



6/6/2025

Village Farms International (VFF)

Company update: Overweight

US\$ Mn								
Cons Rev	CY23a	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	64.7	78.1	77.1	76.5	45.8	82.8	57.2	88.7
2Q	77.2	92.2	71.4	88.6	60.3	95.1	69.1	100.9
3Q	69.5	83.4	50.8	88.9	62.0	94.1	72.4	100.3
4Q	<u>74.2</u>	<u>82.6</u>	<u>51.0</u>	<u>89.8</u>	<u>62.5</u>	<u>91.5</u>	<u>66.1</u>	<u>88.7</u>
FY	285.6	336.2	250.2	343.8	230.6	363.5	264.7	378.6
EBITDA	CY23a	CY24a	CY25e	Prev	CY26e	Prev	CY27e	Prev
1Q	0.5	3.6	0.1	4.8	7.3	8.8	13.2	10.1
2Q	4.5	-3.6	3.1	-2.2	10.0	7.9	14.3	9.2
3Q	3.2	5.3	6.1	8.1	12.7	10.2	16.6	11.7
4Q	<u>-0.7</u>	<u>-3.5</u>	<u>6.5</u>	<u>8.7</u>	<u>13.6</u>	<u>10.5</u>	<u>15.5</u>	<u>10.2</u>
FY	7.6	1.8	15.8	19.4	43.7	37.4	59.6	41.2

Share price (US\$)	1.21	Perf.	VFF	YOLO ETF	S&P500	Stance:	Overweight
Share count (mn)	112.3	30d	84%	2%	7%		no price target
Market Cap (US\$Mn)	136	90d	74%	-4%	4%		FY=Dec
Ticker	VFF	1yr	14%	-47%	12%		



US\$Mn	CY24	CY25	CY26
Projected EV	168	124	97
EV/Sales	0.5x	0.5x	0.4x
EV/EBITDA	93.8x	7.8x	2.2x
	CY24	CY25	CY26
Net debt/Sales	-0.1x	na	na
Net debt/EBITDA	-11.1x	na	na
Free Cash Flow	0.3	16.1	28.5
Net (debt) cash	-19.9	24.8	53.3
Consensus	CY25	CY26	
Sales	302.6	272.8	
EBITDA	16.2	34.5	

Pablo Zuanic

ZUANIC & ASSOCIATES

pablo.zuanic@zuanicgroup.com

420Odysseus.com; www.zuanicassociates.com



On the Proforma Math Post Produce Spin-Off

We rate VFF Overweight. We attach our updated estimates post spin-off. The company closed the transactions for the partial spin of its produce assets on 5/30, and last night disclosed proforma numbers (8-K filed 6/5); roughly about 85% of CY24 produce revenues were span (VFF received a \$40Mn cash payment and will own a 37.9% stake in an entity called Vanguard Food; for more detail see below and our [report from 5/12](#)). While the proforma data did not bring major surprises, we estimate that at the intraday share price of US\$1.21, the stock trades at only 2.2x our CY26 EBITDA estimate. We do not set price targets but at a conservative 10x EBITDA, the stock would trade north of \$4. Note: All \$ figures are in US\$ unless noted otherwise.

On the Proforma Valuation

We rate VFF Overweight. VFF shares have rallied 2.2x since the company announced the spin-off of the bulk of its produce assets on 5/12 before the market open. At US\$1.21,

- **EV Math:** We calculate a spot proforma EV of \$135Mn, resulting from \$137Mn in market cap (share price of \$1.21; share count of 112.3mn plus RSUs), proforma net cash of \$10Mn (Mar'25 net debt of \$29Mn minus a net \$39Mn cash inflow), net leases of \$2Mn, minority interest (at BV) of \$10Mn, and then we adjust for the \$3.5Mn value of the equity stake in VF (see appendix).
- **EV/Sales multiple:** With VFF consolidated proforma sales of \$193Mn (CY24 \$336.2Mn total sales reported less \$143.5Mn of produce revenues span off), the new spot EV/Sales (CY24) multiple would be 0.7x. Despite the stock run-up, the valuation is still well below comparable peers: CGC is at 2.1x; the likes of Aurora, Auxly, and Cannara, are all in the 1.3-1.5x range; Decibel and OGI are near 1x (TLRY is at 0.7x; SNDL 0.3x). Comparisons on EBITDA are less useful given few LPs generate positive EBITDA.
- **On EBITDA.** The company did not provide proforma EBITDA but based on EBIT disclosure (reported EBIT of -\$23.6Mn for CY24 is -\$18.7Mn on a proforma basis), we estimate CY24 proforma EBITDA would be close to \$10Mn vs. \$1.8Mn disclosed. But the investment story here is more about forward EBITDA. Also, we note that cannabis segment EBITDA (before corporate expenses) reported for 1Q25 of \$6.7M was as big as that for all of CY24 (\$7.3Mn). In our view, that reflects the margin accretion from international sales, a more stable pricing climate in Canada, and the company's own pivot in Canadian rec (away from the value end).
- **Forward numbers.** We project EBITDA in the \$40-45Mn range by 2026 (cannabis >\$40Mn; Leli Holland \$9Mn; hemp at break-even; around \$8Mn in corporate expenses), which would put the stock at 3x EBITDA, taking the spot proforma EV of \$135Mn. If we took our forward EV, the valuation would even be lower (as EV drops given projected positive FCF), or around 2x (see appendix).

