



8/26/2025

# Vext Science (VEXTF)

Company Update: Overweight

Sales	CY23a	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	9.1	8.4	11.6 A	11.6	18.0	18.0	23.2	na
2Q	9.2	8.4	13.4 A	12.6	18.0	19.3	23.5	na
3Q	8.1	9.0	13.1 E	13.9	20.8	20.1	24.0	na
4Q	<u>8.4</u>	<u>10.2</u>	<u>15.4</u> E	<u>14.7</u>	<u>22.5</u>	<u>21.8</u>	<u>25.0</u>	na
FY	34.8	36.0	53.5 E	52.8	79.3	79.2	95.6	na
EBITDA	CY23a	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	2.9	2.0	3.4 A	3.4	5.9	5.8	8.0	na
2Q	1.0	1.1	4.1 A	4.3	6.0	6.4	8.2	na
3Q	1.1	2.9	4.5 E	4.8	7.2	6.8	8.4	na
4Q	<u>0.6</u>	<u>3.2</u>	<u>5.2</u> E	<u>4.8</u>	<u>7.8</u>	<u>7.4</u>	<u>8.7</u>	na
FY	5.5	9.2	17.2 E	17.3	26.9	26.4	33.4	na

Share price (\$)	0.19	Perf.	VEXTF	MSOS ETF	S&P500	Stance:	Overweight
Share count (mn)	247.7	30d	45%	87%	2%	no price target	
Market Cap (\$Mn)	47	90d	128%	102%	11%	FY=Dec	
Ticker	VEXTF	1yr	12%	-26%	16%		



\$Mn	CY25e	CY26e	CY27e
Projected EV	71.6	50.7	23.9
EV/Sales	1.3x	0.6x	0.3x
EV/EBITDA	4.2x	1.9x	0.7x
	CY25e	CY26e	CY27e
Net debt/Sales	-0.4x	0.0x	0.2x
Net debt/EBITDA	-1.4x	-0.1x	0.7x
Free Cash Flow	8.1	20.4	26.5
Net debt	-23.9	-3.5	22.9
Consensus	CY25e	CY26e	CY27e
Sales	55.1	79.1	106.1
EBITDA	17.2	26.3	37.5
Guidance CY25:	n/a		

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## Company Update Post 2Q25 Print

**We rate Vext Overweight.** On the back of strong performance in OH, Vext is now on a run rate of 25% FCF margins (and rising), and the FCF yield is 29%. The company is best in class among MSOs in those two metrics. With the OH store count set to double to 8 by next summer (from 4 on average in 2Q), EBITDA and FCF should ramp up meaningfully. By 4Q26, we project the stock will be trading at 0.6x sales and 1.6x EBITDA. While we do not set price targets, upside could be >7x by end of 2026 if Vext were to trade in line with the MSO average EV/EBITDA multiple by then.

**On Vext's 2Q25 print (out on 8/20 before the market open).** Here we analyze the quarter from FCF/BS to top line, as opposed to typically the other way around.

- FCF of \$3.4Mn in 2Q25 (almost 2x the entire CY24 FCF) was equivalent to 25% of sales, best in class among MSOs. If we annualize 2Q25 FCF, this would be equivalent to a 29% FCF yield on a \$47Mn market cap (only [Decibel](#) would come close, but in their case the FCF yield is based on ambitious CY25 guidance).
- Net debt YTD is down to \$27Mn from \$31Mn in Dec. On the annualized 2Q EBITDA pace, this is equivalent to a rather manageable 1.7x EBITDA.
- EBITDA margins in 2Q of 30.4% were up 130bp qoq, and they are the result of OH gaining weight in the sales mix. Per company disclosure, gross margins (39% in 2Q vs. 34% in 1Q) in OH were 56.2% in 2Q (50.8% in 1Q) compared with 11% in AZ (1Q 15.5%).
- For the quarter, OH accounted for almost 62% of sales. Total Vext sales in 2Q25 increased 16% qoq (+59% yoy), with OH up 35% vs. 5% drop in AZ.
- As indicated by management in the past, Vext will be opportunistic regarding wholesale, but as it opens more stores, we should expect sales to 3<sup>rd</sup> parties to decline. In fact, this was the case in 2Q, with net wholesale revenues down to \$2.6Mn from \$3.5Mn in 1Q.
- We calculate the two AZ stores are at an annual run rate of \$9.5Mn vs. a state average of \$6.7Mn. On the other hand, the four OH stores being consolidated at present were at an annual run rate of \$6Mn in sales per store pa (our math) in 2Q25, below the state average, but still in ramp up mode.
- In OH, a 5<sup>th</sup> store (Portsmouth) opened in mid-June (part of the Big Perm acquisition), but revenues will be consolidated only by end of 3Q (pending license transfer approval). A 6<sup>th</sup> store is slated to open by 4Q25 (in Fairfield), and two more stores should open before the summer of 2026. All else equal, taking the 2Q momentum, the OH retail operation should be at a >\$16Mn quarterly pace by middle of next year.
- See our [report from 7/29](#) for more color on macro trends in OH and AZ.

