ZUANIC & ASSOCIATES

5/23/2025

Chicago Atlantic BDC (LIEN)

Initiation of Coverage: Overweight

- Only public BDC in the cannabis (MJ) industry (~76% of loan investments). Larger TAM than peers given BDC structure. Attractive returns due to industry's capital demand-supply imbalance.
- Post the purchase of a loan book from Chicago Atlantic group, LIEN is 5x larger and more diversified. As part of CA (estimated 17% market share of all MJ lending), LIEN now has a larger deal pipeline.
- Unlevered as of 1Q25, a new $100Mn credit facility should help drive book growth (we model full usage).
- Unwarranted 20% discount to NAV. Div yield 13%.

EPS	CY23a	CY24a	CY25e	CY26e
1Q	0.39	0.08	0.33	0.39
2Q	0.21	0.21	0.36	0.39
3Q	0.22	0.03	0.36	0.40
4Q	0.37	0.35	0.38	0.40
FY	1.18	0.68	1.43	1.58
DPS	**CY23a**	**CY24a**	**CY25e**	**CY26e**
1Q	0.00	0.25	0.34	0.37
2Q	0.00	0.25	0.34	0.37
3Q	0.00	0.25	0.34	0.37
4Q	0.00	0.34	0.34	0.37
FY	0.00	1.09	1.36	1.48

BVPS $	CY23a	CY24a	CY25e	CY26e
1Q	14.29	13.60	13.19	13.28
2Q	14.49	13.56	13.20	13.31
3Q	14.06	13.28	13.22	13.33
4Q	13.77	13.20	13.26	13.37
Debt/Equity	**CY23a**	**CY24a**	**CY25e**	**CY26e**
1Q	0%	0%	0%	30%
2Q	0%	0%	7%	34%
3Q	0%	0%	16%	37%
4Q	0%	0%	26%	41%

Share price ($)	$10.52	**Rating**	**Overweight**
Share count (mn)	22.8	Price target	No PT
Market Cap ($Mn)	240	Fiscal Year	Dec
Ticker	LIEN	Div yield	12.9%

Performance	LIEN	MSOS	S&P500
30d	0%	4%	12%
90d	-13%	-18%	-3%
1yr	-6%	-72%	12%

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Investment Summary

A specialty finance company, Chicago Atlantic BDC, Inc. (NASDAQ: LIEN) is the first publicly listed business development company (BDC) formed to invest across the cannabis ecosystem. LIEN's investment objective is to maximize risk-adjusted returns on equity for its shareholders by investing primarily in direct loans to privately held middle-market companies, with a focus on cannabis (MJ) companies and other niche opportunities in underfollowed sectors. The BDC is managed by Chicago Atlantic BDC Advisers, LLC, an SEC-registered investment adviser, a part of the Chicago Atlantic platform ("Chicago Atlantic").

We initiate coverage of LIEN with an Overweight rating. The result of the merger of Silver Spike Investment Corp (the first publicly traded BDC lending in the cannabis space) with a ~$220Mn loan book from the private side of Chicago Atlantic, LIEN is well-placed to benefit from the capital demand-supply imbalance in the growing US cannabis industry and generate YTM in the mid/high teens. With all loans in accrual at present (all first lien), LIEN is attractively valued, trading at an unwarranted 20% discount to book value, and paying a dividend yield of 13%. With the ability to lend against borrower cash flows and a diversified set of other collateral types, LIEN will enjoy a larger total addressable market than other MJ finco lenders more constrained by borrower's real estate availability. LIEN's manager claims a deal pipeline of ~$600Mn, which is subject to allocation across Chicago Atlantic's platform. The unlevered B/S (LIEN recently closed on a $100Mn senior secured credit facility) and $15Mn cash balance (1Q25) provide plenty of runway to fund growth. With Chicago Atlantic claiming 17% share of all MJ lending, LIEN's pipeline and network of deal opportunities are enhanced post the merger. We see ~30% shareholder returns by YE25 (return to par plus dividend yield). *Note: Chicago Atlantic now owns 63% of LIEN and Silver Spike Capital 17%.*

Table 1: Investment Highlights (per LIEN)

A DIFFERENTIATED BDC	➢ Strong credit metrics ➢ Only BDC that is primarily focused on the cannabis industry ➢ All debt investments are senior secured ➢ 76% of the portfolio are floating rate loans, of which 99% have floors ➢ Recently closed $100 million senior secured revolving credit facility, which has not been drawn upon to date ➢ Part of the largest cannabis focused investment platform
FOCUS ON UNDERSERVED SECTORS	➢ Focus on highly complex and highly regulated industries underserved by other capital providers ➢ Direct lending against cash flows and multiple types of collateral in cannabis and the lower middle-market creates a large addressable market ➢ Pricing and structuring power with high barriers to entry
DIVERSIFIED SOURCE OF CREDIT ALPHA	➢ Uncorrelated, idiosyncratic credit opportunity in cannabis and the lower middle-market ➢ Other BDCs and private credit funds tend to overlap on sponsor-backed, middle-market lending with similar risk profiles that are typically correlated and lack differentiation ➢ Seek alpha where few capital providers with requisite expertise are present

Source: Company reports

The advantages of the BDC structure – and how LIEN is different from other non-MJ BDCs. For starters, LIEN enjoys a larger TAM than sale leaseback operators and mortgage REIT lenders, because as a BDC, it can lend based on borrowers' cashflows and on multiple types of collateral, and thus it is not constrained by real estate availability. Four loans booked to MJ operators in Mar'25 (to three smaller private operators: Cannabis & Glass, Silver Therapeutics, TheraTrue; and to public MSO Fluent Corp) for a combined $21Mn help prove this BDC's flexibility and potential. As a BDC, LIEN also has more flexibility in structuring loans in terms of maturity and size. The BDC is a vehicle to help companies in growing industries, and not to invest in distressed assets, so in that sense LIEN may carry less risk than other lenders in the MJ space. In addition, as allowed by the Investment Company Act of 1940, the BDC can make managerial assistance available to borrowers. Besides lending, a BDC can also make equity investments in its borrowers that operate outside of the cannabis industry. Per BDC rules, the focus is on private companies and public companies with market caps below US$250Mn. That said LIEN can also lend to larger publicly listed companies (with a limit of 30% of the book in so-called "non-qualified" assets). For shareholders, a BDC provides them with the ability to retain the liquidity of a publicly traded stock, while sharing in the possible benefits of investing in emerging-growth or expansion-stage privately owned companies. Compared with non-MJ BDCs, in general LIEN has a more diversified and better-quality book (all loans in accrual; first lien; senior debt) and generates higher returns (17% YTM vs. single digits for most BDCs; most in cash with limited PIK reliance). LIEN is also well-positioned as benchmark rates move, with 80% of the loan book having floating rates (99% including loans with floors). BDCs have a leverage cap of 2x debt/equity with most in the 1.25-1.50x range. At present, LIEN has no debt (it just garnered a $100Mn credit facility at SOFR+3%), so ROE should expand faster than at non-MJ BDC peers as book growth is funded in part by the new debt facility (all this in a context of ROE already being higher than BDC peers on the back of its superior YTM).

Attractive economics for cannabis lenders, in a growing (albeit not without challenges) industry. LIEN is among the few publicly listed providers of debt capital to the US cannabis industry, benefitting from a supply-demand imbalance of capital that allows for YTM rates in the mid/high teens (assuming lenders can manage the credit risk). The imbalance is mostly due to cannabis remaining federally illegal (even though 24 states have already legalized sales for recreational use), which has resulted in restricted access to banking services (loans; cash management; payment services). Also, negative investor sentiment (partly on industry challenges that vary by state, and lack of reform progress at the federal level) has tightened equity capital access for most cannabis operators. Still, despite these challenges, industry sales continue to grow. We conservatively forecast US legal cannabis sales to reach ~$40Bn by CY28, for almost 7% CAGR, as more states begin adult-use (AU, or rec) sales, or loosen rules for the sale of medical cannabis. Fellow MJ lender AFCG estimates six states (PA and FL going rec; OH rolling out full adult-use rules after the 8/6/24 launch; GA, AL, and KY expanding med) could result in $1.7Bn of potential incremental debt capital demand. The form and timing of changes at the federal level (rescheduling, banking, broader federal legalization of rec and or med) in the US remains uncertain, but we note the new president sent positive signals via social media during the campaign – that said, MJ stock valuations point to significant skepticism, partly due to cabinet appointments and the GOP's historical Prohibitionist leanings. See our Macro Views report from 12/16/24. *Note: At the group level, Chicago Atlantic (private part; mortgage REIT; BDC) estimates it has 17% share of the cannabis debt market, and* *projects its overall loan book of $1.9Bn could expand to $3.5Bn by 2027 (CA's industry sales projections are higher than ours).*

The LIEN loan book. Based on the latest disclosure (10-Q 1Q25), LIEN has total debt investments of $289Mn at fair value (total net assets of $301Mn), with 76% in loans to US cannabis operators and the rest to companies in fast-growing industries outside cannabis. As per the same disclosure, about 54% of the cannabis loan book, at fair value, is concentrated in three MJ companies (Verano $52Mn; STIIIZY $40Mn; Jeeter $32Mn). Per BDC norms and LIEN's own stated goals, we believe the loan book is less diversified than originally intended. However, the book is current and 100% in accruals, and we believe the larger credits in the LIEN book may benefit from consolidation opportunities given current industry challenges in US MJ, all of which would be positive for quality of the LIEN book.

The rationale of the SSIC/CALP transaction (which closed on 10/1/24). Silver Spike Investment Corp (original ticker SSIC; the first public NASDAQ-listed BDC investing in the cannabis space) had little investor visibility and the stock lacked liquidity (despite being NASDAQ listed); the loan book also lacked scale. So, SSIC decided to acquire a sizeable book of loans from Chicago Atlantic group (expanding the book size by almost 5x), and noted the following benefits from the deal for its shareholders: increased scale and better stock liquidity; enhanced portfolio diversification (~77% cannabis exposure vs. 100% before for SSIC; more than 4x the # of portfolio companies); expected improved access to debt and equity capital; and the deal being accretive to net investment income. Post deal, the new LIEN ownership structure is 63% Chicago Atlantic group (via an entity called Chicago Atlantic Loan Portfolio LLC, or CALP) and 17% Silver Spike. *Note: Re stock liquidity, for context, NASDAQ-listed TLRY trades 30mn shares per day; OTC-traded GTBIF 421k; in the MJ finco space, IIPR trades 281k, AFCG 187k, REFI 94k, NLCP 53k, and LIEN 11k.*

The advantage of LIEN being part of the Chicago Atlantic group. Having a BDC in its arsenal, gives Chicago Atlantic more flexibility as it negotiates and originates new loans across its various funnels. Besides loan book quality, growth outlook, earnings power, and valuation metrics (vs. BVPS; div yield), equity investors in the pubco MJ lenders (say, in IIPR, NLCP, AFCG) also evaluate management and their track record. All this in the context of several of these companies being "externally managed" (with fees paid to the "managers"). In this regard, investors in LIEN should value the company's association with Chicago Atlantic (a sprawling debt and equity capital provider to the cannabis industry; this private group owns close to 63% of LIEN stock, and Chicago Atlantic group officers own >13% of the stock of the NASDAQ-listed mortgage REIT Chicago Atlantic Real Estate Finance) as well as the expertise of the legacy Silver Spike team. LIEN equity investors will be relying not only on the loan evaluation process of the company's "lending pipeline", but also on decisions Chicago Atlantic will make regarding loan allocation (what goes to LIEN, to REFI, and/or to the private side of the group). Per management, at the Chicago Atlantic platform level there is a clear allocation process (and guidelines) in term of what types of loans will be allocated to the private group, the public mortgage REIT, and the BDC (i.e., LIEN).

Financial projections. With the stock trading below NAV, equity raises are not an option, so, future growth for now can only be funded with cash holdings and new debt. LIEN has not provided exact guidance for book growth, but management is confident it can deploy the bulk of its new $100Mn credit facility this year. We model net book growth of ~$100Mn for CY25. We model mid-teens cash yield (>90% in cash). The gross weighted average yield of debt investments was 16.6% in 1Q25. We project debt/equity of 23% by YE25 and 38% by YE26. The $100Mn credit facility (maturing Mar 2028) carries an interest rate of SOFR + 3% (SOFR is at 4.29% now); by 2027, we expect LIEN to have access to a ~$200Mn facility, and model debt to equity of ~50%. Regarding non-interest expenses (note that this is an externally managed BDC), the base management fee is 1.75% of AUM per annum, calculated on the average of the ending book balances in the last two quarters (there are other fees also: administrator fees; income-based incentive fee; capital gains incentive fee; detailed explanations are provided in the 10-K to estimate these fees under various scenarios). The Company and the Adviser also entered into an expense limitation agreement (the "Expense Limitation Agreement") pursuant to which the Adviser has agreed to cap the Company's operating expenses (excluding base management fees, incentive fees, expenses related to the Loan Portfolio Acquisition, and litigation and indemnification expenses) at an annualized rate of 2.15% of the Company's net assets through September 30, 2025 (as part of this arrangement, LIEN's G&A expenses were reimbursed by the manager in 1Q25). For CY25 we project EPS of $1.43 (the share count is 22.8mn) and $1.58 for CY26. As a BDC, LIEN is required to pay at least 90% of its taxable income in dividends (over a full year). The company announced a 2Q25 EPS of 34c (same as in 1Q25), with a payment date of 7/11/25 (record date 6/27/25). We calculate LIEN should be in a position to increase the quarterly dividend by YE25, but we model 34c through CY25 for the base case. In terms of interest rate risk (LIEN has no debt at present), only 20% of the loan book is fixed rated. Of the variable portion (the other 80% of the loan book), several loans (~40% of the variable piece) have Prime floors above, at, or near the current Prime rate of 7.5%.

Stock performance and valuation. In our view, LIEN is attractively valued on a spot basis vs. MJ lenders, and vs non-MJ BDCs in risk-adjusted terms, and has potential for faster growth with its unlevered B/S and larger TAM (due to its BDC structure).

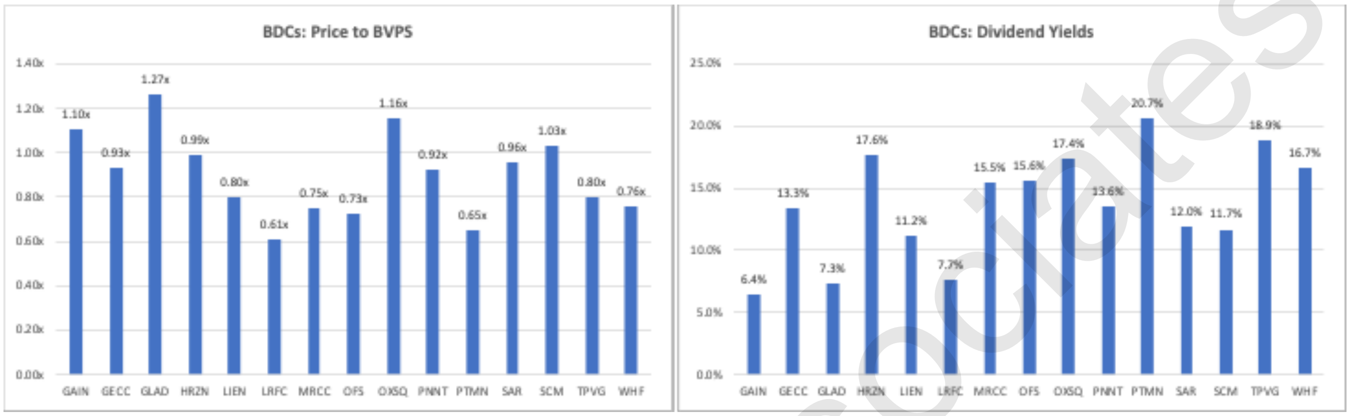
- *Dividend Yield*: At the current share price of $10.52, the dividend yield is 12.9% (taking 2Q25 DPS of 34c), which is for the most part in line with the non-MJ BDC average (13.7%). Re the MJ finco group, AFCG is the outlier with an 18% yield, with the rest of the group at 12-13%. We calculate the LIEN book is presently in better shape that MJ finco peers on average (all LIEN loans are current and in accruals). In the case of IIPR there are concerns about the sustainability of the dividend given tenant issues (see our report).

- *Book Value*: The NAV was $13.19 as of 1Q25. At $10.52, LIEN trades at a 20% discount to NAV. For context, in the MJ finco space, AFCG trades at a 42% discount, NCLP at -22% and IIPR -15% (REFI is the exception trading at par). BDCs on average are a 10% discount to par (see appendix). Given the quality of the LIEN book in standalone terms and relative to peers, and its growth potential, the LIEN discount to NAV is unwarranted, in our view.

- *Catalysts:* Deployment of the $100Mn credit facility should be a catalyst for LIEN shares, as our estimates for loan book growth begin to materialize. The quality of the book would warrant it, in our view. For context, gross debt to equity is 55% at AFCG (54% taking net debt to equity); 28% at REFI (25%); 15% at IIPR (8%); and 2% at NLCP (it has a net cash position). Per FactSet, BDCs have debt to equity of 127% on average.

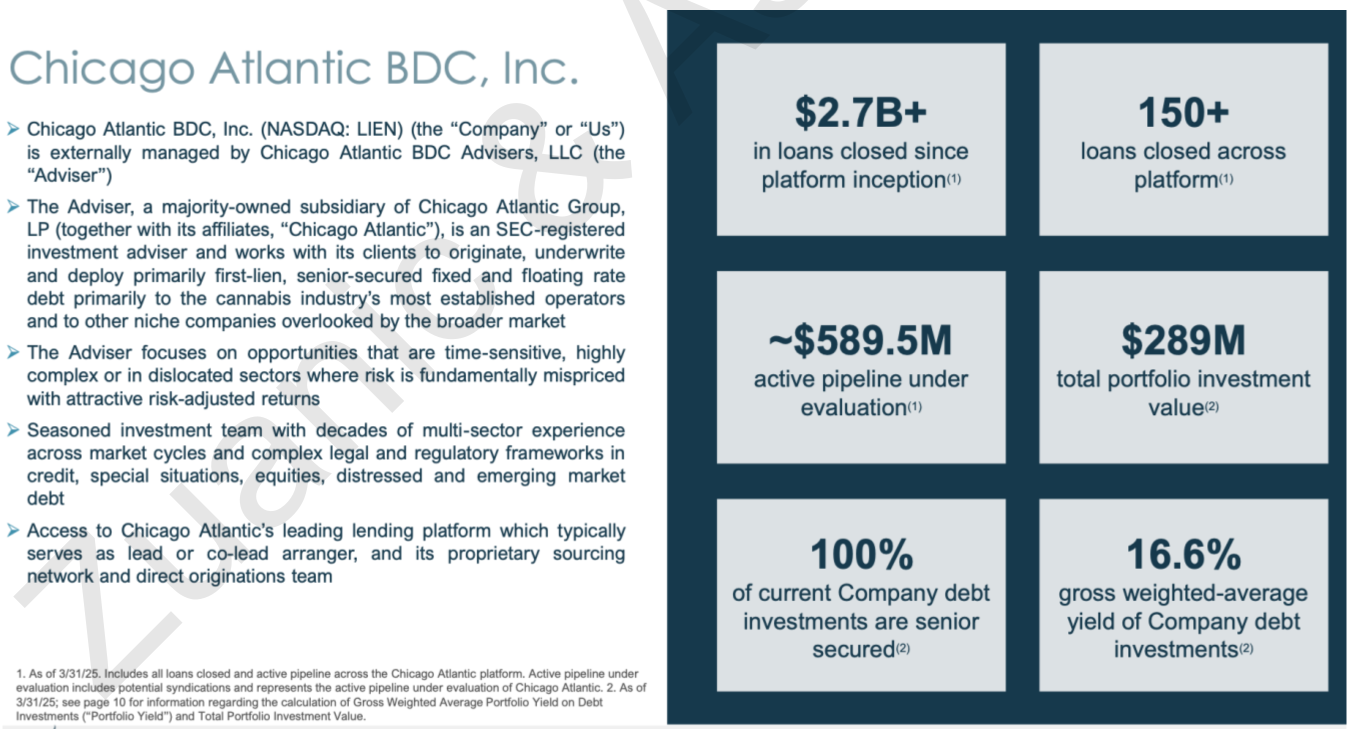
- *Potential returns/upside.* Assuming a return to par (>20% upside) by YE25 and the current LIEN dividend yield, investors could be looking at total returns of ~30% by YE25. All this with a book in healthier shape than peer MJ lenders, and likely greater growth upside.

Table 2: BDCs Comps (price to book and dividend yield)



Source: FactSet

Table 3: Company Highlights (per LIEN disclosure)



Source: Company reports

On Business Development Companies (BDCs)

A business development company (BDC) is a specialty finance company that invests in small and medium-sized companies helping them grow, especially in the first stages of their development. Like other closed-end registered investment funds, many BDCs are public companies whose shares trade on major exchanges, such as the NYSE and NASDAQ, among others. BDCs offer investors high dividend yields and capital appreciation potential.

Understanding Business Development Companies (BDCs). The U.S. Congress created business development companies in 1980 to fuel job growth and assist emerging U.S. businesses in raising funds. BDCs are closely involved in mentoring and developing the companies in their portfolios because it is in a BDC's best interest to help them become successful. BDCs invest in private companies and small public firms that have low trading volumes. They raise capital through initial public offerings or by issuing corporate bonds and equities or forms of hybrid investment to investors. BDCs can use different financial instruments to provide capital, but in general, most issue loans or purchase stocks or convertible securities from the companies.

To qualify as a BDC, a company must be registered in compliance with Section 54 of the Investment Company Act of 1940. In addition, it must be a domestic company whose class of securities is registered with the SEC. The BDC must invest at least 70% of its assets in private or public U.S. firms with market values of less than US$250 million. These companies are often young businesses seeking financing. The BDC provides managerial assistance to the companies in its portfolio. Importantly, business development companies avoid corporate income taxes by distributing at least 90% of their income to shareholders. BDC can only take debt leverage at most of 2x debt to equity (most are in the 1.25x to 1.5x range).

Advantages and disadvantages of BDC investment. Pros include high dividend yields; being open to retail investors; liquidity; diversity. Cons: being sensitive to interest-rate spikes; illiquid/opaque holdings (in some cases); dividends taxed as income.

Pros:

- **High dividend yields**: Because BDCs are regulated investment companies (RICs), they must distribute over 90% of their profits to shareholders. That RIC status means they don't pay corporate income tax on profits before distributing them to shareholders. The result is above-average dividend yields.

- **Open to retail investors**: BDCs expose investors to debt and equity investments in predominantly private companies—typically closed to retail investors.

- **Liquid**: While there are private BDCs, LIEN is listed on a public exchange, which gives investors a fair amount of liquidity and transparency.

- **Diversity**: BDC investments may diversify an investor's portfolio with securities that can display substantially different returns from stocks and bonds.

Cons:

- **Risks**: Although a BDC itself is liquid, many of its holdings are not. The portfolio holdings are primarily private firms or small, thinly traded public companies. BDCs invest aggressively in companies that offer both income now and capital appreciation later; as such, they register somewhat high on the risk scale.

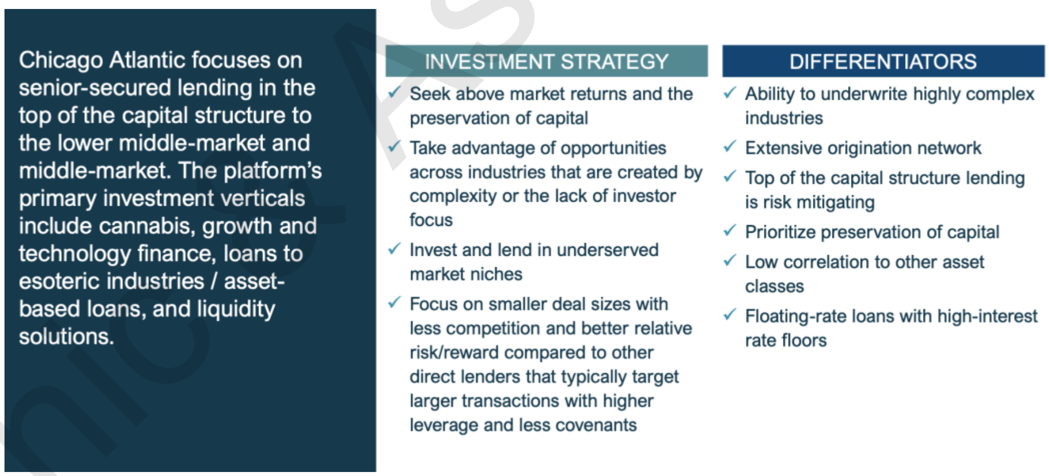
- **Sensitive to interest rate spikes**: A rise in interest rates—making it more expensive to borrow funds—can impede a BDC's profit margins.

- **Illiquid or opaque holdings**: Because most BDC holdings are typically invested in illiquid securities, a BDC's portfolio has subjective fair-value estimates and may experience sudden and quick losses.

- **Dividends taxed as income**: Dividends from BDCs are taxed as ordinary income because they don't meet the criteria for qualified dividends.

The table below summarizes LIEN's loan strategy.

