



8/26/2025

# Vireo Growth (VREOF)

Company Update: Overweight

Sales	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	24.1	24.5 A	24.5	110.9	113.7	119.5	113.7
2Q	24.5	48.1 A	32.2	116.3	120.0	127.8	120.0
3Q	24.5	90.9 E	90.1	118.9	122.8	132.1	122.8
4Q	<u>24.5</u>	<u>93.5</u> E	<u>91.2</u>	<u>119.8</u>	<u>125.4</u>	<u>136.0</u>	<u>125.4</u>
FY	97.6	256.9 E	238.0	465.9	481.9	515.3	481.9
EBITDA	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	6.1	6.6 A	6.6	32.0	33.9	37.2	33.9
2Q	8.1	13.3 A	8.3	33.7	36.0	40.2	36.0
3Q	4.4	24.3 E	20.7	34.5	37.2	41.9	37.2
4Q	<u>6.6</u>	<u>24.9</u> E	<u>23.1</u>	<u>34.6</u>	<u>38.3</u>	<u>43.3</u>	<u>38.3</u>
FY	25.1	69.0 E	58.7	134.8	145.4	162.6	145.4

Share price (US\$)	0.67	<u>Perf.</u>	<u>VREOF</u>	<u>MSOS</u>	<u>S&amp;P500</u>	Stance:	<b>Overweight</b>
Share count (mn)	949.8	30d	34%	68%	1%		no price target
Market Cap (US\$Mn)	634	90d	69%	110%	9%		FY=Dec
Ticker	VREOF	1yr	32%	-28%	14%		



\$Mn	CY25	CY26	CY27
Projected EV	778	739	656
EV/Sales	3.0x	1.6x	1.3x
EV/EBITDA	11.3x	5.5x	4.0x
	CY25	CY26	CY27
Net debt/Sales	-0.1x	0.0x	0.2x
Net debt/EBITDA	-0.4x	0.1x	0.6x
Free Cash Flow	-29	40	82
Net debt	-28	14	98
Consensus	CY25	CY26	CY27
Sales	253	471	553
EBITDA	66	145	173
Guidance CY25:	na		
	na		

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## Update Post 2Q25 Print

**We rate Vireo Overweight.** Sales ex M&A in 2Q were up 11% driven primarily by >4x sales growth in the NY wholesale business. Based on 2Q25 data, we estimate the recently acquired businesses in MO and UT are ahead of their CY24 pace, while NV is below. In addition to the integration of the acquired assets, we see several favorable catalysts in the months ahead: MN starting rec sales; the NY business being rolled up into a larger 3<sup>rd</sup> party entity (in which Vireo will own a stake); more M&A (likely in FL); interest savings from the refinancing announced last month. Also, Chicago Atlantic's wide network of contacts may also yield what we would call "operational opportunities" (see recent licensing deal with [Curio Wellness](#) in NY state, as well as future expansion in NY state via a partnership with a 3<sup>rd</sup> party). We calculate Vireo Growth now trades at 2x EV to proforma current sales. We do not set price targets, but on our CY27 estimates, if we take 9x EBITDA (the sector average on a spot EV to current basis), Vireo shares would have about 2.3x upside by Dec'26 (1yF basis). In the event of a sector rerating, say to 3-5x EV/Sales, by Dec'26 the stock could be 2.4x to 4x higher. *Note: See our recent [initiation report](#) for more color, as well as our discussion of the successful debt [refinancing](#) last month.*