- Rationale for a valuation premium.** Among some of the reasons why VFF screens well vs. peers, we would mention: international medical cannabis upside; the Dutch pilot; top 3 position in Canada rec with a low production cost structure; EBITDA and operating cash flow positive; unlevered balance sheet.
- Consumer comps:** For context, EBITDA multiples for slower growth CPG stocks are at 12x, on average, with MNST the outlier at 24x (the larger more established CPG stocks are in the mid/high teens). Given the much higher growth prospects of global cannabis stocks, we think EBITDA multiples >25x make sense, for the companies with sustainable business models. If we were put 25x on our CY26 estimates, VFF would trade at US\$10 (north of US\$4 if taking 10x). We do not set price targets, but that should give a sense of the upside.

Table 1: Stock Performance



Source: Z&A

On the June 5th Disclosure (per 8-K)

We highlight the following,

- The proforma B/S as of 3/31/25 reflects cash proceeds of \$40Mn after purchase price adjustments (\$1Mn) relating to estimated net working capital and giving effect to \$5Mn placed in escrow (shown as restricted cash) for one year to secure the Vanguard Food (VF) sellers' indemnification obligations under transaction agreement (closed on 5/30/285)



and the estimate fair value of the VFF 37.9% equity stake in VF of \$3.53Mn (shown in the B/S as equity method investment). All this partially offset by \$3Mn accrual for transaction costs; \$1Mn accrual for expected capex; a \$5Mn repayment of the company's revolving credit facility; and a \$3Mn repayment with a Canadian creditor.

- We were only given B/S as of 3/31/25 and consolidated P&L statements for 3/31/25, 12/31/24 and 12/31/24. But there was not EBITDA split provided or cash flow statements. We show the proforma disclosure in the appendix. There was no split either of D&A, or an explanation of much of corporate expenses go to Vanguard Food.
- In terms of produce revenue spun off, this was 99.9% for 1Q25, 85% for CY24 and 83% for CY23. But 1Q25 gross profit for produce kept was -\$1.48Mn on \$51K of revenues (Mar qtr for the Canadian unit is low in terms of sales). Produce kept EBIT in 1Q25 was -\$1.9Mn vs. -\$7.2Mn reported.

Brief Reminder About the Transactions

By privatizing part of its produce assets (a portion accounting for 85% of produce revenue, but a source of distraction and volatile EBITDA), for a \$40Mn cash inflow (note the VFF market cap was \$79Mn before the transaction was announced on 5/9) plus a 38% equity stake in a new external entity, while keeping US optionality, the valuation case in VFF becomes even more compelling. Key points,

- The transaction to privatize the majority of its fresh produce business closed on 5/30/25.
- VFF privatized its Texas-based, 40-acre Marfa II and 40-acre Fort Davis greenhouse assets, plus all of its produce-related intellectual property, with the exception of the Village Farms name, and transferred all of its produce distribution facilities, employees and operational control of these facilities to Vanguard Food.
- VFF will continue to own its 30-acre Monahans greenhouse facility in Texas, and it will own and lease its 20-acre Marfa I greenhouse facility in Texas to Vanguard. The Marfa I facility is currently expandable to 40-acres and is adjacent to 950 acres of unoccupied land owned by Village Farms available for future expansion ("retaining significant long-term optionality for potential future cannabis expansion in the US").
- In Canada, Village Farms will continue to own and operate its 60-acre Delta 1 greenhouse, 25-acre Delta 2 greenhouse, and 25-acre Delta 3 greenhouse, each of which are located in Delta, British Columbia. Village Farms will enter into service and supply agreements with Vanguard Food for fresh produce production in Delta, which will continue supplying produce for Vanguard for a multi-year term. The Delta 1 greenhouse generated ~\$25Mn in fresh produce sales in fiscal year 2024.
- Village Farms received \$40 million in cash proceeds and own a 37.9% equity ownership interest in Vanguard Food. The latter is expected to be backstopped by additional capital



commitments to execute an M&A roll-up strategy of other produce brands and assets in North America.

Table 2: Companies mentioned in this report.

Company name	Ticker	Ticker	Rating
US MSDOs			
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	not rated
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	not rated
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	not rated
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	Overweight
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
Smooore International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral

Source: Z&A



Appendix I: Company Financials

Zuanic & Associates

Exhibit 1: Consolidated Highlights (not factoring produce spin)