**Company outlook.** Market conditions should remain challenging in AZ, and we would expect little qoq growth in OH without new adult use rules enacted. With the 5<sup>th</sup> OH store only consolidated by late in 3Q, total OH sales growth in 3Q may be modest. But we should see the full benefits of the Portsmouth store by 4Q (per management, this store is on track to being a top3 performer in the company's OH footprint). Clearly, Vext's economics have been transformed with the entry into the OH market (it outmaneuvered several MSOs in garnering licenses for a vertical operation in the first phase). Management remains focused on cash flow and bringing down debt. The goal is to rely only on mortgage debt by end of 2026, with all other debt balances fully paid by then. Total expansion capex for 2025 is \$4Mn (and another \$2Mn in maintenance capex), which includes \$3Mn to build stores 6-8 in OH. We expect the company to double cultivation from 25k sq ft to 50k sq ft as the new stores open. The cash flow ramp will fund the scaling up in OH. Most of the store acquisitions have been "funded" with advances to the sellers.

**Valuation and share price scenarios.** We realize MSO sentiment is driven by reform news flow, and in the recent rally the smaller and less liquid MSO stocks may outperform. In the last 30 days, Vext is up 45% vs. +87% for the MSOS ETF. That said, we believe there is greater investor realization of Vext having the highest EBITDA torque to OH rec among MSOs. The stock is attractively valued at 1.4x current sales vs. 2x for the MSO average, and at a compelling 0.6x forward EV/sales on our CY26 estimates (see appendix). We do not set price targets, but if we took the MSO average EBITDA multiple (9x), on our CY27 estimates, we calculate Vext could have ~7x valuation upside by late Dec'26 (on 1yF basis).

Table 1: Companies mentioned in this report.

Company name	Ticker	Ticker	Rating
<b>US MSOs</b>			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	not rated
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	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science		VEXTF	Overweight
Vireo Growth		VREOF	Overweight
<b>Finance (MJ) Companies</b>			
AFC Gamma		AFCG	Neutral
Chicago Atlantic BDC		LIEN	Overweight
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	will cover
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Source: Z&amp;A

Company name	Ticker	Rating
<b>Canada LPs</b>		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	XLY	will cover
Avant Brands	AVNT	not rated
Avicanna	AVCN	not rated
Ayurcann Holdings	AYURF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth	CGC	Neutral
Cronos Group	CRON	will cover
Decibel Cannabis Co	DB	Overweight
Organigram Holdings	OGI	will cover
Rubicon Organics	RUBI	Overweight
SNDL Inc	SNDL	will cover
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
<b>Other</b>		
Cantourage AG	HIGH:FF	not rated
Charlotte's Web	CWBHF	will cover
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
IM Cannabis	IMCC	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



# Appendix I: Company Financials

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## Vext Science: Updated Post 2Q25 Print