### About 2Q25 (out 8/13 before the market open).

- Sales ex M&A were up 11% seq to \$27.2Mn, driven primarily by increased wholesale penetration in NY state. Acquisitions closed midway during 2Q25 added \$208.Mn in sales, for total reported sales of \$48.1Mn (as we discuss in the next section, we calculate the MO and UT operations are running ahead of their respective CY24 pace, but NV is below.)
- Retail sales in MN were down 3% seq to \$10.9Mn (wholesale is small, at \$160K), while MD retail sales fell 1% to \$6.8Mn. The company's stores in NY remain medical, so retail sales are small (\$1.1Mn, and down 9% seq). Total base business wholesale (i.e., ex M&A) was \$8.5Mn, with NY up 4.4x seq to \$4.2Mn and MD up 2% to \$4.2Mn.
- Reported EBITDA margins were up 80bp to 27.6%, as the impact from lower reported gross margins (42% in 2Q vs. 52%) were offset by SGA efficiencies (operating leverage related for the most part).
- Vireo ended 2Q with \$12Mn in net debt (gross cash \$102Mn). Debt was refinanced last month.

**Regarding the three acquisitions.** Based on state level disclosure, we calculate Proper (MO) and Wholesome (UT) are ahead of their respective CY24 pace, while Deep Roots (NV) is below.

- **Wholesome (UT), and the Arches platform, closed on 5/12/25.** Vireo reported \$6.1Mn in UT retail sales for 2Q and \$1.1Mn in wholesale. We estimate proforma sales for 2Q25 of \$11.3Mn retail and \$2Mn wholesale. If we annualize those numbers, in total the Wholesome business would be at a run rate of >\$53Mn, ahead of proforma guidance of \$47.5Mn for CY24. There are at 15 dispensaries in UT, but the Vireo store (one) is the best

performing with >\$45Mn annualized sales (for about 25% market share, in part due to its strong Arches delivery business).

- **Proper (MO) closed on 6/5/25.** Vireo reported \$5.6Mn in MO retail sales for 2Q and \$1.7Mn in wholesale. We estimate proforma sales for 2Q25 of \$20.4Mn retail and \$6.2Mn wholesale. If we annualize those numbers, in total the Proper business would be at a run rate of >\$106Mn, well ahead of proforma guidance of \$94Mn for CY24. Also, it would seem the wholesale piece is outperforming, accounting for over 23% of the sales mix vs. 16% in CY24. Prior disclosure implied 27% proforma EBITDA margins for CY24, but no state-by-state EBITDA data was provided for 2Q25.
- **Deep Roots (NV) closed on 6/6/25.** Vireo reported \$6.4Mn in retail sales in NV for 2Q and very small wholesale (\$28K). We estimate a proforma run retail rate of >\$23Mn for the quarter (PLNH retail sales, counting the superstore and the one Medezin store was at ~\$14Mn in 2Q25), or ~\$92Mn annualized (below the \$100Mn proforma number given for CY24). Prior disclosure implied 30% proforma EBITDA margins for CY24, but no state-by-state EBITDA data was provided for 2Q25.
- **Total proforma sales.** So, while Vireo reported total 2Q25 revenues of \$48.1Mn (\$27Mn from the base businesses), total proforma revenues were ~\$90Mn (factoring 2Q proforma sales of \$27Mn for MO; \$23Mn NV; and >\$13Mn UT).

**Outlook.** The company does not provide guidance, but the integration of the 2Q acquisitions (inc. top line and bottom-line synergies), the potential start of rec in MN, new acquisitions (FL), and the pending NY transaction, should also help fuel further earnings growth.

- Regarding MN (unclear exactly which date rec sales will begin, but this is expected for this year), management is confident the regulator will allow the two medical licensees (Vireo Growth and Green Thumb) to start supplying retail stores from day one (new cultivation licensees will not be ready), and also allow the 8 stores (each of the two incumbents has 8 stores) begin retailing rec.
- In NY, the company is in the process of “selling” its assets into a larger entity, in which Vireo Growth will own an equity stake. Supposedly, this will generate even larger top line opportunities for Vireo. In our view, some this was already evident with over 4x growth in wholesale revenue in that state.
- We believe Vireo Growth remains interested in entering the FL market via M&A, even though we doubt it will be able to acquire The Flowery, as originally intended back in Dec’24 when LOIs were announced. That said, we are intrigued by the moves at Fluent, with CEO Robert Beasley exiting the company and now emerging as a senior officer at Chicago Atlantic group.

