



6/18/2025

Vireo Growth (VREOF)

Initiating coverage: Overweight

Key Highlights:

- On its way to becoming a tier 1 MSO, after an \$81Mn equity raise, transformative M&A deals, and the intention to be a leading consolidator in the space.
- The start of MN rec sales in the months ahead should be a key catalyst for the stock. Vireo is one of only two licensed operators in the state.
- Conservatively, we project EBITDA per share to grow 2.6x between 2024 and 2027.
- Trading at 2.8x EV/EBITDA on our 2026 estimates, we see 3x upside for the stock with a valuation more in line with Tier 1 MSOs, and 8x with federal level reform.

| \$Mn | | | | |
|---------------------------------|--------|------------|---------|---------|
| Sales | CY24 | CY25 | CY26 | CY27 |
| 1Q | 24.1 A | 24.5 A | 113.7 E | 129.3 E |
| 2Q | 25.1 A | 32.2 E | 120.0 E | 137.9 E |
| 3Q | 25.2 A | 90.1 E | 122.8 E | 140.9 E |
| 4Q | 25.0 A | 91.2 E | 125.4 E | 145.2 E |
| FY | 99.4 A | 238.1 E | 481.8 E | 553.3 E |
| EBITDA | CY24 | CY25 | CY26 | CY27 |
| 1Q | 6.1 A | 6.6 A | 33.9 E | 39.8 E |
| 2Q | 5.7 A | 8.3 E | 36.0 E | 42.9 E |
| 3Q | 6.8 A | 20.7 E | 37.2 E | 44.2 E |
| 4Q | 6.6 A | 23.1 E | 38.3 E | 45.9 E |
| FY | 25.1 A | 58.7 E | 145.4 E | 172.7 E |
| Share price (\$) 0.39 | | | | |
| Proforma share count (mn) 949.3 | | | | |
| Market Cap (\$Mn) 370 | | | | |
| Ticker VREOF | | | | |
| Rating | | Overweight | | |
| Price target | | No PT | | |
| Fiscal Year | | Dec | | |

| EPS (\$) | CY24 | CY25 | CY26 | CY27 |
|-------------|---------|---------|--------|--------|
| 1Q | -0.05 A | -0.02 A | 0.02 E | 0.03 E |
| 2Q | 0.00 A | 0.00 E | 0.02 E | 0.03 E |
| 3Q | -0.02 A | 0.01 E | 0.02 E | 0.03 E |
| 4Q | -0.07 A | 0.01 E | 0.03 E | 0.03 E |
| FY | -0.14 A | 0.01 E | 0.09 E | 0.12 E |
| Net Cash | CY24 | CY25 | CY26 | CY27 |
| 1Q | -58 A | 14 A | -20 E | 56 E |
| 2Q | -61 A | 15 E | -5 E | 74 E |
| 3Q | -51 A | -25 E | 15 E | 98 E |
| 4Q | 19 A | -14 E | 36 E | 123 E |
| Performance | | | | |
| VREOF | | MSOS | | S&P500 |
| 30d | | -6% | | 2% |
| 90d | | 2% | | 7% |
| 1yr | | -20% | | 11% |

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Investment Summary

We begin coverage of Vireo Growth (VREO: CSE; VREOF US: OTCQX) with an Overweight rating. The company has been transformed with an \$81Mn equity infusion and the acquisition of three leading operators in MO, NV, and UT, which will now complement Vireo's growth potential in MN (soon to go rec), MD, and a potentially sizeable NY wholesale opportunity. We project EBITDA per share to increase 2.6x between CY24 and CY27. With one of the strongest balance sheets among MSOs, Vireo is well-placed to pursue a roll-up strategy in the US at a time of depressed valuations and limited capital access in the cannabis sector (another deal in FL is in negotiations). On our forward EV estimates, Vireo trades at a compelling 2.8x CY26 EBITDA (the MSO average taking spot EV on current EBITDA is 7.4x) While we do not set price targets, a valuation more in line with peers would imply >3x upside by Dec'26; and the upside could be greater with positive news on the federal reform front (~8x).