### Exhibit 1: Financial highlights

US\$ Mn	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
<b>Reported Sales</b>	35.4	34.8	36.0	11.6	13.4	13.1	15.4	53.5	18.0	18.0	20.8	22.5	79.3	95.6
qoq ch %	na	na	na	13%	16%	-2%	18%	na	17%	0%	16%	8%	na	na
yoy ch %	-5%	-2%	3%	38%	59%	46%	51%	49%	56%	34%	59%	46%	48%	21%
<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>na</i>	<i>na</i>	<i>na</i>	<i>na</i>
<i>Consensus</i>						13.7	15.9	55.1	20.0	20.1	22.0	24.1	79.1	106.1
<b>Profit margins</b>														
Gross profit before FV adj	23.1	12.0	9.0	2.3	4.9	5.5	6.9	20.3	8.1	8.1	10.0	10.8	37.0	45.9
as % of sales	65.2%	34.6%	24.9%	19.7%	36.3%	42.0%	45.0%	37.9%	45.0%	45.0%	48.0%	48.0%	46.6%	48.0%
Op exp	-13.8	-19.9	-20.2	-4.4	-5.3	-5.1	-5.2	-20.1	-6.2	-6.1	-6.8	-7.0	-26.0	-28.7
as % of sales	-39.0%	-57.1%	-56.0%	-38.2%	-39.9%	-39.3%	-33.9%	-37.7%	-34.2%	-33.7%	-32.7%	-31.3%	-32.9%	-30.1%
EBIT	9.3	-7.8	-11.2	-2.1	-0.5	0.4	1.7	0.1	1.9	2.0	3.2	3.8	10.9	17.2
as % of sales	26.2%	-22.5%	-31.1%	-18.5%	-3.6%	2.7%	11.1%	0.2%	10.8%	11.3%	15.3%	16.7%	13.8%	17.9%
Adj EBITDA	15.1	5.5	9.2	3.4	4.1	4.5	5.2	17.2	5.9	6.0	7.2	7.8	26.9	33.4
as % of sales	42.7%	15.9%	25.4%	29.1%	30.4%	34.7%	33.5%	32.1%	32.9%	33.5%	34.6%	34.6%	34.0%	34.9%
<i>Consensus EBITDA</i>						4.5	5.1	17.2	6.7	6.8	7.6	8.4	26.3	37.5
<i>as % of sales</i>						32.4%	31.8%	31.2%	33.5%	33.8%	34.5%	34.9%	33.2%	35.3%
<b>EPS</b>														
Pre tax income	6.7	3.4	-21.1	-3.6	0.3	-0.4	0.9	-2.2	1.1	1.3	2.4	3.0	7.9	14.6
tax rate as % of GP	-41.2%	23.8%	-3.8%	-6.3%	-659.8%	-15.0%	-15.0%	73.5%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%
Net income after min int	10.9	4.4	-22.4	-3.3	-1.5	-0.4	0.8	-3.7	1.0	1.1	2.1	2.6	6.7	12.4
Share count (FD) Mn	139.5	164.7	240.9	247.5	247.6	247.6	247.6	247.6	247.6	247.6	247.6	247.6	247.6	247.6
EPS	0.08	0.03	-0.09	-0.01	-0.01	0.00	0.00	-0.02	0.00	0.00	0.01	0.01	0.03	0.05
<i>consensus</i>					-	-		0.00	na	na	na	na	0.06	na
<b>BS &amp; CF highlights</b>														
Operating cash flow	5.7	4.4	3.3	3.1	4.2	1.6	4.4	13.2	4.3	5.1	6.2	6.7	22.2	28.4
(-) Capex	-8.9	-2.7	-1.5	-0.8	-0.8	-1.7	-1.9	-5.1	-0.4	-0.4	-0.5	-0.5	-1.9	-1.9
Free cash flow	-3.1	1.7	1.8	2.3	3.4	-0.2	2.6	8.1	3.9	4.6	5.7	6.2	20.4	26.5
Net cash (debt)	-31.3	-27.1	-31.1	-29.0	-27.2	-26.4	-23.9	-23.9	-20.0	-15.4	-9.7	-3.5	-3.5	22.9
Net debt/Sales	-0.9x	-0.8x	-0.9x	-0.6x	-0.5x	-0.5x	-0.4x	-0.4x	-0.3x	-0.2x	-0.1x	0.0x	0.0x	0.2x
Net debt/EBITDA	-2.1x	-4.9x	-3.4x	-2.2x	-1.7x	-1.5x	-1.2x	-1.4x	-0.8x	-0.6x	-0.3x	-0.1x	-0.1x	0.7x
Equity	71.9	95.0	75.7	72.5	71.0	70.7	71.4	71.4	72.4	73.5	75.6	78.1	78.1	90.5

Source: Z&A estimates, company reports

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## Vext Science: Updated Post 2Q25 Print

