNDF	will cover
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
Vireo Growth		VREOF	will cover
Finance (MJ) Companies			
AFC Gamma		AFCG	Overweight
Chicago Atlantic BDC		LIEN	will cover
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	will cover
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	not rated
Avant Brands	AVTBF	will cover
Avicanna	AVCN	not rated
Ayurcann Holdings	AYURF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth Corporation	CGC	Neutral
Cronos Group	CRON	not rated
Decibel Cannabis Co	DBCCF	Overweight
Organigram Holdings	OGI	not rated
Rubicon Organics	ROMJF	will cover
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
Other		
Agrify	AGFY	not rated
Canify AG	TBD	private
Cantourage AG	HIGH:FF	not rated
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
Intercure	INCR	not rated
Ispire Technology	ISPR	will cover
Leafly	LFLY	not rated
LFTD Partners Inc.	LIFD	Overweight
Smoores International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral

Source: Z&A



Appendix I: Company Financials

1 April 2025

Vext Science: Encouraging CY25 Outlook

Exhibit 1: Financial highlights

US\$ Mn	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
Reported Sales	35.4	34.8	36.0	10.0	12.6	13.9	14.7	51.2	79.2	93.7
qoq ch %	na	na	na	-2%	26%	11%	5%	na	na	na
yoy ch %	-5%	-2%	3%	19%	50%	55%	44%	42%	55%	18%
<i>Guidance</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>
<i>Consensus</i>				11.9	12.2	12.9	14.0	51.2	62.5	na
Profit margins										
Gross profit before FV adj	23.1	12.0	9.0	4.2	5.7	6.7	7.1	23.6	38.0	45.0
as % of sales	65.2%	34.6%	24.9%	42.0%	45.0%	48.0%	48.0%	46.1%	48.0%	48.0%
Op exp	-13.8	-19.9	-20.2	-4.9	-5.2	-5.8	-6.3	-22.2	-27.8	-29.4
as % of sales	-39.0%	-57.1%	-56.0%	-49.2%	-41.2%	-41.8%	-42.8%	-43.4%	-35.2%	-31.4%
EBIT	9.3	-7.8	-11.2	-0.7	0.5	0.9	0.8	1.4	10.2	15.6
as % of sales	26.2%	-22.5%	-31.1%	-7.2%	3.8%	6.2%	5.2%	2.7%	12.8%	16.6%
Adj EBITDA	15.1	5.5	9.2	3.1	4.3	4.8	4.8	16.9	26.4	32.1
as % of sales	42.7%	15.9%	25.4%	30.6%	34.1%	34.5%	32.4%	33.0%	33.4%	34.3%
<i>Consensus EBITDA</i>				3.5	3.7	4.0	4.4	15.0	18.8	na
<i>as % of sales</i>				29.5%	30.4%	30.7%	31.4%	29.4%	30.1%	na
EPS										
Pre tax income	6.7	3.4	-21.1	-1.6	-0.4	-0.1	-0.1	-2.2	6.8	12.5
tax rate as % of GP	-41.2%	23.8%	-3.8%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%
Net income after min int	10.9	4.4	-22.4	-1.4	-0.4	-0.1	-0.1	-1.9	5.7	10.6
Share count (FD) Mn	139.5	164.7	240.9	244.2	244.2	244.2	244.2	244.2	244.2	244.2
EPS	0.08	0.03	-0.09	-0.01	0.00	0.00	0.00	-0.01	0.02	0.04
<i>consensus</i>				-0.01	0.00	0.00	0.00	-0.03	0.00	na
BS & CF highlights										
Operating cash flow	5.7	4.4	3.3	1.5	1.0	2.6	3.1	8.3	15.0	24.6
(-) Capex	-8.9	-2.7	-1.5	-1.2	-1.5	-1.7	-1.8	-6.1	-2.4	-2.8
Free cash flow	-3.1	1.7	1.8	0.3	-0.5	1.0	1.4	2.2	12.6	21.8
Net cash (debt)	-31.3	-27.1	-31.1	-30.8	-33.9	-32.9	-31.6	-31.6	-19.0	2.8
Net debt/Sales	-0.9x	-0.8x	-0.9x	-0.8x	-0.7x	-0.6x	-0.5x	-0.6x	-0.2x	0.0x
Net debt/EBITDA	-2.1x	-4.9x	-3.4x	-2.5x	-2.0x	-1.7x	-1.7x	-1.9x	-0.7x	0.1x
Equity	71.9	95.0	75.7	74.4	74.0	74.0	73.8	73.8	79.6	90.2