Table 1: Tier 1 MSO Comps

| US\$Mn | Z&A Spot EV / Sales | | | Z&A Spot EV / EBITDA | | | Stock Performance | | |
|-----------------------|---------------------|-------------|-------------|----------------------|-------------|-------------|-------------------|-----------|-------------|
| 17-Jun-25 | Current | CY25e | CY26e | Current | CY25e | CY26e | 30d | 90d | 1yr |
| US MSO average | 1.6x | 1.1x | 0.9x | 7.4x | 6.0x | 4.2x | | | |
| Cresco Labs | 1.2x | 1.2x | 1.2x | 5.6x | 5.5x | 4.8x | -29% | -33% | -71% |
| Curaleaf | 2.2x | 2.1x | 1.9x | 10.3x | 9.5x | 8.2x | -5% | -10% | -80% |
| Green Thumb | 1.2x | 1.2x | 1.1x | 3.9x | 3.9x | 3.6x | -10% | -20% | -57% |
| Trulieve | 1.3x | 1.3x | 1.3x | 3.5x | 3.7x | 3.8x | -18% | -12% | -59% |
| Verano | 1.0x | 1.0x | 1.0x | 3.9x | 3.6x | 3.3x | -31% | -23% | -85% |
| Vireo Growth | 1.2x | 1.0x | 0.7x | 4.1x | 3.5x | 1.5x | -6% | 2% | -20% |

Source: Company reports, FactSet, Z&A calculations

A new Vireo Health, all in the space of six months. After transforming its balance sheet with an \$81Mn equity raise in late Dec'24, during 2Q25 Vireo completed three transformative acquisitions (all-stock, for a combined \$305Mn) of top performing businesses in NV, MO, and UT, to go together with its base business in MN, MD, and NY. Factoring the start of rec sales in MN, we estimate Vireo is set to become a top 7 MSO by sales, top 4 by EBITDA and cash flow, and to have the strongest balance sheet among the larger MSOs (ex-Green Thumb). Importantly, the deals are being done at an attractive 4.175x reference CY24 EBITDA on average, according to management. Negotiations are also ongoing to buy an operator in FL, and further deals could be in store. One would think that for those with a positive view of the US cannabis industry's long-term outlook, this would be the right time for a roll-up strategy. But capital access is limited. In its relationship with Chicago Atlantic group (Vireo's new CEO is also the Executive Chairman of Chicago Atlantic group), the new Vireo will have an advantage over the peer group, in our view, in accessing equity and debt capital (it is in the process of refinancing debt and management expects better terms given improved financial metrics), while also having a good chunk of its debt in "friendly hands".

On the proforma company franchise (ex-FL). Per our projections, MN would account for about a third of company sales by CY26, MO and NV each for >20%, followed by MD and UT. In MN, Vireo is one of only two licensees in the state's medical program (8 stores plus cultivation), and it could be in a great position to benefit from the coming start of rec sales, assuming incumbents enjoy a head start supplying the new dispensary licensees and outperform at retail given more established

stores. In MO (a market with attractive economics, that it is only starting its 3rd year of rec), Vireo is acquiring one of the largest vertical operators (Proper Cannabis), with 11 stores and >10% share. While we see NV as a more challenging market macro wise, in Deep Roots (which acquired The Source+ in Oct), Vireo is buying arguably the #1 operator in the state with 16% share. In the case of UT, Vireo is acquiring a vertical operator (one store plus cultivation), which outsells the other 14 stores in the state's medical program with 25% share. In MD, Vireo has its own operation with four stores plus growth. True, of the new footprint (ex-FL), only MN has rec upside (we think UT is far away), but Vireo could also become a large wholesale supplier to the growing NY market.