### Exhibit 2: Sales projections

US\$ Mn	CY22	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
<b>Sales (reported)</b>	<b>35.4</b>	<b>34.8</b>	<b>36.0</b>	<b>11.6</b>	<b>13.4</b>	<b>13.1</b>	<b>15.4</b>	<b>53.5</b>	<b>18.0</b>	<b>18.0</b>	<b>20.8</b>	<b>22.5</b>	<b>79.3</b>	<b>95.6</b>
wholesale	6.5	3.2	8.2	3.5	2.6	10.6	13.1	29.8	16.0	16.0	18.7	20.1	70.7	85.7
retail	28.9	31.7	27.8	8.1	10.8	2.5	2.4	23.7	2.0	2.0	2.2	2.3	8.5	10.0
<b>By states (our est)</b>	<b>35.4</b>	<b>34.8</b>	<b>36.0</b>	<b>11.6</b>	<b>13.4</b>	<b>13.1</b>	<b>15.4</b>	<b>53.5</b>	<b>18.0</b>	<b>18.0</b>	<b>20.8</b>	<b>22.5</b>	<b>79.3</b>	<b>95.6</b>
AZ	35.4	29.1	22.0	5.4	5.2	4.5	4.8	19.9	5.1	4.7	4.5	4.8	19.1	19.5
KY														
OH	0.0	5.7	14.0	6.1	8.3	8.6	10.6	33.6	12.9	13.3	16.3	17.6	60.1	76.1
<b>Market size estimates (\$Mn) rec/med</b>														
AZ	1,426	1,419	1,274	319	287	278	297	1,182	313	288	279	298	1,178	1,199
KY	na	na	na	na	na	na	na	na	na	na	na	na	na	na
OH	467	482	675	248	263	282	307	1,100	322	333	362	392	1,409	1,692
<b>Sales mix %</b>														
AZ	100%	84%	61%	47%	38%	34%	31%	37%	28%	26%	22%	22%	24%	20%
KY														
OH	0%	16%	39%	53%	62%	66%	69%	63%	72%	74%	78%	78%	76%	80%
Other														

Source: Z&A estimates, company reports

## Exhibit 3: Market growth assumptions

US\$ Mn	CY19	CY20	CY21	CY22	CY23	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e	CY28e	CY29e	CY30e	rec began
Total	11,306	18,045	24,004	25,210	28,075	30,078	7,453	7,661	7,936	7,914	30,965	33,652	38,481	37,929	40,534	43,384	
rec		10,832	15,135	16,241	19,318	21,631	5,432	5,629	5,886	5,871	22,817	24,673	25,807	26,726	27,658	28,601	
med		7,212	8,868	8,969	8,758	8,447	2,022	2,032	2,051	2,043	8,148	8,979	12,674	11,203	12,877	14,783	
"MSO states"	11,077	17,586	23,401	24,328	27,049	28,947	7,155	7,359	7,618	7,589	29,721	32,189	36,845	36,202	38,502	41,218	
Total (med/rec)	11,306	18,045	24,004	25,210	28,075	30,078	7,453	7,661	7,936	7,914	30,965	33,652	38,481	37,929	40,534	43,384	
AZ	841	801	1,359	1,426	1,419	1,274	319	287	278	297	1,182	1,178	1,199	1,222	1,245	1,268	Jan'21
CA	2,406	4,037	4,963	4,636	4,446	4,162	945	943	976	909	3,772	3,890	4,009	4,127	4,246	4,364	Oct'16
CO	1,748	2,191	2,229	1,769	1,529	1,397	325	327	340	320	1,312	1,288	1,301	1,315	1,329	1,343	Jan'14
CT	84	117	150	150	277	294	70	73	80	84	307	331	342	353	365	377	Jan'23
FLA	506	1,308	1,603	1,708	1,852	1,787	434	420	429	418	1,701	1,701	1,736	1,754	2,663	4,001	Jul'29
GA		0	1	16	49	109	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	487	502	1,977	1,995	2,020	2,045	2,071	2,098	Jan'20
MA	677	962	1,644	1,755	1,806	1,838	432	453	491	480	1,857	1,919	1,953	1,987	2,023	2,059	Nov'18
MD	252	453	551	509	787	1,141	281	298	321	327	1,227	1,367	1,473	1,567	1,630	1,654	Jul'23
ME	9	16	93	171	229	256	62	68	77	68	275	288	302	317	332	348	Oct'20
MI	289	985	1,793	2,294	3,029	3,290	766	804	866	827	3,263	3,334	3,341	3,348	3,354	3,361	Dec'19
MN	20	20	25	36	66	125	34	35	37	38	143	418	619	762	877	991	Jan'26
MO	20	21	210	390	1,338	1,461	370	384	389	395	1,538	1,672	1,822	1,988	2,171	2,372	Feb'23
MT				304	319	304	76	81	72	82	312	318	326	335	345	355	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	302	314	1,177	1,300	1,426	1,565	1,718	1,887	Apr'22
NM	119	119	119	358	556	589	139	145	142	140	567	554	563	563	563	563	Apr'22
NV	702	780	1,042	882	825	832	182	181	185	177	726	729	743	757	771	786	Jul'17
NY	173	200	250	265	431	1,167	401	443	492	541	1,876	2,621	2,722	2,831	2,948	3,074	Dec'22
OH	56	223	379	467	482	675	248	263	282	307	1,100	1,409	1,692	1,768	1,848	1,932	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	968	236	245	252	244	978	987	997	1,007	1,017	1,028	Oct'15
PA	306	823	1,353	1,457	1,530	1,726	428	449	449	449	1,775	2,136	5,209	2,882	2,880	3,008	Jul'26
RI	40	47	44	53	108	118	28	30	31	31	120	131	141	150	160	169	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	3	14	15	17	19	20	22	May'22
WA	1,200	1,280	1,422	1,294	1,259	1,265	306	315	327	320	1,268	1,270	1,273	1,275	1,278	1,281	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	303	318	325	1,244	1,463	1,636	1,726	2,033	2,166	