US\$Mn	CY22	CY23	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Proforma consolidated sales	293.6	285.6	336.2	77.1	71.4	50.8	51.0	250.2	45.8	60.3	62.0	62.5	230.6	264.7
qoq ch %	na	na	na	-7%	-7%	-29%	0%	na	-10%	32%	3%	1%	na	na
yoy ch %	10%	-3%	18%	-1%	-23%	-39%	-38%	-26%	-41%	-16%	22%	23%	-8%	15%
guidance consensus		na	na	77.1	85.3	62.3	64.0	302.6	0.0	0.0	0.0	0.0	272.8	na
Profit margins														
Gross profit after FV adj	27.5	49.4	47.4	11.3	15.0	17.8	18.2	62.4	19.0	21.6	25.0	25.6	91.2	109.2
as % of sales	9.4%	17.3%	14.1%	14.7%	21.1%	35.1%	35.8%	25.0%	41.5%	35.9%	40.3%	40.9%	39.6%	41.2%
Op exp	72.3	65.5	71.0	16.8	16.2	15.8	15.8	64.6	15.8	15.8	16.4	16.2	64.2	66.4
as % of sales	24.6%	22.9%	21.1%	21.8%	22.7%	31.1%	31.1%	25.8%	34.6%	26.1%	26.5%	25.9%	27.8%	25.1%
EBIT	-44.8	-16.1	-23.6	-5.4	-1.1	2.0	2.4	-2.1	3.2	5.9	8.6	9.4	27.1	42.8
as % of sales	-15.2%	-5.6%	-7.0%	-7.1%	-1.6%	4.0%	4.7%	-0.8%	7.0%	9.8%	13.8%	15.1%	11.7%	16.2%
Adj EBITDA	-21.3	7.6	1.8	0.1	3.1	6.1	6.5	15.8	7.3	10.0	12.7	13.6	43.7	59.6
as % of sales	-7.3%	2.7%	0.5%	0.1%	4.3%	12.1%	12.8%	6.3%	16.0%	16.6%	20.5%	21.7%	18.9%	22.5%
consensus				0.1	1.2	6.5	6.8	16.2	na	na	na	na	34.5	na
as % of sales				0.1%	1.4%	10.4%	10.6%	5.3%	na	na	na	na	12.6%	na
EPS														
Pre tax income	-96.7	-27.4	-37.3	-6.1	-1.7	1.7	2.1	-4.1	2.9	5.6	8.3	9.2	26.1	42.5
Tax rate assumption	-4.8%	-27.2%	4.5%	-16.0%	20.0%	20.0%	20.0%	-34.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net income	-101.4	-34.8	-35.6	-7.1	-1.4	1.3	1.7	-5.5	2.3	4.5	6.7	7.4	20.9	34.0
Share count (FD) Mn	89.1	108.7	111.4	112.3	112.3	112.3	112.3	112.3	112.3	112.3	112.3	112.3	112.3	112.3
EPS	-1.13	-0.32	-0.32	-0.06	-0.01	0.01	0.02	-0.04	0.02	0.04	0.06	0.07	0.20	0.32
consensus				-0.06	-0.04	0.00	0.00	-0.07	na	na	na	na	0.01	na
BS & CF highlights														
Operating cash flow	-19.9	5.3	10.3	-6.4	6.0	18.0	6.2	23.9	10.1	0.8	10.6	12.1	33.6	53.2
(-) Capex	-14.3	-6.5	-10.1	-2.5	-2.1	-1.5	-1.5	-7.7	-1.0	-1.3	-1.4	-1.4	-5.1	-5.8
Free cash flow	-34.2	-1.2	0.3	-8.9	3.9	16.5	4.7	16.1	9.1	-0.6	9.2	10.8	28.5	47.3
Ending net cash (debt)	-39.3	-16.8	-19.9	-29.1	3.6	20.1	24.8	24.8	33.9	33.3	42.5	53.3	53.3	100.6
Net debt/Sales	-0.1x	-0.1x	-0.1x	-0.1x	0.0x	0.1x	0.1x	0.1x	0.2x	0.1x	0.2x	0.2x	0.2x	0.4x
Net debt/EBITDA	1.8x	-2.2x	-11.1x	-89.7x	0.3x	0.8x	1.0x	1.6x	1.2x	0.8x	0.8x	1.0x	1.2x	1.7x
Equity	303.1	302.6	254.0	248.3	263.0	264.5	266.4	266.4	269.1	273.9	281.0	288.8	288.8	325.0