Table 4: LIEN's core strategy

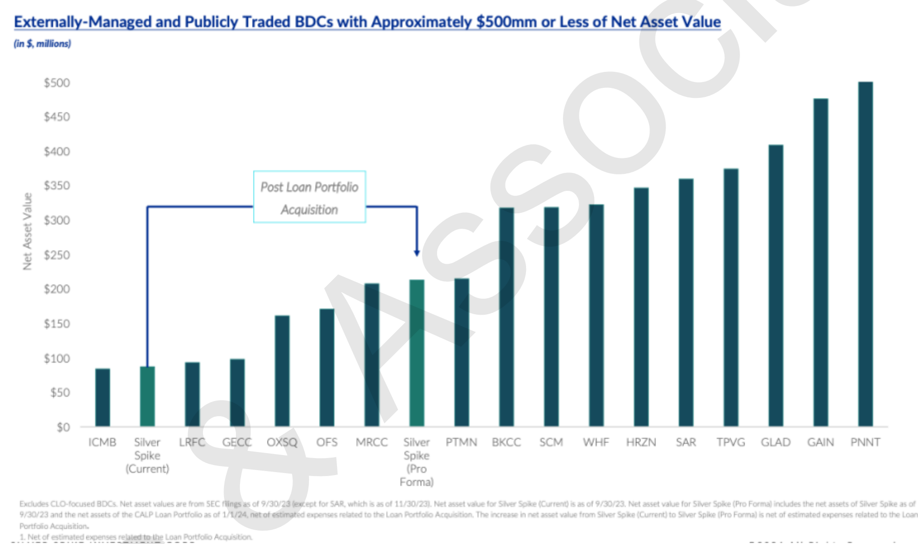


Source: Company reports

Rationale of Loan Portfolio (CALP) Acquisition

Management noted the following benefits from the deal for SSIC shareholders: a) increased scale (~5x larger book) and liquidity (given increased market cap); b) enhanced portfolio diversification (~70% MJ exposure vs. 100% before; more than 4x the # of portfolio companies; average position size of 3% vs. 17% before); c) expected improved access to debt (access to more sources of debt capital) and equity capital (better opportunities for future equity raises); accretive to net investment income (increased revenue, and lower ratio of operating expenses exc. investment advisory fees).

Table 5: Net Asset Value vs. Other BDCs

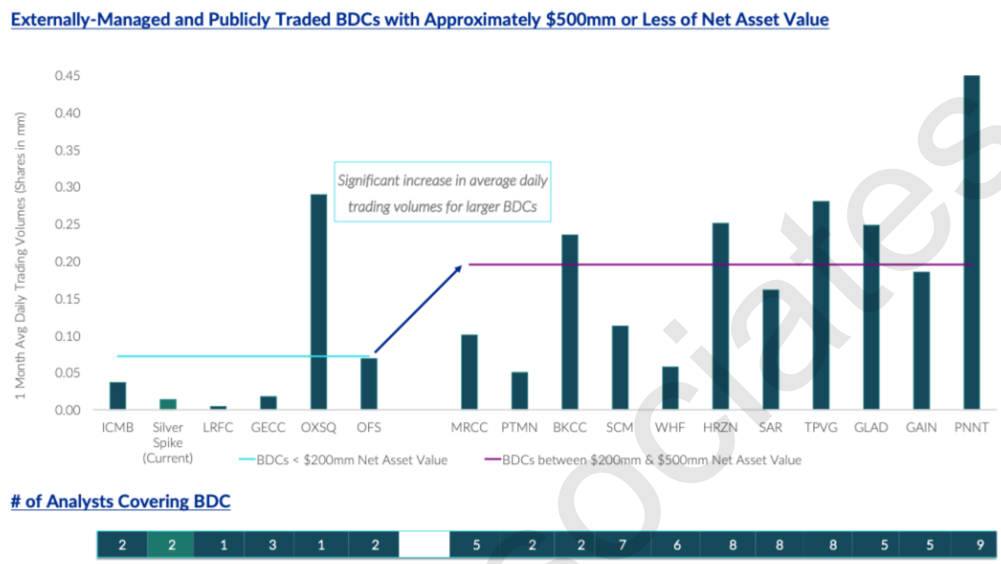


Source: Company reports

Other highlights,

- Following the deal (closed on 10/1/24), LIEN will have the ability to add leverage (i.e., further potential future accretion achievable).
- It expects >17% proforma combined gross weighted average YTM of loans (per the latest corporate deck).
- All loans in the acquired portfolio are expected to be 1st lien and accruing loans and are expected to have credit quality similar to that of SSIC's pre-deal portfolio.
- Portfolio will be 20% fixed rated and 80% floating rate (99% of the floating rate loans have interest rate floors).

Table 6: Larger BDCs Typically Experience Higher Trading Volumes



Source: Company reports

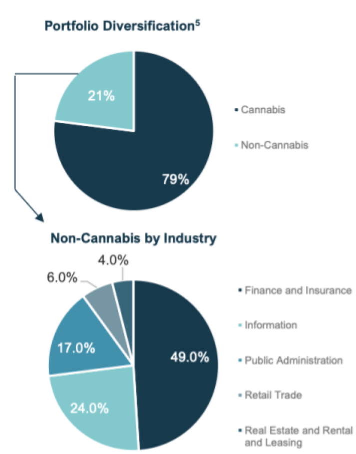
LIEN: Loan Book Review

Following the acquisition on 10/1/24 of a portfolio of cannabis (MJ) sector loans and non-MJ loans from Chicago Atlantic group, and activity since then, as of 1Q25 LIEN had proforma net assets of ~$301Mn (including cash). Below we discuss the book.

Table 7: A Differentiated Investment Portfolio (per LIEN management)

Chicago Atlantic BDC Inc. Portfolio as of 3/31/25 (Unaudited)

Net Asset Value (including cash)	$301mm
Investments at Fair Value	$289mm
Number of Portfolio Companies	31
Gross Weighted Average Yield of Debt Investments[1]	16.6%
Floating Rate Debt (% of Debt Investments Fair Value)	76%
Floating Rate Debt w/ Interest Rate Floor (% of Floating Rate Debt Fair Value)	99%
Non-accruals at Cost (%)	0%
Average Position Size	$9mm (3% of Total Investments Fair Value)
PIK Interest (% of Total Annual Interest)[2]	5%
Portfolio Companies Key financial and Credit Metrics[3]	
Revenue (Median)	$78mm
EBITDA (Median)[4]	$10mm
Sr. Secured Net debt / EBITDA (Weighted Average)[4]	1.4x
Interest Coverage (Weighted Average)[4]	3.4x



Source: Company reports

Total debt investments at fair value amounted to $289Mn at 1Q25, comprised by 21 loans to cannabis companies booked at $229Mn (fair value). Non-MJ loans amounted to ~$60Mn (~20% of the book), across 11 loans with 10 companies, taking 1Q25 data. About 37% of the non-MJ loan book ($22Mn) is with RTCP, a company in the finance/insurance space (see appendix).

The Cannabis Loans

As of 1Q25, Chicago Atlantic BDC had invested in 21 loans in the cannabis space (~$229Mn, at fair value) with a total of 21 companies (4 public; 17 private). The largest exposures, at fair value, are with Verano $52Mn, STIIIZY $40Mn, and Jeeter $32Mn; these three companies represented 54% of LIEN cannabis loan book as of 1Q25. LIEN's MJ book private/pubco split was 70%/30% (pubcos: Verano $51.8Mn at fair value; Fluent $9.9Mn; Curaleaf $4.3Mn; Ascend $3.3Mn).

Here we discuss the larger cannabis credits in more detail (see appendix for details on each loan) as well as their respective loan structure (based on YE24 data, taking fair value):

- **Verano $52Mn.** The company is one the four largest multi-state operators (MSOs) with $879Mn in CY24 sales and adj EBITDA of $265Mn. Verano's net debt of $355Mn (not counting $290Mn in income tax debt) is 1.3x EBITDA. The loan with Verano is at Prime (7.5% now; floor of 6.25%) plus 6.5%, or 14% at present. The loan matures on 10/30/26 and is part of a total $296Mn in loans Verano has with Chicago Atlantic (as per Verano disclosure).

- **STIIIZY $40Mn.** The Shryne Group is a private operator, based in California with the largest retail network in the state (37 stores under the STIIIZY banner) and the #1 brand in the state. Per Headset, STIIIZY has close to 10% total wholesale share in CA (18% in vape). The company also owns operations (via partnership and direct equity stakes) in the other states, and in some cases just licenses its brand. While we do not have financials for the company, we see STIIIZY as arguably the most successful brand in US cannabis. We understand in total, the loan with STIIIZY adds up to $170Mn (maturing on 5/26/26, with a rate of Prime + 8.5%, and 1% PIK with a Prime floor of 4%). The effective rate right now is 17% (Prime of 7.5% + 8.5% + 1% PIK), or 300bp more than the current rate on the Verano loans.

- **Jeeter $32Mn.** Jeeter (Dreamfield Brands) is the market leader in pre-rolls in CA (with 14% share), and the company has expanded into other segments (second largest brand overall, after STIIIZY, with 3% total share), licensed its brand in other states (taking equity stakes in some cases in the form of partnerships), and also entered Canada via a deal with Final Bell (now part of BZAM, which is in receivership). The loan with Jeeter is at a variable rate of Prime (7.5% now; floor of 7.5%) plus an 8.75% cash spread, for a total current rate of 16.25% at present. The loan matures on 5/3/26 and is part of a larger syndicated loan led by the Chicago Atlantic Group.

- **Nova Farms $15Mn.** The company has a wide-ranging brand portfolio (nine in total), and it has three dispensaries in MA (Attleboro, Framingham, Dracut), one on ME (Greenville), one in NJ (Woodbury), and is the process of opening one in CT (New Britain). The loan is due 3/28/27 and carries a variable rate of Prime (7.5% now; floor 8.5%) plus an 6.5% cash spread, for a total current rate of 15%.

- **Elevation Cannabis $14Mn.** The company sells its brands in CA, NM, and OR, where it also owns a dispensary in each state. Headset does not report data for Elevation, so we have little data to have an opinion on this private operator in terms of its wholesale presence. The loan is due 12/31/26 and carries a variable rate of Prime (7.75% now; floor 8.5%) plus an 7.75% cash spread, for a total current rate of 16.25%.

- **The Flowery $12Mn (*).** The Flowery is one of the smaller operators in the Florida market (a vertically integrated market, with no wholesale allowed). With 10 stores, as per the latest OMMU report, it ranks 18th among the 20 operators with stores opened at present (#1 Trulieve with 160 stores; #2 Verano 79; #3 Ayr 67; #4 Curaleaf 66). While small, Flowery's stores are among the best performing in the state, with 4,080 oz of flower products (including pre-rolls) sold per store in 3Q24 (in line with Trulieve and almost 2x the state average of 2,310 oz), as well as in non-flower (10.9mn vs. the state average of 6.7mn). The Flowery has a 100K sq ft "state of the art" indoor cultivation facility. While FL has become more price competitive (as some expanded ahead of the failed A3 ballot), it would seem Flowery is well-placed to face the new challenges. The loan is due 12/31/25 and carries a fixed rate of 16% (11% cash and 5% PIK) presently. *(*) Vireo Growth is in negotiations to acquire The Flowery (a binding MOU was announced on 12/18/24). See page 15 of [attached ppt] for more disclosure on Proper.*

- **Aeriz $10Mn.** Cultivator based in IL (no stores), selling a wide range of formats under the Aeriz brand. Headset shows Aeriz as the 9th largest brand in IL, with 3% overall share. Aeriz is #1 in concentrates with 16% share, and it is among the top 10 in flower and pre-rolls. IL is a state with above average economics. The loan is due 6/30/25 and carries a variable rate of Prime (7.5% now; floor 7%) plus an 6% cash spread, and 2% PIK, for a total current rate of 15.5%**.**

- **Fluent Corp ($10Mn).** A public listed MSO, with vertically integrated operations in the states of FL, NY, PA, TX. It reported 4Q24 sales of $25Mn (1Q25 not out yet) and EBITDA of $3Mn. As of Dec'24, it had net debt of $29Mn and income tax debt of $44Mn. Its current market is about $30Mn (327mn shares).

- **Silver Therapeutics ($6Mn).** A private multi state operators with retail stores in MA (2), ME (2), NY (2), and VT (1). See here for more details.

- **Deep Roots Harvest $5Mn (*).** This is a Nevada-based vertically integrated operator with five stores in the state. We see NV as market generally becoming more challenging, albeit with better economics than states in the western US. The loan is due 8/15/27 and carries a variable rate of Prime (7.5% now; floor 8%) plus a 6.5% cash spread, for a total current rate of 14.5%. *(*) On 12/18/24, public MSO Vireo Growth announced it was buying Deep*

Roots – see below for more color on that transaction. See page 15 of attached ppt for more disclosure on Deep Roots.

- **Proper Holdings $4.4Mn (*).** Missouri-based vertically integrated operator with 11 stores in the state. Rec since Feb 2023, MO is an attractive market, both in terms of economics as well as regarding per capita spend. The loan is due 5/30/25 and carries a fixed of 13% (11% cash and 2% PIK). *(*) On 12/18/24, Vireo Growth announced it was buying Proper. See page 15 of attached ppt for more disclosure on Proper.*

- **Curaleaf $4.3Mn.** Largest multi-state operators (MSOs) with $1.32Bn in annualized sales (taking 4Q24 x 4) and EBITDA of $303Mn. Curaleaf's net debt of $678Mn as of 9/30/24 (not counting $389Mn in income tax debt) is 2.3x EBITDA. The loan (part of a larger bond deal, of which LIEN owns only a part) is due 12/15/26 and carries a fixed rate of 8%.

- **HA MD LLC $3.3Mn.** The company operates under the Ethos brand name and is part of a private multi state operator. Back in August 2023, HA MD signed a consulting agreement with Vireo Growth (back then called Goodness Growth), plus a licensing and wholesale contract (the idea was for the two dispensaries operating under the Ethos banner to be rebranded Green Goods). The company has two dispensaries in MD (Frederick; Baltimore) and manufacturing in Massey and Hurlock. The loan is due 6/6/26 and carries a fixed rate of 15% cash.

- **Remedy Maryland $3.1Mn.** The company owns two stores in Maryland (Baltimore; Columbia). MD is a market with above average economics, and a mostly capped number of stores taking a 2-year view. The loan is due 8/4/25 and carries a variable rate of Prime (7.5% now; floor 5%) plus a 7.5% cash spread, and 3.5% PIK, for a total current rate of 18.5%.

- **TheraTrue ($2.8Mn).** A private company, Thera True "prides itself on its commitment to operating fully regulated, transparent, and highly professional facilities that will deliver vital products to improve the quality of life for patients suffering from debilitating medical conditions. TheraTrue will redefine the medical cannabis patient experience by offering an elevated in-store atmosphere, opportunities for patient education and unparalleled customer service". The company mission is "to deliver safe, quality products developed at its processing site and thoughtful, personalized patient care through its proposed retail outlets."

- **Cannabis & Glass ($2Mn).** The company (private) owns four dispensaries in Oregon.

Cannabis Industry Backdrop

LIEN operates in a growing industry, with attractive economics, especially in licensed restricted states. We estimate total legal and illicit cannabis sales in the US to amount to over US$100Bn, but the legal market only accounts for less than a third of that total. As more states have legalized medical and adult use, legal sales increased from $18Bn in 2020 to over $30Bn by 2024. Although cannabis remains federally illegal in the US (whether for medical or adult-use) 24 states have already legalized adult-use and 38 have legalized medical use. The growth potential is significant considering five (six if we include NY, which is just starting) of the ten most populous states have not legalized adult sales yet. Conservatively, we project $40Bn in sales by 2028.

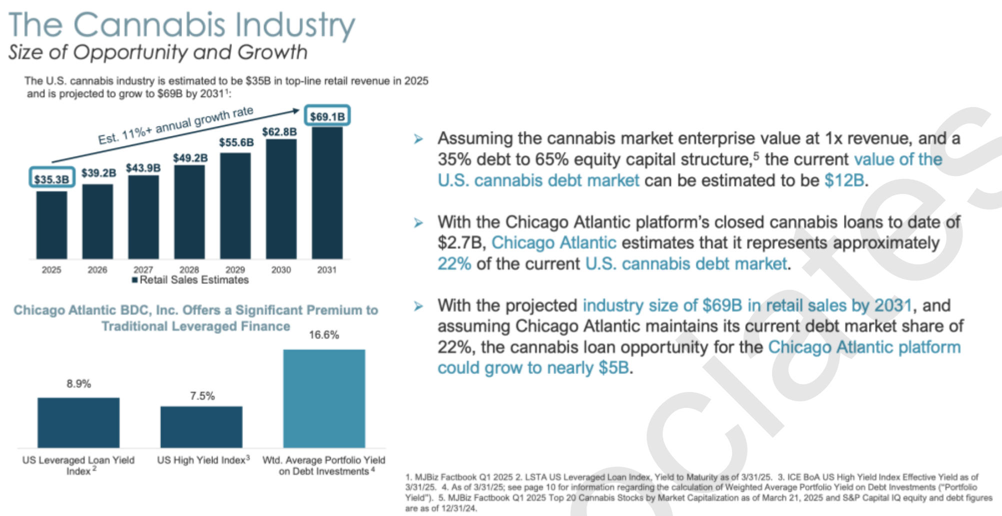
Table 8: Our Industry Growth Estimates

US$ Mn	CY20	CY21	CY22	CY23	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e	CY28e	CY29e	CY30e	rec began
Total	**19,681**	**69,866**	**25,898**	**28,741**	**30,787**	**7,946**	**8,126**	**8,289**	**8,350**	**32,711**	**35,053**	**37,771**	**39,908**	**42,781**	**45,954**	
rec	11,506	15,961	16,581	18,298	20,346	5,400	5,577	5,776	5,843	22,596	24,771	27,279	29,258	31,479	34,466	
med	8,175	53,904	9,317	10,443	10,440	2,545	2,549	2,514	2,507	10,115	10,282	10,493	10,650	11,302	11,488	
Total (med/rec)	**19,681**	**69,866**	**25,898**	**28,741**	**30,787**	**7,946**	**8,126**	**8,289**	**8,350**	**32,711**	**35,053**	**37,771**	**39,908**	**42,781**	**45,954**	
AZ	801	1,359	1,426	1,418	1,238	314	299	275	299	1,187	1,188	1,210	1,232	1,255	1,278	*Jan'21*
CA	4,704	5,780	5,393	5,177	5,020	1,251	1,248	1,306	1,333	5,139	5,257	5,376	5,495	5,613	5,732	*Oct'16*
CO	2,191	2,229	1,769	1,529	1,375	339	330	340	299	1,309	1,284	1,298	1,311	1,324	1,338	*Jan'14*
CT	117	150	150	277	294	80	84	89	93	346	370	383	396	410	425	*Jan'23*
FLA	1,308	1,616	1,705	1,860	1,814	397	398	399	399	1,593	1,599	1,605	1,611	2,640	4,279	*Jul'29*
GA	0	1	16	49	109	34	34	34	34	136	156	216	355	475	530	*med*
IL	1,035	1,776	1,907	1,960	1,998	488	502	495	506	1,991	2,018	2,043	2,069	2,095	2,122	*Jan'20*
MA	962	1,644	1,755	1,806	1,848	462	471	487	488	1,907	1,941	1,976	2,011	2,047	2,084	*Nov'18*
MD	453	551	509	787	1,146	296	313	331	340	1,280	1,420	1,527	1,621	1,683	1,706	*Jul'23*
ME	16	93	171	229	265	63	69	84	74	290	304	318	334	350	367	*Oct'20*
MI	985	1,793	2,294	3,029	3,317	808	855	869	853	3,385	3,458	3,465	3,472	3,479	3,486	*Dec'19*
MN	20	25	36	66	82	18	17	15	15	66	376	619	762	877	991	*Jan'26*
MO	21	210	390	1,338	1,452	377	395	401	407	1,580	1,721	1,877	2,049	2,238	2,445	*Feb'23*
NH	13	17	20	24	27	8	8	8	8	30	34	37	40	44	47	*med*
NJ	196	217	556	800	1,046	268	280	292	304	1,143	1,252	1,373	1,506	1,652	1,813	*Apr'22*
NM	119	119	358	556	603	150	148	151	149	597	598	609	609	609	609	*Apr'22*
NV	780	1,042	882	825	844	210	218	212	207	847	852	868	885	902	919	*Jul'17*
NY	200	250	265	431	1,148	505	554	603	652	2,312	3,071	3,195	3,327	3,470	3,621	*Dec'22*
OH	223	379	467	482	687	254	260	266	274	1,054	1,376	1,700	1,773	1,848	1,928	*Aug'24*
OK	831	941	780	728	714	179	185	175	175	714	724	735	746	757	769	*med*
OR	1,111	1,184	994	955	968	236	245	252	244	978	987	997	1,007	1,017	1,028	*Oct'15*
PA	823	1,353	1,457	1,530	1,653	399	387	346	333	1,464	1,429	2,311	2,663	2,781	2,905	*Jul'26*
RI	47	44	53	108	117	30	30	31	31	123	132	142	151	161	170	*Dec'22*
VA	10	27	100	167	237	67	68	70	71	276	307	501	995	1,245	1,403	*Jul'27*
VT	6	8	9	11	12	3	3	3	3	14	15	17	19	20	22	*May'22*
WA	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	22	66	85	23	24	25	26	99	116	129	129	129	129	*med*
Other states	1,428	45,635	1,119	1,286	1,429	380	385	406	413	1,584	1,792	1,971	2,066	2,382	2,526	

Source: Z&A estimates; states official data

If we took the MI per capita spend ($330) on the entire US population, a national legal market could be worth $110Bn. But in a scenario of full legalization, we think the market could be much bigger: breakthroughs in product innovation, wider retail distribution (online and brick and mortar), and greater social acceptance (less stigma), should all drive further growth, both for the medical and adult markets. In such a context, legal sales of >$150Bn are possible.

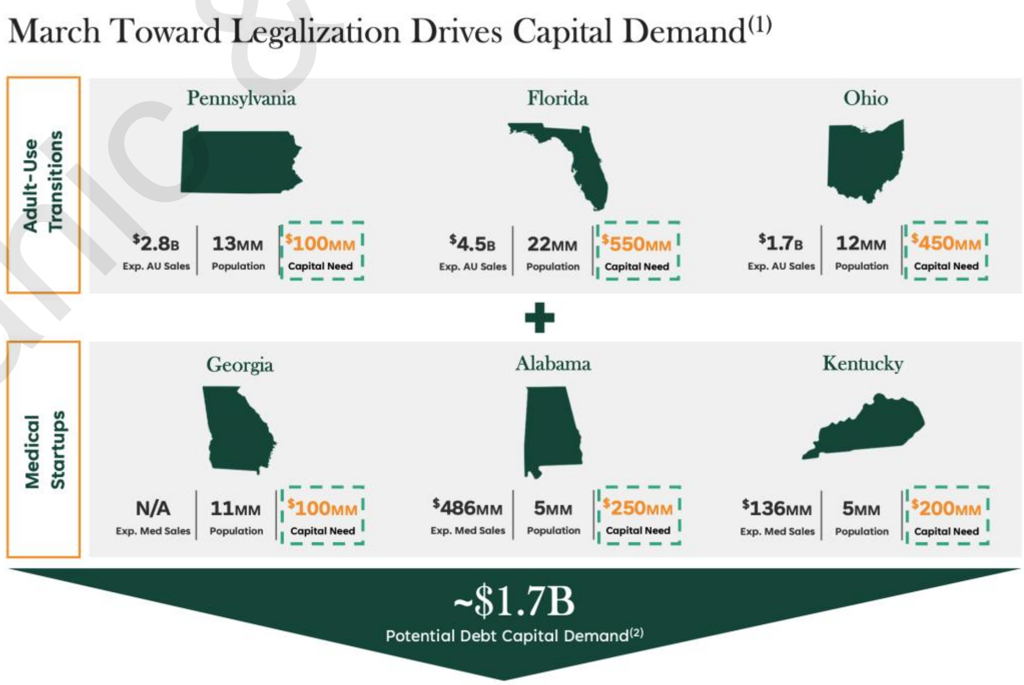
Table 9: Cannabis Industry Outlook, as per LIEN



Source: Company reports

Mortgage REIT AFCG estimates $1.7Bn in potential debt capital demand. Ohio just begun rec on 7/1/24; three states may approve AU via ballots (FL, ND, SD); PA could be next if the state legislators can agree. More states may allow medical sales or expand their current MMJ programs. AFCG management estimates that just six states (PA, FL, and OH going rec; GA, AL, and KY expanding med) could result in $1.7Bn in potential debt capital demand.

Table 10: Potential Debt Capital Demand



Source: Company reports

Industry Economics

Growth potential notwithstanding, economics can vary drastically across states and operators, depending on footprint, scale, and execution. Efficient, focused, vertically integrated operators tend to have above average economics. By the same token, the competitive landscape by states varies depending on the number of licenses issued by the regulator. Most states (not all) tend to start with a restrictive licensing approach, especially during the medical market phase (i.e., before rec sales are allowed), which generally translates to better profit margins. But as medical markets mature, competition rises, and nearby states legalize adult sales, prices and margins in these med market can suffer (PA is an example of this). Also, rec states at the start tend to generate abnormal profit margins, but as more licenses are issued then economics suffer (see MI and MA).

That said, given tight funding availability, in the current context (and with nuances across states), we believe retail is more vulnerable to new competition compared with cultivation (requires larger investments and ramping volume and quality is no easy art). Also, wholesale prices are starting to stabilize in western states as capacity exits the market (even though at low levels). In the so-called licensed-restricted states of the east, deflation remains an issue.