Source: Z&A estimates, company reports

1 April 2025

Vext Science: Encouraging CY25 Outlook

Exhibit 2: Sales projections

US\$ Mn	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Sales (reported)	35.4	34.8	8.4	8.4	9.0	10.2	36.0	10.0	12.6	13.9	14.7	51.2	79.2	93.7
wholesale	6.5	3.2	1.7	1.9	2.2	2.4	8.2	7.8	10.5	12.2	13.0	43.5	72.8	86.4
retail	28.9	31.7	6.7	6.5	6.8	7.8	27.8	2.2	2.1	1.8	1.7	7.7	6.4	7.3
By states (our est)	35.4	34.8	8.4	8.4	9.0	10.2	36.0	10.0	12.6	13.9	14.7	51.2	79.2	93.7
AZ	35.4	29.1	5.8	5.2	5.3	5.8	22.0	5.5	5.3	4.9	5.2	21.0	21.0	21.4
KY														
OH	0.0	5.7	2.6	3.3	3.7	4.4	14.0	4.4	7.3	9.0	9.4	30.2	58.2	72.3
Market size estimates (\$Mn) rec/med														
AZ	1,426	1,419	341	322	285	304	1,251	316	304	279	300	1,200	1,202	1,224
KY	na	na	na	na	na	na	na	na	na	na	na	na	na	na
OH	467	482	122	120	196	250	687	254	260	266	274	1,054	1,376	1,700
Sales mix %														
AZ	100%	84%	69%	61%	59%	56%	61%	55%	42%	35%	36%	41%	27%	23%
KY														
OH	0%	16%	31%	39%	41%	44%	39%	45%	58%	65%	64%	59%	73%	77%
Other														

Source: Z&A estimates, company reports

Exhibit 3: Market growth assumptions

US\$ Mn	CY19	CY20	CY21	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	CY25e	CY26e	CY27e	CY28e	CY29e	CY30e	rec began
Total (med/rec)	11,665	18,035	23,993	25,200	28,051	7,254	7,470	7,564	7,561	29,850	31,971	34,513	36,657	38,705	41,576	44,747	
AZ	841	801	1,359	1,426	1,419	341	322	285	304	1,251	1,200	1,202	1,224	1,246	1,269	1,292	Jan'21
CA	2,400	4,027	4,952	4,626	4,436	1,058	1,061	1,006	858	3,982	4,101	4,219	4,338	4,457	4,575	4,694	Oct'16
CO	1,748	2,191	2,229	1,769	1,529	356	347	357	314	1,375	1,309	1,284	1,298	1,311	1,324	1,338	Jan'14
CT	84	117	150	150	277	73	73	74	74	294	344	368	381	394	408	423	Jan'23
FLA	506	1,308	1,603	1,708	1,859	487	478	420	404	1,788	1,592	1,598	1,604	1,609	2,639	4,279	Jul'29
GA		0	1	16	49	21	27	29	32	109	136	156	216	355	475	530	med
IL	251	1,035	1,776	1,907	1,960	493	505	496	514	2,008	1,997	2,024	2,049	2,075	2,102	2,129	Jan'20
MA	677	962	1,644	1,755	1,806	441	457	470	480	1,848	1,907	1,941	1,976	2,011	2,047	2,084	Nov'18
MD	252	453	551	509	787	273	284	292	297	1,146	1,280	1,420	1,527	1,621	1,683	1,706	Jul'23
ME	9	16	93	171	229	58	63	76	67	265	290	304	318	334	350	367	Oct'20
MI	289	985	1,793	2,294	3,029	793	837	852	836	3,317	3,385	3,458	3,465	3,472	3,479	3,486	Dec'19
MN	20	20	25	36	66	31	31	32	32	125	96	397	632	775	889	1,004	Jan'26
MO	20	21	210	390	1,338	348	363	367	373	1,452	1,580	1,721	1,877	2,049	2,238	2,445	Feb'23
MT				304	319	77	80	66	81	304	310	316	324	332	341	351	Jan'22
NH	10	13	17	20	24	7	7	7	7	27	30	34	37	40	44	47	med
NJ	95	196	217	556	800	242	270	278	256	1,046	1,143	1,252	1,373	1,506	1,652	1,813	Apr'22
NM	119	119	119	358	556	147	150	154	152	603	597	598	609	609	609	609	Apr'22
NV	702	780	1,042	882	825	219	212	206	192	828	736	740	754	769	783	798	Jul'17
NY	173	200	250	265	431	162	225	324	438	1,148	2,312	3,071	3,195	3,327	3,470	3,621	Dec'22
OH	56	223	379	467	482	122	120	196	250	687	1,054	1,376	1,700	1,773	1,848	1,928	Aug'24
OK	428	831	941	780	728	179	185	175	175	714	714	724	735	746	757	769	med
OR	840	1,111	1,184	994	955	234	243	249	242	968	978	987	997	1,007	1,017	1,028	Oct'15
PA	671	823	1,353	1,457	1,530	411	426	432	457	1,726	1,852	2,060	2,404	2,666	2,784	2,908	Jul'26
RI	40	47	44	53	108	29	30	29	29	117	123	132	142	151	161	170	Dec'22
VA	0	10	27	100	167	52	57	62	67	237	276	307	501	995	1,245	1,403	Jul'27
VT	5	6	8	9	11	3	3	3	3	12	14	15	17	19	20	22	May'22
WA	1,200	1,280	1,422	1,294	1,259	305	314	327	319	1,265	1,268	1,270	1,273	1,275	1,278	1,281	Jul'14
WV	0	0	0	22	66	20	21	22	22	85	99	116	129	129	129	129	med
Other states	229	459	603	883	1,005	274	279	281	285	1,120	1,248	1,419	1,563	1,653	1,960	2,094	