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



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Exhibit 4: Cash Flow

US\$ Mn	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
Net earnings	10,919	4,398	-22,435	-3,334	-1,477	-370	765	-4,416	976	1,070	2,078	2,582	6,706	12,405
(+) D&A	6,434	9,593	15,177	3,742	4,110	4,183	3,462	15,497	3,978	3,992	4,005	4,019	15,995	16,220
<b>Cash earnings</b>	<b>17,354</b>	<b>13,991</b>	<b>-7,258</b>	<b>408</b>	<b>2,633</b>	<b>3,813</b>	<b>4,227</b>	<b>11,081</b>	<b>4,955</b>	<b>5,062</b>	<b>6,083</b>	<b>6,601</b>	<b>22,701</b>	<b>28,625</b>
(-) Working capital changes	-7,268	4,405	-1,429	61	570	-2,261	187	-1,443	-635	0	96	56	-483	-254
(-) Other operating flows	-4,363	-13,972	11,976	2,612	973	0	0	3,585	0	0	0	0	0	0
<b>Operating cash flow</b>	<b>5,723</b>	<b>4,425</b>	<b>3,289</b>	<b>3,082</b>	<b>4,175</b>	<b>1,551</b>	<b>4,414</b>	<b>13,223</b>	<b>4,320</b>	<b>5,062</b>	<b>6,179</b>	<b>6,657</b>	<b>22,218</b>	<b>28,370</b>
(-) net capex	-8,860	-2,737	-1,465	-814	-780	-1,704	-1,851	-5,149	-450	-450	-458	-494	-1,852	-1,912
<b>Free cash flow</b>	<b>-3,138</b>	<b>1,688</b>	<b>1,823</b>	<b>2,268</b>	<b>3,395</b>	<b>-152</b>	<b>2,563</b>	<b>8,074</b>	<b>3,870</b>	<b>4,612</b>	<b>5,721</b>	<b>6,163</b>	<b>20,366</b>	<b>26,458</b>
(-) acquisitions	-8,514	-6,657	-3,348	168	-2,264	0	0	-2,096	0	0	0	0	0	0
(-) divestitures	0	5,882	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-12,435	-13,052	-2,456	-369	731	880	0	1,242	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	-2	2	0	0	0	0	0	0	0	0	0
<b>Change in net</b>	<b>-23,956</b>	<b>4,204</b>	<b>-3,980</b>	<b>2,065</b>	<b>1,864</b>	<b>728</b>	<b>2,563</b>	<b>7,220</b>	<b>3,870</b>	<b>4,612</b>	<b>5,721</b>	<b>6,163</b>	<b>20,366</b>	<b>26,458</b>
<b>Ending net (debt)</b>	<b>-31,325</b>	<b>-27,121</b>	<b>-31,102</b>	<b>-29,037</b>	<b>-27,173</b>	<b>-26,445</b>	<b>-23,882</b>	<b>-23,882</b>	<b>-20,012</b>	<b>-15,400</b>	<b>-9,679</b>	<b>-3,516</b>	<b>-3,516</b>	<b>22,942</b>
Cash/inv/sec	5,934	8,720	4,625	4,826	4,551	7,867	10,430	10,430	14,300	18,912	24,633	30,796	30,796	57,254
Gross debts/loans/bonds	37,259	35,842	35,727	33,863	31,724	34,312	34,312	34,312	34,312	34,312	34,312	34,312	34,312	34,312

