



9/6/2024

Vext Science (VEXTF)

Company Update: Overweight

Sales	FY22a	FY23a	FY24e	Prev	FY25e	Prev	FY26e	Prev
1Q	10.8	9.1	8.4 A	8.4	13.6	15.2	20.8	23.4
2Q	8.8	9.2	8.4 A	7.5	15.1	16.9	21.9	24.6
3Q	7.7	8.1	9.3 E	8.8	17.0	18.9	23.9	26.2
4Q	8.2	8.4	12.3 E	13.4	18.6	22.0	24.7	27.1
FY	35.4	34.8	38.4 E	38.1	64.2	73.0	91.3	101.3
EBITDA	FY22a	FY23a	FY24e	Prev	FY25e	Prev	FY26e	Prev
1Q	3.8	2.9	2.0 A	2.0	2.9	4.7	5.5	8.0
2Q	4.8	1.0	1.1 A	1.7	3.5	5.5	5.9	8.6
3Q	3.3	1.1	1.6 E	2.2	4.1	6.2	6.5	9.1
4Q	3.2	0.6	2.5 E	4.0	4.9	7.4	6.7	9.4
FY	15.1	5.5	7.2 E	9.9	15.3	23.8	24.7	35.1

Share price (\$)	0.18	Perf.	VEXTF	MSOS ETF	S&P500	Stance:	Overweight
Share count (mn)	245.5	30d	-2%	-14%	0%		no price target
Market Cap (\$Mn)	43	90d	-5%	-19%	5%		FY=Dec
Ticker	VEXTF	1yr	-6%	-4%	23%		



\$Mn	FY24	FY25	FY26
Projected EV	86.9	87.4	79.9
EV/Sales	2.3x	1.4x	0.9x
EV/EBITDA	12.1x	5.7x	3.2x

	FY24	FY25	FY26
Net debt/Sales	-1.1x	-0.7x	-0.4x
Net debt/EBITDA	-6.0x	-2.9x	-1.5x
Free Cash Flow	-5.5	-1.0	7.3
Net debt	-43.0	-44.0	-36.7

Consensus	FY24	FY25	FY26
Sales	37.7	64.4	na
EBITDA	8.5	21.5	na

Guidance CY24:	n/a		
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Company Update

We publish this note following the release of 2Q24 results and SEDAR filings. For a more in-depth look, please see our [Initiation report](#). We rate Vext Overweight.

Official data from Ohio for the first three weeks of “non-medical” sales are encouraging. Ohio began non-medical sales on 8/6/24, but full AU rules are not out yet (presumably they will be issued by Sep/Oct), and this has limited growth a bit. That said, data for the first 26 days (<4 weeks) of non-med sales (thru 8/31) points to \$75.6Mn in total rec/med sales (\$44.1Mn rec; \$31.5Mn med), which implies an annualized market run rate of \$1,061Mn vs. \$480Mn in 2Q24 (just med then). The initial 2.2x pace rate is slightly ahead of what we saw in MD at first (2x). Still, as noted, so several restrictions remain in place, which limit the rec market’s true potential. We think OH should do 3-4x (from its \$480M med base) once the full AU program gets going. During the 8/20 call, management noted 45% growth for the first two weeks at its Columbus and Jackson stores, as well as strength for its wholesale business. It expects to close on two more stores before year-end (Athens and Jeffersonville), and it expects to add three more stores during 2025 (including 2 in 1H25) owing to grandfathering rules for tier 1 licenses) and perhaps also buy one more to get to the 8-store cap.

On Vext’s 2Q print (June qtr results were released on 8/20). Sales (97% retail, 3% wholesale; 61% AZ, 39% OH) fell 8% yoy (1Q sales were also down 8% yoy), with AZ (\$5.2Mn) down 34% vs. -17% for the AZ market (all price deflation, as per Headset). The opening of new stores in AZ has resulted in rev/store dilution. Vext has two stores in AZ, which perform above the state average, but they were not immune to dilution. OH sales of \$3.3Mn were up 141% partly on M&A (the OH med market was flat yoy, as patient enrollments slowed ahead of the start of rec). Profitability suffered partly due to start-up costs in OH. Gross margins both in AZ and OH were down about 10pt yoy (AZ 21.5%; H 20.6%). Recurring cash SGA was \$2.8Mn (33% of sales and above gross profits of \$1.8Mn). FCF for 1H24 was -\$1.3Mn. As of June’24, Vext had \$32Mn in net debt, which is almost 1x the 2Q annualized sales run rate.

Financial outlook. Sales should ramp based on Ohio’s start of non-med sales. The latter combined with efficiencies in Arizona (opex cuts; better production yields to allow selling more own-branded products at its two stores), should result in positive FCF. Based on last year’s capital raise and FCF improvement, plus monies already paid, Vext will be able to close on the pending acquisitions in Ohio. See appendix for our estimates.