Source: Z&A estimates, company reports

Exhibit 2: Divisional Split

US\$Mn	CY22	CY23	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Sales	293.6	285.6	336.2	77.1	71.4	50.8	51.0	250.2	45.8	60.3	62.0	62.5	230.6	264.7
Produce	160.3	151.2	169.2	37.4	32.9	7.3	5.6	83.2	0.4	9.4	7.3	5.7	22.8	23.0
Cannabis PSF	109.9	114.0	148.9	34.8	33.4	37.9	39.6	145.8	39.3	40.8	43.9	44.9	169.0	188.2
US CBD/Hemp	23.3	20.3	17.4	3.9	3.9	3.9	4.0	15.7	4.0	4.0	4.0	4.0	16.1	16.4
Energy	0.1	0.0	0.8	0.4	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.2	1.2
Leli Holland				0.5	0.8	1.3	1.5	4.1	1.8	5.7	6.4	7.6	21.6	35.9
Gross Margin	9.4%	17.3%	14.1%	14.7%	21.1%	35.1%	35.8%	25.0%	41.5%	35.9%	40.3%	40.9%	39.6%	41.2%
Produce	-10.8%	0.1%	3.0%	-11.4%	2.0%	15.0%	13.0%	-2.2%	-4.0%	2.0%	15.0%	12.0%	8.6%	9.0%
Cannabis PSF	26.7%	31.5%	20.6%	35.8%	35.8%	37.2%	38.7%	36.9%	40.5%	40.3%	41.5%	41.6%	41.0%	42.1%
US CBD/Hemp	67.2%	65.6%	63.5%	66.4%	60.0%	60.0%	60.0%	61.6%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Energy	na													
Leli Holland				41.4%	25.0%	30.0%	35.0%	32.1%	40.0%	45.0%	50.0%	50.0%	47.8%	50.0%
EBITDA	-21.3	7.6	2.0	0.1	3.1	6.1	6.5	15.8	7.3	10.0	12.7	13.6	43.7	59.6
Produce	-24.4	0.5	2.2	-5.1	0.3	1.0	0.6	-3.2	-0.1	0.1	1.0	0.6	1.6	1.7
Cannabis PSF	13.1	14.8	7.3	6.7	5.0	7.1	8.4	27.2	9.0	9.7	10.8	11.5	41.1	48.9
US CBD/Hemp	0.2	0.9	-0.7	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.4	0.6
Energy	-0.3	-0.2	0.8	0.3	-0.2	-0.2	-0.8	-0.8	0.0	0.0	0.0	0.0	-0.1	-0.1
Leli Holland				0.1	0.0	0.1	0.2	0.4	0.3	2.2	2.8	3.4	8.7	16.4
Corporate	-10.0	-8.4	-7.5	-2.0	-2.1	-2.0	-2.0	-8.1	-2.0	-2.0	-2.0	-2.0	-8.0	-7.9
EBITDA margin	-7.3%	2.7%	0.6%	0.1%	4.3%	12.1%	12.8%	6.3%	16.0%	16.6%	20.5%	21.7%	18.9%	22.5%
Produce	-15.2%	0.3%	1.3%	-13.7%	0.9%	13.6%	11.3%	-3.9%	-29.6%	1.0%	13.7%	10.4%	6.9%	7.5%
Cannabis PSF	11.9%	12.9%	4.9%	19.2%	15.1%	18.8%	21.1%	18.7%	23.0%	23.7%	24.6%	25.6%	24.3%	26.0%
US CBD/Hemp	1.0%	4.2%	-3.9%	2.9%	1.3%	1.5%	1.8%	1.9%	2.1%	2.4%	2.7%	3.0%	2.6%	3.7%
Energy	na													
Leli Holland				15.8%	-4.2%	9.2%	13.4%	8.8%	18.1%	38.0%	43.8%	44.7%	40.4%	45.5%
Corp as % of total sales	-3.4%	-2.9%	-2.2%	-2.6%	-2.9%	-3.9%	-3.9%	-3.2%	-4.4%	-3.3%	-3.2%	-3.2%	-3.5%	-3.0%

Source: Z&A estimates, company reports Note: We do not factor a \$4Mn one off gain due to a seed settlement (produce) to be reported in 2Q25 (disclosed in subsequent events in the 1Q25 10-Q).

Exhibit 3: Cannabis Projections

US\$Mn	CY22	CY23	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Sales (ex Leli)	107.2	112.0	157.8	34.2	33.4	37.9	39.6	145.2	39.3	40.8	43.9	44.9	169.0	188.2
Canada cannabis	103.4	107.4	151.7	28.8	28.4	32.5	33.7	123.4	30.3	31.9	35.0	35.4	132.5	139.4
<i>branded</i>	85.5	91.9	124.5	25.2	24.7	28.3	29.5	107.7	26.5	27.9	30.6	30.9	115.9	121.9
<i>bulk</i>	17.8	15.5	27.2	3.6	3.8	4.2	4.2	15.8	3.8	4.0	4.4	4.4	16.6	17.4
International	3.9	4.6	6.1	5.4	5.0	5.5	5.9	21.8	9.0	9.0	9.0	9.6	36.5	48.8
Cannabis P&L														
Sales	107.2	112.0	157.8	34.2	33.4	37.9	39.6	145.2	39.3	40.8	43.9	44.9	169.0	188.2
qoq ch %	na	na	na	-15%	-2%	13%	4%	na	-1%	4%	8%	2%	na	na
yoy ch %	11%	4%	41%	-7%	-17%	-6%	-2%	-8%	15%	22%	16%	13%	16%	11%
Gross profit	29.4	35.9	30.7	12.5	12.0	14.1	15.3	53.9	15.9	16.5	18.2	18.7	69.3	79.3
as % of sales	27.4%	32.1%	19.4%	36.4%	35.8%	37.2%	38.7%	37.1%	40.5%	40.3%	41.5%	41.6%	41.0%	42.1%
EBIT	-2.2	4.5	-4.4	3.7	3.2	5.4	6.6	18.9	7.3	7.9	9.0	9.7	33.9	41.7
as % of sales	-2.1%	4.0%	-2.8%	10.8%	9.6%	14.1%	16.6%	13.0%	18.5%	19.3%	20.5%	21.6%	20.1%	22.1%
EBITDA	13.1	14.8	7.3	6.7	5.0	7.1	8.4	27.2	9.0	9.7	10.8	11.5	41.1	48.9
as % of sales	12.2%	13.2%	4.6%	19.6%	15.1%	18.8%	21.1%	18.7%	23.0%	23.7%	24.6%	25.6%	24.3%	26.0%
Branded rec assumptions														
Canada rec market (C\$Mn)	4,518	5,163	5,230	1,255	1,321	1,449	1,466	5,491	1,318	1,387	1,521	1,539	5,766	6,054
Canada rec market (US\$Mn)	3,470	3,826	3,822	891	910	988	927	3,716	934	955	1,038	937	3,864	4,018
wholesale adj for 0.4x factor (*)	1,388	1,531	1,529	356	364	395	371	1,487	374	382	415	375	1,545	1,607
PSF branded sales US\$Mn	85.5	91.9	124.5	25.2	24.7	28.3	29.5	107.7	26.5	27.9	30.6	30.9	115.9	121.9
in C\$Mn	112.2	124.0	170.3	35.2	34.3	39.4	41.1	150.0	36.9	38.8	42.6	43.1	161.4	169.5
share %	6.2%	6.0%	8.1%	7.1%	6.8%	7.2%	7.9%	7.2%	7.1%	7.3%	7.4%	8.3%	7.5%	7.6%
PSF reported yoy C\$ sales growth	25%	11%	37%	na	na	na	na	na	na	na	na	na	na	na
Growth per Hifyre		9%	20%	-19%	na	na	na	na	na	na	na	na	na	na
Reported sales / Retail sales per Hifyre		36%	42%	na	na	na	na	na	na	na	na	na	na	na