**Valuation and share price upside.** Vireo shares are up 69% in the last 90 days vs. +110% for MSOS ETF; we attribute the underperformance to the stock's lower liquidity vs. other tier 1 MSOs. We realize the call at present on MSOs is mostly related to federal reform news, but relative to peers, Vireo has upside from MN soon to begin rec sales as well as from its rollup strategy. At \$0.69, we calculate an EV of \$741Mn with 87% comprised by market cap (950mn shares plus 13mn RSUs), plus net financial debt of \$12Mn, net leases of \$10Mn, and tax debt of \$76Mn. Given three deals closed midway thru 2Q, we use proforma estimates to calculate current sales (\$90Mn, or \$360Mn annualized). Taking spot EV on current proforma sales, Vireo trades at 2x. We do not set price targets, but on our CY27 estimates, at 9x EBITDA (the sector average on a spot EV to current basis), Vireo shares would have about 2.3x upside by Dec'26 (1yF basis). In the event of a sector rerating, say to 3-5x EV/Sales, by Dec'26 the stock could be 2.4x to 4x higher.

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

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
Smoore International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral

Source: Z&amp;A



# Appendix I: Company Financials

## 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>P&amp;L Highlights</b>														
Revenues	74.6	88.1	99.4	24.5	48.1	90.9	93.5	256.9	110.9	116.3	118.9	119.8	465.9	515.3
qoq ch %	na	na	na	-2%	96%	89%	3%	na	19%	5%	2%	1%	na	na
yoy ch %		18%	13%	2%	91%	261%	273%	159%	352%	142%	31%	28%	81%	11%
<i>Consensus Sales</i>						92.5	95.4	252.5	113.7	120.0	122.8	125.4	471.4	553.3
Gross profit	30.9	44.1	50.8	12.4	20.4	39.1	41.1	113.0	51.0	55.8	59.5	59.9	226.2	273.1
as % of sales	41.4%	50.0%	51.1%	50.6%	42.5%	43.0%	44.0%	44.0%	46.0%	48.0%	50.0%	50.0%	48.5%	53.0%
Total SGA	-37.8	-33.5	-37.2	-10.4	-22.4	-19.5	-21.2	-73.6	-22.1	-25.3	-28.2	-28.6	-104.2	-124.6
SGA/sales	-50.7%	-38.0%	-37.4%	-42.5%	-46.7%	-21.4%	-22.7%	-28.6%	-19.9%	-21.8%	-23.7%	-23.9%	-22.4%	-24.2%
Operating income	-6.9	10.6	13.6	2.0	-2.0	19.6	19.9	39.5	28.9	30.5	31.3	31.3	122.0	148.6
operating margin	-9.3%	12.0%	13.6%	8.1%	-4.2%	21.6%	21.3%	15.4%	26.1%	26.2%	26.3%	26.1%	26.2%	28.8%