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

1 April 2025

Vext Science: Encouraging CY25 Outlook

Exhibit 4: Cash Flow

US\$ Mn	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24	Dec CY24	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
Net earnings	10,919	4,398	-6,333	-4,390	-2,497	-9,215	-22,435	-1,353	-366	-59	-116	-1,894	5,741	10,630
(+) D&A	6,434	9,593	3,587	3,886	3,833	3,871	15,177	3,774	3,810	3,934	3,984	15,502	16,248	16,556
Cash earnings	17,354	13,991	-2,746	-504	1,336	-5,344	-7,258	2,422	3,444	3,874	3,868	13,608	21,988	27,186
(-) Working capital changes	-7,268	4,405	-192	-411	-2,280	1,453	-1,429	-876	-2,466	-1,250	-721	-5,312	-7,026	-2,617
(-) Other operating flows	-4,363	-13,972	3,048	322	701	7,905	11,976	0	0	0	0	0	0	0
Operating cash flow	5,723	4,425	109	-593	-242	4,015	3,289	1,546	978	2,624	3,147	8,295	14,963	24,569
(-) net capex	-8,860	-2,737	-69	-610	-15	-771	-1,465	-1,199	-1,512	-1,671	-1,763	-6,144	-2,376	-2,810
Free cash flow	-3,138	1,688	40	-1,203	-258	3,244	1,823	347	-534	953	1,384	2,151	12,587	21,759
(-) acquisitions	-8,514	-6,657	-3,135	-47	-98	-67	-3,348	0	-2,600	0	0	-2,600	0	0
(-) divestitures	0	5,882	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-12,435	-13,052	-1,042	616	-1,198	-832	-2,456	0	0	0	0	0	0	0
(-) distributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) share issuance	0	16,344	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	130	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	-23,956	4,204	-4,138	-633	-1,554	2,345	-3,980	347	-3,134	953	1,384	-449	12,587	21,759
Ending net (debt)	-31,325	-27,121	-31,259	-31,892	-33,447	-31,102	-31,102	-30,755	-33,888	-32,935	-31,551	-31,551	-18,964	2,795
Cash/inv/sec	5,934	8,720	4,494	3,390	2,844	4,625	4,625	5,329	5,000	5,000	5,000	5,000	17,119	38,878
Gross debts/loans/bonds	37,259	35,842	35,753	35,282	36,291	35,727	35,727	36,083	38,888	37,935	36,551	36,551	36,083	36,083