Source: Z&A estimates, company reports

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Exhibit 5: Share price scenarios on forward EV assumptions (not the same as spot EV)

US\$ Mn	Dec CY23	Dec CY24	1Q25	2Q25	3Q25e	4Q25e	Dec CY25e	Dec CY26e	Dec CY27e		
Current valuation											
EV (\$Mn)	69	79	77	77	74	72	72	51	24		
Market cap (\$Mn)	42	47	47	47	47	47	47	47	47		
Share price (US\$)	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19		
FD share count (Mn)	217.5	247.8	247.7	247.7	247.7	247.7	247.7	247.7	247.7		
common shares (proforma)	217.5	247.4	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	-29	-30	-27	-24	-24	-3	23		
net financial debt (proforma)	-27	-31	-29	-27	-26	-24	-24	-4	23		
net leases	0	0	0	0	0	0	0	0	0		
other debt (taxes payable)	0	0	0	-2	0	0	0	0	0		
contingent											
warrant inflow											
Multiples (Z&A)											
PE	7.1x	-2.0x	-3.5x	-8.0x	-31.9x	15.4x	-12.6x	7.0x	3.8x		
EV/Sales	2.0x	2.2x	1.7x	1.4x	1.4x	1.2x	1.3x	0.6x	0.3x		
EV/EBITDA	12.4x	8.6x	5.7x	4.7x	4.1x	3.5x	4.2x	1.9x	0.7x		
Price scenarios											
		by Dec'23					by Dec'24	by Dec'25	by Dec'26	Dec'25 upside	Dec'26 upside
EV/Sales	1.0x	0.02					0.12	0.31	0.48	60%	152%
EV/Sales (MSO average)	2.1x	0.17					0.35	0.65	0.89	238%	366%
EV/Sales (MSO average)	2.0x	0.16					0.33	0.63	0.87	228%	354%
EV/Sales (MSO average)	3.0x	0.31					0.55	0.95	1.25	396%	556%
EV/Sales (MSO average)	4.0x	0.45					0.77	1.27	1.64	563%	758%
EV/Sales (MSO average)	5.0x	0.60					0.98	1.59	2.02	731%	960%
EV/EBITDA	3.0x	-0.02					0.11	0.31	0.50	64%	161%
EV/EBITDA	5.0x	0.06					0.25	0.53	0.77	177%	302%
EV/EBITDA (MSO avg)	9.1x	0.21					0.53	0.97	1.32	410%	590%
EV/EBITDA	10.0x	0.24					0.59	1.07	1.44	462%	655%
EV/EBITDA	15.0x	0.43					0.94	1.62	2.11	747%	1008%
EV/EBITDA	20.0x	0.61					1.29	2.16	2.79	1031%	1361%

Source: Z&A estimates, company reports



# Appendix II: MSO Valuation Comps

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Exhibit 6: Valuation Comps – MSOs