Adj EBITDA	4.1	19.6	25.1	6.6	13.3	24.3	24.9	69.0	32.0	33.7	34.5	34.6	134.8	162.6
EBITDA margin	5.5%	22.2%	25.3%	26.8%	27.6%	26.7%	26.6%	26.9%	28.9%	28.9%	29.0%	28.9%	28.9%	31.6%
<i>Consensus EBITDA</i>						24.4	26.6	66.4	33.9	36.0	37.2	38.3	145.3	172.7
<i>as % of sales</i>						26.4%	27.9%	26.3%	29.8%	30.0%	30.3%	30.5%	30.8%	31.2%
Net interest expense	-22.6	-31.3	-31.2	-7.6	-7.6	-5.6	-5.1	-26.0	-5.1	-5.1	-5.1	-5.0	-20.2	-19.5
Net int exp/sales	-30.3%	-35.5%	-31.4%	-31.0%	-15.9%	-6.2%	-5.5%	-10.1%	-4.6%	-4.4%	-4.2%	-4.2%	-4.3%	-3.8%
Profit before tax	-36.6	-17.8	-16.9	-4.8	-10.1	14.0	14.8	13.9	23.8	25.4	26.2	26.3	101.8	129.0
Net profit	-42.5	-25.5	-28.0	-6.5	-14.9	11.2	11.9	1.6	19.1	20.3	21.0	21.0	81.4	103.2
EPS	-0.33	-0.19	-0.16	-0.02	-0.03	0.01	0.01	0.00	0.02	0.02	0.02	0.02	0.09	0.11
ending share count (mn)	128.1	143.1	366.0	367.2	949.8	949.8	949.8	949.8	949.8	949.8	949.8	949.8	949.8	949.8
<b>BS and CF Highlights</b>														
Operating cash flow	-18.1	-1.0	-10.2	-3.3	-4.8	-14.3	14.0	-8.4	1.0	17.5	21.4	23.3	63.2	97.0
(-) Capex	-5.6	-5.0	-11.7	-1.1	-3.7	-9.1	-6.5	-20.4	-5.5	-5.8	-5.9	-6.0	-23.3	-15.5
Free cash flow	-23.6	-5.9	-21.9	-4.5	-8.5	-23.4	7.4	-28.9	-4.6	11.7	15.5	17.3	39.9	81.5
Financial net (debt)	-42.9	-53.4	19.4	13.8	-12.4	-35.7	-28.3	-28.3	-30.9	-19.3	-3.8	13.5	13.5	97.5
cash	15.1	16.0	91.6	86.3	106.2	107.7	115.1	115.1	112.5	124.2	139.6	157.0	157.0	241.0
debt	58.0	69.4	72.2	72.5	118.6	143.5	143.5	143.5	143.5	143.5	143.5	143.5	143.5	143.5
Net debt to Sales	-0.6x	-0.6x	0.2x	0.1x	-0.1x	-0.1x	-0.1x	-0.1x	-0.1x	0.0x	0.0x	0.0x	0.0x	0.2x
Net debt to EBITDA	-10.4x	-2.7x	0.8x	0.5x	-0.2x	-0.4x	-0.3x	-0.4x	-0.2x	0.1x	0.0x	0.1x	0.1x	0.6x
OCF/Sales	-24.2%	-1.1%	-10.3%	-13.5%	-10.0%	-15.7%	14.9%	-3.3%	0.9%	15.0%	18.0%	19.5%	13.6%	18.8%
Capex/Sales	-7.5%	-5.6%	-11.8%	-4.7%	-7.6%	-10.0%	-7.0%	-8.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-3.0%
Broad net debt (inc taxes, other)	-118.2	-85.2	-24.0	-31.1	-98.3	-142.7	-135.5	-135.5	-139.7	-128.5	-113.3	-96.0	-96.0	-13.4

Source: Z&amp;A estimates, company reports

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## Vireo Growth: Company Update Post 2Q25