MN and NY are key to the investment case. In our view, MN and NY could be the main “variables” in terms of Vireo delivering outsized sales and EBITDA growth over the next few years. Per our market size projections, we think the “organic” growth potential in states like NV, MO, and MD, may be more muted (this does not mean Vireo cannot expand profit margins via synergies, and or expand via M&A within these states), and it remains unclear to us when UT may consider rec sales (it is a strong med market with 2.8% of the population as active patients). In this regard, MN and NY are key. In theory, MN could grow by a factor of 5x to 10x if we assume \$100 to \$200 per capita spend (MO is already above \$200), but as we have seen in OH, “regs” can get in the way of a good forecast. Also, in our interpretation, a lot is still in limbo (see inside for details), with MN probably closer to NY than to IL in the way medical incumbent licensees are allowed to participate in the rec market. Again, in theory, Vireo (and the only other MMJ licensee, Green Thumb) could benefit disproportionately initially, in a state with a population the size of CO and five neighboring states without rec. In NY, we believe those with deep pockets can make a mark in wholesale (see Green Thumb), given still limited top quality assortment (see our latest [NY report](#)). Moreover, Chicago Atlantic group has a loan facility with the regulator to finance new stores, so Vireo could be well-placed to supply those stores. But we model little upside from NY for now, as plans have not been clearly outlined so far, in our view.

Regarding financial projections. At the time of the 12/18/24 presentation, when Vireo announced the equity raise and four acquisitions (including The Flowery in FL), it forecasted proforma sales expanding by over 60% by CY26 to \$636Mn from \$394Mn in CY24, and EBITDA margins climbing by 800bps to 32% in the same period. In our projections, we do not factor the FL deal (The Flowery was 14% of disclosed 2024 proforma sales and 26% of EBITDA) and only assume rec sales in MN begin in 2026 (and not 2025 per management's estimates). Our base case reported estimates (not proforma) for 2026 are \$482Mn in sales (vs. the \$636Mn shown in the Dec'24 slide deck) and \$145Mn EBITDA with 30% margins (vs. \$205Mn and 32% margins outlined in the slide deck). All that said, clearly, Vireo has several growth drivers, including underlying market growth; MN going rec; store and cultivation expansion across the footprint; selective M&A to expand the footprint (in new states and existing states); and sharing of best practices and operating leverage driving EBITDA margin expansion. We factor the three deals per their respective closing dates (5/12; 6/5; 6/9). *Note: CY24 proforma sales (per the 12/18/24 slide deck) ex FL were \$340Mn, and EBITDA \$79Mn; on 6/17/2, the company guided for 2Q25 proforma sales of \$88-91Mn and EBITDA of \$23-24Mn, which in both cases would imply growth vs. proforma CY24 (annualizing 2Q25 proforma).*

Valuation and share price upside. Taking forward EV (different from spot EV), on our estimates, Vireo trades at a hefty discount to the larger MSO group at 2.8x forward CY26 EV/EBITDA. The

latter compares with a current MSO sector average of 7.4x (spot EV over current EBITDA, which is not the same as forward CY26 EV/EBITDA). In our view, the valuation does not capture the MN upside, the profit margin expansion potential, and the cash flow generation nature of the acquired assets. The company's roll-up potential is also a source of upside. As the growth story unfolds, the peer discount should dissipate. In addition, if the Trump administration delivers on campaign promises, the entire sector would rerate. We do not set price targets, but on our CY27 estimates, at 7x EBITDA (near the sector average on a spot EV to current basis), Vireo shares would be worth \$1.30 by Dec'26 (1yF basis), for 3.4x upside. In the event of a sector rerating, say to 3-5x EV/Sales, by Dec'26 the stock could be 4.6x to 7.5x higher. What is the bear case on Vireo? No changes at the federal level; MN delaying the rec start or limiting the role of incumbents (like Vireo); and the company's recently acquired assets not meeting their EBITDA targets. But given the valuation discount to peers, we believe the absolute downside is limited here. *Note: Per our estimates, the proforma share count of 949.3mn is 13.6% owned by the equity raise investors (\$81Mn); 24.9% by the Vireo shareholders prior to 12/18/24; and 61.5% by the shareholders of the acquired companies (which are subject to staggered 33-month post-closing lock-up periods).*