Valuation and share price scenarios. For spot EV purposes, we calculate an EV of \$77Mn; the market cap is \$43Mn (245.5mn shares at 18c) and net debt is \$32Mn. On a spot basis taking 2Q24 results, Vext trades above the public MSO group at 2.1x sales (MSOs at 1.7x) and below on EBITDA (9.2x vs. 10.8x). On a projected basis, the stock valuation is compelling, in our view. On our projected estimates, by 4Q25 Vext would be trading at 1.2x sales and only 4.5x EBITDA. Due to our positive FCF assumptions, we project EV of \$80Mn by CY26. While we do not set price targets, we

calculate Vext could have ~5x valuation upside by late Dec'25 (on 1yF basis), if the stock could maintain its current valuation multiple (9x) on our EBITDA projections by 4QY26 (see table). The upside would be greater taking the MSO average (Vext trades at about a 10% EBITDA discount to the MSO average of 11x). We realize the company is smaller and has higher debt load than the average MSO, but on the other hand the EBITDA torque to OH rec is the highest in the MSO group.

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

US\$ Mn	Dec CY22	Dec CY23	Dec CY24e	Dec CY25e	1Q26e	2Q26e	3Q26e	4Q26e	Dec CY26e	Dec CY27e
Current valuation										
EV (\$Mn)		71	87	87	87	85	83	80	80	62
Market cap (\$Mn)		43	43	43	43	43	43	43	43	43
Share price (US\$)		0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
FD share count (Mn)		245.5	245.5	245.5	245.5	245.5	245.5	245.5	245.5	245.6
common shares (proforma)		245.5	245.5	245.5	245.5	245.5	245.5	245.5	245.5	245.6
RSUs										
derivatives in the money										
Broadly defined net debt		-27	-43	-44	-44	-41	-40	-36	-36	-18
net financial debt (proforma)		-27	-43	-44	-44	-42	-40	-37	-37	-19
net leases		0	0	0	0	0	0	0	0	0
other debt (taxes payable)		0	0	0	0	0	0	0	0	0
contingent										
warrant inflow										
Multiples (Z&A)										
PE		6.6x	-2.8x	-12.8x	18.0x	11.5x	7.4x	6.4x	9.2x	4.8x
EV/Sales		2.0x	2.3x	1.4x	1.0x	1.0x	0.9x	0.8x	0.9x	0.6x
EV/EBITDA		12.8x	12.1x	5.7x	3.9x	3.6x	3.2x	3.0x	3.2x	2.1x
Price scenarios										
		by Dec '23	by Dec '24					by Dec '25	by Dec '25	by Dec '25
EV/Sales	1.7x	0.09	0.27						0.49	0.66
EV/Sales	2.3x	0.18	0.41						0.69	0.89
EV/Sales	3.0x	0.29	0.61						0.97	1.21
EV/Sales	3.4x	0.36	0.72						1.12	1.39
EV/Sales	5.0x	0.60	1.13						1.71	2.06
EV/Sales	6.8x	0.89	1.61						2.40	2.85
EV/EBITDA	8.0x	0.06	0.32	0.54	0.60	0.68	0.73		0.66	0.86
EV/EBITDA	9.0x	0.09	0.38	0.63	0.70	0.79	0.83		0.76	0.98
EV/EBITDA	11.3x	0.15	0.53	0.84	0.92	1.03	1.08		0.99	1.25
EV/EBITDA	15.0x	0.26	0.76	1.18	1.28	1.42	1.49		1.36	1.68
EV/EBITDA	18.0x	0.35	0.94	1.45	1.57	1.74	1.82		1.66	2.03
EV/EBITDA	36.0x	0.88	2.07	3.07	3.30	3.64	3.78		3.47	4.13

Source: FactSet, Z&A estimates

Table 2: Companies mentioned in this report.