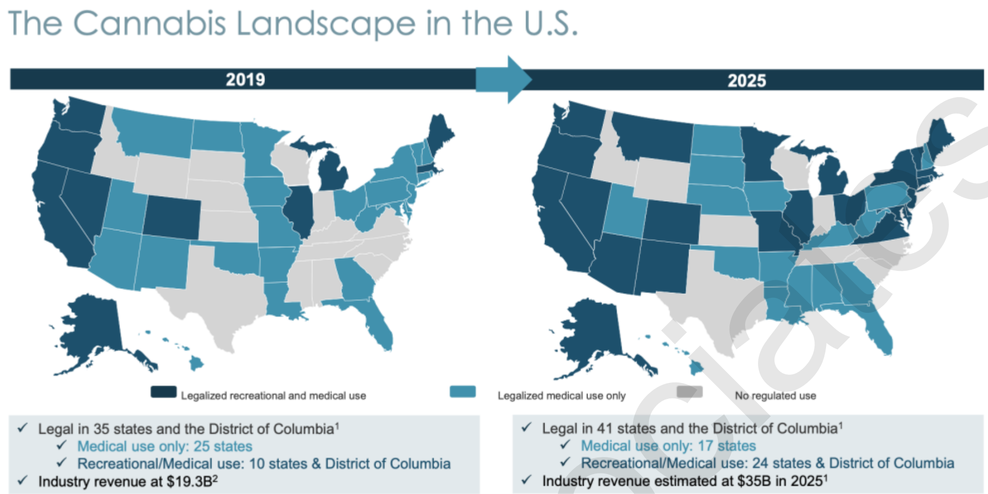
Table 11: EBITDA Margins for 20 MSOs

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
EBITDA MARGIN	18%	19%	4%	15%	16%	18%	14%	16%	15%	18%	18%	17%	17%	17%
Ascend	21%	24%	23%	20%	17%	21%	23%	21%	23%	20%	18%	22%	21%	21%
AYR	32%	27%	16%	22%	25%	25%	26%	25%	25%	24%	23%	17%	22%	28%
Cannabist	-11%	13%	13%	13%	16%	16%	10%	14%	12%	14%	13%	7%	12%	9%
Cresco	13%	24%	20%	15%	20%	23%	29%	22%	29%	29%	29%	24%	28%	21%
Curaleaf	23%	22%	16%	22%	21%	23%	24%	19%	23%	21%	23%	23%	22%	21%
4Front	18%	23%	27%	22%	6%	15%	-6%	10%	13%	14%	6%	-6%	7%	15%
Glasshouse Brands	3%	-13%	-26%	2%	21%	22%	9%	15%	-5%	25%	30%	17%	20%	17%
Gold Flora	na	na	na	-1%	-1%	-5%	-12%	-8%	-6%	-6%	9%	10%	2%	10%
Goodness Growth	-11%	-17%	6%	8%	14%	37%	25%	22%	25%	23%	27%	26%	25%	27%
Green Thumb	32%	34%	31%	31%	30%	30%	33%	31%	33%	33%	31%	33%	33%	30%
iAnthus	85%	3%	-237%	2%	-1%	11%	8%	5%	8%	21%	9%	15%	14%	17%
Jushi	0%	7%	2%	11%	18%	15%	17%	15%	20%	22%	17%	12%	18%	20%
Marimed	32%	35%	24%	21%	17%	16%	13%	17%	12%	11%	12%	15%	12%	7%
Planet13	12%	14%	3%	-5%	8%	1%	6%	2%	0%	10%	4%	0%	3%	-9%
Schwazze	-32%	30%	33%	36%	33%	30%	25%	31%	15%	14%	21%	15%	16%	18%
StateHouse	12%	1%	-18%	-10%	3%	2%	-4%	6%	-18%	10%	10%	11%	3%	12%
TerrAscend	27%	36%	16%	18%	18%	27%	23%	22%	20%	20%	18%	20%	20%	22%
Tilt	-5%	11%	2%	0%	4%	5%	-4%	1%	0%	-4%	-6%	2%	-2%	-4%
Trulieve	50%	41%	32%	27%	28%	28%	28%	29%	36%	35%	34%	37%	35%	37%
Verano	77%	44%	37%	31%	31%	37%	31%	32%	30%	32%	30%	29%	30%	26%
Vext	27%	36%	43%	31%	11%	13%	7%	16%	23%	13%	32%	32%	25%	29%

Source: Company reports, Z&A estimates

State level trends. We are impressed with the continued growth of the PA market and attractive operator economics there, relatively speaking. Despite no $ growth in Ohio's med market, prices have begun to move as retailers stock up ahead of rec. MD is up 2.3x since the start of rec and increased supplies are helping accelerate growth. IL continues to grow, but well below our expectations given the increase in the number of stores. FL has slowed and signs of price deflation have resurfaced. Despite continued yoy decline in CA $ sales (though 2Q24 is up qoq), wholesale prices are starting to move up, and we think this points to a sustainable trend. NJ and CT lag other rec markets in per capita spend by a wide margin. AZ continues to worsen ($ sales declines accelerating), impacting not just growers, but retailers now too. Note: see appendix for a more in-depth discussion of state-level trends.

Table 12: State Legalization Process



Source: Company reports

Regulatory Changes: State and Federal Level

The hope of change at the federal level under the Biden administration did not materialize: SAFE banking reform was not passed; a new Cole-like DOJ memo was not issued, and the rescheduling administrative process (begun in Oct'22) was not completed. The latter is in limbo now, with legal challenges resulting in the Administrative Law judge delaying ("staying") the start of the process by at least three months (late April), and ongoing concerns the DEA is not on board with shifting cannabis from Schedule I to III. At this point, it is unclear to us whether the new DOJ/DEA will complete the Biden-started process or seek other options.

All this said, we have a new administration in the White House from 1/20/25. The new president tweeted in favor (during the presidential campaign) of rescheduling and of banking reform, and people in his close circle (Musk, Ramaswamy, Kennedy) seem in favor of cannabis deregulation (though not clear of what exactly). Regardless of the GOP's perceived (historical?) Prohibitionist leanings, change could be in store if the new president decides to use pollical clout on cannabis. If this happens, and how (in what form), remains uncertain. Cannabis stocks, trading at historical lows, point to significant skepticism. That said, the US operators are working more closely together (see new reconfigured US Cannabis Council) and will lobby the new President, his circle, and the GOP-controlled Congress.

The path forward?

- An easy and quick fix would be for the new president to force his DOJ/DEA heads to complete the Biden-started rescheduling process. While not unfathomable, we see this path as "legally challenged". For example, can the DEA actually submit "new and revised evidence"?

- We doubt a new rescheduling process may be started (another 2-3 years).

- Cannabis cannot be rescheduled via Executive Order.
- Could broader legislation be passed (federally legalizing rec and or med cannabis)? We are doubtful the new president would want to put political capital on this.
- In this sense, banking reform may be the best option. We shall see if new Congress brings this to a vote.

In short, the industry may remain in a state of limbo, at the federal level. On the other hand, more states may seek to legalize rec. PA could be one. VA will depend on whether a Democrat is chosen as Governor. In FL rec could go into the Nov'2 ballot. We assume DE and MN will finally begin rec sales at some point (already legalized, but still pending program rules). Note: See prior table with our state-by-state assumptions re legalization timing.

Table 13: Impact of Further Cannabis Legalization (LIEN's management view)

INCREASED MARKET OPPORTUNITIES	More states may legalize cannabis, presenting numerous new financing prospects for the industry. Cannabis businesses no longer being subject to Section 280E of the Internal Revenue Code would enable them to deduct expenses, reducing their tax burdens and thus making them more profitable.[1]
ENHANCED SALES THROUGH CREDIT CARD PROCESSING	Allowing dispensaries to process credit card transactions may lead to a significant boost in sales.
INCREASED ATTRACTIVENESS FOR ACQUISITION	Make-whole provisions and pre-payment penalties can make the investments more appealing to potential acquirers, such as private credit or private equity funds.
FAVORABLE COMPETITIVE LANDSCAPE	Significant barriers to entry, such as stringent financial requirements and industry-specific knowledge, is likely to keep the market relatively stable and prevent an inundation of competitors over the next several years.

1. On April 30, 2024, the Drug Enforcement Administration announced its intent to approve rescheduling marijuana from Schedule I to Schedule III under the Controlled Substances Act. On May 16, 2024, the Justice Department submitted a proposed rule to reclassify marijuana from Schedule I to Schedule III under the Controlled Substances Act. Section 280E of the Internal Revenue Code prohibits the taking of deductions for businesses that engage in trafficking of controlled substances listed in Schedule I or Schedule II of the Controlled Substances Act.

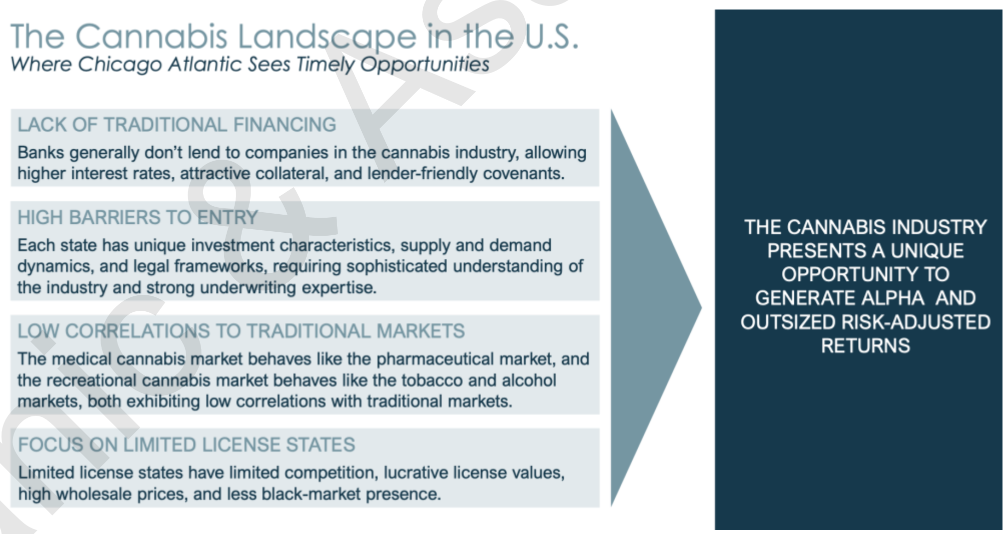
Source: Z&A estimates and company reports

Capital Demand/Supply Imbalance

LIEN is among the few active and sizeable publicly traded debt capital providers to the growing US cannabis industry, benefitting from a supply-demand imbalance of capital that allows for YTM rates in the high teens, in the case of mortgage REITs (19% as disclosed by LIEN, on a proforma basis), and funding costs in the mid to high-single digits. NASDAQ-listed, able to issue bonds and borrow from FDIC-insured banks, and the back stop of Chicago Atlantic, LIEN should be able to fund growth.

The capital imbalance for US plant touching cannabis operators is mostly due to cannabis remaining federally illegal (even though 24 states have already legalized sales for recreational use), which has resulted in restricted access to banking services (loans; cash management; payment services). Also, negative investor sentiment (partly on industry challenges that vary by state, and lack of reform progress at the federal level) has tightened equity capital access for most cannabis operators. In short, the cannabis mortgage REITS enjoy favorable economics - if they can manage the credit risk.

Table 14: Capital Demand/Supply Imbalance



Source: Company reports

Debt leverage varies by operators. If cannabis is rescheduled to Schedule 3 (uncertain given delays in the ALJ hearing), this would phase out tax rule 280E (effective the fiscal year when rescheduling is implemented) and in the process this would boost the financials of all cannabis companies. There is also potential for the DOJ to issue some form of safe harbor ruling, which will make it easier for banks with a federal charter to service the cannabis industry (yes, a form of SAFE banking but via the executive route), and even for US stock exchanges to list cannabis companies. Combined, more states legalizing (especially, the likes of FL and PA), should lead to improving top line and better profit margin trends. Tax reform (phasing out 280E) would ease balance sheet and cash flow pressures. Some operators carry heavy debt loads (including net financial debt, gross leases, tax liabilities, and contingent considerations), so tax relief and other changes would make a substantial difference.

Table 15: MSO Debt Load (see appendix for greater color)

							NET DEBT RATIOS			
US$Mn	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Net Debt/Sales		Net Debt/EBITDA	
21-May-25	**Current**	**CY25e**	**CY26e**	**Current**	**CY25e**	**CY26e**	**Current**	**CY25**	**Current**	**CY25**
US MSOs	**1.4x**	**1.1x**	**0.9x**	**6.8x**	**6.3x**	**4.4x**				
Ascend Wellness	1.1x	1.1x	1.0x	5.4x	5.1x	4.6x	-0.5x	-0.5x	-2.2x	-2.1x
Ayr Wellness	2.3x	1.2x	1.2x	8.4x	6.1x	5.6x	-1.6x	-0.9x	-6.0x	-4.3x
Cannabist Co	1.2x	1.2x	1.2x	12.3x	11.3x	8.3x	-0.8x	-0.8x	-8.1x	-7.4x
Cansortium	1.1x	na	na	3.7x	na	na	-0.6x	na	-2.0x	na
Cresco Labs	1.5x	1.3x	1.3x	6.9x	5.8x	5.2x	-0.5x	-0.5x	-2.5x	-2.1x
Curaleaf	1.6x	1.5x	1.4x	7.6x	7.0x	6.1x	-0.5x	-0.5x	-2.6x	-2.4x
4Front Ventures	1.9x	na	na	12.4x	na	na	-1.1x	na	-7.1x	na
Glass House	3.2x	3.1x	2.5x	19.6x	16.2x	10.4x	-0.1x	-0.1x	-0.6x	-0.5x
Vireo Growth (pf)	1.3x	1.2x	0.9x	4.6x	4.8x	3.0x	0.0x	na	-0.1x	na
Green Thumb	1.3x	1.3x	1.2x	4.4x	4.3x	4.0x	0.0x	0.0x	-0.1x	-0.1x
Grown Rogue	1.9x	na	na	2.7x	na	na	0.2x	na	0.3x	na
iAnthus	1.0x	na	na	6.1x	na	na	-0.9x	na	-5.1x	na
Jushi	1.5x	1.5x	1.4x	7.5x	8.5x	7.0x	-0.7x	-0.6x	-3.3x	-3.7x
MariMed	0.9x	0.8x	0.8x	13.6x	6.9x	4.6x	-0.4x	-0.4x	-6.5x	-3.3x
Planet 13	0.9x	0.8x	0.8x	na	29.3x	7.7x	0.1x	0.1x	na	2.6x
TerrAscend	1.6x	1.6x	1.5x	7.5x	7.2x	6.2x	-0.6x	-0.6x	-2.8x	-2.7x
TILT	1.4x	na	na	-32.2x	na	na	-0.8x	na	18.7x	na
Trulieve	1.4x	1.4x	1.4x	3.9x	4.1x	4.2x	-0.2x	-0.2x	-0.7x	-0.7x
Verano	1.1x	1.1x	1.0x	4.3x	3.9x	3.6x	-0.4x	-0.4x	-1.5x	-1.4x
Vext	1.4x	1.1x	0.8x	4.5x	3.9x	2.1x	-0.8x	-0.6x	-2.5x	-2.2x

Source: Company reports; Z&A calculations

Industry Peers ("MJ Finco" Lenders)

We discuss here public providers of capital to the cannabis industry.

Table 16: Valuation Comps for Peers in the Cannabis Lending Space

		21-May-25 US$ price	BVPS	Disc Prm	Regular DPS	Dividend Yield	Z&A Spot EV	mn shares	mn deriv	Total Mkt Cap	Gross Debt	Cash	Net Debt to Equity	Equity	Pref Stock & Min Int
MJ Finco Stocks															
Advanced Flower Capital	AFCG	$5.11	$8.89	-42%	$0.23	18.0%	226	22.6	0.5	118	111.0	3.3	-54%	201	
Innovative Industrial Properties	IIPR	$57.06	$67.24	-15%	$1.90	13.3%	1,816	28.4	0.3	1,636	289.5	133.3	-8%	1,908	23.6
Chicago Atlantic BDC	LIEN	$14.95	$13.19	13%	$0.34	9.1%	326	22.8		341	0.0	14.9	5%	301	
NewLake Capital Partners	NLCP	$10.52	$19.19	-45%	$0.43	16.3%	211	20.5	0.1	217	7.6	19.9	3%	394	6.9
Chicago Atlantic Real Estate Finance	REFI	$14.92	$14.87	0%	$0.47	12.6%	396	21.0	0.4	319	87.2	9.9	-25%	312	

Source: FactSet, company reports, Z&A estimates. Note: Data above is based on 1Q25 results.

Mortgage Lenders

- **Advanced Flower Capital, Inc.** (NASDAQ: AFCG; Z&A rating: Overweight), a mortgage REIT, is an institutional lender to the commercial real estate sector that was founded in July 2020 by a veteran team of investment professionals. The Company primarily originates, structures, underwrites, invests in and manages senior secured commercial real estate loans and other types of loans and debt securities, with a specialization in loans to cannabis industry operators in states that have legalized medical and/or adult-use cannabis. AFCG is a Maryland corporation and completed its initial public offering (IPO) in March 2021. The Company is externally managed by AFC Management, LLC, a Delaware limited liability company. As of 3/31/25, AFCG reported a net loan portfolio of $305Mn (including $29Mn in loans held for investment at fair value, and CECL reserves of $30Mn), composed of 17 loans (ex the one booked at fair value) with $22Mn average principal per loan, with a weighted average yield to maturity of 18%. Private companies comprised >95% of the book. As per the company's risk classification, 70% of the book was in category 3 (none in 1 or 2) and rest was in category 5. *Note: REITs earn their tax exemption by distributing at least 90% of their income to shareholders quarterly plus a 20% "qualified business income deduction". Link to our latest AFCG report.*

- **Chicago Atlantic Real Estate Finance, Inc.** (NASDAQ: REFI; Z&A rating: Overweight) is an externally managed commercial mortgage real estate investment trust, incorporated on 3/30/21, that became public via an IPO in Dec'21. REFI's loan portfolio is primarily comprised of senior loans to state-licensed operators in the cannabis industry, secured by real estate, equipment, receivables, licenses, and/or other assets of the borrowers. REFI is externally managed by Chicago Atlantic REIT Manager, LLC (wholly owned by Chicago Atlantic Group, LP), which is paid management fees and incentive compensation. REFI is among the few active and sizeable publicly traded capital providers to the growing cannabis industry, benefitting from a supply-demand imbalance of capital that allows for YTM rates in the high teens, in the case of mortgage REITs. As of 1Q25, it had net loans of $396Mn (29 loans) with CECL reserves of 0.8% of the gross book; it disclosed a WAYTM of 17.6%. *". Link to our latest REFI report.*

Sale Lease Back

- **Innovative Industrial Properties** (NYSE: IIPR; not covered) is an internally managed real estate investment trust (REIT) focused on the acquisition, ownership and management of specialized properties leased to experienced, state-licensed operators for their regulated cannabis facilities. As of 3/31/25, it had net real estate held for investment worth $2.2Bn (unchanged yoy), comprised by 102 properties (63 industrial; 32 retail; 7 retail/industrial) across 19 states, with 8.3mn sq ft of rentable space (the bulk was leased to cannabis operators). In total, it had 31 tenants, with the top 10 accounting for >75% of total rent. As of 3/31/25, the portfolio had a ~15-year weighted average lease term. Debt to equity was 15%. In December the stock faced pressure from news about a dispute with its largest tenant (see our report on the matter). Later, on 3/28/25, IIPR disclosed three tenants had defaulted on rent payments (4Front; Gold Flora; TILT Holdings).

- **NewLake Capital Partners** (US OTC: NLCP; Z&A rating: Overweight) is a leading provider of real estate capital to state-licensed cannabis operators, under sale leaseback deals. Founded in 2019, NLCP describes itself as a "triple-net lease REIT (100% leased) that acquires industrial and retail properties through sale-leaseback transactions, third-party purchases and build-to-suit projects". As of 3/31/25, NLCP had a net real estate portfolio of $384Mn (unchanged yoy), 92% comprised of cultivation assets and 8% retail, and had a 14-year weighted average lease term. It had 12 tenants, with the top 5 representing 65% of rental income; pubcos accounted for 57% of rental income (65% if we include Acreage Holdings, now owned by Canopy USA). In 1Q25, rental income was 13.1% (annualized) of the net real estate assets. AFFO per share in 1Q25 was $0.51, and the dividend of $0.43 represented an 84% payout. The company stock has faced weakness recently due to the issues at IIPR. *Link to our latest NLCP report.*

Table 17: Key Metrics for Peer Comps in the Cannabis Lending Space

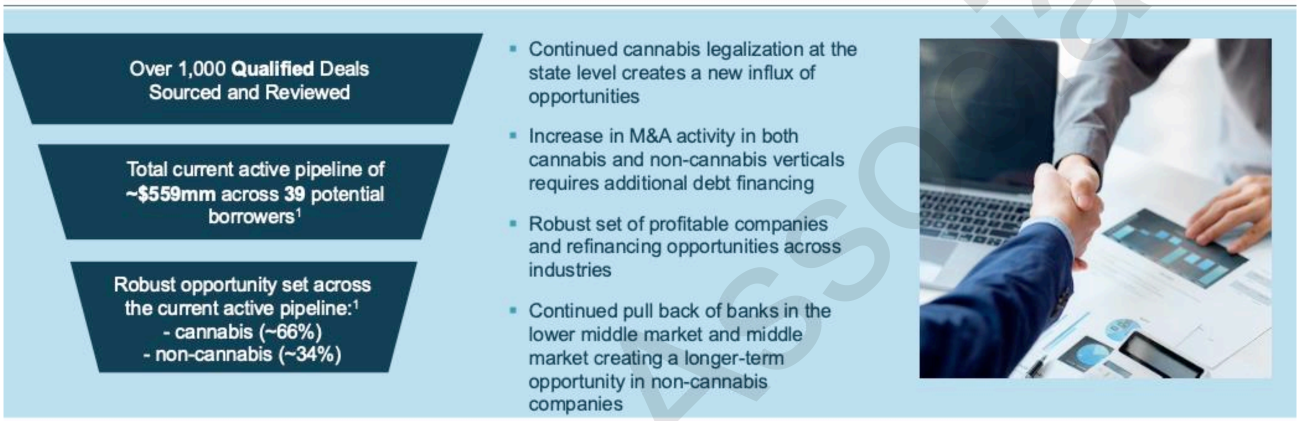
US$ Mn	Mortgage REITS		BDC	Sale Leaseback	
	AFCG	REFI	LIEN	IIPR	NLCP
B/S					
Total assets	**367**	**366**	**310**	**2,395**	**435**
Real estate held for investment, net				2,163	384
Investments at fair value			289		
Loans, Net	305	396			
Loans held for investment at fair value	29	38			
Loans held for investment at carrying value	306	361	15		
(-) Current expected credit loss reservce	-30	-3			
as % of book	*-9.8%*	*-0.8%*			
Cash	3	10	15	128	20
Other assets	58	-40	1	105	31
Total liabilities and equity	**367**	**366**	**310**	**2,395**	**435**
Financial debt	111	38	0	289	8
Other liabilities (and min int)	55	17	13	184	33
Equity	201	311	301	1,922	394
debt / equity	*55%*	*12%*	*0%*	*15%*	*2%*
net debt (cash) /equity	*54%*	*9%*	*-5%*	*8%*	*-3%*

Source: FactSet, company reports, Z&A estimates. Note: Data above is based on 1Q25 results.

Financial Projections

With the stock trading below NAV, equity raises are not an option, so, future growth for now can only be funded with cash holdings ($15Mn as of 1Q25) and new debt. There is no exact guidance for book growth, but management is confident it can deploy the bulk of its new $100Mn credit facility (Chicago Atlantic group claims a $600Mn pipeline). We model net book growth of ~$100Mn for CY25.