(*) in practice, this may be more in the low/mid 30s.

Source: Z&A estimates, Hifyre, StatCan, company reports

Exhibit 4: Cash Flow

US\$ 000s														
SUMMARY CASH FLOW	CY22	CY23	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e
Net earnings	-101,146	-31,798	-35,643	-7,115	-1,176	1,547	1,932	-4,813	2,625	4,850	7,050	7,820	22,345	36,226
(+) D&A	13,054	15,926	18,838	4,973	4,224	4,084	4,100	17,382	4,129	4,139	4,153	4,168	16,589	16,816
Cash earnings	-88,092	-15,872	-16,805	-2,142	3,048	5,631	6,032	12,569	6,753	8,990	11,203	11,988	38,934	53,042
(-) Working capital changes	-2,246	-2,088	438	-4,209	2,788	12,178	-104	10,652	3,067	-8,569	-1,024	-300	-6,826	-2,099
(-) Other operating flows	70,449	23,275	26,715	-25	186	217	261	638	306	350	395	440	1,491	2,211
Net operating cash flow	-19,889	5,315	10,348	-6,376	6,021	18,026	6,188	23,859	10,126	771	10,573	12,127	33,598	53,154
(-) net capex	-14,292	-6,518	-10,083	-2,539	-2,142	-1,524	-1,529	-7,734	-1,007	-1,326	-1,364	-1,375	-5,073	-5,824
Free cash flow	-34,181	-1,203	265	-8,915	3,880	16,502	4,659	16,125	9,119	-555	9,209	10,752	28,525	47,329
(-) acquisitions	-5,873	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) divestitures	0	0	0	0	15,463	0	0	15,463	0	0	0	0	0	0
(+) other	4,778	-1,099	-3,429	-232	13,327	0	0	13,095	0	0	0	0	0	0
(+) share issuance/repurchases	6,692	24,772	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	192	83	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	-28,392	22,553	-3,164	-9,147	32,670	16,502	4,659	44,683	9,119	-555	9,209	10,752	28,525	47,329
Ending net (debt)	-39,320	-16,767	-19,931	-29,078	3,592	20,093	24,752	24,752	33,871	33,317	42,526	53,277	53,277	100,607
Cash/inv/sec	21,676	35,291	24,631	15,125	39,539	54,753	59,424	59,424	68,218	68,570	77,887	88,670	88,670	136,221
Gross debts/loans/bonds	60,996	52,058	44,562	44,203	35,948	34,660	34,671	34,671	34,347	35,253	35,361	35,393	35,393	35,615
<i>Net debt / Sales</i>	<i>-0.1x</i>	<i>-0.1x</i>	<i>-0.1x</i>	<i>-0.1x</i>	<i>0.0x</i>	<i>0.1x</i>	<i>0.1x</i>	<i>0.1x</i>	<i>0.2x</i>	<i>0.1x</i>	<i>0.2x</i>	<i>0.2x</i>	<i>0.2x</i>	<i>0.4x</i>
<i>Net debt / Adj EBITDA</i>	<i>1.1x</i>	<i>-3.7x</i>	<i>-11.1x</i>	<i>-89.7x</i>	<i>0.3x</i>	<i>0.8x</i>	<i>1.0x</i>	<i>1.6x</i>	<i>1.2x</i>	<i>0.8x</i>	<i>0.8x</i>	<i>1.0x</i>	<i>1.2x</i>	<i>1.7x</i>