Table 2: Forward price scenarios under our base case financial estimates at various multiples

| US\$ Mn | Dec CY22 | Dec CY23 | Dec CY24 | Mar 1Q25 | Jun 2Q25e | Sep 3Q25e | Dec 4Q25e | Dec CY25e | Dec CY26e | Dec CY27e |
|-----------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|
| EV calculation for val purposes | 170.1 | 143.0 | 169.3 | 176.9 | 411.2 | 471.3 | 460.0 | 460.0 | 411.8 | 325.5 |
| Market cap (\$Mn) | 51.9 | 57.8 | 145.4 | 148.1 | 375.2 | 375.2 | 375.2 | 375.2 | 375.2 | 375.2 |
| Share price (US\$) | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 |
| Share count used for val purposes | 133.2 | 148.2 | 372.8 | 379.9 | 962.0 | 962.0 | 962.0 | 962.0 | 962.0 | 962.0 |
| common shares | 128.1 | 143.1 | 366.0 | 367.2 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 |
| RSUs and derivatives in the money | 5.0 | 5.0 | 6.7 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 |
| Broadly defined net debt (\$Mn) | -118.2 | -85.2 | -24.0 | -28.8 | -36.1 | -96.1 | -84.8 | -84.8 | -36.6 | 49.6 |
| financial net cash (debt) | -42.9 | -53.4 | 19.4 | 13.8 | 14.9 | -25.4 | -14.0 | -14.0 | 35.8 | 123.0 |
| leases net of right of use assets | -75.3 | -9.4 | -10.0 | -9.9 | -10.3 | -13.0 | -13.0 | -13.0 | -14.6 | -15.6 |
| income tax debt | 0.0 | -22.4 | -33.3 | -35.0 | -43.0 | -60.1 | -60.1 | -60.1 | -60.1 | -60.1 |
| inflows from ITM deriv | | | | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| Valuation Multiples | | | CY24 | | | | | CY25 | CY25 | CY25 |
| EV/Sales | | | 1.7 | 1.8 | 3.2 | 1.3 | 1.3 | 1.9 | 0.9 | 0.6 |
| EV/EBITDA | | | 6.7x | 6.7x | 12.4x | 5.7x | 5.0x | 7.8x | 2.8x | 1.9x |
| Scenarios | | | | | | | | by Dec'25 | by Dec'26 | upside by Dec'25 by Dec'26 |
| EV/Sales of | | 1.0x | | | | | | 0.46 | 0.63 | 19% 61% |
| EV/Sales of | | 1.5x | | | | | | 0.71 | 0.91 | 83% 134% |
| EV/Sales of | | 2.0x | | | | | | 0.96 | 1.20 | 147% 208% |
| EV/Sales of | | 3.0x | | | | | | 1.46 | 1.78 | 276% 356% |
| EV/Sales of | | 5.0x | | | | | | 2.47 | 2.93 | 532% 651% |
| EV/Sales of | | 7.0x | | | | | | 3.47 | 4.08 | 789% 946% |
| EV/EBITDA of | | 5.0x | | | | | | 0.72 | 0.95 | 84% 143% |
| EV/EBITDA of | | 7.0x | | | | | | 1.02 | 1.31 | 162% 235% |
| EV/EBITDA of | | 10.0x | | | | | | 1.47 | 1.85 | 278% 374% |
| EV/EBITDA of | | 15.0x | | | | | | 2.23 | 2.74 | 472% 604% |
| EV/EBITDA of | | 20.0x | | | | | | 2.99 | 3.64 | 666% 834% |

Source: Company reports, FactSet, Z&A estimates

The Transformation Announced in Dec'24

With an \$81Mn equity raise and the announcement to acquire four companies (FL, MO, NV, UT) plus an online delivery platform, Vireo transformed its balance sheet, the strength and depth of its total footprint, and overall sales and EBITDA outlook. Post the announcements of 12/18/24, the stock more than doubled from 25c to 52c (the latter was the price taken to value the M&A deals).







Table 3: Summary Provided by Management on 12/18/24

Executive Summary

On December 18, 2024, Vireo Growth Inc. ("Vireo") announced a series of transformational corporate events that it believes will greatly enhance its platform, positioning the company for profitable growth

| | | |
|---|---------------------------|---|
| 1 | Leadership Update | <ul style="list-style-type: none"> Appointment of John Mazarakis as CEO and Co-Executive Chairman and Tyson Macdonald as CFO |
| 2 | Strategic Equity Infusion | <ul style="list-style-type: none"> Announced \$75 million equity capital raise at \$0.625 per share (149% premium to 12/17/2024 closing price) |
| 3 | Transformative M&A | <ul style="list-style-type: none"> Signed three definitive documents and one binding Memorandum of Understanding ("MOU") to acquire four single-state operators and the Arches technology platform in a series of all-stock transactions |