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

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

Source: Z&A



Appendix I: Company Financials

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 1: Financial highlights

US\$ Mn	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24e	Dec 4Q24e	Dec CY24e	Dec CY25e	Mar 1Q26e	Jun 2Q26e	Sep 3Q26e	Dec 4Q26e	Dec CY26e	Dec CY27e
Reported Sales	35.4	34.8	8.4	8.4	9.3	12.3	38.4	64.2	20.8	21.9	23.9	24.7	91.3	105.0
qoq ch %	na	na	0%	0%	10%	32%	na	na	12%	5%	9%	4%	na	na
yoy ch %	-5%	-2%	-8%	-8%	15%	46%	10%	67%	53%	45%	41%	33%	42%	15%
Guidance	na	na	na	na	na	na	na	na	na	na	na	na	na	na
Consensus					9.3	11.7	37.7	64.4	na	na	na	na	na	na
Profit margins														
Gross profit before FV adj	23.1	12.0	1.3	1.6	2.4	3.3	8.6	21.4	8.3	8.8	9.5	9.9	36.5	42.0
as % of sales	65.2%	34.6%	15.9%	18.4%	26.0%	27.0%	22.4%	33.2%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Op exp	-13.8	-19.9	-4.6	-5.3	-4.4	-4.3	-18.6	-20.5	-6.4	-6.5	-6.7	-6.8	-26.4	-27.9
as % of sales	-39.0%	-57.1%	-54.5%	-63.1%	-47.3%	-35.4%	-48.5%	-31.9%	-30.8%	-29.6%	-28.1%	-27.7%	-28.9%	-26.6%
EBIT	9.3	-7.8	-3.2	-3.8	-2.0	-1.0	-10.0	0.8	1.9	2.3	2.8	3.1	10.1	14.0
as % of sales	26.2%	-22.5%	-38.6%	-44.6%	-21.4%	-8.4%	-26.1%	1.3%	9.2%	10.4%	11.9%	12.3%	11.1%	13.4%
Adj EBITDA	15.1	5.5	2.0	1.1	1.6	2.5	7.2	15.3	5.5	5.9	6.5	6.7	24.7	28.7
as % of sales	42.7%	15.9%	23.3%	12.9%	17.5%	20.6%	18.7%	23.8%	26.7%	27.0%	27.2%	27.1%	27.0%	27.3%
Consensus EBITDA					1.9	3.2	8.5	21.5	na	na	na	na	na	na
as % of sales					20.4%	27.4%	22.6%	33.4%	na	na	na	na	na	na
EPS														
Pre tax income	6.7	3.4	-6.7	-4.5	-2.9	-2.1	-16.2	-4.0	0.7	1.1	1.7	2.0	5.5	10.7
tax rate as % of GP	-41.2%	23.8%	-5.1%	-2.8%	-15.0%	-15.0%	-7.5%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%	-15.0%
Net income after min int	10.9	4.4	-6.3	-4.4	-2.5	-1.8	-14.9	-3.4	0.6	0.9	1.5	1.7	4.7	9.1
Share count (FD) Mn	139.5	164.7	225.4	245.5	245.5	245.5	240.4	245.5	245.5	245.5	245.5	245.5	245.5	245.5
EPS	0.08	0.03	-0.03	-0.02	-0.01	-0.01	-0.06	-0.01	0.00	0.00	0.01	0.01	0.02	0.04
consensus					-0.01	-0.01	-0.05	-0.01	na	na	na	na	na	na
BS & CF highlights														
Operating cash flow	5.9	4.4	0.1	-0.6	-1.0	-3.1	-4.6	-0.4	0.0	2.6	1.7	3.8	8.2	19.1
(-) Capex	-8.9	0.0	0.0	-0.7	-0.1	-0.1	-0.9	-0.6	-0.2	-0.2	-0.2	-0.2	-0.9	-1.0
Free cash flow	-2.9	4.4	0.1	-1.3	-1.1	-3.3	-5.5	-1.0	-0.2	2.4	1.5	3.6	7.3	18.0
Net cash (debt)	-31.3	-27.1	-31.3	-31.9	-33.0	-43.0	-43.0	-44.0	-44.1	-41.7	-40.2	-36.7	-36.7	-18.6
Net debt/Sales	-0.9x	-0.8x	-0.9x	-0.9x	-0.9x	-0.9x	-1.1x	-0.7x	-0.5x	-0.5x	-0.4x	-0.4x	-0.4x	-0.2x
Net debt/EBITDA	-2.1x	-4.9x	-4.0x	-7.4x	-5.1x	-4.3x	-6.0x	-2.9x	-2.0x	-1.8x	-1.6x	-1.4x	-1.5x	-0.6x
Equity	71.9	95.0	88.7	87.0	84.5	82.8	82.8	79.4	80.0	80.9	82.4	84.1	84.1	93.2