Source: Z&A estimates, company reports



Appendix II: MSO Valuation Comps

1 April 2025

Vext Science: Encouraging CY25 Outlook

Exhibit 5: Valuation Comps – MSOs

US\$Mn 1-Apr-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
							Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
US MSOs	1.3x	1.1x	0.9x	6.6x	5.3x	4.5x								
Ascend Wellness	1.0x	1.1x	1.0x	3.9x	5.0x	4.5x	-0.4x	-0.4x	-1.6x	-2.0x	-0.8x	-0.9x	-3.4x	-4.3x
Ayr Wellness	1.2x	1.2x	1.2x	7.1x	5.7x	5.5x	-0.9x	-0.9x	-5.2x	-4.1x	-1.1x	-1.2x	-6.8x	-5.5x
Cannabist Co	1.0x	1.1x	1.0x	14.3x	10.9x	7.4x	-0.7x	-0.7x	-9.5x	-7.3x	-1.0x	-1.0x	-13.5x	-10.3x
Consortium	1.1x	na	na	3.8x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na
Cresco Labs	1.3x	1.3x	1.3x	5.6x	5.7x	5.1x	-0.5x	-0.5x	-2.0x	-2.0x	-0.9x	-0.9x	-3.6x	-3.6x
Curaleaf	1.5x	1.5x	1.4x	6.7x	6.7x	6.0x	-0.5x	-0.5x	-2.2x	-2.2x	-0.9x	-0.9x	-3.9x	-3.8x
4Front Ventures	1.9x	na	na	7.2x	na	na	-1.0x	na	-3.9x	na	-1.8x	na	-6.7x	na
Glass House	2.8x	2.6x	2.1x	16.4x	14.3x	9.3x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.6x
Gold Flora	1.0x	0.8x	na	12.0x	na	na	-0.3x	-0.2x	-3.6x	na	-0.9x	-0.7x	-11.0x	na
Goodness Growth	1.9x	1.9x	na	7.9x	7.8x	na	-0.5x	-0.5x	-2.1x	-2.1x	-0.9x	-0.9x	-3.7x	-3.6x
Green Thumb	1.3x	1.3x	1.2x	4.0x	4.4x	4.1x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	2.1x	na	na	3.2x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.2x	na	na	8.5x	na	na	-0.9x	na	-6.6x	na	-1.0x	na	-6.9x	na
Jushi	1.4x	1.4x	1.3x	11.7x	7.4x	6.2x	-0.6x	-0.6x	-5.2x	-3.3x	-1.2x	-1.2x	-9.8x	-6.2x
MariMed	0.9x	0.9x	0.8x	6.2x	5.8x	4.5x	-0.4x	-0.4x	-2.8x	-2.6x	-0.6x	-0.5x	-3.8x	-3.5x
Planet 13	0.7x	0.8x	0.7x	13.0x	16.4x	11.3x	0.1x	0.1x	2.3x	2.9x	-0.1x	-0.1x	-1.9x	-2.4x
Schwazze	1.1x	1.0x	na	4.7x	na	na	-0.9x	na	-3.8x	na	-1.1x	na	-4.6x	na
TerrAscend	1.6x	1.6x	1.6x	8.0x	7.7x	6.9x	-0.6x	-0.6x	-2.9x	-2.7x	-1.0x	-1.0x	-5.1x	-4.9x
TILT	1.1x	0.9x	na	51.4x	-19.4x	na	-0.6x	-0.5x	-28.6x	10.8x	-1.1x	-0.9x	-49.9x	18.8x
Trulieve	1.3x	1.3x	1.3x	3.5x	3.9x	3.9x	-0.3x	-0.3x	-0.7x	-0.8x	-0.7x	-0.7x	-1.8x	-2.0x
Verano	1.0x	1.0x	1.0x	3.6x	3.5x	3.3x	-0.4x	-0.4x	-1.3x	-1.3x	-0.8x	-0.8x	-2.6x	-2.6x
Vext	1.5x	1.3x	1.1x	4.8x	4.4x	2.3x	-0.8x	-0.7x	-2.4x	-2.2x	-0.8x	-0.7x	-2.4x	-2.2x

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.