Transaction Highlights

-  **Increased Scale and Portfolio Diversity** – Creates the 8th and 6th largest operator by 2025E revenue and EBITDA respectively, addressing a population of ~67mm across a 7-state footprint, which allows for a lower overall cost of capital vs. Vireo today
-  **Fortress Balance Sheet** – Pro forma net leverage of 0.8x' 2024E EBITDA, supported by a significant cash position \$99mm' and long-dated maturities provide Vireo with a dynamic capital structure to pursue organic and inorganic growth initiatives
-  **Attractive Market Mix** – Operator of a unique portfolio of state-level operations with a desirable mix of cash flowing and high-growth markets
-  **Advanced Proprietary Technology** – Arches omni-channel customer engagement and delivery capabilities to be leveraged across Vireo's platform to enhance in-store, pickup and delivery distribution
-  **Future M&A Opportunities** – Geographic footprint with minimal overlap to peers creates an outsized opportunity for continued tuck-in M&A across the acquired markets
-  **Experienced Management Team** – Team with a diversity of expertise, supported by highly experienced local teams who have consistently delivered results across each market

Source: Company reports

Relative to what was announced on 12/18/24, there have been a few slight changes,


- \$81Mn of equity was raised, instead of the \$75Mn originally planned. So, 129.5mn shares were issued vs. 120mn mentioned in the slide deck (the offer price was \$0.625).
- Of the three deals mentioned as "definitive documents", Wholesome/Arches closed on 5/12/25, Proper on 6/5/25, and Deep Roots on 6/9/25.
- The Flowery deal is still under negotiation (we do not factor FL in our projections).
- Our base case estimates for 2026 are \$482Mn in sales (vs. the \$636Mn shown in the Dec slide deck) and \$145Mn EBITDA with 30% margins (vs. \$205Mn and 32% margins outlined in the slide deck), which if delivered make the stock valuation rather attractive by 2026.
- Note: All deals were stock-based and took the Vireo share price at \$0.52. The exact final \$ valuation number upon closing in some cases may have been slightly different from what was indicated on 12/18/24 and later in the [DEFM14C](#) filed on 3/21/25. Our model is based on the latest available information post-closing of the three deals.*

Vireo Footprint and Underlying Market Trends

Below we review Vireo's operations in its six "proforma" states (in order of CY26 sales, per our own projections) and discuss the respective states' markets dynamics and outlook. We touch on FL too, although the deal for The Flowery "remains under negotiations". The slide below (from the 12/18/24 deck) summarizes the M&A transactions announced on that day.

Table 4: Summary Provided by Management on 12/18/24

Transformative M&A

| | |
|-----------------------|--|
| Transaction Overview | <ul style="list-style-type: none"> Vireo signed three definitive documents and one binding MOU³ to acquire four single-state operators and the Arches technology platform in a series of all-stock transactions  |
| Transaction Structure | <ul style="list-style-type: none"> The acquisitions are structured on substantially the same terms with a stock upfront and stock earnout component: <ul style="list-style-type: none"> Upfront: <ul style="list-style-type: none"> Purchase price equal to 4.175x Reference EBITDA⁴, except for the Flowery at ~5.4x Reference EBITDA multiple⁴ (all subject to adjustments for cash, debt, net taxes and other customary adjustments) Share consideration issued at an effective Vireo share price of \$0.52 (a 107% premium to 12/17/2024 closing price) with Wholesome and Proper receiving \$14mm in upfront consideration for Arches Earnout: <ul style="list-style-type: none"> Proper, Deep Roots and Wholesome may qualify for incremental consideration⁵ on December 31, 2026 based on 4.0x EBITDA growth⁴ compared to Reference EBITDA⁴ The Flowery earnout is 5.0x EBITDA growth⁴ and is conditional on achieving 2026 EBITDA⁴ threshold of at least \$28.3mm, measured against Reference EBITDA of \$20mm Arches earnout equal to the greater of \$37.5mm or 5.0x the higher of trailing twelve-month or nine-month annualized net revenue as of December 31, 2026 Earnout share consideration issued at the greater of Vireo's 20-day VWAP as of December 31, 2026 or \$1.05 per share Clawback: <ul style="list-style-type: none"> Up to 50% of the upfront consideration is subject to a clawback on December 31, 2026 to the extent (a) 2026 EBITDA⁴ underperforms Reference EBITDA⁴, (b) retail revenue market share for 2026 is less than 2024 and (c) Vireo's 20-day VWAP as of December 31, 2026 is greater than \$1.05 per share The Flowery's shall forfeit up to 95 million shares if 2026E EBITDA⁴ performs below \$28.3mm |
| Consideration | <ul style="list-style-type: none"> All-stock consideration issued at an effective Vireo share price of \$0.52 (a 107% premium to 12/17/2024 closing price) |
| Lock-Up | <ul style="list-style-type: none"> Share consideration subject to lock-up release schedule of 7.5% of shares 12-months post-closing, 10% of shares 18-months and 21-months post-closing, 17.5% of shares 24-months post-closing, 15% of shares 27-months post-closing and 20% of shares 30-months and 33-months post-closing |
| Pro Forma Ownership | <ul style="list-style-type: none"> Existing Vireo shareholders are expected to own ~21% of the pro forma entity after the issuance of the upfront consideration and equity financing transactions |