Table 18: LIEN's Loan Origination Pipeline ("driven by proprietary deal sourcing", per management)



Source: Company reports

Table 19: Projections

US$000s	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
Total Investment income	11,933	2,760	3,081	3,176	12,648	21,666	11,923	13,065	14,332	15,569	54,890	68,415	75,834
qoq ch %	na	-25%	12%	3%	298%	na	-6%	10%	10%	9%	na	na	na
yoy ch %	196%	12%	6%	9%	245%	82%	332%	324%	351%	23%	153%	25%	11%
guidance					*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*
Profit margins													
Operating expenses	-5,304	-2,840	-1,755	-3,161	-4,738	-12,215	-5,104	-5,316	-5,488	-5,782	-21,689	-24,777	-26,904
as % of inv inc	-44%	-103%	-57%	-100%	-37%	-56%	-43%	-41%	-38%	-37%	-40%	-36%	-35%
Net investment income	6,629	-80	1,326	15	7,910	9,451	6,819	7,750	8,844	9,788	33,201	43,637	48,929
Interest expense	0	0	0	0	0	0	-145	-183	-636	-1,172	-2,136	-7,486	-10,647
Net income	7,340	520	1,326	202	7,894	9,623	7,614	8,249	8,208	8,616	32,371	36,151	38,283
EPS													
Share count (FD) Mn	6.2	6.2	6.2	6.2	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
EPS	1.18	0.08	0.21	0.03	0.35	0.93	0.33	0.36	0.36	0.38	1.43	1.58	1.68
DPS		0.25	0.25	0.25	0.34	1.09	0.34	0.34	0.34	0.34	1.36	1.48	1.64
BS & CF highlights													
Net cash (debt)	32,612	33,160	34,004	30,112	23,932	23,932	14,922	-9,938	-39,316	-68,198	-68,198	-115,339	-154,104
cash	32,612	33,160	34,004	30,112	23,932	23,932	14,922	10,000	10,000	10,000	10,000	10,000	10,000
debt	0	0	0	0	0	0	0	19,938	49,316	78,198	78,198	125,339	164,104
net (debt)/equity	na	na	na	na	na	na	na	-3%	-13%	-23%	-23%	-38%	-50%
debt/equity	0%	0%	0%	0%	0%	0%	0%	7%	16%	26%	26%	41%	54%
Equity	85,553	84,519	84,258	82,540	301,163	301,163	301,018	301,338	301,787	302,645	302,645	305,021	305,879
NAV per share	13.77	13.60	13.56	13.28	13.20	13.20	13.19	13.20	13.22	13.26	13.26	13.37	13.40
NAV per share inc cumulative DPS	13.77	13.85	14.06	14.03	14.29	14.29	14.62	14.97	15.33	15.71	15.71	17.30	18.97
cum DPS	0.00	0.25	0.50	0.75	1.09	1.09	1.43	1.77	2.11	2.45	2.45	3.93	5.57

Source: Z&A estimates and company reports

Regarding our other modelling assumptions,

- We model mid-teens cash yield (>90% in cash).
- We project debt/equity of 23% by YE25 and 38% by YE26. The $100Mn credit facility (maturing Mar 2028) carries an interest rate of SOFR + 3% (SOFR is at 4.29% now); by 2027, we expect LIEN to have access to a ~$200Mn facility, and model net debt to equity of ~50%.
- Regarding non-interest expenses (note that this is an externally managed BDC), the base management fee is 1.75% of AUM per annum, calculated on the average of the ending balance of the last two quarters. There are other fees also: administrator fees; income-based incentive fee; capital gains incentive fee (detailed explanations are provided in the 10-K to estimate these fees under various scenarios). In 1Q25, the management fee was $1.3Mn and the "income-based incentive fee" was $1.9Mn (so, in total these fees were equivalent to 27% of total investment income).
- For CY25 we project EPS of $1.43 (the share count is 22.8mn) and $1.58 for CY26. As a BDC, LIEN will pay at least 90% of net income in dividends (over a full year). The company announced a 2Q25 EPS of 34c, with a payment date of 7/11/25 (record date 6/27/25). We calculate LIEN should be in a position to increase the quarterly dividend late in CY25, but we only model 34c as the base case.
- In terms of interest rate risk (LIEN has no debt at present), only 20% of the loan book is fixed rated. Of the variable portion (the other 80% of the loan book), several loans (~40% of the variable piece) have Prime floors above/at/near the current Prime rate of 7.5%.

Table 20: Target Borrowers – Investment Sub-Strategies

Although we focus on investments in the cannabis industry, sub-strategies of our principal investment strategy may also consist of growth and technology companies, esoteric and asset-based lending opportunities, and companies in need of liquidity solutions. We are not required to have a minimum investment in any of these sub-strategies

Cannabis Lending	Growth & Technology	Esoteric & Asset-Based Lending	Liquidity Solutions
➢ Growth or EBITDA positive entities ➢ Companies that require capital but do not want to dilute their equity ➢ Companies that are showing strong cash flow performance with low leverage profiles ➢ Transactions tend to be attractively priced and have better than normal covenants and amortization due to complexity of the industry ➢ Low debt to enterprise value	➢ Industry leaders and disruptive companies experiencing strong growth ➢ Companies that have raised significant equity capital validating market value ➢ Industry focus typically includes software, hardware, E-commerce and direct to consumer ➢ Liquidity covenants that ensure such company has adequate cash runway ➢ Low debt to enterprise value ➢ Profitable or demonstrated path to near term profitability	➢ Structured credit and asset-based loans, receivables pools, and equipment ➢ Companies that are showing strong cash flow performance with low leverage profiles, but the industries carry regulatory, reputational or other risks ➢ Transactions tend to be attractively priced and have better than normal covenants and amortization due to complexity of the industry or situation ➢ Low debt to asset values and/or enterprise values	➢ Financing is typically event driven ➢ Companies that are pursuing a merger, acquisition, refinancing, dividend recap, or other strategic liquidity need ➢ Companies that are showing strong cash flow performance with low leverage profiles ➢ Companies that have multiple areas of value and liquidity in addition to the underlying business ➢ Low debt to enterprise value ➢ Industry agnostic

Source: Company reports

Attractive economics for cannabis lenders, in a growing (albeit not without challenges) industry.

- LIEN is among the few publicly listed providers of debt capital to the US cannabis industry, benefitting from a supply-demand imbalance of capital that allows for YTM rates in the high teens (assuming they can manage the credit risk). The imbalance is mostly due to cannabis remaining federally illegal (even though 24 states have already legalized sales for recreational use), which has resulted in restricted access to banking services (loans; cash management; payment services). Also, negative investor sentiment (partly owing to industry challenges that vary by state, and lack of reform progress at the federal level) has tightened equity capital access for most cannabis operators

- Still, despite these challenges, industry sales continue to grow. We conservatively forecast legal cannabis sales to reach $40Bn by CY28 in the US, for almost 7% CAGR, as more states begin adult-use (AU, or rec) sales, or loosen rules for the medical programs. Fellow MJ lender AFCG estimates six states (PA, FL, and OH going rec; GA, AL, and KY expanding med) could result in $1.7Bn in potential debt capital demand. The form and timing of changes at the federal level (rescheduling, banking, broader federal legalization of rec and or med) in the US remains uncertain, although we note the incoming president sent positive signals via social media during the campaign (MJ stock valuations point to significant skepticism). See our Macro Views report from 12/16/24. *Note: At the group level, CA estimates it has 17% share of the cannabis debt market, and that its overall book of $1.9Bn could expand to $3.5Bn by 2027 (CA's industry sales projections are higher than ours).*

Review of 1Q25 Results

We would highlight the following,

- The book (investments booked at fair value) increased seq to $289Mn from $275M in Dec owing to $20.6Mn in new investments, partly offset by $7.6Mn in repayments and the sale of investments. The new loans were all to cannabis companies (public MSO Fluent being the largest at $10Mn, followed by Silver Therapeutics, Thera True, and Cannabis & Glass).

- The cash balance dropped to $14.9Mn from $23.9Mn in Dec. LIEN did not tap its credit facility during 1Q. Net asset value was $301Mn, or $13.19 per share.

- Interest income came in at $11.3Mn (vs. $11.7Mn in 4Q24), comprised by $10.2Mn in stated interest income ($8Mn from cannabis loans, led by Verano, STIIIZY, and Jeeter; and $2.2Mn from non-MJ loans, led by RTCP); $0.5Mn from accretion of discount fees; and $0.6Mn PIK interest. Fee income was $0.6Mn.

- Regarding total expenses in 1Q25 ($5.1Mn), the main pieces were (rounding) $1.9Mn in income-based incentive fee (see reconciliation below); $1.3Mn management fee (one fourth of 1.75% of AUM); and $1Mn in G&A expenses. The latter were reimbursed (most of it) by the manager, as per an agreement (expiring 10/1/25) to help provide a margin of safety so the BDC can deliver on its earnings targets (especially in quarter where all news loans were booked in the last few days).

- The dividend was maintained at 34c.

Table 21: 1Q25 Incentive Fee Calculation

Step 1 - Hurdle Rate			
Prior Qtr NAV		301,162,578	
Hurdle Rate		1.75%	
Current Qtr Hurdle		$ 5,270,345	A
Step 2 - Pre-incentive fee income			
Net Investment Income		7,648,421	See Statement of Operations
Add back			
Incentive Fee per 10-Q		1,916,277	See Statement of Operations
Capital gains incentive fees		(6,813)	See Statement of Operations
Pre-Incentive Fee Net Investment Income		$ 9,557,885	B
Step 3 - Compare Pre-Incentive NII to Hurdle			
Quarterly Hurdle Amount 1.75%		5,270,345	A
Quarterly Catch-up Amount	2.19%	6,595,460	C
Advisor receives 100% until Quarterly Catch-Up		$ 1,325,115	D = C-A
Step 4 - Incentive Fee Calculation			
Incenitve fee on NII (Catch up)	100%	1,325,115	D
Incentive Fee In Excess of Hurdle	20%	592,485	E = B - C
2025 Q1 Incentive Fee		$ 1,917,600	

Source: Company reports

Table 22: 1Q25 Highlights

	Quarter Ended March 31, 2025	Quarter Ended December 31, 2024
Gross Investment Income	$11.9 million	$12.7 million
Expenses Excluding Loan Portfolio Acquisition Expenses	$4.3 million	$4.4 million
Net Investment Income Excluding Loan Portfolio Acquisition Expenses	$7.6 Million	$8.3 million
Loan Portfolio Acquisition Expenses	$ -	$0.3 million
Net Investment Income	$7.6 million	$8.0 million
Net Assets at End of Period	$301.1 million	$301.2 million
Weighted Average Shares Outstanding[1]	22.8 million	22.8 million
Per Share Data:		
Net Investment Income Excluding Loan Portfolio Acquisition Expenses	$ 0.34	$ 0.36
Net Investment Income	$ 0.34	$0.35
Net Asset Value at End of Period	$ 13.19	$13.20

1. The common shares issued and outstanding as of March 31, 2025 and December 31, 2024, were 22,820,386 and 22,820,386 respectively

Source: Company reports

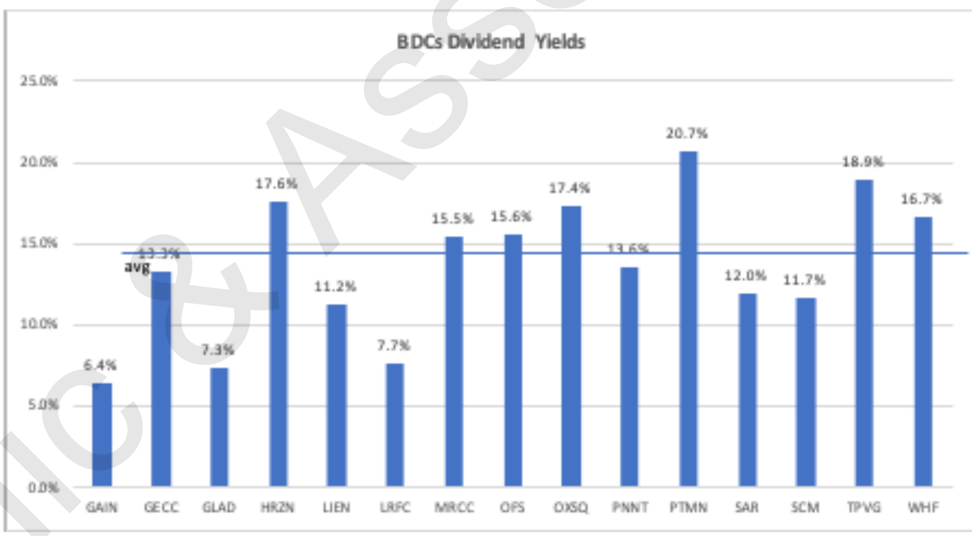
Valuation and Stock Performance

In our judgment, LIEN is attractively valued on a spot basis vs. MJ lenders, and vs non-MJ BDCs in risk-adjusted terms, and has potential for faster growth with its unlevered balance sheet and larger TAM (due to its BDC structure).

Dividend Yield: At the current share price of $10.52, the dividend yield is 12.9% (taking 2Q25 DPS of 34c), which is mostly in line with the BDC average (13.7%). That said, 1st LIEN loans account for 100% of the LIEN portfolio, which is unique among BDC peers. Re the MJ finco group, AFCG is the outlier with an 18% yield, with the rest of the MJ Finco group in a 11.5-13.3% range. We calculate the LIEN book is presently in better shape that MJ finco peers on average (all LIEN loans are current and in accruals). In the case of IIPR there are concerns about the sustainability of the dividend given recent tenant defaults. The chart below shows yields for non-MJ BDCs.

Table 23: Externally Managed and Publicly Traded BDCs with ~$500Mn or Less of Net Asset Value

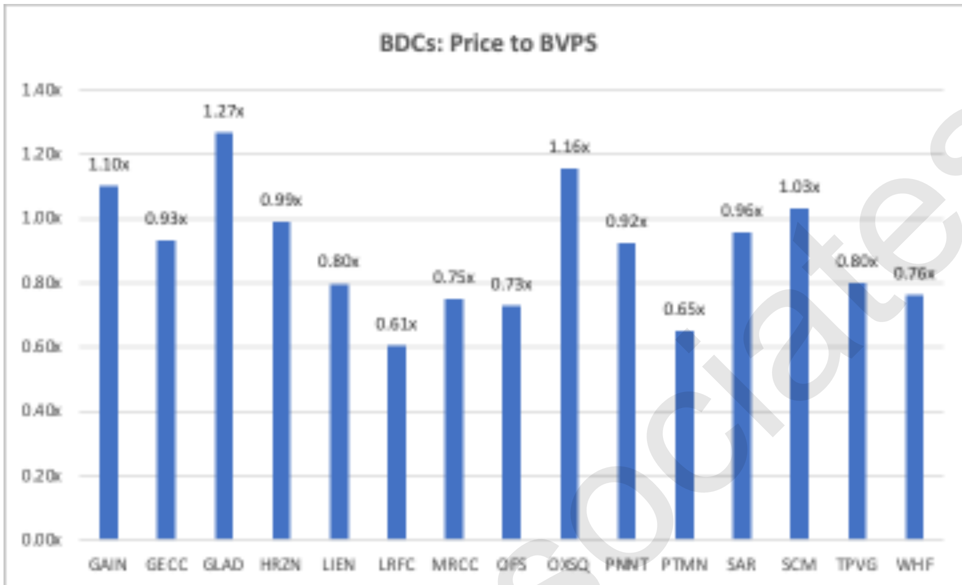
	Div Yield	1st Lien Loans as of Portfolio
GAIN	6.4%	53%
GECC	13.3%	64%
GLAD	7.3%	56%
HRZN	17.6%	93%
LIEN	11.2%	100%
LRFC	7.7%	65%
MRCC	15.5%	80%
OFS	15.6%	41%
OXSQ	17.4%	29%
PNNT	13.6%	15%
PTMN	20.7%	84%
SAR	12.0%	85%
SCM	11.7%	86%
TPVG	18.9%	73%
WHF	16.7%	80%



Source: Company reports

Book Value: The LIEN proforma NAV was $13.19 as of 1Q25. At $10.52, LIEN trades at a 20% discount to NAV. For context, in the MJ finco space, AFCG trades at a 42% discount, NCLP at -22% and IIPR -17% (REFI is the exception trading at par). BDCs on average are at a 10% discount to par (see appendix). Given the quality of the LIEN book in standalone terms and relative to peers, and its growth potential, the LIEN discount to NAV is unwarranted, in our view.

Table 24: BDCs Price to Book Comps



Source: FactSet

Catalysts: Deployment of the $100Mn credit facility should be a catalyst for LIEN shares (note management has implied full utilization by YE25), as our estimate for active loan book growth begins to materialize. The quality of the book would warrant it, in our view. For context, gross debt to equity is 55% at AFCG (54% taking net debt to equity); 28% at REFI (25%); 15% at IIPR (8%); and 2% at NLCP (it has a net cash position). Per FactSet, BDCs have debt to equity of 127% on average.

Table 25: BDCs Debt Leverage and Stock Performance

			5/20/25				Mkt				Stock Performance		
US$Mn			Price	Price to	Div	(mn)	Cap	Debt to	Net	Ent	Last	Last	Last
Company name	Ticker	Listing	US$	BVPS	Yield	Shares	US$Mn	Equity	(Debt)	Value	30d	90d	12mo
BDCs				0.90x	13.7%			127%			2%	-12%	-12%
Gladstone Investment Corporation	GAIN	NASDAQ	14.93	1.10x	6.4%	36.8	550	91%	-356	906	7%	7%	6%
Great Elm Capital Corp	GECC	NASDAQ	10.66	0.93x	13.3%	11.5	123	143%	-181	304	4%	-4%	3%
Gladstone Capital Corporation	GLAD	NASDAQ	27.11	1.27x	7.3%	22.2	603	68%	-322	925	9%	-8%	22%
Horizon Technology Finance Corporati	HRZN	NASDAQ	7.49	0.99x	17.6%	39.9	299	155%	-367	666	-11%	-23%	-35%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	10.52	0.80x	11.2%	22.8	240	0%	24	216	0%	-13%	-6%
Logan Ridge Finance Corporation	LRFC	NASDAQ	17.95	0.61x	7.7%	2.7	48	132%	-73	120	0%	-28%	-20%
Monroe Capital Corp.	MRCC	NASDAQ	6.47	0.75x	15.5%	21.7	140	156%	-283	423	-10%	-26%	-12%
OFS Capital Corp.	OFS	NASDAQ	8.71	0.73x	15.6%	13.4	117	154%	-241	357	3%	4%	-13%
Oxford Square Capital Corp.	OXSQ	NASDAQ	2.42	1.16x	17.4%	69.8	169	85%	-89	257	-3%	-14%	-23%
PennantPark Investment Corporation	PNNT	NYSE	6.91	0.92x	13.6%	65.3	451	158%	-722	1,173	9%	-3%	-6%
Portman Ridge Finance Corporation	PTMN	NASDAQ	12.27	0.65x	20.7%	9.2	113	153%	-193	306	2%	-29%	-40%
Saratoga Investment Corp.	SAR	NYSE	24.71	0.96x	12.0%	15.2	375	199%	-577	952	5%	-3%	6%
Stellus Capital Investment Corp.	SCM	NYSE	13.68	1.03x	11.7%	27.5	376	163%	-573	949	7%	-11%	-3%
TriplePoint Venture Growth BDC Corp.	TPVG	NYSE	6.88	0.80x	18.9%	40.1	276	115%	-320	596	15%	-15%	-27%
WhiteHorse Finance, Inc.	WHF	NASDAQ	9.22	0.76x	16.7%	23.2	214	126%	-326	540	-5%	-15%	-30%

Source: Z&A estimates and company reports

Potential returns/upside. Assuming a return to par (>20% upside) by YE25 and the current LIEN dividend yield (which has upside potential by YE25, in our view), investors could be looking at total returns north of 30% by YE25. All this with a book in healthier shape vis-a-vis peer MJ lenders and the non-MJ BDC group, plus likely greater growth upside.

Downside Risks

State level and federal regulatory and reform issues comprise the main operational risks for the cannabis industry. All else equal, cannabis operator economics and growth potential are the main source of risk for a lender like LIEN. Indeed, lack of progress on the reform front and worsening industry economics could impact the quality of the loan book of lenders like LIEN as well as limit their growth opportunities.

- *States:* Delays to the start of rec sales (as seen in MN/DE, and the failure of A3 passage in FL), soft "rec" starts (OH rec is below expectations so far, although we realize it is early days and full AU regs are not out yet), states where the medical market economics worsen due to operator expansion (in maturing markets), or states where regulators aggressively ramp up licenses, all represent sources of risk for the cannabis industry, as well as for its lenders. Indeed, markets like PA and FL have seen price and margin deterioration. Economics in MA and MI have suffered as more licenses are issued. In short, state market economics are not static, and investors in BDCs and mREITS should keep an eye on lenders' state exposure and how their respective economics evolve.

- *Federal:* Lack of favorable changes at the federal level will make it tougher for smaller and mid-size operators, as well for large companies with stretched balance sheets. The hope for SAFER Banking (which would increase access to financial services) and Rescheduling, is reasonable, although continued delays are unfortunate. Lack of rescheduling will put a squeeze on operators due to the 280e tax rule burden (several have stopped paying 280E taxes and now provision as normal corporations, but that may expose them to heavy fines and calls on their tax debt by the IRS). At the other extreme, more radical change (though unlikely, in our view) could be disruptive for existing operators: full legalization, interstate trade, expanded retail distribution to new outlets (i.e., rec sales allowed beyond cannabis dispensaries in brick & mortar and broader online services), greater FDA involvement and regulation in a federally legal medical cannabis program.

Stock Performance

LIEN shares are down 13% in the last 90 days, compared with a 12% drop for the BDC group in general (S&P500 -3%). Interest rate volatility (*) has also impacted the group (see moves in the 10-year Treasury notes). Performance comparisons with the cannabis lending space are not so "direct" given recent volatility in the space (IIPR -23% in the last 90 days; AFCG -41%). Among MJ fincos, the best performers in the last 90 days are NLCP (-3%) and REFI (-7%). As mentioned before, we believe LIEN is attractively valued on a spot basis vs. MJ lenders, and vs non-MJ BDCs in risk-adjusted terms, and has potential for faster growth with its unlevered B/S and larger TAM (due to its BDC structure).

(*) REITs as a group, respond to the interest rate environment and economic outlook (see chart). Since mid-September last year, US 10Yr Treasury Yields have increased by >100bp (3.6% to 4.6%; peaking at 4.8% in mid Jan), and during that time REIT stocks (as per the Dow Jones Composite all REIT Index) have declined in value (-9% from the Sep peak).

Table 26: US 10-Year Treasury Yields vs. DJ Composite all REIT Index

Source: FactSet

The above said, while sensitive to macro factors, LIEN has been more driven the CALP deal news flow, and more recently by the announcement of the $100Mn credit facility, and also, to some extent, by negative news flow from other MJ finco lenders ((IIPR issues with four tenants; dividend cut at AFCG).

Table 27: Companies mentioned in this report

Company name	Ticker	Ticker	Rating
US MSOs			
4Front Ventures		FFNTF	not rated
Ascend Wellness		AAWH	not rated
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Cansortium		CNTMF	not rated
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	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
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		
Canify AG	TBD	private
Cantourage AG	HIGH:FF	not rated
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
IM Cannabis	IMCC	not rated
Intercure	INCR	Overweight
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&A

Appendix I: Company Organization

Chicago Atlantic BDC, Inc. (formerly, Silver Spike Investment Corp.) (an emerging growth company) (the “Company”, “we” or “our”) was formed on January 25, 2021 as a Maryland corporation structured as an externally managed, closed-end, non-diversified management investment company. The Company has elected to be treated as a business development company (“BDC”), under the Investment Company Act of 1940, as amended (“1940 Act”). In addition, for U.S. federal income tax purposes the Company adopted an initial tax year end of December 31, 2021, and was taxed as a corporation for the tax period ended December 31, 2021. The Company adopted the tax year end of March 31 and elected to be treated for U.S. federal income tax purposes as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”) for the tax period January 1, 2022 through March 31, 2022, as well as maintain such election in future taxable years. However, there is no guarantee that the Company will qualify to make such an election for any taxable year.

On February 4, 2022, the Company’s common stock began trading on the Nasdaq Global Market under the ticker symbol “SSIC,” and we completed our initial public offering of 6,214,286 shares of our common stock, par value $0.01, inclusive of an over-allotment option that was exercised on March 1, 2022 (“IPO”), for approximately $87 million.

The Company is managed by Chicago Atlantic BDC Advisers, LLC (formerly, Silver Spike Capital, LLC) (“Adviser”), a registered investment advisor under the Investment Advisers Act of 1940 with the Securities and Exchange Commission. The Adviser has engaged SS&C Technologies, Inc. and ALPS Fund Services, Inc. (“SS&C”), as sub-administrator, to perform administrative services necessary for the Company to operate. The Company’s investment objective is to maximize risk-adjusted returns on equity for its shareholders. The Company seeks to drive return on equity by generating current income from debt investments and capital appreciation from equity and equity-related investments. The Company intends to achieve its investment objective by investing primarily in private leveraged lower middle-market and middle-market companies in highly complex and highly regulated industries typically underserved by other capital providers, including investing across the cannabis ecosystem through investments in the form of direct loans to privately held cannabis companies. The Company’s debt investments are often secured by either a first or second priority lien on the assets of the portfolio company, can include either fixed or floating rate terms and will generally have a term of between three and six years from the original investment date. Although the Company focuses on investments in the cannabis industry, the Company may also invest in growth capital and technology companies, esoteric and asset based lending opportunities, and liquidity solutions opportunities.

On February 20, 2024, the Company announced that the Board of Directors of the Company (the “Board”) unanimously approved an expansion of the Company’s investment strategy to permit investments in companies outside of the cannabis and health and wellness sectors that otherwise meet the Company’s investment criteria. The investment strategy change became effective on April 22, 2024.

On October 1, 2024, the Company completed its previously announced acquisition from Chicago Atlantic Loan Portfolio, LLC ("CALP") of a portfolio of loans (the "Loan Portfolio") in exchange for newly issued shares of the Company's common stock (the "Loan Portfolio Acquisition"), pursuant to the Purchase Agreement, dated as of February 18, 2024, between the Company and CALP (the "Loan Portfolio Acquisition Agreement"). In accordance with the terms of the Loan Portfolio Acquisition Agreement, at the effective time of the Loan Portfolio Acquisition, the Company issued 16,605,372 shares of its common stock to CALP in exchange for the Loan Portfolio, which was determined by the Company to have a fair value of $219,621,125 as of September 28, 2024. See Appendix III for further information regarding the Loan Portfolio Acquisition.