Source: Z&A estimates, company reports

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 2: Sales projections

US\$ Mn	CY22	CY23	1Q24	2Q24	3Q24e	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Sales (reported)	35.4	34.8	8.4	8.4	9.3	12.3	38.4	13.6	15.1	17.0	18.6	64.2	91.3	105.0
wholesale	6.5	3.2	1.7	0.3	9.0	11.7	22.7	12.7	14.1	15.9	17.4	60.2	85.6	98.3
retail	28.9	31.7	6.7	8.2	0.3	0.6	15.7	0.8	1.0	1.1	1.2	4.1	5.7	6.6
By states (our est)	35.4	34.8	8.4	8.4	9.3	12.3	38.4	13.6	15.1	17.0	18.6	64.2	91.3	105.0
AZ	35.4	29.1	5.8	5.2	4.7	4.6	20.3	4.5	4.3	4.4	4.7	18.0	18.3	18.6
KY														
OH	0.0	5.7	2.6	3.3	4.6	7.6	18.1	9.0	10.9	12.6	13.8	46.3	73.0	86.4
Market size estimates (\$Mn) rec/med														
AZ	1,426	1,376	325	301	311	331	1,267	325	306	316	337	1,284	1,306	1,330
KY	na	na	na	na	na	na	na	na	na	na	na	na	na	na
OH	467	482	122	120	175	282	699	328	395	441	469	1,632	2,280	2,658
Sales mix %														
AZ	100%	84%	69%	61%	50%	38%	53%	33%	28%	26%	25%	28%	20%	18%
KY														
OH	0%	16%	31%	39%	50%	62%	47%	67%	72%	74%	75%	72%	80%	82%
Other														

Source: Z&A estimates, company reports

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 3: Market growth assumptions

US\$ Mn	CY21	CY22	CY23	1Q24	2Q24e	3Q24e	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e	rec began
Total	25,035	25,711	28,496	7,335	7,585	7,830	7,898	30,648	8,135	8,460	8,811	8,931	34,337	38,252	42,619	
rec	15,961	16,581	18,264	4,688	4,900	5,120	5,175	19,883	5,267	5,551	5,924	6,012	22,754	26,667	30,915	
med	9,074	9,130	10,232	2,648	2,685	2,710	2,723	10,765	2,868	2,910	2,887	2,919	11,584	11,585	11,704	
Total (med/rec)	25,035	25,711	28,496	7,335	7,585	7,830	7,898	30,648	8,135	8,460	8,811	8,931	34,337	38,252	42,619	
AZ	1,359	1,426	1,376	325	301	311	331	1,267	325	306	316	337	1,284	1,306	1,330	Jan'21
CA	5,780	5,393	5,174	1,204	1,294	1,264	1,245	5,007	1,233	1,324	1,294	1,274	5,125	5,244	5,362	Oct'16
CO	2,229	1,769	1,529	356	360	378	318	1,413	342	345	362	305	1,354	1,345	1,348	Jan'14
CT	150	150	277	73	73	76	76	298	80	84	89	93	346	419	493	Jan'23
FLA	1,616	1,705	1,860	489	480	497	500	1,966	491	488	487	487	1,953	2,603	4,525	Jul'26
GA	1	16	49	21	27	29	32	109	34	34	34	34	136	156	157	med
IL	1,776	1,907	1,960	493	505	517	528	2,042	513	528	538	550	2,130	2,222	2,320	Jan'20
MA	1,644	1,755	1,806	441	457	483	471	1,852	457	475	494	483	1,909	1,943	1,977	Nov'18
MD	551	509	787	273	284	279	286	1,121	298	309	320	332	1,259	1,458	1,700	Jul'23
ME	93	171	229	58	63	76	67	265	66	72	87	77	303	346	396	Oct'20
MI	1,793	2,294	3,029	793	837	912	892	3,433	919	947	975	1,005	3,846	4,075	4,165	Dec'19
MN	25	36	66	19	20	21	21	80	18	17	15	15	66	376	619	Jan'26
MO	210	390	1,338	348	363	375	381	1,467	385	395	405	409	1,593	1,708	1,833	Feb'23
NH	17	20	24	7	7	7	7	27	8	8	8	8	30	34	37	med
NJ	217	556	800	225	235	245	256	962	267	279	291	303	1,142	1,251	1,371	Apr'22
NM	119	358	556	147	150	156	156	609	157	158	162	162	640	654	670	Apr'22
NV	1,042	882	825	219	210	206	204	838	208	216	209	205	838	860	884	Jul'17
NY	250	265	431	138	152	172	192	654	201	216	230	245	892	1,164	1,259	Dec'22
OH	379	467	482	122	120	175	282	699	328	395	441	469	1,632	2,280	2,658	3Q24
OK	941	780	728	179	185	175	175	714	179	185	175	175	714	724	735	med
OR	1,184	994	955	234	243	249	242	968	239	248	254	247	988	1,008	1,028	Oct'15
PA	1,353	1,457	1,530	411	426	411	405	1,653	399	387	539	591	1,916	2,753	3,104	Jul'25
RI	44	53	108	29	30	29	29	117	24	24	24	24	96	106	115	Dec'22
VA	27	100	167	52	57	62	67	237	67	68	70	71	276	307	583	Jun'27
VT	8	9	11	3	3	3	3	12	3	3	3	3	14	15	17	May'22
WA	1,422	1,294	1,259	305	314	327	319	1,265	307	316	328	321	1,272	1,278	1,284	Jul'14
WV	0	22	66	20	21	22	22	85	23	24	25	26	99	116	133	med
Other states	804	932	1,073	353	369	375	391	1,488	565	611	632	679	2,486	2,501	2,515	