Source: Z&A estimates, company reports

Exhibit 5: Project EV and Projected Multiples

US\$Mn	CY22	CY23	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
proforma										
EV										
Total company EV (US\$Mn)	189	167	168	135	145	128	124	124	97	52
Market cap (US\$Mn)	133	134	137	137	137	137	137	137	137	137
FD share count (Mn)	110.2	110.6	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0
common shares	110.2	110.2	112.3	112.3	112.3	112.3	112.3	112.3	112.3	112.3
RSUS and derivatives in the	0.0	0.3	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Share price (CAD\$)	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Share price (US\$)	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Broadly defined net cash (debt	-40	-18	-21	11.1	1	18	23	23	51	98
net (debt)	-39	-17	-20	9.9	4	20	25	25	53	101
leases/other	-1	-1	-1	-2.3	-2	-2	-2	-2	-2	-2
equity stake in VF	0	0	0	3.5	0	0	0	0	0	0
Redeemable non controlling in	16	16	10	9.6	10	10	10	10	12	14
Total VFF EV	189	167	168	135	145	128	124	124	97	52
EV/Consolidated Sales	0.6x	0.6x	0.5x	0.4x	0.5x	0.6x	0.6x	0.5x	0.4x	0.2x
EV/Consolidated EBITDA	-8.9x	22.0x	93.8x	416.6x	11.8x	5.2x	4.7x	7.8x	2.2x	0.9x

Source: Z&A estimates, company reports

Exhibit 6: Proforma P&L

INCOME STATEMENT	reported	adjustment	proforma	reported	adjustment	proforma	reported	adjustment	proforma
	CY23	CY23	CY23	CY24	CY24	CY24	1Q25	1Q25	1Q25
Sales	285,603	-125,276	160,327	336,181	-143,466	192,715	77,074	-37,370	39,704
(-) Cost of goods sold	-236,177	120,638	-115,539	-288,781	138,382	-150,399	-65,734	40,171	-25,563
Gross profit	49,426	-4,638	44,788	47,400	-5,084	42,316	11,340	2,801	14,141
(-) SG&A	-65,501	8,988	-56,513	-71,048	10,026	-61,022	-16,779	2,477	-14,302
Income from continuing operations	-16,075	4,350	-11,725	-23,648	4,942	-18,706	-5,439	5,278	-161
(-) Net interest expense	-3,491	533	-2,958	-2,451	558	-1,893	-631	158	-473
interest expense	-4,509	533	-3,976	-3,365	558	-2,807	-706	158	-548
interest income	1,018		1,018	914		914	75		75
(-) FX gain	602		602	-2,843		-2,843	-84		-84
(-) Other income	5,616	100	5,716	4,015	100	4,115	22	25	47
(-) Equity method inv		-1,686	-1,686		-1,911	-1,911			
(-) Write-off of note receivable			0			0			
(-) Goodwill and intangible assets impairment	-14,020		-14,020	-11,939		-11,939			
(-) Other impairments	0		0	-439		-439			
Loss before income taxes	-27,368	3,297	-24,071	-37,305	3,689	-33,616	-6,132	5,461	-671
(-) Provision for income taxes	-7,451		-7,451	1,662		1,662	-983		-983
(-) Deferred income taxes	0		0	0		0	0	-2,010	-2,010
Net income after taxes	-34,819	3,297	-31,522	-35,643	3,689	-31,954	-7,115	3,451	-3,664
(-) minority interest	21		21	-207		-207	412		412
Net income (loss) and comprehensive income	-34,798	3,297	-31,501	-35,850	3,689	-32,161	-6,703	3,451	-3,252
Basic EPS	-0.32		-0.29	-0.32		-0.29	-0.06		-0.03
Diluted EPS	-0.32		-0.29	-0.32		-0.29	-0.06		-0.03
Basic # of shares (Mn)	108.7		110.3	111.4		112.4	112.3		112.3
Diluted # of shares (Mn)	108.7		110.3	111.4		112.4	112.3		112.3

Source: Z&A estimates, company reports

Exhibit 7: Proforma Divisional Split

DIVISIONAL SPLIT	reported	adjustment	proforma	reported	adjustment	proforma	reported	adjustment	proforma
	CY23	CY23	CY23	CY24	CY24	CY24	1Q25	1Q25	1Q25
Sales	285,603	-125,276	160,327	336,181	-143,466	192,715	77,074	-37,370	39,704
Produce	151,243	-125,276	25,967	169,183	-143,466	25,717	37,421	-37,370	51
Cannabis (PSF)	114,030		114,030	148,856		148,856	34,837		34,837
US CBD/Hemp	20,330		20,330	17,390		17,390	3,904		3,904
Energy	0		0	752		752	426		426
Leli	0		0	0		0	486		486
Corporate	0		0	0		0	0		0
Gross Profit	49,426	-4,638	44,788	47,400	-5,084	42,316	11,340	2,801	14,141
Produce	179	-4,638	-4,459	5,058	-5,084	-26	-4,282	2,801	-1,481
Cannabis (PSF)	35,940		35,940	30,684		30,684	12,475		12,475
US CBD/Hemp	13,328		13,328	11,035		11,035	2,593		2,593
Energy	-21		-21	623		623	353		353
Leli	0		0	0		0	201		201
Corporate	0		0	0		0	0		0
SGA	-65,501	8,988	-56,513	-71,048	10,026	-61,022	-16,779	2,477	-14,302
Produce	-10,625	8,988	-1,637	-12,249	10,026	-2,223	-2,875	2,477	-398
Cannabis (PSF)	-29,275	0	-29,275	-34,028	0	-34,028	-8,762	0	-8,762
US CBD/Hemp	-13,118	0	-13,118	-11,990	0	-11,990	-2,535	0	-2,535
Energy	-32	0	-32	-38	0	-38	-28	0	-28
Leli	0	0	0	-1,555	0	-1,555	-439	0	-439
Corporate	-12,451	0	-12,451	-11,188	0	-11,188	-2,140	0	-2,140
EBIT	-16,075	4,350	-11,725	-23,648	4,942	-18,706	-5,439	5,278	-161
Produce	-10,446	4,350	-6,096	-7,191	4,942	-2,249	-7,157	5,278	-1,879
Cannabis (PSF)	6,665		6,665	-3,344		-3,344	3,713		3,713
US CBD/Hemp	210		210	-955		-955	58		58
Energy	-53		-53	585		585	325		325
Leli	0		0	-1,555		-1,555	-238		-238
Corporate	-12,451		-12,451	-11,188		-11,188	-2,140		-2,140
Adj EBITDA	7,585	-3,316	4,269	1,788	0	-1,197	81	3,854	3,935
Produce	506	-3,316	-2,810	2,157		-828	-5,122	3,854	-1,269
Cannabis (PSF)	14,764		14,764	7,282		7,282	6,698		6,698
US CBD/Hemp	861		861	-672		-672	114		114
Energy	-186		-186	770		770	325		325
Leli	0		0	-259		-259	77		77
Corporate	-8,360		-8,360	-7,490		-7,490	-2,011		-2,011