On October 1, 2024, the Adviser and Chicago Atlantic BDC Holdings, LLC (together with its affiliates, "Chicago Atlantic"), the investment adviser of CALP, consummated a previously announced transaction pursuant to which a joint venture between Chicago Atlantic and the Adviser has been created to combine and jointly operate the Adviser's, and a portion of Chicago Atlantic's, investment management businesses (the "Joint Venture"). As the Joint Venture caused the automatic termination of the prior investment advisory agreement between the Company and the Adviser (the "Prior Investment Advisory Agreement"), a new investment advisory agreement between the Company and the Adviser (the "New Investment Advisory Agreement"), which was approved by the Board, upon the recommendation of its special committee, and the Company's stockholders, took effect upon the closing of the Joint Venture. The New Investment Advisory Agreement has the same base management and incentive fee as, and otherwise does not materially differ from, the Prior Investment Advisory Agreement.

On October 1, 2024, in connection with the New Investment Advisory Agreement, the Company entered into a new license agreement (the "New License Agreement") with the Adviser pursuant to which the Adviser has agreed to grant the Company a nonexclusive, royalty-free license to use the name "Chicago Atlantic." Under the New License Agreement, the Company will have a right to use the "Chicago Atlantic" name, for so long as the Adviser or one of its affiliates remains the Company's investment adviser. Other than with respect to this limited license, the Company will have no legal right to the "Chicago Atlantic" name. The New License Agreement does not materially differ from the prior license agreement between the Company and the Adviser, other than with respect to the licensed name.

On October 1, 2024, in connection with the New Investment Advisory Agreement, the Company and the Adviser entered into an expense limitation agreement (the "Expense Limitation Agreement") pursuant to which the Adviser has agreed to cap the Company's operating expenses (excluding base management fees, incentive fees, expenses related to the Loan Portfolio Acquisition, and litigation and indemnification expenses) at an annualized rate of 2.15% of the Company's net assets through September 30, 2025.

In connection with the Loan Portfolio Acquisition and the Joint Venture, the Board and the officers of the Company have changed as follows: (i) Frederick C. Herbst (Independent Director), John Mazarakis (Partner at Chicago Atlantic), and Jason Papastavrou (Independent Director) have joined the Board, to serve until the 2025, 2026, and 2027 annual meetings of stockholders, respectively, and until their respective successors are duly elected and qualified; (ii) Andreas Bodmeier (Partner at Chicago Atlantic) has replaced Mr. Gordon as Chief Executive Officer of the Company; (iii) Mr. Gordon has become Executive Chairman of the Board and Co-Chief Investment Officer of the Company; (iv) Umesh Mahajan has become Co-Chief Investment Officer of the Company in addition to remaining Chief Financial Officer and Secretary of the Company; and (v) Dino Colonna (Partner at the Adviser) has become the President of the Company.

In addition, in connection with the Loan Portfolio Acquisition and the Joint Venture, the Company has been renamed "Chicago Atlantic BDC, Inc.," and its ticker symbol has been changed to "LIEN," and the Adviser has been renamed "Chicago Atlantic BDC Advisers, LLC." The changes to the Company's name and ticker symbol became effective in the market at the open of business on October 2, 2024.

Appendix II: BDC Primer

This section is mostly taken from BDC Reporter (https://bdcreporter.com/bdc-primer/)

How the BDC Industry Got Started

In the 1970s, a perceived crisis in the capital markets led Congress to enact the Small Business Investment Incentive Act of 1980 (1980 Amendments). The origin of the crisis was the limitation in the private investment company exemption in Section 3(c)(1) of the Investment Company Act of 1940 (1940 Act). Private equity and venture capital firms believed that their capacity to provide financing to small, growing businesses was being blocked because a limitation in the 1940 Act that stipulated that their securities could not be beneficially owned by more than 100 persons. That ruled out any kind of public company. The financial firms urged Congress to ameliorate the situation , and the lawmakers responded by enacting the so-called 1980 Amendments. The stated objective was to encourage the establishment of public vehicles that would invest in private companies, and thereby increase the flow of capital to small, growing businesses. The upshot was that Congress created a new category of closed-end investment company known as a "business development company" (BDC). BDCs were envisioned as publicly traded closed-end funds that would make investments in private (or thinly traded public companies) in the form of long-term debt or equity capital, with the goal of generating capital appreciation and/or current income. The 1980 Amendments sought to achieve this goal by lessening some of the restrictions under the 1940 Act that were believed to discourage "private equity" managers from participating in the regulated portion of the investment management industry, most notably restrictions relating to compensation and borrowing. The modern Business Development Company format was born, but as we shall see not much advantage was taken of the new format for the next twenty years.

Actually, until the turn of the century, only a few public Business Development Companies were formed. Amongst the companies we track only three existed in 2000 (American Capital, Allied Capital and medallion Financial). However, things were about to change in a big way. Buoyed by the remarkable expansion of the Private Equity industry, which began in the 1980's, and its ever-increasing need for senior, subordinated and equity capital, a series of new BDCs were formed in the early years of the decade. In fact, in each of 2001 and 2002 a new BDC was launched (Gladstone Capital and MCGC). After a breather in 2003, no less than 4 new BDCs joined the ranks. By the end of 2008, there were 21 BDCs.

Key Details of the Structure of Business Development Companies

BDCs are a unique kind of investment company in that they primarily focus on investing in or lending to private companies and making managerial assistance available to them. A BDC provides stockholders with the ability to retain the liquidity of a publicly traded stock, while sharing in the possible benefits of investing in emerging-growth or expansion-stage privately owned companies. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their directors and officers and principal underwriters and certain other related persons and requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that a BDC may not change the nature of its business so as to cease to be, or to withdraw its election as, a BDC unless approved by a majority of their outstanding voting securities. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of (i) 67% or more of such company's shares present at a meeting or represented by proxy if more than 50% of the outstanding shares of such company are present or represented by proxy or (ii) more than 50% of the outstanding shares of such company.

Qualifying Assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, or "qualifying assets," unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of relevant qualifying assets are the following:

- Securities of an "eligible portfolio company" purchased in transactions not involving any public offering. An "eligible portfolio company" is defined in the 1940 Act as any issuer which: is organized under the laws of, and has its principal place of business in, the United States; is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and satisfies any of the following:
    - does not have outstanding any class of securities with respect to which a broker or dealer may extend margin credit;
    - is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company;
    - is a small and solvent company having total assets of not more than $4 million and capital and surplus of not less than $2 million; or does not have any class of securities listed on a national securities exchange.
- Securities of any eligible portfolio company that they control;
- Securities purchased in a private transaction from a U.S. issuer that is not an investment company and is in bankruptcy and subject to reorganization;
- Securities received in exchange for or distributed on or with respect to securities described above, or pursuant to the conversion of warrants or rights relating to such securities;
- Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment; and

- Under certain circumstances, securities of companies that were eligible portfolio companies at the time of the initial investment but that are not eligible portfolio companies at the time of the follow-on investment.

Tax Status

Generally, a BDC will elect to be treated as a regulated investment company (RIC) for tax purposes and thereby avoid corporate level taxation on ordinary income and capital gains distributed to its stockholders as dividends. A RIC is a domestic corporation that pools investments from more than one hundred persons for the purpose of investing in securities. RICs were established by the federal Investment Company Act of 1940 as a way for smaller investors to secure the benefits of professional management and a more diversified securities portfolio. A RIC is a pass-through entity that must distribute ninety percent or more of its income to shareholders. As a RIC, a BDC is required to distribute at least 90 per cent of its taxable ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses and to meet specified source-of-income and asset diversification requirements. Distributions out of capital gains to individual stockholders are generally eligible for favorable capital gain tax treatment.

GAAP vs. Taxable Income

Taxable income at a BDC generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation until realized. Dividends declared and paid by a BDC in a year generally differ from taxable income for that year as such dividends may include the distribution of current year taxable income or the distribution of prior year taxable income carried forward into and distributed in the current year. Distributions also may include returns of capital.

Significant Managerial Assistance

A BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described above. However, to count portfolio securities as qualifying assets for the purpose of the 70% test, the BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where the BDC purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available significant managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company through monitoring of portfolio company operations, selective participation in board and management meetings, consulting with and advising a portfolio company's officers or other organizational or financial guidance.

Temporary Investments

Pending investment in other types of qualifying assets, as described above, a BDC's investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, or temporary investments, so that at least 70% of assets are qualifying assets. Typically, a BDC will invest in U.S. treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies.

Senior Securities; Coverage Ratio

A Business Development Company is permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to their common stock if the asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, with respect to certain types of senior securities, the BDC must make provisions to prohibit any dividend distribution to stockholders or the repurchase of certain securities, unless they meet the applicable asset coverage ratios at the time of the dividend distribution or repurchase. A BDC may also borrow amounts up to 5% of the value of their total assets for temporary purposes.

Compensation of BDC Fund Managers

Approximately half the BDCs in existence are managed by third party companies ("External Manager"). Our review of all the compensation agreements indicates that the compensation agreements between externally managed funds and their External Manager are almost identical. Compensation agreements usually contain four principal elements:

1. A Base Management fee: The base management fee is determined by taking the average value of a BDC's gross assets, usually calculated at an annual rate of 1.75%-2.00%.

2. Hurdle Rate Fee. The BDC calculates pre-Base Management fee net investment income for the quarter as a percentage of average assets managed and compares the return against a pre-determined hurdle rate (usually 2% a quarter or 8% per annum). For this purpose, pre-Base Management fee net investment income means interest income, dividend income and any other income. Pre-incentive fee net investment income does not include any realized capital gains computed net of all realized capital losses and unrealized capital depreciation. The BDC pays the External Manager a Hurdle Rate under certain conditions as follows: (i) no incentive fee in any calendar quarter in which the BDC's pre-Base Management Fee net investment income does not exceed the hurdle rate; (ii) 100% of the BDC's 's pre-Base Management fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the

hurdle rate but is less than a pre-determined percentage (usually, the Hurdle Rate plus the Base Management Fee percentage); (iii) 20% of the amount of pre-Base Management fee net investment income, if any, that exceeds the Hurdle Rate plus the Base Management Fee percentage in any calendar qtr. These calculations are appropriately pro-rated for any period of less than three months and adjusted for any share issuances or repurchases during the relevant quarter.

3. Net Capital Gains. The Fund will pay the External Manager 20% of its cumulative realized capital gains less cumulative realized capital losses, as well as unrealized capital depreciation (unrealized depreciation on a gross investment-by-investment basis at the end of each calendar year). Payments are usually made annually in arrears.

4. Administration Agreement. The BDC usually enters into an Administration Agreement with the External Manager or one of its affiliates under which the Administrator provides administrative services for the Fund. For providing these services, facilities and personnel, the BDC reimburses the Administrator for its allocable portion of overhead and other expenses incurred by the External Manager in performing its obligations under the Administration Agreement. In addition, the BDC reimburses the External Manager for all professional fees and other direct expenses incurred on its behalf.

BDCs that are internally managed have established different forms of compensation to attract and retain personnel. The varieties of compensation arrangements differ by company and include salaries, bonus arrangements, 401-K Plans, deferred compensation and stock option plans.

Appendix III: Company Slides

Exhibit 1: Investment Highlights as per LIEN

Chicago Atlantic BDC, Inc.

- Chicago Atlantic BDC, Inc. (NASDAQ: LIEN) (the "Company" or "Us") is externally managed by Chicago Atlantic BDC Advisers, LLC (the "Adviser")
- The Adviser, a majority-owned subsidiary of Chicago Atlantic Group, LP (together with its affiliates, "Chicago Atlantic"), is an SEC-registered investment adviser and works with its clients to originate, underwrite and deploy primarily first-lien, senior-secured fixed and floating rate debt primarily to the cannabis industry's most established operators and to other niche companies overlooked by the broader market
- The Adviser focuses on opportunities that are time-sensitive, highly complex or in dislocated sectors where risk is fundamentally mispriced with attractive risk-adjusted returns
- Seasoned investment team with decades of multi-sector experience across market cycles and complex legal and regulatory frameworks in credit, special situations, equities, distressed and emerging market debt
- Access to Chicago Atlantic's leading lending platform which typically serves as lead or co-lead arranger, and its proprietary sourcing network and direct originations team

$2.7B+
in loans closed since platform inception(1)

150+
loans closed across platform(1)

~$589.5M
active pipeline under evaluation(1)

$289M
total portfolio investment value(2)

100%
of current Company debt investments are senior secured(2)

16.6%
gross weighted-average yield of Company debt investments(2)

1. As of 3/31/25. Includes all loans closed and active pipeline across the Chicago Atlantic platform. Active pipeline under evaluation includes potential syndications and represents the active pipeline under evaluation of Chicago Atlantic. 2. As of 3/31/25; see page 10 for information regarding the calculation of Gross Weighted Average Portfolio Yield on Debt Investments ("Portfolio Yield") and Total Portfolio Investment Value.

CHICAGOATLANTIC
CHICAGO ATLANTIC BDC, INC.

3

Source: Company reports

Exhibit 2: About LIEN

A DIFFERENTIATED BDC	➢ Strong credit metrics ➢ Only BDC that is primarily focused on the cannabis industry ➢ All debt investments are senior secured ➢ 76% of the portfolio are floating rate loans, of which 99% have floors ➢ Recently closed $100 million senior secured revolving credit facility, which has not been drawn upon to date ➢ Part of the largest cannabis focused investment platform
FOCUS ON UNDERSERVED SECTORS	➢ Focus on highly complex and highly regulated industries underserved by other capital providers ➢ Direct lending against cash flows and multiple types of collateral in cannabis and the lower middle-market creates a large addressable market ➢ Pricing and structuring power with high barriers to entry
DIVERSIFIED SOURCE OF CREDIT ALPHA	➢ Uncorrelated, idiosyncratic credit opportunity in cannabis and the lower middle-market ➢ Other BDCs and private credit funds tend to overlap on sponsor-backed, middle-market lending with similar risk profiles that are typically correlated and lack differentiation ➢ Seek alpha where few capital providers with requisite expertise are present

Source: Company reports

Exhibit 3: LIEN Team

Experienced Credit and Cannabis Leadership Team

Scott Gordon
Executive Chairman & Co-CIO

- Former Founding Partner, CEO and CIO of Silver Spike Capital
- 36-year investment career in global special situations, distressed and emerging markets
- Holds board positions at Papa & Barkley and WM Holding Company, LLC
- Early entrepreneur and investor in cannabis operating businesses, including a CA-based and industry leading cannabis/CBD health & wellness brand
- Leadership roles at JPMorgan, ING Barings, Bank of America Distressed (International), Caxton, Marathon and Taconic

Peter Sack
CEO

- Former Principal at BC Partners Credit, leading its cannabis practice
- Former private equity investor, focusing on distressed industrial opportunities
- MBA from Pennsylvania's Wharton School of Business, BA from Yale University, and Fulbright Scholar

Dino Colonna
President

- Former Partner, Co-Head Credit of Silver Spike Capital
- 22-year career in traditional and alternative investment portfolios and investment banking across the global capital markets
- Formerly Managing Partner at Madison Capital Advisors, a middle-market asset-backed lender in the cannabis, life sciences and tech sectors
- Former ECM and derivatives investment banker at Barclays London
- Former senior research analyst at Forest Investment Management, a global multi-strategy hedge fund

Martin Rodgers
CFO

- Senior Managing Director of Finance and Accounting of Chicago Atlantic Group
- 15-year career at First Eagle Alternative Credit, a $20B alternative credit manager, with responsibilities for fund accounting, performance measurement and enterprise risk management
- Formerly with PwC in the UK
- Positions at Goldman Sachs, Abbot Laboratories, and Jefferson Wells
- BA (Accounting and Economics) from University of Stirling in Scotland, and member of Institute of Chartered Accountants of Scotland

Umesh Mahajan
Co-CIO and Secretary

- Former Partner, CFO and Co-Head Credit of Silver Spike Capital
- 29-year career in credit, special situations and distressed investing
- Former Managing Director at Ascribe Capital, an opportunistic credit investing fund
- Former Managing Director at Bank of America Merrill Lynch in principal investing and special situations
- Former member of J.P. Morgan's investment banking team in Asia

Source: Company reports

Exhibit 4: On the Credit Facility

$100 Million Secured Credit Facility a Catalyst for Growth

OVERVIEW	BENEFITS
Facility Amount: $100,000,000 **Commitment Period:** 2 years **Final Maturity Date:** March 31, 2028 **Pricing:** SOFR + 3.00% Floor of 6.00% **Origination Fee:** 0.50% per annum **Unused Fee:** 0.50% per annum on undrawn portion of the facility **Prepayment Penalty:** None **Collateral:** Investment assets and related property	**Capital Growth:** • The Credit Facility provides us with additional capital, allowing us to expand our portfolio and invest in promising opportunities **Attractive Pricing:** • The cost of the Credit Facility is competitive at SOFR + 3.00%, considering the current SOFR rate of 4.35%. This translates to an approximate 7.85% all-in rate, including the annual origination fee. **Improved Returns:** • Leveraging the Credit Facility allows us to capitalize on the spread between our gross weighted-average yield of Company debt investments (approximately 16.6%)[1] and the cost of the facility, ultimately boosting Return on Equity (ROE) and dividend potential. **Conservative Leverage:** • Even at full draw, the Credit Facility maintains a conservative leverage ratio of 0.30x equity. This is significantly lower than other listed BDCs, which typically have leverage ratios exceeding 1.00x.

1. As of 3/31/25; see page 10 for information regarding the calculation of Gross Weighted Average portfolio Yield on Debt investments ("Portfolio Yield").

Source: Company reports

Exhibit 5: About Chicago Atlantic

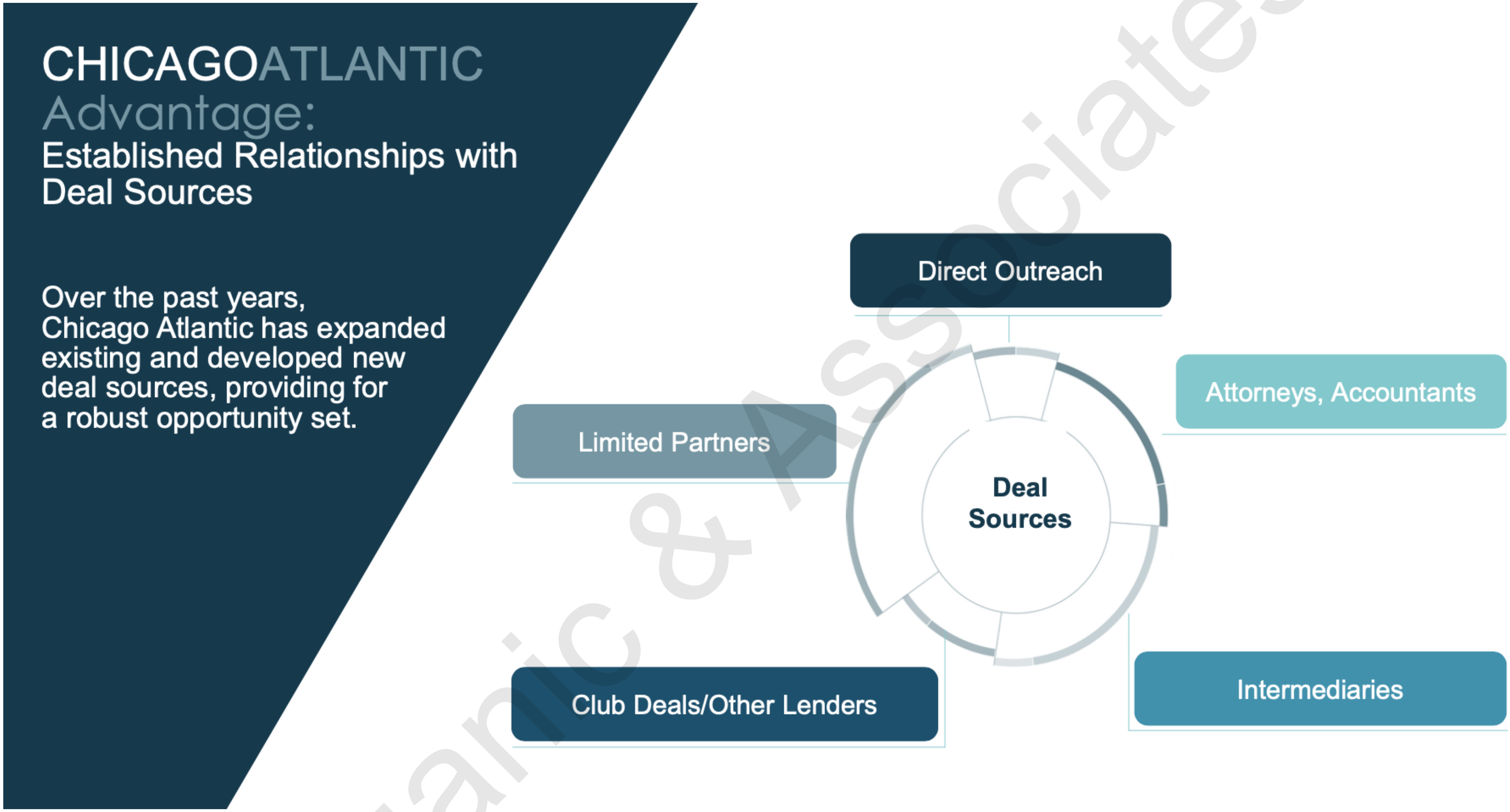
About
CHICAGOATLANTIC

INCEPTION	A private credit-focused investment firm founded in 2019
SIZE	Capital under management: $1.9B[1]
TEAM	85+ professionals, including over 30 investment professionals
INVESTMENT PRINCIPLES	Seeking attractive returns, preservation of capital and income generation predominantly through investment opportunities that are overlooked or underserved by conventional capital sources
LOCATIONS	Chicago, London, Miami & New York

1. Capital under management represents total committed investor capital, total available leverage including undrawn capital, and capital invested by co-investors and managed by the firm, as of 12/31/2024

Source: Company reports

Exhibit 6: The Chicago Atlantic Advantage



Source: Company reports

Appendix IV: Company Financials

Exhibit 7: Financial Highlights

US$000s	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
Total Investment income	11,933	21,666	11,923	13,065	14,332	15,569	54,890	16,470	16,878	17,279	17,788	68,415	75,834
qoq ch %	na	na	-6%	10%	10%	9%	na	6%	2%	2%	3%	na	na
yoy ch %	196%	82%	332%	324%	351%	23%	153%	38%	29%	21%	14%	25%	11%
guidance		*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*
Profit margins													
Operating expenses	-5,304	-12,215	-5,104	-5,316	-5,488	-5,782	-21,689	-6,034	-6,121	-6,238	-6,385	-24,777	-26,904
as % of inv inc	-44%	-56%	-43%	-41%	-38%	-37%	-40%	-37%	-36%	-36%	-36%	-36%	-35%
Net investment income	6,629	9,451	6,819	7,750	8,844	9,788	33,201	10,436	10,757	11,041	11,403	43,637	48,929
Interest expense	0	0	-145	-183	-636	-1,172	-2,136	-1,546	-1,763	-1,981	-2,196	-7,486	-10,647
Net income	7,340	9,623	7,614	8,249	8,208	8,616	32,371	8,890	8,994	9,060	9,207	36,151	38,283
EPS													
Share count (FD) Mn	6.2	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
EPS	1.18	0.93	0.33	0.36	0.36	0.38	1.43	0.39	0.39	0.40	0.40	1.58	1.68
DPS		1.09	0.34	0.34	0.34	0.34	1.36	0.37	0.37	0.37	0.37	1.48	1.64
BS & CF highlights													
Net cash (debt)	32,612	23,932	14,922	-9,938	-39,316	-68,198	-68,198	-80,024	-91,917	-103,712	-115,339	-115,339	-154,104
cash	32,612	23,932	14,922	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
debt	0	0	0	19,938	49,316	78,198	78,198	90,024	101,917	113,712	125,339	125,339	164,104
net (debt)/equity	na	na	na	-3%	-13%	-23%	-23%	-26%	-30%	-34%	-38%	-38%	-50%
debt/equity	0%	0%	0%	7%	16%	26%	26%	30%	34%	37%	41%	41%	54%
Equity	85,553	301,163	301,018	301,338	301,787	302,645	302,645	303,091	303,641	304,258	305,021	305,021	305,879
NAV per share	13.77	13.20	13.19	13.20	13.22	13.26	13.26	13.28	13.31	13.33	13.37	13.37	13.40
NAV per share inc cumulative DPS	13.77	14.29	14.62	14.97	15.33	15.71	15.71	16.10	16.50	16.89	17.30	17.30	18.97
cum DPS	0.00	1.09	1.43	1.77	2.11	2.45	2.45	2.82	3.19	3.56	3.93	3.93	5.57