US\$Mn	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	
26-Aug-25	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
<b>Tier 1 MSOs</b>	<b>2.4x</b>	<b>2.4x</b>	<b>2.1x</b>	<b>10.6x</b>	<b>11.3x</b>	<b>8.5x</b>								
Cresco Labs	1.7x	1.8x	1.8x	7.3x	8.1x	7.4x	-0.5x	-0.5x	-2.0x	-2.2x	-0.9x	-0.9x	-3.7x	-4.1x
Curaleaf	2.8x	2.8x	2.6x	13.5x	13.2x	11.2x	-0.5x	-0.5x	-2.6x	-2.5x	-1.0x	-1.0x	-4.7x	-4.6x
Glass House	4.5x	4.3x	3.3x	24.2x	33.0x	17.8x	-0.2x	-0.1x	-0.8x	-1.1x	-0.2x	-0.2x	-0.9x	-1.2x
Green Thumb	1.9x	1.9x	1.8x	6.7x	6.7x	6.2x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
TerrAscend	2.3x	2.6x	2.4x	13.9x	10.3x	9.3x	-0.6x	-0.6x	-3.5x	-2.6x	-1.1x	-1.2x	-6.3x	-4.7x
Trulieve	2.0x	2.1x	2.0x	5.6x	5.9x	6.0x	-0.2x	-0.2x	-0.5x	-0.5x	-0.7x	-0.7x	-1.8x	-1.9x
Verano	1.6x	1.5x	1.5x	5.8x	5.2x	4.9x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vireo Growth	2.2x	2.1x	1.6x	7.9x	8.2x	5.2x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na
<b>Tier 2 MSOs</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>7.1x</b>	<b>4.0x</b>	<b>14.8x</b>								
Ascend Wellness	1.4x	1.3x	1.3x	6.1x	6.2x	5.7x	-0.5x	-0.5x	-2.0x	-2.1x	-1.1x	-1.1x	-4.7x	-4.9x
Cannabist Co	1.4x	1.4x	1.3x	13.8x	12.7x	9.5x	-0.8x	-0.8x	-8.4x	-7.7x	-1.2x	-1.2x	-11.8x	-10.8x
Cansortium	1.4x	na	na	4.8x	na	na	-0.4x	na	-1.3x	na	-0.9x	na	-3.3x	na
Grown Rogue	2.0x	na	na	2.9x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
Jushi	1.9x	1.8x	1.6x	8.8x	9.7x	8.2x	-0.7x	-0.7x	-3.2x	-3.6x	-1.3x	-1.3x	-6.3x	-7.0x
MariMed	1.0x	0.9x	0.8x	7.8x	7.7x	5.0x	-0.4x	-0.4x	-3.4x	-3.4x	-0.6x	-0.6x	-4.7x	-4.7x
Planet 13	1.2x	1.2x	1.1x	na	-17.1x	58.3x	0.1x	0.1x	na	-1.3x	-0.3x	-0.3x	na	3.9x
Vext	1.4x	1.4x	1.0x	5.7x	4.4x	2.0x	-0.5x	-0.5x	-2.2x	-1.7x	-0.5x	-0.5x	-2.2x	-1.7x
<b>Other MSOs</b>														
Ayr Wellness	6.7x	na	na	25.6x	na	na	-5.1x	na	-19.6x	na	-6.6x	na	-25.4x	na
4Front Ventures	1.8x	na	na	11.7x	na	na	-1.0x	na	-6.8x	na	-1.8x	na	-11.7x	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	8.1x	na	na	27.7x	na	na	-4.7x	na	-16.1x	na	-7.9x	na	-27.2x	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 and company reports

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Exhibit 7: Spot EV calculation - MSOs

US\$Mn	Z&A	US\$	mn	mn	= Total	Financial	Net	Income	Conting	ITM deriv	= Total	Preferred	Minority
26-Aug-25	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Stock	Interest
<b>Tier 1 MSOs</b>													
Cresco Labs	1,208	\$1.30	444	13	596	-324	-54	-225	-9	0	-612	0	
Curaleaf	3,534	\$2.87	764	12	2,228	-672	-46	-491	-33	0	-1,242	64	
Glass House	831	\$8.00	82	7	712	-28	0	-2	0	0	-31	89	
Green Thumb	2,232	\$8.60	232	11	2,087	-73	-32	-40	0	0	-145	0	
TerrAscend	678	\$1.04	356	2	372	-171	-6	-126	-3	0	-306	0	
Trulieve	2,472	\$8.35	191	8	1,659	-222	-27	-560	-4	0	-813	0	
Verano	1,262	\$1.60	362	5	587	-335	-9	-332	0	0	-676	0	
Vireo Growth	753	\$0.72	949	13	688	-8	0	-60	0	2	-66	0	
<b>Tier 2 MSOs</b>													
Ascend Wellness	694	\$0.70	205	13	153	-233	-133	-174	0	0	-541	0	
Cannabist Co	469	\$0.15	473	8	70	-284	-26	-89	0	0	-399	0	
Cansortium	143	\$0.07	627	3	44	-39	-11	-49	0	0	-99	0	
Grown Rogue	61	\$0.43	143	0	62	5	-2	-2	0	0	1	0	
Jushi	482	\$0.69	197	0	136	-177	-4	-165	0	0	-346	0	
MariMed	153	\$0.11	389	11	45	-67	-1	-25	0	0	-93	15	
Planet 13	123	\$0.29	325	0	94	9	-10	-27	0	0	-28	0	
Vext	77	\$0.19	248	0	47	-27	0	-2	0	0	-30	0	
<b>Other MSOs</b>													
Ayr Wellness	703	\$0.03	116	3	4	-541	-20	-139	0	0	-699	0	
4Front Ventures	139	\$0.00	915	4	0	-81	-11	-42	-5	0	-139	0	
iAnthus	197	\$0.01	6,746	0	34	-158	-4	0	0	0	-162	0	
Schwazze	186	\$0.00	80	0	0	-151	-2	-33	0	0	-186	0	
TILT	125	\$0.01	391	1	2	-73	-47	-3	0	0	-123	0	