Source: Z&A estimates, company reports

Exhibit 8: Proforma B/S

BALANCE SHEET	reported 1Q25	adjustment 1Q25	proforma 1Q25
US\$ Mn			
Cash and cash equivalents	15,125	26,000	41,125
Restricted cash	0	5,000	5,000
Trade receivables	34,954		34,954
Inventories	51,459	-6,391	45,068
Notes receivable from JV	0		0
Amounts due from JVs	0		0
Other receivables	38		38
Income tax receivable	0		0
Prepaid expenses	3,298	-1,295	2,003
Current assets	104,874	23,314	128,188
PPE	189,813	-15,463	174,350
Investments in minority interests	2,656	3,530	6,186
Goodwill	42,368		42,368
Intangibles	24,474		24,474
Deferred tax asset	918		918
Right of use assets	9,213	-5,053	4,160
Other assets	2,788		2,788
TOTAL ASSETS	377,104	6,328	383,432
Line of credit	5,000	-5,000	0
Trade payables	15,305		15,305
Current maturities of LT debt	4,819		4,819
Accrued loyalty program	763		763
Accrued liabilities	15,034	4,000	19,034
Accrued sales taxes	8,392	-1,476	6,916
Lease liabilities - current	2,552		2,552
Income tax payable	1,673		1,673
Other current liabilities	1,023		1,023
Total current liabilities	54,561	-2,476	52,085
Long term debt	34,384	-3,000	31,384
Deferred tax liability	19,213		19,213
Operating lease liabilities	7,932	-4,006	3,926
Finance lease liabilities	0		0
Other liabilities	3,061		3,061
Total liabilities	119,151	-9,482	109,669
Common stock	387,349		387,349
Additional paid-in capital	30,749		30,749
Other	0		0
Accumulated other comprehensive loss	-18,042		-18,042
Retained earnings	-151,719	15,810	-135,909
Total stockholders equity	248,337	15,810	264,147
Non controlling interest	0		0
Redeemable non controlling interest	9,616		9,616
TOTAL LIABILITIES AND EQUITY	377,104	6,328	383,432
Net debt	-29,078	39,000	9,922
cash	15,125	31,000	46,125
gross debt ¹	44,203	-8,000	36,203
Net leases	-1,271	-1,047	-2,318
right of use assets	9,213	-5,053	4,160
gross leases	10,484	-4,006	6,478

Source: Z&A estimates, company reports



Appendix II: Valuation Comps

Zuanic & Associates

Exhibit 9: Canada LPs - Valuation Multiples (consolidated multiples; not factoring VFF produce spin)

Multiples 6-Jun-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Stock Performance		
	Current	2025	2026	Current	2025	2026	to Sales		to EBITDA		30-day	90-day	1-year
Aurora Cannabis	1.3x	1.3x	1.2x	7.7x	7.3x	6.4x	na	na	na	na	22%	18%	-8%
Auxly Cannabis Group	1.4x	na	na	6.3x	na	na	-0.4x	na	-2.0x	na	-6%	-3%	135%
Avant Brands	250.1x	na	na	1243.8x	na	na	-0.2x	na	-0.8x	na	-13%	-26%	-61%
Cannara Biotech	1.4x	na	na	5.3x	na	na	-0.4x	na	-1.5x	na	-14%	-5%	63%
Canopy Growth	2.4x	2.3x	2.2x	-17.0x	-62.7x	na	-0.7x	-0.6x	4.7x	17.2x	23%	35%	-80%
Cronos Group	-2.3x	-2.1x	-2.0x	-31.8x	-124.7x	na	na	na	na	na	7%	-1%	-23%
Decibel Cannabis	0.9x	0.7x	0.5x	5.4x	3.4x	2.6x	-0.4x	-0.3x	-2.4x	-1.5x	5%	3%	4%
Organigram Holdings	0.9x	1.0x	0.8x	25.0x	12.4x	7.6x	na	s	na	na	22%	27%	-20%
Rubicon Organics	0.7x	0.6x	0.5x	11.7x	10.4x	3.3x	0.0x	na	-0.7x	na	-9%	1%	0%
SNDL	0.4x	0.3x	0.3x	34.6x	17.4x	na	na	na	na	na	2%	-15%	-38%
Tilray Brands	0.6x	0.5x	0.5x	13.2x	6.5x	5.4x	0.0x	0.0x	-0.8x	-0.4x	-6%	-43%	-78%
Village Farms International	0.6x	0.6x	0.7x	547.9x	11.0x	5.2x	-0.1x	-0.1x	-89.7x	-1.8x	84%	74%	14%