Source: Z&A estimates, company reports

Exhibit 8: Debt Investments as of 3/31/25

	Facility Type	All-in Rate	Benchmark	Spread	PIK	Floor	Initial Acquisition Date	Maturity Date	Par	Amortized Cost	Fair Value	% of net assets
CANNABIS										**228,248**	**228,957**	**76.06%**
First lien senior secured debt										**210,854**	**211,431**	**70.24%**
Aeriz Holdings Corp	delayed draw term loan	15.50%	Prime	6.00%	2.00%	7.00%	1-Oct-24	30-Jun-25	9,774	9,700	9,579	3.18%
Archos Capital Group	delayed draw term loan	13.25%	Prime	5.75%	0.00%	8.50%	1-Oct-24	28-Feb-25	679	679	679	0.23%
Cannabis & Glass	delayed draw term loan	14.57%	SOFR	10.25%	0.00%	4.00%	28-Mar-25	28-Jul-28	2,000	1,980	1,980	0.66%
Deep Roots Harvest	delayed draw term loan	14.00%	Prime	6.50%	0.00%	8.00%	23-Oct-24	15-Aug-27	4,917	4,917	4,917	1.63%
Dreamfields Brands (Jeeter)	delayed draw term loan	16.25%	Prime	8.75%	0.00%	7.50%	3-May-23	3-May-26	31,745	31,675	31,745	10.55%
Elevation Cannabis	delayed draw term loan	15.25%	Prime	7.75%	0.00%	8.50%	1-Oct-24	31-Dec-26	13,850	13,493	13,642	4.53%
Flowery - Bill's Nursery	delayed draw term loan	16.00%	Fixed	11.00%	5.00%	0.00%	1-Oct-24	31-Dec-25	12,027	11,982	12,027	4.00%
HA-MD	term loan	15.00%	Fixed	15.00%	0.00%	0.00%	1-Oct-24	6-Jun-26	3,185	3,182	3,185	1.06%
Kaleafa	term loan	16.00%	Prime	8.50%	0.00%	8.50%	4-Oct-24	3-Dec-27	2,875	2,875	2,904	0.96%
Nova Farms	term loan	14.00%	Prime	6.50%	0.00%	8.50%	1-Oct-24	28-Mar-27	15,308	14,330	14,543	4.83%
Oasis- AZ GOAT	term loan	15.00%	Prime	7.50%	0.00%	8.00%	1-Oct-24	31-Mar-26	4,955	4,897	4,881	1.62%
Proper Holdings	delayed draw term loan	13.00%	Fixed	11.00%	2.00%	0.00%	1-Oct-24	28-Nov-25	4,283	4,281	4,283	1.42%
Remedy - Maryland Wellness	delayed draw term loan	18.50%	Prime	7.50%	3.50%	5.00%	1-Oct-24	4-Aug-25	3,106	3,070	3,121	1.04%
STIIIZY	term loan	17.00%	Prime	8.50%	1.00%	4.00%	26-May-22	26-May-27	40,894	40,641	40,485	13.45%
Silver Therapeutics	delayed draw term loan	15.00%	Prime	7.25%	0.00%	7.75%	26-Mar-25	24-Mar-28	6,000	6,000	6,000	1.99%
Subsero Holdings IL	delayed draw term loan	16.50%	Prime	7.00%	2.00%	7.00%	1-Oct-24	29-Jul-26	2,883	2,825	2,868	0.95%
TheraTrue	delayed draw term loan	14.50%	Fixed	14.50%	0.00%	0.00%	18-Mar-25	13-Mar-27	2,750	2,750	2,750	0.91%
Verano Holdings Corp	term loan	14.00%	Prime	6.50%	0.00%	6.25%	27-Oct-22	30-Oct-26	51,584	51,577	51,842	17.22%
Senior secured US notes										**7,523**	**7,641**	**2.54%**
Ascend Wellness	senior secured note	12.75%	Fixed	12.75%	0.00%	0.00%	16-Jul-24	16-Jul-29	3,500	3,340	3,343	1.11%
Curaleaf Holdings	senior secured note	8.00%	Fixed	8.00%	0.00%	0.00%	11-Oct-22	15-Dec-26	4,500	4,183	4,298	1.43%
First lien senior secured Canadian debt										**9,871**	**9,885**	**3.28%**
Fluent Corp.	term loan	13.00%	Fixed	12.00%	1.00%	0.00%	31-Mar-25	24-Nov-28	10,035	9,871	9,885	3.28%
NON CANNABIS										**59,412**	**59,619**	**19.81%**
First lien senior secured debt										**29,209**	**29,385**	**9.76%**
Hartford Gold Group	term loan	14.17%	SOFR	9.85%	0.00%	1.50%	1-Oct-24	6-Jan-27	1,285	1,065	1,131	0.38%
Minden Holdings	term loan	14.75%	Prime	7.25%	0.00%	0.00%	1-Oct-24	31-May-26	1,600	1,597	1,600	0.53%
Protect Animals with Satellites	term loan	12.25%	Prime	1.75%	3.00%	8.50%	1-Oct-24	1-Nov-26	3,660	3,446	3,440	1.14%
Protect Animals with Satellites	incremental term loan	12.25%	Prime	1.75%	3.00%	8.50%	1-Oct-24	1-Nov-26	1,986	1,870	1,866	0.62%
Simspace Corporation	term loan	12.25%	Prime	10.00%	0.00%	8.50%	1-Oct-24	11-Jan-25	6,290	6,341	6,290	2.09%
Youth Opportunity Investments	term loan	17.50%	SOFR	7.75%	0.00%	4.00%	1-Oct-24	18-Sep-26	10,242	10,155	10,242	3.40%
Workbox Holdings	term loan	12.28%	Fixed	6.00%	6.00%	0.00%	20-May-24	31-May-29	1,647	1,436	1,441	0.48%
Aura Home	term loan	12.00%	SOFR	7.50%	0.00%	4.00%	1-Oct-24	22-Sep-25	3,325	3,299	3,375	1.12%
Senior secured US notes										**27,163**	**27,212**	**9.04%**
RTCP	senior secured note	15.00%	Fixed	15.00%	0.00%	0.00%	1-Oct-24	2-Oct-28	22,000	21,981	22,000	7.31%
West Creek Financial	series A senior note	18.80%	Fixed	13.80%	5.00%	0.00%	1-Oct-24	29-Nov-27	5,212	5,182	5,212	1.73%
First lien senior secured Canadian debt										**3,040**	**3,022**	1.00%
Tulip.io	term loan	14.50%	Prime	4.00%	3.00%	8.00%	4-Nov-24	4-Nov-28	3,037	3,040	3,022	1.00%
TOTAL DEBT INVESTMENTS										**287,660**	**288,576**	**95.87%**

Source: Z&A estimates, company reports

Exhibit 9: Balance Sheet

US$ 000s BALANCE SHEET	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
Cash and cash equivalents	35,125	32,612	23,932	14,922	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Restricted cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest receivable	1,559	1,755	3,583	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062	3,062
Deferred offering costs	0	0	4,123	0	0	0	0	0	0	0	0	0	0	0
Other receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid expenses	32	39	321	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Other assets	0	50	0	0	0	0	0	0	0	0	0	0	0	0
Investments at fair value (non-control/non-a	50,255	54,120	275,241	289,263	314,263	344,263	374,263	374,263	386,763	399,263	411,763	424,263	424,263	464,263
TOTAL ASSETS	**86,971**	**88,576**	**309,561**	**313,699**	**333,777**	**363,777**	**393,777**	**393,777**	**406,277**	**418,777**	**431,277**	**443,777**	**443,777**	**483,777**
Transaction fees payable related to the Portf	0	711	2,945	0	0	0	0	0	0	0	0	0	0	0
Offering costs payable	0	0	990	0	0	0	0	0	0	0	0	0	0	0
Management fee payable	171	257	758	1,339	1,320	1,441	1,572	1,572	1,665	1,719	1,774	1,829	1,829	2,009
Audit fees payable	50	124	0	0	150	150	150	150	190	150	150	150	150	150
Capital gains incentive fee payable	0	88	122	115	0	0	0	0	0	0	0	0	0	0
Legal fees payable	42	85	0	0	236	258	281	281	290	299	309	318	318	348
Administrator fees payable	57	86	0	0	160	160	160	160	160	160	160	160	160	160
Due to affiliate	0	0	905	197	197	197	197	197	197	197	197	197	197	197
Unearned interest income	0	0	38	213	213	213	213	213	213	213	213	213	213	213
Deferred financing costs payable	0	0	48	115	115	115	115	115	115	115	115	115	115	115
Directors fee payable	32	95	0	0	0	0	0	0	0	0	0	0	0	0
Other payables	34	14	46	63	46	63	46	46	46	46	46	46	46	46
Valuation fees payable	0	25	0	0	0	0	0	0	0	0	0	0	0	0
Professional fees payable	29	17	459	757	235	258	280	280	296	304	311	320	320	352
Income-based incentive fee payable	0	1,511	1,999	2,123	2,070	2,060	2,162	2,162	2,230	2,256	2,273	2,309	2,309	2,445
Distribution payable	0	0	0	7,759	7,759	7,759	7,759	7,759	7,759	7,759	7,759	7,759	7,759	7,759
Excise tax payable	81	11	89	0	0	0	0	0	0	0	0	0	0	0
Due to Custodian	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	**496**	**3,024**	**8,398**	**12,681**	**32,439**	**61,990**	**91,132**	**91,132**	**103,186**	**115,136**	**127,019**	**138,756**	**138,756**	**177,898**
Common stock	62	62	228	228	228	228	228	228	228	228	228	228	228	228
Additional paid-in capital	84,918	85,041	303,272	303,152	303,152	303,152	303,152	303,152	303,152	303,152	303,152	303,152	303,152	303,152
Distributable earnings	1,496	449	-2,338	-2,362	-2,042	-1,593	-736	-736	-289	261	878	1,641	1,641	2,498
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total stockholders equity	**86,476**	**85,553**	**301,163**	**301,018**	**301,338**	**301,787**	**302,645**	**302,645**	**303,091**	**303,641**	**304,258**	**305,021**	**305,021**	**305,879**
Non controlling interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES AND EQUITY	**86,971**	**88,576**	**309,561**	**313,699**	**333,777**	**363,777**	**393,777**	**393,777**	**406,277**	**418,777**	**431,277**	**443,777**	**443,777**	**483,777**
Total net assets	86,476	85,553	301,163	301,018	301,338	301,787	302,645	302,645	303,091	303,641	304,258	305,021	305,021	305,879
NET ASSET VALUE PER SHARE	**$13.91**	**$13.77**	**$13.20**	**$13.19**	**$13.20**	**$13.22**	**$13.26**	**$13.26**	**$13.28**	**$13.31**	**$13.33**	**$13.37**	**$13.37**	**$13.40**

Source: Z&A estimates, company reports

Exhibit 10: Income Statement

US$ 000s INCOME STATEMENT	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
Total investment income	**4,037**	**11,933**	**21,666**	**11,923**	**13,065**	**14,332**	**15,569**	**54,890**	**16,470**	**16,878**	**17,279**	**17,788**	**68,415**	**75,834**
(+) Interest income	3,627	11,737	19,906	11,279	12,315	13,582	14,819	51,996	15,720	16,128	16,529	17,038	65,415	72,434
(+) Fee income	410	196	1,760	644	750	750	750	2,894	750	750	750	750	3,000	3,400
Expenses	**-1,612**	**-5,304**	**-12,215**	**-5,104**	**-5,316**	**-5,488**	**-5,782**	**-21,689**	**-6,034**	**-6,121**	**-6,238**	**-6,385**	**-24,777**	**-26,904**
(-) Transaction expenses related to the Loan P	0	-711	-5,342	0	0	0	0	0	0	0	0	0	0	0
(-) Management fee	-336	-1,014	-1,504	-1,261	-1,320	-1,441	-1,572	-5,593	-1,665	-1,719	-1,774	-1,829	-6,987	-7,775
(-) Income based incentive fee	0	-1,511	-2,327	-1,916	-2,070	-2,060	-2,162	-8,207	-2,230	-2,256	-2,273	-2,309	-9,068	-9,601
(-) Audit expense	-210	-500	-497	-190	-150	-150	-150	-640	-190	-150	-150	-150	-640	-640
(-) Administrator fees	-171	-335	-450	-158	-160	-160	-160	-638	-160	-160	-160	-160	-640	-640
(-) Legal expenses	-484	-344	-282	-251	-236	-258	-281	-1,026	-290	-299	-309	-318	-1,217	-1,348
(-) Insurance expense	-228	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Organizational expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Other expenses	-122	-356	-430	-144	-170	-186	-202	-703	-214	-219	-225	-231	-889	-986
(-) Director expenses	-100	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Professional fees	-70	-435	-527	-216	-235	-258	-280	-989	-296	-304	-311	-320	-1,231	-1,365
(-) Valuation fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Capital gains incentive fee	0	-88	-34	7	0	0	0	7	0	0	0	0	0	0
(-) Custodian fees	-36	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Excise tax expense	-81	-11	-120	0	0	0	0	0	0	0	0	0	0	0
(-) Other expenses														
Net investment income	**2,425**	**6,629**	**9,451**	**6,819**	**7,750**	**8,844**	**9,788**	**33,201**	**10,436**	**10,757**	**11,041**	**11,403**	**43,637**	**48,929**
(+) Interest and other income	0	0	0	658	683	0	0	1,341	0	0	0	0	0	0
(-) Interest expense	0	0	0	-145	-183	-636	-1,172	-2,136	-1,546	-1,763	-1,981	-2,196	-7,486	-10,647
(-) Loss on induced exchange of exchangeable	0	0	0	316	0	0	0	316	0	0	0	0	0	0
Net Income	**2,425**	**6,629**	**9,451**	**7,648**	**8,249**	**8,208**	**8,616**	**32,406**	**8,890**	**8,994**	**9,060**	**9,207**	**36,151**	**38,283**
(-) non-controlled/non-affiliate investments	-273	-211	-74	-34	0	0	0	-34	0	0	0	0	0	0
(-) total net unrealized appreciation (depreciat	0	922	246	0	0	0	0	0	0	0	0	0	0	0
Net income attributable to common stockhol	**2,152**	**7,340**	**9,623**	**7,614**	**8,249**	**8,208**	**8,616**	**32,371**	**8,890**	**8,994**	**9,060**	**9,207**	**36,151**	**38,283**
Basic EPS	0.31	1.18	0.93	0.33	0.36	0.36	0.38	1.43	0.39	0.39	0.40	0.40	1.58	1.68
FD EPS	**0.31**	**1.18**	**0.93**	**0.33**	**0.36**	**0.36**	**0.38**	**1.43**	**0.39**	**0.39**	**0.40**	**0.40**	**1.58**	**1.68**
basic share count (mn)	6.2	6.2	10.3	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
diluted share count (mn)	6.2	6.2	10.3	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
Dividends ($ 000s)		**5,638**	**12,389**	**7,759**	**7,759**	**7,759**	**7,759**	**31,036**	**8,444**	**8,444**	**8,444**	**8,444**	**33,774**	**37,425**
Div per share ($)		0.91	1.09	0.34	0.34	0.34	0.34	1.36	0.37	0.37	0.37	0.37	1.48	1.64
payout ratio %			321%	102%	94%	95%	90%	95%	95%	94%	93%	92%	93%	98%

Source: Z&A estimates, company reports

Exhibit 11: Cash Flow

US$ 000s SUMMARY CASH FLOW	Dec CY22	Dec CY23	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
Net increase in net assets resulting from ops	1,851	7,340	9,623	7,614	8,249	8,208	8,616	32,687	8,890	8,994	9,060	9,207	36,151	38,283
(+) adjustments	0	-1,638	-2,017	-917	0	0	0	-917	0	0	0	0	0	0
(+) decrease in operating assets	1,012	5,961	12,966	9,193	0	0	0	9,193	0	0	0	0	0	0
(+) increase in operating liabilities	-1,412	2,528	4,337	-2,554	180	-172	-261	-2,808	-227	-57	-88	-110	-482	-378
Net cash provided in operating activities	**1,451**	**14,192**	**24,909**	**13,337**	**8,428**	**8,036**	**8,355**	**38,156**	**8,663**	**8,936**	**8,972**	**9,097**	**35,669**	**37,905**
(-) purchase of investments	-24,418	-2,228	-8,533	-12,959	-25,000	-30,000	-30,000	-97,959	-12,500	-12,500	-12,500	-12,500	-50,000	-40,000
(-) other uses	-207	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash used in investing activities	**49**	**-2,228**	**-8,533**	**-12,959**	**-25,000**	**-30,000**	**-30,000**	**-97,959**	**-12,500**	**-12,500**	**-12,500**	**-12,500**	**-50,000**	**-40,000**
(-) debt (issueance/repayment)	0	0	0	0	19,938	29,379	28,881	78,198	11,826	11,893	11,796	11,626	47,141	38,765
(-) dividends/distributions	0	-8,263	-12,419	0	-7,759	-7,759	-7,759	-23,277	-7,759	-8,444	-8,444	-8,444	-33,090	-36,513
(+) share issuance	0	0	9,049	0	0	0	0	0	0	0	0	0	0	0
(+) other	33,625	0	-275	-1,746	-529	344	523	-1,408	-230	114	176	220	280	-157
(-) stock options/warrants	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided from financing activities	**33,625**	**-8,263**	**-3,645**	**-1,746**	**11,650**	**21,964**	**21,645**	**53,513**	**3,837**	**3,564**	**3,528**	**3,403**	**14,331**	**2,095**
Increase in cash and cash equivalents	**35,125**	**-2,514**	**-8,679**	**-9,011**	**-4,922**	**0**	**0**	**-13,932**	**0**	**0**	**0**	**0**	**0**	**0**
Cash at start of year	0	35,125	32,612	23,932	14,922	10,000	10,000	23,932	10,000	10,000	10,000	10,000	10,000	10,000
Cash at end of year	35,125	32,612	23,932	14,922	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Gross debts/loans/bonds	0	0	0	0	19,938	49,316	78,198	78,198	90,024	101,917	113,712	125,339	125,339	164,104
Net (debt) cash	**35,125**	**32,612**	**23,932**	**14,922**	**-9,938**	**-39,316**	**-68,198**	**-68,198**	**-80,024**	**-91,917**	**-103,712**	**-115,339**	**-115,339**	**-154,104**
Debt ratios														
debt/equity	0%	0%	0%	0%	7%	16%	26%	26%	30%	34%	37%	41%	41%	54%
net debt/equity	na	na	na	na	-3%	-13%	-23%	-23%	-26%	-30%	-34%	-38%	-38%	-50%

Source: Z&A estimates, company reports.

Appendix V: Market Data and MSO #s

Exhibit 12: Balance sheet comparisons based on latest reported data (note: not all MSOs here are direct comparisons with Vireo Growth)

US$ Mn	Ascend Wellness	AYR Strategies	Columbia Care	Cresco Labs	Curaleaf	4Front Ventures	Glass House	Gold Flora	Goodness Growth	Green Thumb	iAnthus
Debt structure											
Financial debt, net	-240.6	-375.0	-268.4	-343.6	-670.3	-64.9	-42.0	-36.9	19.4	-81.9	-156.0
Financial debt, gross	305.9	410.5	302.0	484.6	777.5	67.4	67.9	47.6	72.2	255.6	172.9
ST	73.7	24.8	52.5	472.7	108.9	27.1	7.6	19.0	0.9	9.4	0.1
LT	232.2	385.6	249.5	11.9	668.6	40.3	60.3	28.6	71.3	246.2	172.9
cash	65.3	35.5	33.6	141.0	107.2	2.4	25.9	10.7	91.6	173.6	16.9
Income tax liabilities	137.4	24.4	170.6	122.8	415.6	42.4	24.6	47.3	70.6	23.2	62.0
Leases, net	133.9	19.5	26.2	56.3	63.5	10.8	25.5	74.8	10.0	28.1	5.6
Gross leases	271.3	211.4	176.4	167.0	285.2	143.1	25.5	96.8	17.9	274.1	31.1
Right of use assets	137.3	191.9	150.3	110.7	221.7	132.3	0.0	22.0	7.9	246.0	25.5
Contingent considerations	0.0	136.7	0.0	10.2	6.1	5.5	33.1	4.1	0.0	0.0	0.0
Ratios under various debt definitions											
Net financial (debt)	**-240.6**	**-375.0**	**-268.4**	**-343.6**	**-670.3**	**-64.9**	**-42.0**	**-36.9**	**19.4**	**-81.9**	**-156.0**
last qtr annualized											
to sales	-47%	-157%	-77%	-55%	-54%	-87%	-19%	-27%	20%	-7%	-87%
to adj EBITDA	-2.2x	-5.7x	-8.1x	-2.6x	-2.6x	-5.7x	-1.2x	-2.8x	0.7x	-0.2x	-5.1x
to OCF	-10.1x	-2.7x	na	#DIV/0!	-4.2x	-15.5x	-1.2x	na	na	-0.3x	na
to FCF	na	-2.9x	na	na	-7.0x	na	-0.2x	na	na	-0.5x	na
Broader definition (1)	**-512.0**	**-555.6**	**-465.1**	**-533.0**	**-1,155.6**	**-123.6**	**-125.2**	**-163.2**	**-61.2**	**-133.3**	**-223.5**
last qtr annualized											
to sales	-100%	-232%	-133%	-85%	-93%	-165%	-58%	-118%	-62%	-12%	-125%
to adj EBITDA	-4.7x	-8.4x	-14.0x	-4.0x	-4.4x	-10.9x	-3.5x	-12.3x	-2.3x	-0.4x	-7.3x
to OCF	-21.6x	-4.0x	na	#DIV/0!	-7.2x	-29.4x	-3.7x	na	na	-0.4x	na
to FCF	na	-4.3x	na	na	-12.0x	na	-0.7x	na	na	-0.8x	na
Note: 1) broader definition of net debt includes financial net debt, income tax payables, leases net of rights of use, and contingent consideration (we do not include deferred ta											
Note: 2) "na" if EBITDA, OCF, and or FCF negative											
Financials											
LTM metrics											
Sales	547	405	424	698	1,314	72	225	133	100	1,141	171
adj EBITDA	111	91	48	180	289	5	51	8	26	366	27
OCF	75	36	-32	85	159	-5	39	na	-12	185	3
FCF	54	22	-39	-24	63	-25	28	na	-24	90	-7
Last qtr metrics annualized											
Sales	512	239	350	630	1,240	75	216	138	98	1,118	179
adj EBITDA	108	66	33	135	261	11	36	13	26	341	31
OCF	24	139	-61	0	161	4	34	na	-13	297	-34
FCF	-2	129	-69	-32	96	-18	178	-56	-18	178	-56

Source: Z&A estimates, company reports

Exhibit 13: Balance sheet comparisons (continued…)

US$ Mn	Jushi Holdings	Marimed	Planet 13	Schwazze	StateHouse	TerrAscend	Tilt Holdings	Trulieve	Verano Holdings	Vext Science
Debt structure										
Financial debt, net	-169.6	-63.2	18.4	-151.1	-113.6	-364.6	-59.4	-151.4	-355.2	-31.9
Financial debt, gross	202.4	73.4	10.3	163.4	115.6	196.0	62.1	479.9	420.1	35.3
ST	10.0	3.9	10.3	29.6	26.7	15.9	24.4	3.5	22.5	6.8
LT	192.5	69.5	0.0	133.8	89.0	180.1	37.7	476.4	397.6	28.5
cash	32.9	10.2	28.7	12.3	2.1	-168.6	2.7	328.5	65.0	3.4
Income tax liabilities	136.9	116.4	44.4	33.3	53.6	120.5	538.9	500.9	285.3	0.0
Leases, net	0.0	0.8	6.3	1.6	10.2	5.6	43.7	25.3	6.2	0.2
Gross leases	61.1	14.2	47.6	34.8	21.9	47.2	57.7	206.8	101.8	3.2
Right of use assets	61.1	13.4	41.3	33.2	11.7	41.6	14.0	181.4	95.6	3.0
Contingent considerations	0.3	0.0	0.0	0.1	0.0	7.0	0.0	5.6	4.2	0.0
Ratios under various debt definitions										
Net financial (debt)	**-169.6**	**-63.2**	**18.4**	**-151.1**	**-113.6**	**-364.6**	**-59.4**	**-151.4**	**-355.2**	**-31.9**
last qtr annualized										
to sales	-65%	-42%	16%	-84%	-102%	-128%	-65%	-13%	-42%	-80%
to adj EBITDA	-3.2x	-6.2x			-8.7x	-5.9x	na	-0.3x	-1.6x	-2.6x
to OCF	-3.6x	-12.2x	na	na	-5.2x	na	-7.8x	-0.7x	-49.7x	-5.2x
to FCF	-4.1x	-15.4x	na	na	-5.4x	na	na	-1.1x	na	
Broader definition (1)	**-306.8**	**-180.4**	**-32.2**	**-186.0**	**-177.4**	**-497.7**	**-642.0**	**-683.3**	**-650.8**	**-32.1**
last qtr annualized										
to sales	-118%	-119%	-29%	-103%	-159%	-175%	-706%	-57%	-78%	-80%
to adj EBITDA	-5.9x	-17.6x			-13.5x	-8.1x	na	-1.6x	-3.0x	-2.6x
to OCF	-6.5x	-34.9x	na	na	-8.1x	na	-84.3x	-3.4x	-91.1x	-5.2x
to FCF	-7.4x	-43.9x	na	na	-8.5x	na	na	-5.0x	na	
Note: 1) broader definition of net debt includes financial net debt, income tax payables, leases net of rights of use, and contingent consideration										
Note: 2) "na" if EBITDA, OCF, and or FCF negative										
Financials										
LTM metrics										
Sales	257	158	122	176	109	297	101	1,187	867	38
adj EBITDA	46	18	2	30	11	60	-3	424	252	10
OCF	27	5	1	na	-28	-20	4	183	83	5
FCF	22	-4	-10	na	-29	-9	1	60	-20	2
Last qtr metrics annualized										
Sales	261	152	112	180	112	284	91	1,191	839	40
adj EBITDA	52	10	-10	33	13	61	-4	437	218	12
OCF	47	5	-21	na	22	-19	8	203	7	6
FCF	41	4	-32	na	21	-10	-1	135	-48	1