### Exhibit 2: Sales projections

US\$ Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
<b>Total sales reported (\$Mn)</b>	<b>86.1</b>	<b>99.4</b>	<b>24.5</b>	<b>48.1</b>	<b>90.9</b>	<b>93.5</b>	<b>256.9</b>	<b>110.9</b>	<b>116.3</b>	<b>118.9</b>	<b>119.8</b>	<b>465.9</b>	<b>515.3</b>
Retail	71.7	79.5	19.2	36.8	75.1	75.6	206.7	89.4	92.9	92.9	92.5	367.7	399.5
Wholesale (net)	14.5	19.8	5.3	11.3	15.7	17.9	50.2	21.4	23.4	26.0	27.4	98.3	115.9
<b>Total sales</b>	<b>86.1</b>	<b>99.4</b>	<b>24.5</b>	<b>48.1</b>	<b>90.9</b>	<b>93.5</b>	<b>256.9</b>	<b>110.9</b>	<b>116.3</b>	<b>118.9</b>	<b>119.8</b>	<b>465.9</b>	<b>515.3</b>
FL				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	12.2	12.9	47.0	12.4	13.3	14.3	14.6	54.7	58.9
MN	45.2	46.1	11.5	11.0	11.9	13.0	47.4	29.5	31.7	32.9	32.6	126.7	154.9
MO				7.3	23.4	23.7	54.4	24.0	25.1	25.4	25.8	100.3	109.3
NV				6.4	25.4	24.4	56.2	24.9	25.6	24.8	24.8	100.2	102.1
NY	14.0	11.1	2.1	5.2	5.9	7.8	21.0	8.3	8.9	9.5	10.1	36.8	38.0
UT				7.2	12.1	11.7	31.0	11.8	11.8	11.8	11.8	47.3	52.1
<b>Sales mix %</b>													
FL		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
MD		42%	44%	23%	13%	14%	18%	11%	11%	12%	12%	12%	11%
MN		46%	47%	23%	13%	14%	18%	27%	27%	28%	27%	27%	30%
MO		0%	0%	15%	26%	25%	21%	22%	22%	21%	22%	22%	21%
NV		0%	0%	13%	28%	26%	22%	22%	22%	21%	21%	22%	20%
NY		11%	9%	11%	7%	8%	8%	7%	8%	8%	8%	8%	7%
UT		0%	0%	15%	13%	12%	12%	11%	10%	10%	10%	10%	10%
<b>Market size assumptions (\$Mn)</b>													
FL	1,852	1,787	434	420	429	418	1,701	421	424	427	430	1,701	1,736
MD	787	1,141	281	298	321	327	1,227	311	332	359	366	1,367	1,473
NV	825	832	182	181	185	177	726	181	186	181	181	729	743
MO	1,338	1,461	370	384	389	395	1,538	399	418	424	430	1,672	1,822
NY	431	1,167	401	443	492	541	1,876	582	631	680	729	2,621	2,722
MN	66	125	34	35	37	38	143	88	99	110	121	418	619
UT	143	163	45	45	45	45	179	49	49	49	49	197	217

Source: Z&A estimates, company reports

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## Vireo Growth: Company Update Post 2Q25