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

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 4: Cash Flow

US\$ Mn	Dec CY21	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24e	Dec 4Q24e	Dec CY24e	Mar 1Q25e	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e
Net earnings	4,987	10,919	4,398	-6,333	-4,390	-2,451	-1,764	-14,939	-1,586	-1,155	-664	20	-3,384	4,704
(+) D&A	3,289	6,434	9,593	3,587	3,886	3,617	3,550	14,640	3,616	3,619	3,623	3,627	14,486	14,561
Cash earnings	8,276	17,354	13,991	-2,746	-504	1,166	1,786	-298	2,030	2,465	2,959	3,647	11,102	19,265
(-) Working capital changes	-2,504	-7,268	4,405	-192	-411	-2,182	-4,921	-7,706	-2,870	-2,702	-3,179	-2,707	-11,458	-11,062
(-) Other operating flows	5,486	-4,163	-13,972	3,048	322	0	0	3,369	0	0	0	0	0	0
Operating cash flow	11,257	5,923	4,425	109	-593	-1,016	-3,135	-4,635	-840	-237	-220	941	-356	8,203
(-) net capex	-18,784	-8,860	0	0	-679	-93	-123	-895	-136	-151	-170	-186	-642	-913
Free cash flow	-7,526	-2,938	4,425	109	-1,272	-1,109	-3,257	-5,530	-975	-389	-389	755	-999	7,290
(-) acquisitions	0	-8,011	-6,615	-3,078	0	0	-7,700	-10,778	0	0	0	0	0	0
(-) divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-9,536	-13,137	-9,951	-1,168	639	0	1,000	471	0	0	0	0	0	0
(-) distributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) share issuance	17,485	0	16,344	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	1,092	130	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	1,515	-23,956	4,204	-4,138	-633	-1,109	-9,957	-15,837	-975	-389	-389	755	-999	7,290
Ending net (debt)	-7,369	-31,325	-27,121	-31,259	-31,892	-33,002	-42,959	-42,959	-43,934	-44,323	-44,713	-43,958	-43,958	-36,668
Cash/inv/sec	6,467	5,934	8,720	4,494	3,390	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Gross debts/loans/bonds	13,836	37,259	35,842	35,753	35,282	38,002	47,959	47,959	48,934	49,323	49,713	48,958	48,958	41,668