Source: Company reports

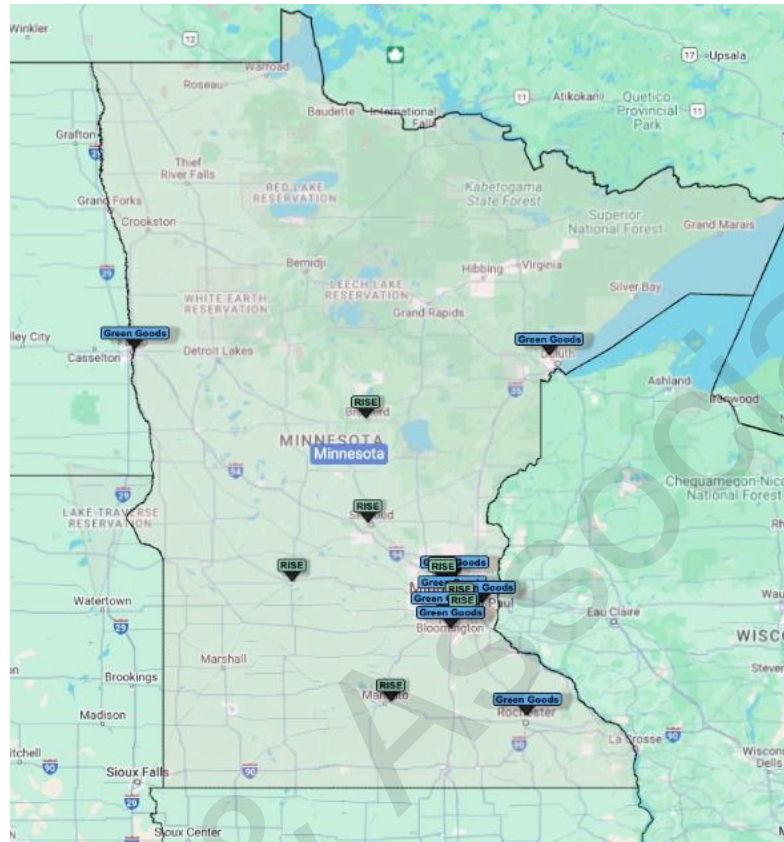
Minnesota

There are only two licensed MMJ operators in the state (Vireo and Green Thumb), each with eight stores (Vireo's [Green Goods](#), a "Gopher" local banner; Green Thumb's Rise, "a chain from Illinois") plus cultivation/production assets. While the MN medical market remains underdeveloped, rec sales should begin within the next 12 months, and we see potential for the market to grow at least by 5x.

However, as we have seen in other states, rules/licensing can impact the delta of market growth, as well as how incumbents (medical licensees) can participate and benefit from the start of rec sales. IL would be an example how incumbents benefited initially, and NY would be the opposite case (in NY, red tape, specifically targeted fees, and prioritization of new social equity licensees over incumbents, all combined to delay the entry of medical licensees to the rec program). In our interpretation, the [MN rec rules](#) may be closer to NY than IL.