### Exhibit 3: Cash Flow

US\$ 000s	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>SUMMARY CASH FLOW</b>														
Net earnings	-42,457	-25,547	-28,008	-6,509	-14,934	11,174	11,854	1,585	19,059	20,345	20,994	21,017	81,415	103,216
(+) D&A	4,012	3,602	3,356	827	1,961	4,685	4,958	12,430	3,077	3,160	3,247	3,337	12,821	14,041
<b>Cash earnings</b>	<b>-38,445</b>	<b>-21,945</b>	<b>-24,651</b>	<b>-5,682</b>	<b>-12,973</b>	<b>15,859</b>	<b>16,811</b>	<b>14,015</b>	<b>22,136</b>	<b>23,505</b>	<b>24,242</b>	<b>24,354</b>	<b>94,236</b>	<b>117,258</b>
(-) Working capital changes	-4,719	2,304	5,104	-1,299	-2,212	-30,121	-2,841	-36,474	-21,162	-6,028	-2,842	-1,016	-31,047	-20,287
(-) Other operating flows	0	0	0	3,658	10,357	0	0	14,015	0	0	0	0	0	0
<b>Operating cash flow</b>	<b>-18,073</b>	<b>-966</b>	<b>-10,235</b>	<b>-3,323</b>	<b>-4,829</b>	<b>-14,263</b>	<b>13,970</b>	<b>-8,444</b>	<b>974</b>	<b>17,477</b>	<b>21,400</b>	<b>23,338</b>	<b>63,189</b>	<b>96,971</b>
(-) net capex	-5,562	-4,963	-11,695	-1,147	-3,658	-9,088	-6,542	-20,434	-5,543	-5,817	-5,946	-5,992	-23,297	-15,460
<b>Free cash flow</b>	<b>-23,635</b>	<b>-5,929</b>	<b>-21,930</b>	<b>-4,470</b>	<b>-8,486</b>	<b>-23,350</b>	<b>7,428</b>	<b>-28,878</b>	<b>-4,570</b>	<b>11,660</b>	<b>15,455</b>	<b>17,346</b>	<b>39,891</b>	<b>81,511</b>
(-) acquisitions	0	0	0	0	38,361	0	0	38,361	0	0	0	0	0	0
(-) divestitures	632	253	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-7,709	-4,841	13,815	-1,214	-56,110	0	0	-57,324	1,953	0	0	0	1,953	2,504
(+) share issuance	0	0	80,829	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	7	0	86	62	57	0	0	119	0	0	0	0	0	0
<b>Change in net</b>	<b>-30,705</b>	<b>-10,517</b>	<b>72,801</b>	<b>-5,622</b>	<b>-26,178</b>	<b>-23,350</b>	<b>7,428</b>	<b>-47,722</b>	<b>-2,617</b>	<b>11,660</b>	<b>15,455</b>	<b>17,346</b>	<b>41,844</b>	<b>84,015</b>
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Ending net (debt)</b>	<b>-42,879</b>	<b>-53,396</b>	<b>19,405</b>	<b>13,783</b>	<b>-12,395</b>	<b>-35,745</b>	<b>-28,317</b>	<b>-28,317</b>	<b>-30,934</b>	<b>-19,274</b>	<b>-3,819</b>	<b>13,527</b>	<b>13,527</b>	<b>97,542</b>
Cash/inv/sec	15,149	15,965	91,605	86,261	106,189	107,719	115,147	115,147	112,530	124,190	139,645	156,991	156,991	241,006
Gross debts/loans/bonds	58,029	69,361	72,200	72,478	118,584	143,464	143,464	143,464	143,464	143,464	143,464	143,464	143,464	143,464

Source: Z&A estimates, company reports



26 August 2025

## Vireo Growth: Company Update Post 2Q25

### Exhibit 4: Forward Share Price Scenarios (taking forward EV)

US\$ Mn	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
<b>EV calculation for val purposes</b>	<b>203.8</b>	<b>180.7</b>	<b>268.4</b>	<b>284.8</b>	<b>741.0</b>	<b>785.4</b>	<b>778.2</b>	<b>778.2</b>	<b>738.7</b>	<b>656.2</b>
Market cap (\$Mn)	85.6	95.6	244.4	253.7	642.7	642.7	642.7	642.7	642.7	642.7
Share price (US\$)	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67
Share count used for val purposes	128.1	143.1	366.0	379.9	962.5	962.5	962.5	962.5	962.5	962.5
common shares	128.1	143.1	366.0	367.2	949.8	949.8	949.8	949.8	949.8	949.8
RSUs and derivatives in the money	0.0	0.0	0.0	12.7	12.7	12.7	12.7	12.7	12.7	12.7
Broadly defined net debt (\$Mn)	-118.2	-85.2	-24.0	-31.1	-98.3	-142.7	-135.5	-135.5	-96.0	-13.4
financial net cash (debt)	-42.9	-53.4	19.4	13.8	-12.4	-35.7	-28.3	-28.3	13.5	97.5
leases net of right of use assets	-75.3	-9.4	-10.0	-9.9	-10.1	-14.0	-14.2	-14.2	-16.6	-18.0
income tax debt	0.0	-22.4	-33.3	-35.0	-75.8	-93.0	-93.0	-93.0	-93.0	-93.0
inflows from ITM deriv				0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation Multiples</b>			CY24					CY25	CY25	CY25
EV/Sales			2.7	2.9	3.9	2.2	2.1	3.0	1.6	1.3
EV/EBITDA			10.7x	10.8x	14.0x	8.1x	7.8x	11.3x	5.5x	4.0x
<b>Scenarios</b>								by Dec'25	by Dec'26	upside by Dec'25 by Dec'26
EV/Sales of		1.0x						0.38	0.52	-42% -22%
EV/Sales of		1.5x						0.63	0.79	-6% 18%
EV/Sales of		2.0x						0.87	1.06	30% 58%
EV/Sales of		3.0x						1.35	1.59	103% 138%
EV/Sales of		5.0x						2.32	2.66	248% 299%
EV/Sales of		7.0x						3.29	3.73	393% 459%
EV/EBITDA of		5.0x						0.60	0.83	-10% 24%
EV/EBITDA of		7.0x						0.88	1.17	32% 75%
EV/EBITDA of		9.0x						1.16	1.51	74% 126%
EV/EBITDA of		15.0x						2.00	2.52	200% 277%
EV/EBITDA of		20.0x						2.70	3.36	305% 404%