Source: Z&A estimates, company reports

Exhibit 14: Sales comps

SALES ($Mn)														
Ascend	143.7	332.4	405.9	114.2	123.0	141.3	140.2	518.6	142.4	141.5	141.6	136.0	561.6	128.0
AYR	155.1	357.6	465.6	117.7	116.7	114.4	114.8	463.6	118.0	117.3	114.3	114.0	463.6	59.8
Cannabist	179.5	460.1	511.6	124.5	129.2	129.2	128.4	511.3	122.6	125.2	114.8	96.1	458.7	87.4
Cresco	476.3	821.7	842.7	194.2	197.9	190.6	188.2	770.9	184.3	184.4	179.8	175.9	724.3	157.6
Curaleaf	626.6	1,196.0	1,275.4	336.5	338.6	333.2	345.3	1,346.6	338.9	342.3	330.5	331.1	1,342.8	310.0
4Front	57.6	104.6	118.6	26.3	30.7	23.0	17.5	97.4	18.8	18.7	17.1	17.9	72.5	18.7
Glasshouse Brands	48.3	69.4	84.9	27.6	44.7	48.2	40.4	160.8	30.1	53.9	63.8	53.0	200.9	54.1
Gold Flora	na	na	na	22.4	21.7	32.0	28.4	91.0	32.2	31.6	32.6	33.9	130.3	34.6
Goodness Growth	49.2	54.4	74.6	19.1	20.2	24.7	24.2	88.1	24.1	25.1	25.2	25.0	99.4	24.5
Green Thumb	556.6	893.6	1,017.4	248.5	252.4	275.4	278.2	1,054.6	275.8	280.1	286.9	294.3	1,137.1	279.5
iAnthus	151.7	203.0	163.2	36.8	38.7	42.9	40.9	159.2	41.6	43.0	40.3	42.7	167.6	44.9
Jushi	80.8	209.3	284.3	69.9	66.4	65.4	67.8	269.4	65.5	64.6	61.6	65.9	257.5	65.2
Marimed	50.9	121.5	134.0	34.4	36.5	38.8	38.9	148.6	37.9	40.4	40.6	39.0	158.0	38.0
Planet13	70.5	119.5	104.6	24.9	25.8	24.8	23.0	98.5	22.9	31.1	32.2	30.3	116.4	28.0
Schwazze	24.0	108.4	159.4	40.0	42.4	46.7	43.3	172.4	41.6	43.2	43.2	44.1	172.2	45.0
TerrAscend	148.0	194.2	247.8	69.4	72.1	89.2	86.6	317.3	80.6	77.5	74.2	74.4	306.7	71.0
Tilt	158.4	202.7	174.2	42.3	41.6	44.6	37.5	166.0	37.5	26.6	27.0	24.6	115.6	22.7
Trulieve	521.5	938.4	1,239.8	285.2	281.8	275.2	287.0	1,129.2	297.6	303.4	284.3	301.1	1,186.5	297.8
Verano	228.5	737.9	879.4	227.1	234.1	240.1	237.2	938.5	221.3	222.4	216.7	218.2	878.6	209.8
Vext	25.2	37.2	35.4	9.1	9.2	8.1	8.4	34.8	8.4	8.4	9.0	10.2	36.0	10.0

Note: Goodness Growth is now called Vireo Growth. Source: Z&A estimates, company reports

Exhibit 15: Gross margin comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
GROSS MARGIN %														
Ascend	42%	41%	33%	31%	23%	31%	34%	30%	37%	29%	31%	34%	33%	31%
AYR	57%	39%	41%	41%	49%	42%	43%	44%	43%	40%	38%	31%	38%	44%
Cannabist	35%	42%	39%	38%	40%	29%	34%	35%	35%	38%	38%	35%	37%	33%
Cresco	43%	49%	48%	44%	44%	49%	51%	47%	50%	51%	52%	48%	50%	48%
Curaleaf	50%	48%	49%	48%	43%	45%	45%	46%	47%	47%	49%	48%	48%	50%
4Front	63%	47%	35%	26%	31%	40%	115%	47%	40%	39%	21%	60%	40%	59%
Glasshouse Brands	39%	23%	24%	46%	55%	54%	45%	50%	42%	53%	52%	43%	48%	60%
Gold Flora	na	na	na	30%	28%	35%	46%	41%	31%	23%	41%	50%	37%	50%
Goodness Growth	35%	36%	41%	50%	46%	53%	50%	50%	51%	54%	49%	51%	51%	51%
Green Thumb	55%	55%	50%	50%	50%	49%	51%	50%	53%	54%	51%	54%	53%	51%
iAnthus	54%	54%	46%	42%	48%	41%	29%	40%	41%	48%	45%	45%	45%	55%
Jushi	47%	40%	34%	43%	46%	44%	40%	43%	49%	50%	45%	39%	46%	48%
Marimed	62%	55%	48%	45%	45%	43%	45%	44%	43%	42%	41%	33%	40%	40%
Planet13	49%	55%	46%	44%	46%	45%	48%	46%	46%	51%	52%	43%	48%	43%
Schwazze	28%	46%	53%	58%	58%	46%	16%	44%	43%	44%	41%	60%	47%	60%
StateHouse	47%	43%	39%	44%	49%	45%	42%	45%	46%	51%	50%	51%	50%	52%
TerrAscend	55%	58%	41%	49%	50%	54%	48%	50%	48%	49%	49%	50%	49%	52%
Tilt	37%	25%	22%	21%	10%	18%	10%	15%	18%	16%	14%	22%	17%	15%
Trulieve	74%	60%	55%	53%	50%	52%	54%	52%	58%	60%	61%	62%	60%	62%
Verano	59%	45%	48%	48%	49%	55%	50%	51%	51%	51%	50%	49%	51%	47%
Vext	39%	44%	59%	51%	30%	39%	36%	39%	23%	21%	42%	40%	32%	42%

Source: Z&A estimates, company reports

Exhibit 16: SGA comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
CASH SGA / GROSS PROFIT														
Ascend	87%	86%	102%	99%	128%	92%	99%	102%	95%	104%	106%	87%	97%	94%
AYR	82%	105%	117%	108%	83%	81%	81%	88%	77%	83%	105%	115%	95%	88%
Cannabist	229%	120%	138%	99%	100%	152%	102%	111%	109%	83%	113%	156%	112%	111%
Cresco	95%	73%	86%	84%	83%	70%	59%	83%	62%	60%	54%	67%	61%	66%
Curaleaf	72%	68%	67%	70%	75%	65%	63%	68%	65%	68%	66%	64%	66%	69%
4Front	134%	118%	153%	190%	151%	241%	125%	138%	140%	151%	271%	97%	113%	97%
Glasshouse Brands	118%	290%	285%	108%	67%	67%	88%	78%	141%	69%	48%	74%	72%	0%
Gold Flora	na	na	na	107%	110%	192%	110%	142%	156%	237%	155%	88%	144%	85%
Goodness Growth	154%	170%	109%	75%	86%	51%	52%	64%	58%	56%	56%	54%	56%	60%
Green Thumb	65%	56%	58%	65%	67%	63%	65%	65%	51%	64%	71%	64%	63%	70%
iAnthus	120%	89%	172%	115%	121%	109%	163%	124%	102%	72%	87%	74%	83%	69%
Jushi	143%	135%	164%	84%	61%	63%	93%	75%	61%	58%	67%	69%	63%	0%
Marimed	50%	57%	61%	66%	76%	81%	84%	77%	87%	92%	90%	112%	94%	96%
Planet13	82%	100%	110%	113%	106%	115%	93%	107%	108%	87%	98%	119%	102%	130%
Schwazze	317%	69%	72%	75%	68%	70%	263%	89%	114%	112%	0%	0%	0%	0%
StateHouse	97%	117%	136%	123%	100%	103%	102%	107%	92%	78%	81%	80%	82%	78%
TerrAscend	55%	67%	114%	82%	84%	61%	66%	72%	72%	64%	87%	75%	74%	72%
Tilt	40%	76%	118%	134%	265%	108%	248%	164%	121%	191%	192%	139%	154%	215%
Trulieve	40%	57%	67%	67%	68%	66%	63%	66%	58%	56%	86%	84%	71%	65%
Verano	32%	82%	84%	69%	73%	65%	73%	70%	80%	76%	85%	78%	80%	85%
Vext	25%	32%	40%	57%	30%	82%	239%	98%	132%	156%	70%	68%	93%	63%

Source: Z&A estimates, company reports

Exhibit 17: EBITDA margins comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
EBITDA MARGIN	18%	19%	4%	15%	16%	18%	14%	16%	15%	18%	18%	17%	17%	18%
Ascend	21%	24%	23%	20%	17%	21%	23%	21%	23%	20%	18%	22%	21%	21%
AYR	32%	27%	16%	22%	25%	25%	26%	25%	25%	24%	23%	17%	22%	28%
Cannabist	-11%	13%	13%	13%	16%	16%	10%	14%	12%	14%	13%	7%	12%	9%
Cresco	13%	24%	20%	15%	20%	23%	29%	22%	29%	29%	29%	24%	28%	21%
Curaleaf	23%	22%	16%	22%	21%	23%	24%	19%	23%	21%	23%	23%	22%	21%
4Front	18%	23%	27%	22%	6%	15%	-6%	10%	13%	14%	6%	-6%	7%	15%
Glasshouse Brands	3%	-13%	-26%	2%	21%	22%	9%	15%	-5%	25%	30%	17%	20%	17%
Gold Flora	na	na	na	-1%	-1%	-5%	-12%	-8%	-6%	-6%	9%	10%	2%	10%
Goodness Growth	-11%	-17%	6%	8%	14%	37%	25%	22%	25%	23%	27%	26%	25%	27%
Green Thumb	32%	34%	31%	31%	30%	30%	33%	31%	33%	33%	31%	33%	33%	30%
iAnthus	85%	3%	-237%	2%	-1%	11%	8%	5%	8%	21%	9%	15%	14%	17%
Jushi	0%	7%	2%	11%	18%	15%	17%	15%	20%	22%	17%	12%	18%	20%
Marimed	32%	35%	24%	21%	17%	16%	13%	17%	12%	11%	12%	15%	12%	7%
Planet13	12%	14%	3%	-5%	8%	1%	6%	2%	0%	10%	4%	0%	3%	-9%
Schwazze	-32%	30%	33%	36%	33%	30%	25%	31%	15%	14%	21%	15%	16%	18%
StateHouse	12%	1%	-18%	-10%	3%	2%	-4%	6%	-18%	10%	10%	11%	3%	12%
TerrAscend	27%	36%	16%	18%	18%	27%	23%	22%	20%	20%	18%	20%	20%	22%
Tilt	-5%	11%	2%	0%	4%	5%	-4%	1%	0%	-4%	-6%	2%	-2%	-4%
Trulieve	50%	41%	32%	27%	28%	28%	28%	29%	36%	35%	34%	37%	35%	37%
Verano	77%	44%	37%	31%	31%	37%	31%	32%	30%	32%	30%	29%	30%	26%
Vext	27%	36%	43%	31%	11%	13%	7%	16%	23%	13%	32%	32%	25%	31%

Source: Z&A estimates, company reports

Exhibit 18: Net interest expense comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
NET INTEREST / SALES														
Acreage	-8%	-8%	-9%	-14%	-15%	-16%	-16%	-16%	-20%	-22%	-21%	-23%	-21%	-22%
Ascend	-17%	-9%	-7%	-8%	-6%	-5%	-5%	-6%	-6%	-3%	-5%	-5%	-5%	-9%
AYR	-2%	-5%	-7%	-6%	-9%	-9%	-9%	-8%	-15%	-17%	-18%	-18%	-17%	0%
Cannabist	-3%	-5%	-9%	-10%	-10%	-10%	-9%	-10%	-7%	-8%	-8%	-10%	-8%	-10%
Cresco	-7%	-6%	-7%	-8%	-10%	-6%	-8%	-8%	-8%	-7%	-8%	-7%	-8%	0%
Curaleaf	-7%	-4%	-4%	-4%	-4%	-4%	-5%	-4%	-5%	-4%	-4%	-4%	-4%	-5%
4Front	-12%	-13%	-11%	-12%	-10%	-15%	-24%	-14%	-13%	-9%	-12%	-17%	-13%	-16%
Glasshouse Brands	4%	4%	-9%	-7%	-6%	-4%	-8%	-6%	-7%	-5%	-4%	-4%	-5%	0%
Gold Flora	na	na	na	-7%	-7%	-21%	-3%	-7%	-3%	-3%	-4%	0%	-2%	0%
Goodness Growth	-10%	-19%	-30%	-37%	-38%	-32%	-35%	-35%	-36%	na	-29%	-30%	-31%	-31%
Green Thumb	-3%	-2%	-2%	-1%	-1%	-1%	-2%	-1%	-2%	-1%	-1%	-1%	-1%	-1%
iAnthus	-16%	-11%	-11%	-10%	-10%	-8%	-7%	-9%	-8%	-3%	-9%	-8%	-7%	-12%
Jushi	-19%	-15%	-16%	-12%	-15%	-14%	-14%	-14%	-15%	-14%	-15%	-14%	-15%	-9%
Marimed	-19%	-2%	-1%	-7%	-7%	-6%	-4%	-6%	-4%	-4%	-4%	-5%	-4%	-5%
Planet13	-3%	0%	0%	1%	1%	1%	-3%	0%	0%	0%	0%	-2%	0%	-1%
Schwazze	-96%	3%	-11%	-5%	-7%	1%	-56%	-17%	-26%	-26%	-7%	na	na	na
StateHouse	-7%	-5%	-18%	-17%	-19%	-11%	-28%	-19%	-18%	14%	-17%	-19%	-10%	-18%
TerrAscend	-7%	-14%	-14%	-15%	-11%	-11%	-10%	-12%	-11%	-11%	-11%	-11%	-11%	-12%
Tilt	-4%	-5%	-8%	-10%	-13%	-14%	-14%	-13%	-16%	-26%	-25%	-28%	-23%	-33%
Trulieve	-4%	-4%	-6%	-7%	-7%	-8%	-5%	-7%	-4%	-4%	-5%	-4%	-4%	-4%
Verano	-2%	-5%	-12%	-7%	-6%	-6%	-6%	-6%	-7%	-6%	-6%	-6%	-6%	-6%
Vext	2%	-1%	-5%	-9%	-11%	-12%	-10%	-10%	-10%	-10%	-9%	-9%	-9%	-9%

Source: Z&A estimates, company reports

Exhibit 19: Incomes taxes paid comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
INCOME TAXES PAID / SALES														
Acreage	3%	9%	14%	14%	-6%	3%	3%	3%	0%	0%	9%	0%	0%	0%
Ascend	2%	3%	4%	-43%	10%	-4%	9%	1%	-5%	-7%	0%	-15%	-2%	15%
AYR	4%	12%	7%	1%	0%	5%	21%	7%	0%	0%	-1%	0%	0%	0%
Cannabist	4%	5%	10%	1%	6%	5%	-4%	2%	0%	1%	2%	2%	1%	1%
Cresco	6%	5%	6%	2%	14%	16%	28%	7%	2%	15%	18%	31%	8%	0%
Curaleaf	3%	8%	12%	0%	32%	-19%	16%	7%	-29%	4%	0%	1%	1%	-5%
4Front	0%	0%	2%	3%	1%	0%	3%	2%	4%	-4%	0%	0%	0%	0%
Goodness Growth	1%	11%	7%	0%	5%	0%	4%	2%	28%	-27%	27%	0%	0%	28%
Green Thumb	13%	17%	12%	0%	21%	10%	7%	9%	0%	4%	24%	17%	11%	0%
iAnthus	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Jushi	2%	3%	4%	0%	4%	0%	-1%	1%	-2%	-4%	0%	-1%	-2%	0%
Marimed	2%	1%	11%	15%	3%	2%	-1%	4%	0%	2%	0%	0%	1%	0%
Planet13	18%	11%	8%	12%	0%	18%	1%	8%	0%	0%	23%	-25%	0%	0%
Schwazze	0%	2%	8%	0%	8%	3%	0%	3%	0%	0%	12%	0%	0%	0%
StateHouse	3%	4%	2%	0%	0%	6%	1%	2%	0%	0%	0%	0%	0%	0%
TerrAscend	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%
Tilt	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Trulieve	20%	19%	12%	16%	26%	-3%	-21%	5%	-18%	2%	1%	-1%	-4%	0%
Verano	4%	4%	8%	16%	7%	11%	37%	18%	4%	20%	12%	1%	9%	15%
Vext	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Z&A estimates, company reports

Exhibit 20: Incomes tax provisions as % of reported gross profits comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
INCOME TAXES PAID / GROSS PROFITS														
Acreage	6%	17%	32%	29%	-16%	8%	10%	9%	0%	0%	25%	0%	0%	0%
Ascend	4%	8%	12%	-137%	45%	-13%	28%	5%	-14%	-25%	1%	-43%	-5%	50%
AYR	6%	30%	16%	2%	0%	13%	48%	15%	1%	-1%	-3%	0%	0%	0%
Cannabist	12%	12%	26%	2%	15%	18%	-11%	6%	0%	3%	5%	5%	3%	4%
Cresco	14%	10%	13%	5%	31%	33%	56%	15%	4%	29%	34%	66%	15%	0%
Curaleaf	7%	16%	25%	1%	74%	-42%	34%	16%	-61%	8%	0%	1%	3%	-10%
4Front	0%	0%	5%	10%	4%	0%	3%	3%	10%	-10%	0%	0%	0%	0%
Glasshouse Brands	0%	16%	20%	0%	0%	0%	27%	6%	0%	0%	0%	11%	3%	0%
Gold Flora	na	na	na	11%	25%	74%	3%	1%	0%	0%	44%	2%	1%	0%
Goodness Growth	2%	30%	17%	0%	11%	0%	8%	5%	56%	-50%	55%	0%	0%	55%
Green Thumb	24%	30%	23%	0%	41%	21%	13%	19%	0%	7%	47%	32%	22%	0%
iAnthus	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Jushi	3%	8%	12%	1%	9%	0%	-1%	2%	-5%	-7%	0%	-2%	-4%	0%
Marimed	4%	1%	23%	34%	6%	4%	-3%	10%	1%	5%	0%	0%	1%	0%
Planet13	38%	20%	17%	27%	0%	41%	3%	18%	0%	0%	45%	-58%	0%	0%
Schwazze	0%	4%	15%	0%	14%	7%	0%	7%	0%	0%	28%	0%	0%	0%
StateHouse	7%	9%	6%	0%	0%	14%	3%	4%	0%	0%	0%	0%	0%	0%
TerrAscend	0%	0%	3%	0%	0%	0%	1%	0%	0%	1%	1%	1%	0%	0%
Tilt	0%	2%	1%	0%	0%	0%	1%	2%	1%	0%	0%	-2%	2%	2%
Trulieve	27%	32%	22%	31%	52%	-5%	-39%	9%	-32%	3%	1%	-1%	-7%	0%
Verano	8%	8%	17%	33%	13%	20%	75%	35%	8%	38%	24%	1%	18%	33%
Vext	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Z&A estimates, company reports

Exhibit 21: Free Cash Flow Adjusted for Change in Tax Debt

US$Mn	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
FCF ADJUSTED FOR CHANGE IN TAX DEBT														
Ascend		-148.1	-133.6	-3.4	16.6	2.6	-4.6	11.2	-12.4	2.3	-17.2	8.0	-19.2	-15.4
AYR		-123.6	-114.3	-7.6	-49.6	5.3	-17.2	-69.0	78.5	-4.7	38.3	-29.5	82.6	27.9
Cannabist		-217.4	-181.2	-18.1	-4.9	0.2	7.7	-15.2	-16.2	-13.7	-40.9	-7.4	-78.2	-19.0
Cresco		-104.8	-130.9	-6.1	-29.5	-30.7	23.4	-42.9	-19.5	50.8	-8.1	-83.2	-60.0	-91.4
Curaleaf		-287.1	-112.0	-54.8	-17.3	-86.3	53.9	-104.5	-6.5	-27.0	-28.3	-7.2	-69.0	-24.5
4Front		-20.6	-6.3	-9.4	-10.6	-53.2	-2.0	-8.3	-0.1	-7.6	-10.4	-8.3	-26.5	-4.7
Glasshouse Brands		-139.9	-71.1	1.4	2.9	-7.6	13.9	10.6	-10.6	11.4	-5.1	6.9	2.7	5.8
Gold Flora		na	na	na	na	-44.7	-10.3	na	-10.4	-9.4	-4.2	25.9	na	-29.0
Goodness Growth		-48.6	-23.6	-4.0	-215.9	-18.8	54.5	-184.2	150.1	-200.4	-29.9	165.9	85.7	-6.1
Green Thumb		-41.2	-23.8	-16.5	-25.2	0.3	40.1	-1.4	37.2	17.3	31.8	37.0	123.4	13.8
iAnthus		-3.3	-55.3	27.0	0.2	3.9	-2.1	29.0	-4.6	-12.3	-37.1	6.7	-47.3	-13.9
Jushi		-131.1	-88.8	-19.5	-12.9	-9.8	-0.3	-42.5	-6.3	-5.9	-9.2	-2.3	-23.6	10.3
Marimed		1.7	0.1	-4.7	-5.4	-2.5	-2.6	-15.2	-2.0	-1.9	-2.4	-6.4	-12.7	-1.8
Planet13		-26.2	-25.1	-8.1	-0.6	-5.8	-12.9	-27.4	-7.1	-2.8	-3.8	-1,176.3	-1,189.9	-18.3
Schwazze		0.7	-8.7	-9.1	-0.6	0.7	-4.6	-13.6	-8.2	-5.7	22.9	na	na	na
StateHouse		-21.0	-80.8	-4.4	24.9	-1.6	-4.4	14.5	-10.0	-3.6	-26.5	-5.1	-45.1	2.9
TerrAscend		-34.8	-55.8	-14.2	-13.7	-16.7	-10.8	-55.4	-10.9	-20.7	-14.9	5.1	-41.4	-10.2
Tilt		-11.6	-280.5	-1,316.8	176.1	181.3	178.5	-780.9	165.1	173.3	182.4	184.9	705.7	184.7
Trulieve		-305.7	-249.5	53.9	-21.7	38.1	28.2	98.6	24.8	-9.2	-57.6	-72.9	-114.9	-21.9
Verano		-66.0	-123.1	13.3	36.6	2.7	22.1	74.7	14.7	-3.8	-60.9	-14.8	-64.8	-1.5
Vext		-7.5	-3.1	-0.7	2.7	0.0	-0.3	1.7	0.0	-1.2	-0.3	3.2	1.8	0.3

Source: Z&A estimates, company reports

Exhibit 22: Sales per share comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
SALES PER SHARE ($)														
Ascend	1.51	2.22	2.21	0.61	0.63	0.69	0.68	2.60	0.68	0.66	0.66	0.64	2.64	0.62
AYR	5.56	6.24	6.78	1.68	1.60	1.49	1.49	6.26	1.21	1.03	1.00	0.98	4.18	0.51
Cannabist	0.77	1.36	1.30	0.31	0.32	0.32	0.33	1.27	0.28	0.27	0.24	0.21	0.99	0.18
Cresco	1.64	3.13	2.83	0.64	0.63	0.56	0.55	2.38	0.54	0.53	0.52	0.51	2.10	0.46
Curaleaf	1.08	1.71	1.79	0.47	0.47	0.46	0.48	1.86	0.46	0.46	0.45	0.44	1.81	0.42
4Front	0.11	0.16	0.19	0.04	0.05	0.04	0.03	0.15	0.02	0.02	0.02	0.02	0.08	0.02
Glasshouse Brands	na	0.73	0.90	0.29	0.47	0.16	0.15	0.85	0.10	0.19	0.22	0.18	0.70	0.19
Gold Flora	na	na	na	0.31	0.30	0.44	0.39	1.26	0.44	0.38	0.43	0.49	1.73	0.50
Goodness Growth	0.50	0.44	0.58	0.15	0.16	0.17	0.17	0.65	0.17	0.17	0.12	0.11	0.55	0.07
Green Thumb	2.62	3.94	4.27	1.05	1.06	1.15	1.15	4.40	1.15	1.17	1.20	1.18	4.70	1.18
iAnthus	0.88	1.18	0.05	0.01	0.07	0.01	0.00	0.02	0.01	0.01	0.01	0.01	0.03	0.01
Jushi	0.74	1.04	1.39	0.36	0.34	0.34	0.35	1.38	0.34	0.33	0.32	0.34	1.32	0.33
Marimed	0.16	0.33	0.35	0.10	0.10	0.10	0.10	0.41	0.10	0.11	0.11	0.10	0.42	0.10
Planet13	0.46	0.61	0.48	0.11	0.12	0.11	0.10	0.44	0.10	0.11	0.10	0.09	0.40	0.09
Schwazze	0.58	1.07	2.97	0.39	0.70	0.54	4.93	2.67	0.55	0.55	0.50	0.51	2.09	0.52
StateHouse	1.41	0.97	0.51	0.12	0.10	0.10	0.12	0.40	0.10	0.11	0.10	0.10	0.42	0.11
TerrAscend	0.99	0.76	0.97	0.26	0.26	0.31	0.31	1.14	0.28	0.27	0.25	0.26	1.05	0.24
Tilt	0.43	0.55	0.46	0.11	0.11	0.12	0.10	0.44	0.10	0.07	0.07	0.07	0.30	0.06
Trulieve	4.41	6.39	6.59	1.51	1.49	1.46	1.52	5.98	1.57	1.59	1.49	1.59	6.24	1.56
Verano	0.84	2.54	2.65	0.66	0.68	0.70	0.69	2.74	0.64	0.64	0.62	0.61	2.51	0.58
Vext	0.27	0.25	0.25	0.06	0.06	0.05	0.06	0.21	0.04	0.03	0.04	0.04	0.15	0.04