Source: Z&A estimates, company reports

Exhibit 5: Balance Sheet

US\$ Mn	Dec CY21	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24e	Dec 4Q24e	Dec CY24e	Dec CY25e	Dec CY26e
Cash and cash equivalents	6,467	5,934	8,720	4,494	3,390	5,000	5,000	5,000	5,000	5,000
Restricted cash	0	0	0	0	0	0	0	0	0	0
Accounts receivable	21,891	3,296	1,261	1,253	1,337	1,477	1,945	1,945	2,945	3,926
Inventories	215	12,574	12,240	12,062	12,081	13,345	17,573	17,573	26,607	35,480
Biological assets	0	1,188	1,018	1,057	1,492	1,648	2,170	2,170	3,285	4,380
Prepaid expenses and other current assets	497	9,946	5,983	6,785	6,240	6,893	9,077	9,077	13,743	18,326
Notes receivable - current	1,083	18,112	6,689	1,941	1,930	2,132	2,807	2,807	4,251	5,668
Due from related parties	316	0	0	0	0	0	0	0	0	0
Deferred tax asset	693	756	0	0	0	0	0	0	0	0
Loans to joint operations	0	876	471	547	597	659	868	868	1,314	1,752
Purchase option	0	0	4,903	0	0	0	0	0	0	0
Current assets	31,162	52,682	41,284	28,139	27,066	31,154	39,439	39,439	57,144	74,533
PPE, net	28,817	35,651	38,543	37,718	38,710	37,485	40,987	40,987	35,843	30,896
Investment (legacy)	0	0	0	0	0	0	0	0	0	0
Notes receivable - non-current	13,273	0	0	0	0	0	0	0	0	0
Investment in joint ventures	1,723	1,759	1,714	1,608	1,536	1,536	1,536	1,536	1,536	1,536
Right of use assets	229	797	2,626	3,139	2,978	2,978	2,978	2,978	2,978	2,978
Due from related parties	1,328	1,328	1,328	1,333	1,337	1,337	1,337	1,337	1,337	1,337
Intangible assets, net	6,710	27,838	61,992	60,273	68,111	65,813	65,583	65,583	56,883	48,183
Goodwill	462	462	2,069	13,001	5,135	5,135	5,135	5,135	5,135	5,135
Deferred tax asset	0	0	2	2	2	2	2	2	2	2
TOTAL ASSETS	83,704	120,517	149,560	145,213	144,877	145,441	156,999	156,999	160,860	164,601
Payables and accrued liabilities	3,091	7,019	6,762	8,764	8,986	9,926	13,070	13,070	19,789	26,389
Notes payable - current portion	769	4,106	5,787	5,787	6,787	9,507	19,464	19,464	20,463	13,173
Notes payable - RDF current portion	1,235	1,200	0	0	0	0	0	0	0	0
Lease liabilities - current	15	157	471	592	629	695	915	915	442	170
Loan payable - current	4,400	493	0	0	0	0	0	0	0	0
Due to related party	225	0	962	821	711	0	0	0	0	0
Income tax payment	0	0	0	0	0	0	0	0	0	0
Due to Legacy Ventures Hawaii, LLC	0	0	0	0	0	0	0	0	0	0
Total current liabilities	9,736	12,975	13,981	15,964	17,113	20,128	33,449	33,449	40,695	39,732
Notes payable - non current portion	4,725	26,011	30,054	29,966	28,495	28,495	28,495	28,495	28,495	28,495
Notes payable - RDF non current portion	2,706	1,199	0	0	0	0	0	0	0	0
Lease liabilities - non current	251	737	2,284	2,710	2,548	2,548	2,548	2,548	2,548	2,548
Loan payable - non-current portion	0	4,249	0	0	0	0	0	0	0	0
Deferred tax liabilities	6,892	3,427	8,257	7,912	9,723	9,723	9,723	9,723	9,723	9,723
Total liabilities	24,311	48,598	54,578	56,552	57,879	60,893	74,215	74,215	81,460	80,498
Subordinated and multiple voting shares	33,853	34,474	48,208	53,123	53,123	53,123	53,123	53,123	53,123	53,123
Reserves	3,276	4,261	4,344	4,290	4,524	4,524	4,524	4,524	4,524	4,524
Accumulated other comprehensive loss	-138	-138	-138	-138	2,355	2,355	2,355	2,355	2,355	2,355
Retained earnings	22,403	33,322	37,721	31,387	26,997	24,546	22,782	22,782	19,398	24,102
Shares to be issued	0	0	4,848	0	0	0	0	0	0	0
Total stockholders equity	59,394	71,919	94,982	88,662	86,999	84,548	82,784	82,784	79,399	84,103
Non controlling interest	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES AND EQUITY	83,704	120,517	149,560	145,214	144,877	145,441	156,999	156,999	160,860	164,601