Source: Z&A estimates, company reports



# Appendix II: Valuation Comps

## Exhibit 5: MSOs Valuation Multiples (taking spot EV)

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>11.2x</b>	<b>8.6x</b>								
Cresco Labs	1.7x	1.8x	1.8x	7.2x	8.1x	7.4x	-0.5x	-0.5x	-2.0x	-2.2x	-0.9x	-0.9x	-3.7x	-4.1x
Curaleaf	2.9x	2.8x	2.7x	13.8x	13.4x	11.4x	-0.5x	-0.5x	-2.6x	-2.5x	-1.0x	-1.0x	-4.7x	-4.6x
Glass House	4.5x	4.3x	3.2x	24.1x	32.8x	17.7x	-0.2x	-0.1x	-0.8x	-1.1x	-0.2x	-0.2x	-0.9x	-1.2x
Green Thumb	1.9x	1.9x	1.8x	6.8x	6.8x	6.3x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
TerrAscend	2.3x	2.6x	2.4x	14.0x	10.4x	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	1.5x	1.5x	1.4x	5.7x	5.1x	4.9x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vireo Growth	2.2x	2.0x	1.6x	7.7x	7.4x	5.5x	0.0x	na	-0.1x	na	-0.3x	na	-1.0x	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	1.3x	1.3x	1.3x	13.7x	12.6x	9.5x	-0.8x	-0.8x	-8.4x	-7.7x	-1.2x	-1.2x	-11.8x	-10.8x
Consortium	1.4x	na	na	4.7x	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	8.9x	9.8x	8.3x	-0.7x	-0.7x	-3.2x	-3.6x	-1.3x	-1.3x	-6.3x	-7.0x
MariMed	1.0x	0.9x	0.8x	7.7x	7.7x	4.9x	-0.4x	-0.4x	-3.4x	-3.4x	-0.6x	-0.6x	-4.7x	-4.7x
Planet 13	1.2x	1.1x	1.1x	na	-17.0x	57.9x	0.1x	0.1x	na	-1.3x	-0.3x	-0.3x	na	3.9x
Vext	1.4x	1.4x	1.0x	5.6x	4.4x	2.3x	-0.5x	-0.5x	-2.0x	-1.6x	-0.6x	-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	1.3x	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, Z&A estimates, and company reports