Source: FactSet and company reports

1 April 2025

Vext Science: Encouraging CY25 Outlook

Exhibit 6: Spot EV calculation - MSOs

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
1-Apr-25	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
US MSOs													
Ascend Wellness	567	594	0.36	214.5	13.3	82	-241	-134	-137			-512	
Ayr Wellness	606	544	0.18	116.2	3.4	22	-394	-5	-123	0	0	-522	
Cannabist Co	467	403	0.05	472.7	8.2	23	-269	-26	-86			-380	
Cansortium	140	115	0.06	304.9	5.6	19	-59	-9	-29			-97	
Cresco Labs	744	933	0.74	441.2	8.9	333	-332	-56	-202	-10		-600	
Curaleaf	1,583	2,033	0.96	750.1	11.0	728	-670	-46	-416	-41		-1,173	132
4Front Ventures	230	149	0.01	915.2	3.8	10	-81	-11	-42	-5	0	-139	
Glass House	378	592	4.95	82.1	6.9	440	-21	0	-23	-20		-65	86
Gold Flora	130	134	0.04	287.7	0.1	11	-40	-34	-44	-4		-123	
Goodness Growth	148	193	0.44	230.3	4.1	104	-51	-10	-29			-89	
Green Thumb	1,607	1,555	5.91	235.9	7.7	1,440	-83	-29	-2	0	0	-115	
Grown Rogue	75	66	0.47	143.5		67	5	-2	-2			1	
iAnthus	38	202	0.01	6,745.7	0.3	38	-157	-7				-164	
Jushi	311	374	0.30	196.7	1.3	59	-167	-2	-146			-314	
MarlMed	138	148	0.10	382.2	7.7	38	-68	-1	-22			-90	19
Planet 13	113	95	0.25	325.2	0.3	81	17	-10	-16	-5		-14	
Schwazze	174	188	0.02	80.2		2	-151	-2	-33	0		-186	
StateHouse	144	200	0.02	256.4	138.6	6	-114	-10	-54	-22	7	-192	2
TerrAscend	360	485	0.49	356.7	3.1	175	-172	-5	-128	-4		-310	
TILT	109	112	0.01	390.6	4.4	3	-62	-44	-2			-108	
Trulieve	1,190	1,564	3.97	191.0	3.2	771	-318	-23	-445	-6		-793	
Verano	672	907	0.66	358.7	6.3	241	-326	-9	-329	-1		-666	
Vext	47	62	0.13	247.6	0.0	31	-31	0				-31	

Source: FactSet and company reports

1 April 2025

Vext Science: Encouraging CY25 Outlook

Exhibit 7: Stock Performance

1-Apr-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	-7%	-8%	-72%
Ayr	-45%	-61%	-93%
Cannabist	-17%	-27%	-87%
Consortium	1%	-17%	-71%
Cresco	-16%	-19%	-64%
Curaleaf	-27%	-39%	-82%
4Front	-54%	-21%	-91%
GlassHouse	-10%	-15%	-38%
Gold Flora	50%	52%	-87%
Vireo Growth	6%	-21%	8%
Grown Rogue	-21%	-28%	5%
Green Thumb	-15%	-28%	-59%
iAnthus	-21%	19%	-70%
Jushi	-4%	-4%	-59%
MarlMed	-14%	-15%	-63%
Planet13	-22%	-34%	-59%
Schwazze	264%	0%	-98%
StateHouse	na	na	-72%
Trulieve	-7%	-23%	-68%
TerrAscend	-3%	-25%	-74%
Verano	-23%	-47%	-89%
Vext	16%	11%	-41%
International			
InterCure	-12%	-4%	-21%
PharmaCielo	-15%	0%	105%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-13%	5%	1%
Avant	-8%	104%	-62%
Auxly	-7%	108%	56%
Ayurcann	-16%	8%	-35%
Cannara	-10%	69%	27%
Canopy	-28%	-63%	-88%
Cronos	-11%	-9%	-30%
Decibel	-14%	-9%	-52%
Entourage	0%	-40%	-58%
High Tide	-21%	-35%	-1%
OGI	-10%	-36%	-52%
Rubicon	36%	19%	31%
SNOL	-10%	-19%	-28%
Tilray	-10%	-50%	-73%
VFF	-14%	-20%	-50%
Tech			
LFLY	-16%	-88%	-94%
SBIG	-6%	83%	-53%
MAPS	-14%	-18%	-15%
Vape parts			
GNLN	-61%	-84%	-95%
ISPR	-42%	-45%	-55%
SMORF	31%	31%	87%
TLTTF	-17%	56%	-67%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-34%	-32%	-54%
IIPR	-22%	-16%	-46%
NLCP	-4%	-13%	-20%
SHFS	-39%	-54%	-78%
LIEN	-9%	-9%	16%
REFI	-9%	-5%	-7%
Pix & Shovel			
AGFY	-7%	-40%	215%
GRWG	-4%	-36%	-62%
HYFM	-61%	-67%	-82%
SMG	-6%	-17%	-26%
UGRO	-43%	-50%	-66%
CBD			
CVSI	3%	-4%	-21%
CWEB	-10%	-4%	-55%
LFID	-60%	-39%	-85%
Index			
S&P 500	-5%	-4%	7%
S&P 477	-3%	5%	10%
Nasdaq	-8%	-1%	21%
MSOS ETF	-13%	-29%	-73%
YOLO ETF	-15%	-26%	-56%
Simple Group Averages			
Large Canada LP:	-16%	-32%	-53%
Tier 1 MSOs	-17%	-31%	-73%

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.