1) We take FactSet consensus estimates for CY25e and CY26e (or our estimates if there is no consensus); 2) By "current", we mean the latest reported qtr annualized; 3) several LPs have net

Source: FactSet and company reports

Exhibit 10: Canada LPs - EV Calculations (based on spot EV; not the same as forward EV)

C\$Mn 6-Jun-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 BOND	Pref Stock Min Int
Aurora Cannabis	470	7.66	54.7	1.2	428	51	-43	0	-10	0	-2	40
Auxly Cannabis Group	188	0.08	1,285.7	133.4	112	-59	-14	0	-2	0	-75	
Avant Brands	8,607	0.81	10,630.7	0.2	8,591	-6	-10	0	0	0	-16	
Cannara Biotech	151	1.19	90.0	0.0	107	-43	0	-1	0	0	-44	
Canopy Growth	630	2.15	211.5	1.4	458	-173	0	0	0	0	-173	
Cronos Group	-418	2.70	280.0	0.0	757	1,177	-2	0	0	0	1,175	
Decibel Cannabis	74	0.07	576.9	7.7	42	-33	0	0	0	0	-33	
Organigram Holdings	198	1.84	133.8	19.3	281	83	0	0	0	0	83	
Rubicon Organics	33	0.43	67.0	6.3	31	-2	0	0	0	0	-2	
SNDL	295	1.82	263.0	12.4	500	242	-37	0	0	0	205	
Tilray Brands	653	0.54	1,006.2	26.1	556	-39	-70	0	-20	0	-130	-33
Village Farms International	242	1.65	112.3	0.7	186	-40	-3	0	0	0	-43	13

Source: FactSet and company reports

Exhibit 11: Stock Performance

6-Jun-25			
Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
US MSOs			
Ascend	-24%	9%	-68%
Ayr	-63%	-43%	-94%
Cannabist	-31%	2%	-75%
Cansortium	-16%	-25%	-69%
Cresco	-35%	-27%	-69%
Curaleaf	-2%	-16%	-81%
4Front	-90%	-98%	-100%
GlassHouse	-14%	10%	-20%
Gold Flora	na	-7%	-81%
Grown Rogue	-24%	-35%	-52%
Green Thumb	-15%	-27%	-57%
iAnthus	6%	-42%	-73%
Jushi	-34%	-1%	-50%
MariMed	-29%	-35%	-66%
Planet13	-21%	-38%	-64%
Schwazze	na	na	-95%
StateHouse	na	na	50%
Trulieve	-12%	-7%	-56%
TerrAscend	-27%	-37%	-80%
Verano	-39%	-29%	-87%
Vext	19%	-9%	-45%
Vireo Growth	9%	14%	-34%
International			
InterCure	-6%	-29%	-74%
PharmaCielo	-19%	23%	133%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
	Canadian LPs		
Aurora	22%	18%	-8%
Avant	-13%	-26%	-61%
Audly	-6%	-3%	135%
Ayurcann	-8%	-22%	-52%
Cannara	-14%	-5%	63%
Canopy	23%	35%	-80%
Cronos	7%	-1%	-23%
Decibel	5%	3%	4%
Entourage	na	na	na
High Tide	-1%	-3%	-10%
OGI	22%	27%	-20%
Rubicon	-9%	1%	0%
SNDL	2%	-15%	-38%
Tilray	-6%	-43%	-78%
VFF	84%	74%	14%
Tech			
LFLY	-32%	-25%	-89%
SBIG	-7%	-7%	-54%
MAPS	-3%	-18%	11%
Vape parts			
GNLN	-30%	-99%	-100%
ISPR	-9%	-40%	-63%
SMORF	0%	2%	24%
TLTTF	-34%	-49%	-87%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
	MJ Fincos		
AFCG	2%	-36%	-56%
IIPR	4%	-24%	-49%
NLCP	0%	-10%	-25%
SHFS	0%	-62%	-82%
LIEN	0%	-12%	-10%
REFI	-2%	-11%	-8%
Pix & Shovel			
AGFY	21%	57%	536%
GRWG	1%	-1%	-57%
HYFM	-4%	18%	-48%
SMG	23%	8%	3%
UGRO	-7%	-54%	-75%
CBD			
CVSI	-7%	-29%	-74%
CWEB	12%	2%	-40%
LFID	9%	39%	-64%
Index			
S&P 500	7%	4%	12%
S&P 477	0%	0%	9%
Nasdaq	9%	14%	42%
MSOS ETF	-18%	-19%	-70%
YOLO ETF	2%	-4%	-47%
Simple Group Averages			
Large Canada LPs	26%	16%	-39%
Tier 1 MSOs	-21%	-21%	-70%

Source: FactSet



Appendix III: Bio and Disclaimers

Zuanic & Associates



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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