Source: Z&A estimates, company reports

Exhibit 23: EBITDA per share comps

	CY20	CY21	CY22	1Q23	2Q23	3Q23	4Q23	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25
EBITDA PER SHARE ($)														
Ascend	0.32	0.53	0.51	0.12	0.11	0.14	0.16	0.53	0.16	0.13	0.12	0.14	0.55	0.13
AYR	1.78	1.71	1.10	0.38	0.40	0.37	0.39	1.54	0.30	0.25	0.23	0.16	0.90	0.14
Cannabist	-0.09	0.17	0.17	0.04	0.05	0.05	0.03	0.17	0.03	0.04	0.03	0.02	0.12	0.02
Cresco	0.21	0.74	0.58	0.10	0.13	0.13	0.16	0.52	0.15	0.16	0.15	0.12	0.58	0.10
Curaleaf	0.25	0.37	0.29	0.10	0.10	0.10	0.11	0.35	0.10	0.10	0.10	0.10	0.41	0.09
4Front	0.02	0.04	0.05	0.01	0.00	0.01	0.00	0.02	0.00	0.00	0.00	0.00	0.01	0.00
Glasshouse Brands	na	-0.10	-0.24	0.00	0.10	0.04	0.01	0.13	-0.01	0.05	0.07	0.03	0.14	0.03
Gold Flora	0.00	-2.14	0.02	0.00	0.00	-0.02	-0.05	-0.10	-0.02	-0.02	0.04	0.05	0.03	0.05
Goodness Growth	-0.05	-0.07	0.03	0.01	0.02	0.06	0.04	0.14	0.04	0.04	0.03	0.03	0.14	0.02
Green Thumb	0.84	1.36	1.31	0.32	0.32	0.35	0.37	1.36	0.38	0.39	0.37	0.39	1.53	0.36
iAnthus	0.75	0.03	-0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jushi	0.00	0.07	0.03	0.04	0.06	0.05	0.06	0.21	0.07	0.07	0.05	0.04	0.24	0.07
Marimed	0.05	0.11	0.09	0.02	0.02	0.02	0.01	0.07	0.01	0.01	0.01	0.02	0.05	0.01
Planet13	0.05	0.09	0.02	-0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.00	0.00	0.01	-0.01
Schwazze	-0.18	0.32	0.97	0.14	0.23	0.16	1.25	0.83	0.08	0.07	0.10	0.08	0.34	0.09
StateHouse	0.17	0.01	-0.09	-0.01	0.00	0.00	0.00	0.02	-0.02	0.01	0.01	0.01	0.01	0.01
TerrAscend	0.27	0.27	0.15	0.05	0.05	0.08	0.07	0.25	0.06	0.05	0.05	0.05	0.21	0.05
Tilt	-0.02	0.06	0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	-0.01	0.00
Trulieve	2.20	2.62	2.12	0.41	0.42	0.41	0.43	1.71	0.56	0.56	0.51	0.59	2.21	0.57
Verano	0.65	1.12	0.98	0.21	0.21	0.26	0.21	0.89	0.19	0.20	0.18	0.18	0.76	0.15
Vext	0.07	0.09	0.11	0.02	0.01	0.01	0.00	0.03	0.01	0.00	0.01	0.01	0.04	0.01

Source: Z&A estimates, company reports

Appendix VI: Valuation Comps

Exhibit 24: BDCs and Lenders to the Cannabis Industry

US$Mn Company name	Ticker	Listing	5/20/25 Price US$	Price to BVPS	Div Yield	(mn) Shares	Mkt Cap US$Mn	Debt to Equity	Net (Debt)	Ent Value	Stock Performance Last 30d	Last 90d	Last 12mo
BDCs				0.90x	13.7%			127%			2%	-12%	-12%
Gladstone Investment Corporation	GAIN	NASDAQ	14.93	1.10x	6.4%	36.8	550	91%	-356	906	7%	7%	6%
Great Elm Capital Corp	GECC	NASDAQ	10.66	0.93x	13.3%	11.5	123	143%	-181	304	4%	-4%	3%
Gladstone Capital Corporation	GLAD	NASDAQ	27.11	1.27x	7.3%	22.2	603	68%	-322	925	9%	-8%	22%
Horizon Technology Finance Corporati	HRZN	NASDAQ	7.49	0.99x	17.6%	39.9	299	155%	-367	666	-11%	-23%	-35%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	10.52	0.80x	11.2%	22.8	240	0%	24	216	0%	-13%	-6%
Logan Ridge Finance Corporation	LRFC	NASDAQ	17.95	0.61x	7.7%	2.7	48	132%	-73	120	0%	-28%	-20%
Monroe Capital Corp.	MRCC	NASDAQ	6.47	0.75x	15.5%	21.7	140	156%	-283	423	-10%	-26%	-12%
OFS Capital Corp.	OFS	NASDAQ	8.71	0.73x	15.6%	13.4	117	154%	-241	357	3%	4%	-13%
Oxford Square Capital Corp.	OXSQ	NASDAQ	2.42	1.16x	17.4%	69.8	169	85%	-89	257	-3%	-14%	-23%
PennantPark Investment Corporation	PNNT	NYSE	6.91	0.92x	13.6%	65.3	451	158%	-722	1,173	9%	-3%	-6%
Portman Ridge Finance Corporation	PTMN	NASDAQ	12.27	0.65x	20.7%	9.2	113	153%	-193	306	2%	-29%	-40%
Saratoga Investment Corp.	SAR	NYSE	24.71	0.96x	12.0%	15.2	375	199%	-577	952	5%	-3%	6%
Stellus Capital Investment Corp.	SCM	NYSE	13.68	1.03x	11.7%	27.5	376	163%	-573	949	7%	-11%	-3%
TriplePoint Venture Growth BDC Corp.	TPVG	NYSE	6.88	0.80x	18.9%	40.1	276	115%	-320	596	15%	-15%	-27%
WhiteHorse Finance, Inc.	WHF	NASDAQ	9.22	0.76x	16.7%	23.2	214	126%	-326	540	-5%	-15%	-30%
Cannabis "Fincos"													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.11	0.58x	26.8%	22.33	114	95%	-85	199	1%	-41%	-58%
Innovative Industrial Properties Inc	IIPR	NYSE	57.06	0.86x	13.3%	28.33	1617	16%	-148	1764	11%	-23%	-50%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.95	0.80x	11.2%	20.51	307	2%	12	294	5%	-3%	-26%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	10.52	0.80x	11.2%	22.82	240	0%	24	216	0%	-13%	-6%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.13	-0.48x	0.0%	2.78	6	-97%	-10	15	-4%	-73%	-86%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.92	1.00x	12.6%	20.83	311	34%	-78	388	7%	-7%	-5%

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

Exhibit 25: mREITs and Lenders to the Cannabis Industry

US$Mn Company name	Ticker	Listing	5/20/25 Price US$	Price to BVPS	Div Yield	(mn) Shares	Mkt Cap US$Mn	Debt to Equity	Net (Debt)	Ent Value	Stock Performance Last 30d	 Last 90d	 Last 12mo
mREITS				0.67x	15.3%						9%	-14%	-21%
Arbor Realty Trust Inc	ABR	NYSE	10.01	0.81x	17.2%	189.3	1,894	427%	-9,315	11,210	-9%	-27%	-28%
Ares Commercial Real Estate Corporati	ACRE	NYSE	4.78	0.48x	18.8%	54.5	261	217%	-1,106	1,367	33%	-5%	-30%
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.11	0.58x	26.8%	22.3	114	95%	-85	199	1%	-41%	-58%
Apollo Commercial Real Estate Finance,	ARI	NYSE	9.83	0.73x	11.2%	138.2	1,358	345%	-6,073	7,431	18%	-3%	-6%
Blackstone Mortgage Trust, Inc. Class A	BXMT	NYSE	19.34	0.90x	10.5%	172.8	3,342	424%	-15,401	18,743	5%	-6%	5%
Claros Mortgage Trust, Inc.	CMTG	NYSE	2.29	0.16x	37.1%	139.4	319	253%	-4,756	5,075	-3%	-22%	-73%
Granite Point Mortgage Trust Inc.	GPMT	NYSE	2.40	0.19x	8.3%	48.8	117	242%	-1,358	1,476	39%	-14%	-30%
KKR Real Estate Finance Trust, Inc.	KREF	NYSE	9.30	0.64x	10.8%	68.7	639	494%	-4,794	5,433	2%	-18%	-6%
Ladder Capital Corp. Class A	LADR	NYSE	10.52	0.89x	8.7%	127.1	1,337	210%	-1,830	3,167	3%	-10%	-9%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.92	1.00x	12.6%	20.8	311	34%	-78	388	7%	-7%	-5%
Starwood Property Trust, Inc.	STWD	NYSE	19.96	1.06x	9.6%	337.4	6,735	310%	-19,177	25,912	8%	0%	-4%
TPG RE Finance Trust, Inc.	TRTX	NYSE	7.83	0.57x	12.3%	81.0	634	232%	-2,378	3,013	9%	-10%	-12%
Cannabis "Fincos"													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.11	0.58x	26.8%	22.3	114	95%	-85	199	1%	-41%	-58%
Innovative Industrial Properties Inc	IIPR	NYSE	57.06	0.86x	13.3%	28.3	1,617	16%	-148	1,764	11%	-23%	-50%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.95	0.78x	10.4%	20.5	307	2%	12	294	5%	-3%	-26%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	10.52	0.80x	9.5%	22.8	240	0%	24	216	0%	-13%	-6%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.13	-0.48x	NA	2.8	6	-97%	-10	15	-4%	-73%	-86%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.92	1.00x	12.6%	20.8	311	34%	-78	388	7%	-7%	-5%

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

Exhibit 26: Industrial REITs and Lenders to the Cannabis Industry

US$Mn Company name	Ticker	Listing	5/20/25 Price US$	Price to BVPS	Div Yield	(mn) Shares	Mkt Cap US$Mn	Debt to Equity	Net (Debt)	Ent Value	Stock Performance Last 30d	Last 90d	Last 12mo
Industrial REITS				1.47x	5.5%						7%	-9%	-14%
Americold Realty Trust, Inc.	COLD	NYSE	17.78	1.59x	5.0%	284.3	5,054	116%	-3,633	8,687	-12%	-15%	-30%
EastGroup Properties, Inc.	EGP	NYSE	171.11	2.67x	3.2%	51.8	8,868	47%	-1,550	10,418	7%	-5%	3%
First Industrial Realty Trust, Inc.	FR	NYSE	50.34	2.51x	3.1%	132.3	6,662	84%	-2,184	8,847	6%	-10%	5%
Innovative Industrial Properties Inc	IIPR	NYSE	57.06	0.86x	13.3%	28.3	1,617	16%	-148	1,764	11%	-23%	-50%
Industrial Logistics Properties Trust	ILPT	NASDAQ	3.48	0.43x	1.1%	66.1	230	801%	-4,077	4,307	33%	-12%	-15%
LXP Industrial Trust	LXP	NYSE	8.27	1.18x	6.4%	294.5	2,436	77%	-1,485	3,921	7%	-3%	-7%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.95	0.78x	11.5%	20.5	307	2%	12	294	5%	-3%	-26%
Prologis, Inc.	PLD	NYSE	108.73	1.89x	3.6%	926.3	100,715	62%	-31,955	132,670	6%	-10%	-2%
Plymouth Industrial REIT, Inc.	PLYM	NYSE	16.18	1.29x	5.9%	45.4	734	115%	-612	1,347	11%	-2%	-24%
Rexford Industrial Realty, Inc.	REXR	NYSE	35.12	0.96x	4.8%	225.3	7,912	42%	-3,449	11,361	8%	-14%	-24%
STAG Industrial, Inc.	STAG	NYSE	35.56	1.91x	4.2%	186.5	6,633	89%	-3,060	9,693	7%	2%	-2%
Terreno Realty Corporation	TRNO	NYSE	57.93	1.53x	3.3%	99.2	5,749	25%	-922	6,670	0%	-14%	0%
Cannabis "Fincos"													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.11	0.58x	26.8%	22.33	114	95%	-85	199	1%	-41%	-58%
Innovative Industrial Properties Inc	IIPR	NYSE	57.06	0.86x	13.3%	28.33	1617	16%	-148	1764	11%	-23%	-50%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.95	0.78x	11.5%	20.51	307	2%	12	294	5%	-3%	-26%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	10.52	0.80x	11.2%	22.82	240	0%	24	216	0%	-13%	-6%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.13	-0.48x	0.0%	2.78	6	-97%	-10	15	-4%	-73%	-86%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.92	1.00x	12.6%	20.83	311	34%	-78	388	7%	-7%	-5%

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

Exhibit 27: US MSO Valuation Multiples

US$Mn	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS Net Debt/Sales		NET DEBT RATIOS Net Debt/EBITDA		BROADER DEFINITION OF NET DEBT BDND/Sales		BROADER DEFINITION OF NET DEBT BDND/EBITDA	
21-May-25	**Current**	**CY25e**	**CY26e**	**Current**	**CY25e**	**CY26e**	**Current**	**CY25**	**Current**	**CY25**	**Current**	**CY25**	**Current**	**CY25**
US MSOs	**1.4x**	**1.1x**	**0.9x**	**6.8x**	**6.3x**	**4.4x**								
Ascend Wellness	1.1x	1.1x	1.0x	5.4x	5.1x	4.6x	-0.5x	-0.5x	-2.2x	-2.1x	-1.0x	-1.0x	-4.7x	-4.5x
Ayr Wellness	2.3x	1.2x	1.2x	8.4x	6.1x	5.6x	-1.6x	-0.9x	-6.0x	-4.3x	-2.2x	-1.2x	-7.9x	-5.7x
Cannabist Co	1.2x	1.2x	1.2x	12.3x	11.3x	8.3x	-0.8x	-0.8x	-8.1x	-7.4x	-1.1x	-1.1x	-11.5x	-10.5x
Cansortium	1.1x	na	na	3.7x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na
Cresco Labs	1.5x	1.3x	1.3x	6.9x	5.8x	5.2x	-0.5x	-0.5x	-2.5x	-2.1x	-1.0x	-0.9x	-4.5x	-3.7x
Curaleaf	1.6x	1.5x	1.4x	7.6x	7.0x	6.1x	-0.5x	-0.5x	-2.6x	-2.4x	-0.9x	-0.9x	-4.5x	-4.2x
4Front Ventures	1.9x	na	na	12.4x	na	na	-1.1x	na	-7.1x	na	-1.9x	na	-12.3x	na
Glass House	3.2x	3.1x	2.5x	19.6x	16.2x	10.4x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.5x
Vireo Growth (pf)	1.3x	1.2x	0.9x	4.6x	4.8x	3.0x	0.0x	na	-0.1x	na	-0.2x	na	-0.7x	na
Green Thumb	1.3x	1.3x	1.2x	4.4x	4.3x	4.0x	0.0x	0.0x	-0.1x	-0.1x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.9x	na	na	2.7x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.0x	na	na	6.1x	na	na	-0.9x	na	-5.1x	na	-0.9x	na	-5.4x	na
Jushi	1.5x	1.5x	1.4x	7.5x	8.5x	7.0x	-0.7x	-0.6x	-3.3x	-3.7x	-1.3x	-1.2x	-6.3x	-7.1x
MariMed	0.9x	0.8x	0.8x	13.6x	6.9x	4.6x	-0.4x	-0.4x	-6.5x	-3.3x	-0.6x	-0.6x	-9.0x	-4.6x
Planet 13	0.9x	0.8x	0.8x	na	29.3x	7.7x	0.1x	0.1x	na	2.6x	-0.2x	-0.2x	na	-6.4x
TerrAscend	1.6x	1.6x	1.5x	7.5x	7.2x	6.2x	-0.6x	-0.6x	-2.8x	-2.7x	-1.1x	-1.1x	-5.1x	-4.9x
TILT	1.4x	na	na	-32.2x	na	na	-0.8x	na	18.7x	na	-1.4x	na	31.6x	na
Trulieve	1.4x	1.4x	1.4x	3.9x	4.1x	4.2x	-0.2x	-0.2x	-0.7x	-0.7x	-0.7x	-0.7x	-1.9x	-2.0x
Verano	1.1x	1.1x	1.0x	4.3x	3.9x	3.6x	-0.4x	-0.4x	-1.5x	-1.4x	-0.8x	-0.8x	-3.1x	-2.8x
Vext	1.3x	1.0x	0.7x	4.1x	3.5x	1.9x	-0.8x	-0.6x	-2.5x	-2.2x	-0.8x	-0.6x	-2.5x	-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, company reports, and Z&A estimates

Exhibit 28: US MSO EV Calculations

US$Mn 21-May-25	FactSet Spot EV	Z&A Spot EV	US$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	Income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int
US MSOs													
Ascend Wellness	560	587	0.33	214.5	13.3	75	-241	-134	-137			-512	
Ayr Wellness	613	551	0.24	116.2	3.4	29	-394	-5	-123	0	0	-522	
Cannabist Co	472	409	0.06	472.7	8.2	29	-269	-26	-86			-380	
Cansortium	140	111	0.05	304.9	5.6	14	-59	-9	-29			-97	
Cresco Labs	740	928	0.73	441.2	8.9	328	-332	-56	-202	-10		-600	
Curaleaf	1,530	1,971	0.88	750.1	11.0	666	-670	-46	-416	-41		-1,173	132
4Front Ventures	223	141	0.00	915.2	3.8	1	-81	-11	-42	-5	0	-139	
Glass House	462	699	6.16	82.1	6.9	547	-21	0	-23	-20		-65	86
Vireo Growth (pf)	133	441	0.40	924.9	12.7	375	-8		-60		2	-66	
Green Thumb	1,562	1,494	5.70	235.9	7.7	1,388	-42	-31	-33	0	0	-105	
Grown Rogue	75	58	0.41	143.5		59	5	-2	-2			1	
iAnthus	23	187	0.00	6,745.7	0.3	24	-157	-7				-164	
Jushi	317	395	0.33	196.7	0.0	66	-171	-3	-155			-329	
MariMed	131	140	0.08	389.2	11.1	33	-67	-1	-25			-93	15
Planet 13	109	100	0.24	325.4	0.3	78	9	-10	-21			-22	
Schwazze	172	186	0.00	80.2		0	-151	-2	-33	0		-186	
TerrAscend	339	460	0.42	356.7	3.1	149	-172	-5	-128	-4		-310	
TILT	127	125	0.01	391.3	0.7	2	-73	-47	-3			-123	
Trulieve	1,276	1,710	4.48	191.1	7.6	890	-289	-25	-501	-6		-820	
Verano	697	931	0.73	359.7	6.3	267	-336	-8	-319	-1		-664	
Vext	48	51	0.08	247.6	0.0	20	-31	0				-31	

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

Exhibit 29: Canada LPs Valuation Multiples

Multiples	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt to Sales		Financial Net Debt to EBITDA		Stock Performance		
21-May-25	**Current**	**2025**	**2026**	**Current**	**2025**	**2026**	**Current**	**CY25**	**Current**	**CY25**	**30-day**	**90-day**	**1-year**
Aurora Cannabis	1.3x	1.2x	1.1x	5.0x	7.0x	6.2x	na	na	na	na	20%	-12%	-28%
Auxly Cannabis Group	1.6x	na	na	10.6x	na	na	-0.3x	na	-2.2x	na	-22%	-39%	-64%
Avant Brands	0.6x	na	na	2.7x	na	na	-0.1x	na	-0.6x	na	8%	42%	70%
Cannara Biotech	1.5x	na	na	6.4x	na	na	-0.4x	na	-1.8x	na	-11%	1%	44%
Canopy Growth	2.1x	2.2x	2.1x	-45.9x	453.8x	110.5x	-0.7x	-0.7x	14.7x	-145.6x	49%	4%	-84%
Cronos Group	-2.4x	-2.0x	-1.9x	-1.2x	-117.7x	na	na	na	na	na	18%	7%	-28%
Decibel Cannabis	0.7x	0.6x	0.5x	3.4x	2.9x	2.4x	-0.3x	-0.3x	-1.5x	-1.3x	2%	-2%	-41%
Organigram Holdings	1.3x	0.9x	0.8x	-61.2x	11.2x	6.9x	na	s	na	na	26%	-1%	-33%
Rubicon Organics	0.6x	na	na	5.5x	na	na	0.0x	na	0.0x	na	-15%	0%	-7%
SNDL	0.3x	0.3x	0.3x	14.5x	18.0x	na	na	na	na	na	-5%	-26%	-46%
Tilray Brands	0.7x	0.6x	0.6x	14.9x	7.3x	6.1x	0.0x	0.0x	-0.8x	-0.4x	1%	-49%	-77%
Village Farms International	0.5x	0.5x	0.6x	-10.9x	9.5x	4.5x	-0.1x	-0.1x	1.4x	-1.2x	88%	48%	-13%

1) We take FactSet consensus estimates for CY25e and CY26e, if available; 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net cash

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

Exhibit 30: Canada LPs EV Calculations

C$Mn 21-May-25	Z&A Spot EV	C$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	ST income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int
Aurora Cannabis	460	7.47	54.9	1.2	419	51	-43	0	-10	0	-2	39
Auxly Cannabis Group	175	0.09	1,285.7	133.4	123	-36	-14	0	-2	0	-52	
Avant Brands	25	0.80	10.6	0.2	9	-6	-10	0	0	0	-16	
Cannara Biotech	154	1.22	90.0	0.0	109	-43	0	-1	0	0	-44	
Canopy Growth	637	2.47	173.4	1.4	433	-204	0	0	0	0	-204	
Cronos Group	-404	2.92	273.4	0.0	799	1,205	-2	0	0	0	1,203	
Decibel Cannabis	70	0.07	576.7	7.8	39	-31	0	0	0	0	-31	
Organigram Holdings	164	1.89	134.0	19.3	289	126	0	0	0	0	126	
Rubicon Organics	36	0.48	67.0	6.7	35	0	0	0	0	0	0	
SNDL	307	1.86	263.0	12.4	512	242	-37	0	0	0	205	
Tilray Brands	754	0.63	1,006.2	26.1	654	-40	-72	0	-21	0	-133	-33
Village Farms International	216	1.52	112.3	0.7	172	-28	-2	0	0	0	-30	14

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

Exhibit 31: Stock Performance

21-May-25	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
US MSOs			
Ascend	3%	-12%	-75%
Ayr	41%	-39%	-91%
Cannabist	44%	18%	-79%
Cansortium	-16%	-33%	-74%
Cresco	9%	-17%	-66%
Curaleaf	-11%	-38%	-84%
4Front	-6%	-88%	-99%
GlassHouse	13%	-4%	-35%
Gold Flora	#N/A	19%	-84%
Grown Rogue	0%	-34%	-50%
Green Thumb	2%	-16%	-56%
iAnthus	-53%	-47%	-81%
Jushi	5%	-8%	-52%
MariMed	-18%	-45%	-68%
Planet13	4%	-33%	-60%
Schwazze	na	-100%	-100%
StateHouse	na	na	-32%
Trulieve	16%	5%	-63%
TerrAscend	46%	-25%	-77%
Verano	4%	-21%	-86%
Vext	-13%	-26%	-66%
Vireo Growth	4%	-13%	-41%
International			
InterCure	16%	-25%	-44%
PharmaCielo	-2%	4%	116%

	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
Canadian LPs			
Aurora	20%	-12%	-28%
Avant	-22%	-39%	-64%
Auxly	8%	42%	70%
Ayurcann	1%	-31%	-46%
Cannara	-11%	1%	44%
Canopy	49%	4%	-84%
Cronos	18%	7%	-28%
Decibel	2%	-2%	-41%
Entourage	0%	21%	-65%
High Tide	2%	-10%	6%
OGI	26%	-1%	-33%
Rubicon	-15%	0%	-7%
SNDL	-5%	-26%	-46%
Tilray	1%	-49%	-77%
VFF	88%	48%	-13%
Tech			
LFLY	-17%	-17%	-90%
SBIG	60%	14%	-50%
MAPS	8%	-19%	12%
Vape parts			
GNLN	-98%	-99%	-100%
ISPR	-12%	-41%	-64%
SMORF	0%	2%	29%
TLLTF	-30%	-46%	-84%

	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
MJ Fincos			
AFCG	1%	-41%	-58%
IIPR	11%	-23%	-50%
NLCP	5%	-3%	-26%
SHFS	-4%	-73%	-86%
LIEN	0%	-13%	-6%
REFI	7%	-7%	-5%
Pix & Shovel			
AGFY	39%	6%	408%
GRWG	26%	-20%	-56%
HYFM	37%	-51%	-62%
SMG	20%	-4%	-8%
UGRO	-30%	-48%	-77%
CBD			
CVSI	3%	-25%	-44%
CWEB	-4%	-12%	-53%
LFID	-8%	23%	-59%
Index			
S&P 500	*12%*	*-3%*	*12%*
S&P 477	*1%*	*1%*	*9%*
Nasdaq	*13%*	*1%*	*30%*
MSOS ETF	*4%*	*-18%*	*-72%*
YOLO ETF	*13%*	*-10%*	*-52%*
Simple Group Averages			
Large Canada LP:	33%	-5%	-51%
Tier 1 MSOs	4%	-18%	-71%

Source: FactSet

Appendix VI: 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; via email at 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, research, and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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