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

Source: FactSet and company reports

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### Exhibit 8: Stock Performance

26-Aug-25			
Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
Ascend	77%	135%	-39%
Ayr	-81%	-86%	-98%
Cannabist	76%	156%	-44%
Cansortium	6%	35%	-54%
Cresco	115%	97%	-26%
Curaleaf	130%	235%	-7%
4Front	-99%	-100%	-100%
GlassHouse	54%	37%	-14%
Gold Flora	na	na	-53%
Grown Rogue	6%	17%	-28%
Green Thumb	50%	59%	-18%
iAnthus	0%	-7%	-66%
Jushi	56%	123%	23%
MariMed	10%	53%	-49%
Planet13	45%	22%	-55%
Schwazze	na	na	-99%
StateHouse	na	na	-29%
Trulieve	88%	99%	-14%
TerrAscend	174%	160%	-29%
Verano	166%	132%	-58%
Vext	45%	128%	12%
Vireo Growth	61%	99%	55%
<b>International</b>			
InterCure	9%	58%	-22%
PharmaCielo	-9%	33%	146%

Source: FactSet

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
Aurora	5%	-7%	-17%
Avant	21%	-3%	-49%
Auxly	2%	83%	287%
Ayurcann	-15%	0%	-56%
Cannara	-34%	-5%	52%
Canopy Growth	19%	-24%	-77%
Cronos	24%	27%	12%
Decibel	36%	93%	84%
Entourage	na	na	na
High Tide	43%	51%	80%
OGI	5%	18%	-16%
Rubicon	32%	45%	25%
SNDL	47%	83%	14%
Tilray	78%	196%	-30%
VFF	109%	136%	179%
<b>Tech</b>			
LFLY	27%	17%	-88%
SBIG	-34%	-63%	-59%
MAPS	17%	13%	6%
<b>Vape parts</b>			
GNLN	-14%	-22%	-100%
ISPR	2%	14%	-57%
SMORF	0%	0%	2%
TLLTF	-17%	14%	-68%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	-13%	-13%	-59%
IIPR	0%	-2%	-55%
NLCP	-1%	-3%	-32%
SHFS	-19%	15%	-79%
LIEN	4%	7%	-6%
REFI	5%	-1%	-8%
<b>Pix &amp; Shovel</b>			
AGFY	0%	16%	656%
GRWG	49%	64%	-18%
HYFM	1%	42%	-18%
SMG	-11%	5%	-11%
UGRO	-11%	10%	-73%
<b>CBD</b>			
CVSI	1%	58%	-22%
CWEB	3%	2%	-35%
LFID	-9%	-17%	-48%
<b>Index</b>			
S&P 500	2%	11%	16%
S&P 477	0%	-1%	2%
Nasdaq	7%	15%	34%
MSOS ETF	87%	102%	-26%
YOLO ETF	58%	73%	2%
<b>Simple Group Averages</b>			
Large Canada LPs	48%	72%	11%
Tier 1 MSOs	110%	124%	-25%



# 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](http://www.zuanicassociates.com); via email [pablo.zuanic@zuanicgroup.com](mailto: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 971 US Highway 202 N, Ste A, Branchburg, New Jersey 08876, 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.

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