Source: Z&A estimates, company reports



Appendix II: MSO Valuation Comps

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 6: Valuation Comps – MSOs

US\$Mn 6-Sep-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	2023	2024	2025	2023	2024	2025	CY24	Current	CY24	Current	CY24	Current	CY24	Current
US MSOs	1.8x	1.7x	1.5x	11.3x	11.3x	7.5x								
Acreage Holdings	0.4x	1.4x	na	3.3x	6.9x	na	-1.0x	-1.1x	-4.9x	-9.6x	-1.2x	-1.4x	-6.1x	-11.8x
Ascend Wellness	1.3x	1.2x	1.1x	6.5x	6.1x	5.3x	-0.4x	-0.4x	-2.0x	-1.9x	-0.8x	-0.9x	-4.2x	-4.1x
Ayr Wellness	1.2x	1.2x	1.1x	5.0x	5.1x	4.1x	-0.7x	-0.8x	-3.2x	-3.2x	-0.6x	-0.7x	-2.8x	-2.7x
Cannabist Co	0.9x	1.0x	0.9x	6.9x	6.9x	5.4x	-0.6x	-0.5x	-4.0x	-3.4x	-0.7x	-0.7x	-5.3x	-4.5x
Consortium	1.2x	na	na	3.4x	na	na	na	na	na	na	na	na	na	na
Cresco Labs	1.6x	1.7x	1.6x	7.1x	5.8x	5.6x	-0.5x	-0.5x	-1.9x	-2.0x	-0.7x	-0.7x	-2.4x	-2.6x
Curaleaf	3.0x	3.0x	2.7x	13.5x	12.9x	10.6x	0.0x	0.0x	0.0x	0.0x	-1.3x	-1.3x	-5.6x	-8.6x
4Front Ventures	1.9x	na	na	18.4x	na	na	na	-0.9x	na	-5.7x	na	-1.5x	na	-9.7x
Glass House	5.0x	3.9x	na	33.0x	19.6x	na	-0.1x	na	-0.6x	na	-0.4x	-0.4x	-1.8x	-1.8x
Gold Flora	1.1x	1.0x	0.8x	na	55.4x	6.3x	na	-0.3x	na	na	na	-0.9x	na	na
Goodness Growth	0.9x	0.8x	na	4.7x	3.5x	na	-0.5x	-0.5x	-2.2x	-1.8x	-0.6x	-0.6x	-2.5x	-2.1x
Green Thumb	2.4x	2.2x	2.1x	7.8x	6.9x	6.7x	-0.1x	-0.1x	-0.3x	-0.3x	-0.1x	-0.1x	-0.4x	-0.4x
Grown Rogue	4.2x	na	na	18.0x	na	na	na	na	na	na	na	na	na	na
iAnthus	1.4x	na	na	na	na	na	na	-0.8x	na	-7.5x	na	-0.9x	na	-8.0x
Jushi	1.5x	1.5x	1.3x	9.8x	7.0x	6.1x	-0.7x	-0.7x	-3.1x	-8.4x	-1.1x	-1.1x	-5.2x	-13.9x
MariMed	1.1x	1.0x	0.8x	6.6x	8.3x	4.6x	-0.4x	-0.4x	-3.2x	-2.6x	-0.5x	-0.5x	-4.0x	-3.3x
Planet 13	1.9x	1.5x	1.1x	-8.0x	16.3x	6.6x	0.1x	0.2x	1.6x	20.0x	0.0x	0.0x	0.2x	2.6x
Schwazze	1.1x	1.1x	na	3.6x	5.2x	na	-0.9x	-0.8x	-4.1x	-2.7x	-1.1x	-1.0x	-5.0x	-3.3x
StateHouse	1.9x	na	na	na	na	na	na	-1.1x	na	-57.5x	na	-1.8x	na	-92.6x
TerrAscend	3.2x	3.3x	3.1x	14.8x	16.0x	13.9x	-0.9x	-0.8x	-4.6x	-3.0x	-1.9x	-1.6x	-9.1x	-6.0x
TILT	0.7x	0.9x	0.7x	54.6x	na	18.4x	-0.5x	-0.3x	20.8x	-7.0x	-0.9x	-0.6x	37.1x	-12.6x
Trulieve	2.1x	2.0x	1.9x	7.4x	6.1x	6.2x	-0.2x	-0.2x	-0.7x	-0.8x	-0.5x	-0.6x	-1.6x	-2.0x
Verano	1.8x	1.9x	1.7x	5.6x	6.0x	5.4x	-0.3x	-0.3x	-0.9x	-0.7x	-0.6x	-0.5x	-1.9x	-1.5x
Vext	2.3x	2.1x	na	14.2x	9.2x	na	-0.9x	-1.1x	-4.1x	-8.1x	-0.9x	-1.1x	-4.1x	-8.1x

1) By "current", we mean the latest reported qtr annualized; 2) Multiples calculated using FactSet consensus (when available) for 2023, 2024, and 2025

3) As there are no consensus estimates for Consortium, Grown Rogue, iAnthus, and StateHouse, we take "current" sales for each of them

Source: FactSet and company reports

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 7: Spot EV calculation - MSOs

US\$m	FactSet	Z&A	US\$	mn	mn	Total	Financial	Net	Income	Conting	ITM deriv	Total	Pref Stock
6-Sep-24	Spot EV	Spot EV	price	shares	deriv	Mkt Cap	net debt	leases	tax liab.	Cons.	inflow	BDND	Min Int
US MSOs													
Acreage Holdings	248	351	0.25	125.0	34.6	40	-252	-2	-57			-311	
Ascend Wellness	695	696	0.94	213.9	13.3	214	-226	-134	-123			-483	
Ayr Wellness	700	573	1.80	114.0	31.1	261	-359	4	-11	0	55	-311	
Cannabist Co	609	478	0.23	469.6		110	-276	-27	-65	0		-367	
Cansortium	140	119	0.15	299.5	6.3	44	-44	-8	-22			-74	
Cresco Labs	1,100	1,235	1.64	438.2	9.2	734	-395	-56	-41	-9		-501	
Curaleaf	2,888	4,109	2.94	738.1	7.9	2,194	8	-1,115	-672	-18		-1,796	119
4Front Ventures	259	185	0.05	915.2	20.2	51	-79	-8	-40	-6	0	-134	
Glass House	561	808	8.37	75.7	3.2	660	-26	0	-21	-29		-76	72
Gold Flora	130	137	0.08	287.6	0.0	24	-37	-31	-41	-4		-113	
Goodness Growth	119	80	0.49	45.3		22	-50	-8				-58	
Green Thumb	2,457	2,532	9.76	237.0	9.3	2,404	-114	-26	-25	0	37	-128	
Grown Rogue	75	106	0.62	170.8		106	4	-3	0	0		0	
iAnthus	92	247	0.01	6,510.5		92	-146	-9				-155	
Jushi	372	398	0.52	196.6	1.1	103	-179	1	-117			-295	
MarlMed	147	164	0.17	380.6	5.0	64	-63	-1	-16			-80	19
Planet 13	141	190	0.59	325.2	0.3	192	18	-6	-5	-5		2	
Schwazze	180	195	0.11	80.2		9	-151	-2	-33	0		-186	
StateHouse	147	196	0.03	255.9	138.6	10	-114	-13	-39	-24	7	-184	2
TerrAscend	574	1,021	1.20	351.2	15.3	440	-293	-169	-6	-114		-581	
TILT	112	112	0.02	390.5	4.4	6	-59	-44	-3			-106	
Trulieve	1,725	2,401	9.40	186.0	3.3	1,779	-264	-20	-333	-5		-622	
Verano	1,514	1,710	3.33	346.4	8.7	1,182	-266	-6	-251	-4		-527	
Vext	54	78	0.18	245.5	0.4	44	-35	0				-35	