## Exhibit 6: MSOs EV Calculations

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	1,199	\$1.28	444	13	587	-324	-54	-225	-9	0	-612	0	
Curaleaf	3,604	\$2.96	764	12	2,298	-672	-46	-491	-33	0	-1,242	64	
Glass House	827	\$7.95	82	7	707	-28	0	-2	0	0	-31	89	
Green Thumb	2,258	\$8.71	232	11	2,113	-73	-32	-40	0	0	-145	0	
TerrAscend	682	\$1.05	356	2	376	-171	-6	-126	-3	0	-306	0	
Trulieve	2,476	\$8.37	191	8	1,663	-222	-27	-560	-4	0	-813	0	
Verano	1,245	\$1.55	362	5	569	-335	-9	-332	0	0	-676	0	
Vireo Growth	741	\$0.67	950	13	643	-12	-10	-76	0	0	-98	0	
<b>Tier 2 MSOs</b>													
Ascend Wellness	694	\$0.70	205	13	153	-233	-133	-174	0	0	-541	0	
Cannabist Co	466	\$0.14	473	8	67	-284	-26	-89	0	0	-399	0	
Cansortium	143	\$0.07	627	3	44	-39	-11	-49	0	0	-99	0	
Grown Rogue	62	\$0.44	143	0	63	5	-2	-2	0	0	1	0	
Jushi	487	\$0.72	197	0	142	-177	-4	-165	0	0	-346	0	
MariMed	151	\$0.11	389	11	44	-67	-1	-25	0	0	-93	15	
Planet 13	122	\$0.29	325	0	93	9	-10	-27	0	0	-28	0	
Vext	76	\$0.19	248	0	46	-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	203	\$0.01	6,746	0	40	-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, Z&A estimates, and company reports

## Exhibit 7: Performance

26-Aug-25			
Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
Ascend	59%	128%	-40%
Ayr	-82%	-85%	-98%
Cannabist	12%	164%	-50%
Cansortium	0%	46%	-53%
Cresco	88%	95%	-29%
Curaleaf	106%	233%	-8%
4Front	-100%	-100%	-100%
GlassHouse	44%	36%	-16%
Gold Flora	na	na	-53%
Grown Rogue	10%	29%	-29%
Green Thumb	38%	65%	-18%
iAnthus	18%	13%	-61%
Jushi	40%	136%	24%
MariMed	-6%	38%	-51%
Planet13	28%	19%	-56%
Schwazze	na	na	-98%
StateHouse	na	na	-35%
Trulieve	70%	109%	-13%
TerrAscend	138%	173%	-29%
Verano	143%	135%	-60%
Vext	50%	103%	5%
Vireo Growth	34%	69%	32%
<b>International</b>			
InterCure	6%	56%	-17%
PharmaCielo	-29%	33%	149%

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
Aurora	8%	-4%	-20%
Avant	28%	5%	-45%
Auxly	7%	86%	246%
Ayurcann	-15%	0%	-56%
Cannara	-33%	-4%	67%
Canopy Growth	27%	-15%	-77%
Cronos	25%	28%	9%
Decibel	32%	115%	91%
Entourage	na	na	na
High Tide	48%	50%	75%
OGI	7%	22%	-19%
Rubicon	33%	45%	20%
SNDL	62%	90%	16%
Tilray	111%	227%	-25%
VFF	91%	142%	171%
<b>Tech</b>			
LFLY	20%	20%	-88%
SBIG	-22%	-60%	-48%
MAPS	17%	7%	3%
<b>Vape parts</b>			
GNLN	-26%	-22%	-100%
ISPR	2%	10%	-60%
SMORF	0%	0%	2%
TLLTF	-22%	22%	-67%

Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	-11%	-18%	-60%
IIPR	3%	-3%	-56%
NLCP	-1%	-3%	-32%
SHFS	-23%	-9%	-81%
LIEN	5%	6%	-6%
REFI	6%	-3%	-11%
<b>Pix &amp; Shovel</b>			
AGFY	10%	10%	606%
GRWG	68%	57%	-20%
HYFM	-3%	29%	-21%
SMG	-10%	3%	-13%
UGRO	-9%	14%	-72%
<b>CBD</b>			
CVSI	13%	56%	-17%
CWEB	1%	-3%	-36%
LFID	-20%	-27%	-53%
<b>Index</b>			
S&P 500	1%	9%	14%
S&P 477	-1%	-3%	1%
Nasdaq	-1%	13%	34%
MSOS ETF	68%	110%	-28%
YOLO ETF	52%	77%	2%
<b>Simple Group Averages</b>			
Large Canada LPs	55%	82%	9%
Tier 1 MSOs	89%	127%	-26%

Source: FactSet and company reports



# 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 [www.zuanicassociates.com](http://www.zuanicassociates.com); via email at [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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