Source: FactSet and company reports

6 September 2024

Vext Science: Company Update Post 2Q24 and OH Rec Launch

Exhibit 8: Stock Performance

6-Sep-24			
	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
AAWH	-13%	-12%	24%
ACRDF	-26%	-38%	-1%
AYRWF	-16%	-19%	30%
CBSTF	-8%	-1%	-68%
CNTMF	21%	-11%	83%
CRLBF	2%	-14%	4%
CURLF	-26%	-37%	-21%
CXXIF	-15%	-22%	-26%
FFNTF	-46%	-45%	-57%
GLASF	1%	7%	86%
GRAMF	-40%	-61%	-47%
GDNSF	14%	-24%	130%
GRUSF	3%	-13%	189%
GTBIF	-13%	-14%	4%
ITHUF	-8%	-28%	-15%
JUSHF	-8%	-14%	-22%
LOWLF	-55%	-79%	-94%
MRMD	-6%	-22%	-61%
PLNH	27%	5%	-27%
SHWZ	-44%	-76%	-87%
STHZF	2400%	25%	-60%
TCNNF	-7%	-4%	65%
TLTFF	-15%	-56%	-63%
TSNDF	-14%	-22%	-41%
VEXTF	-2%	-5%	-6%
VRNOF	-16%	-21%	-5%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
ACB	-5%	-6%	22%
AVTBF	-23%	-45%	-81%
BZAMF	-1%	-30%	-77%
CBWTF	30%	26%	150%
CGC	-33%	-41%	-11%
CRON	-9%	-14%	9%
DBCCF	28%	3%	-59%
ETRGF	12%	-33%	-21%
HITI	8%	-21%	35%
LOVFF	22%	4%	-20%
NVACF	23%	42%	210%
OGI	7%	5%	9%
ROMJF	2%	5%	-2%
SNDL	-13%	-11%	10%
TLRY	-17%	-6%	-43%
VFF	-12%	-16%	14%
Cannabis - International			
CLVR	19900%	-12%	-44%
IMCC	-29%	-100%	-100%
INCR	-4%	-29%	15%
LGPPF	na	na	na
PCLOF	-26%	22%	63%
Tech			
LFLY	-17%	26%	-83%
SBIG	-50%	-63%	-74%
MAPS	-12%	-4%	-38%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	16%	-12%	-22%
CNPOF	25%	-6%	8%
IIPR	-1%	13%	39%
NLCP	-2%	4%	36%
PW	0%	74%	30%
SHFS	-6%	-16%	47%
SSIC	-5%	0%	16%
REFI	-1%	1%	4%
Pix & Shovel			
AGFY	-11%	-16%	-92%
GRWG	-16%	-24%	-41%
HYFM	-20%	-36%	-59%
SMG	-11%	1%	24%
UGRO	-6%	-3%	31%
Vape parts			
GNLN	74%	-10%	-49%
ISPR	-6%	1%	-28%
SMORF	0%	11%	20%
TLLTF	-15%	-56%	-63%
Index			
S&P 500	0%	5%	23%
S&P 477	7%	8%	16%
Nasdaq	5%	20%	36%
MSOS ETF	-14%	-19%	-4%
YOLO ETF	-9%	-16%	-1%

Source: FactSet



Appendix III: Bio and Disclaimers



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as specific reports on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short-term consulting and research advisory projects. At various points in his career, Pablo was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. *Pablo Zuanic can be contacted via the company's portal www.zuanicassociates.com; via email pablo.zuanic@zuanicgroup.com; or via X @420Odysseus.*



Disclosures and Disclaimers

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

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