As we show in the next map, several of the Vireo stores are near the border next to states not selling rec (WI in the east; IA in the south; the Dakotas in the west). Vireo is tripling capacity in MN ahead of the start of rec sales, competing the build out of a new indoor cultivation facility (prior to that it was only cultivating from greenhouses).

Table 5: Dispensaries Operating in MN (Green Goods 8; Rise 8)



Source: Maptive, company websites, Z&A

But first, a few notes on the state of the current MN medical market. There is little public data available about MN's medical cannabis market. Per the official data, there were 52,937 active patients as of 5/8/25 (+15% yoy), or 0.9% of the population (compared with >3.5% in FL and PA, and 2.8% in UT). If we assume the standard \$200/mo average patient spend, that would put the market at a current run rate of \$127Mn (MJBiz Daily estimated the market for CY24 at \$126Mn). That said, Vireo management estimates the MN MMJ market closer to \$100Mn. Vireo reported MN retail sales of \$11.2Mn for 1Q25 (+2% yoy), which would put its retail share anywhere between 35-45% (depending on the current MMJ market size taken). A scan of the Green Goods store menus shows mostly SKUs from the company (only a small number from Green Thumb); on the other hand, Vireo's net wholesale sales are small (\$281K in 1Q25).

The outlook for MN's rec market. In our view, the state's Office of Cannabis Management and the state's legislature are still fine tuning the final rules of the rec program (regarding licenses for new participants, and when/how medical licensee incumbents can enter the market). See [video](#) from 5/16/25 state Senate meeting with various participants (including Eric Taubel, Interim Director of the OCM) debating the yet unsigned Omnibus Cannabis bill.

- If we assume per capita spend in the \$100 to \$200 range, the MN total market (rec/med) could reach \$600Mn to \$1.2Mn over a 2-year space, or about 5x to 10x current levels. See appendix for our retail and wholesale revenue assumptions for Vireo through 2027.
- For modelling purposes, we assume the two medical incumbents can start rec sales only by 1/1/26. At that point, we would expect there will be at least >100 new dispensaries open. However, given their established presence and expertise, we would still expect the 16 incumbent stores to over index market share wise.
- In terms of wholesale, for Vireo and Green Thumb, the opportunity may be even greater. Even if new growers are issued licenses by 3Q25, we would not expect them to have product ready to sell in the market before 2027 (winning the license; building the facility; starting grow; being ready to sell). So, the two incumbents will dominate wholesale at the outset of rec.
- That said, in our interpretation, an exact start date (re actual sales at the register), for the program itself, and or for when the incumbents can start sales, remains unclear. Final rules on a host of topics have not been finalized: testing labs need to be licensed, and that could take time and thus delay the availability of tested product for sale; potency caps are still being debated; municipalities may ban rec retail and or set low caps; similar issues apply regarding taxes (effectively 24% in Minneapolis, including a new 15% cannabis tax on top of state and municipal sales taxes).
- Regarding next steps, in the short term, the OCM will hold license application lotteries on 6/5 for social equity and general applicants for three license types “critical to establishing the supply chain in MN’s AU market: cannabis cultivator, cannabis manufacturer, and cannabis mezzobusiness”. OCM will also hold a lottery on 6/5 for social equity applicants (SEAs) applying for a cannabis retailer license, preserving some of the advantages to SEAs envisioned in legislation. A lottery for general applicants for the cannabis retailer license (this includes a second chance for social equity applicants not selected in the first lottery) will follow in July.

Missouri

In Proper Cannabis (\$90Mn CY24 revenues; 84% retail and 16% wholesale), Vireo is acquiring one of the largest vertical operators in MO. With [11 stores](#) open at present (about 5% of all stores in MO), plus one still undeveloped license, Vireo has room to add another 9 stores based on the state cap. Among dispensary chains, only [Good Day Farms](#) is larger in the state. Proper offers drive-thru pick-up options as well as delivery (enhanced now with the rollout of the Arches delivery platform).

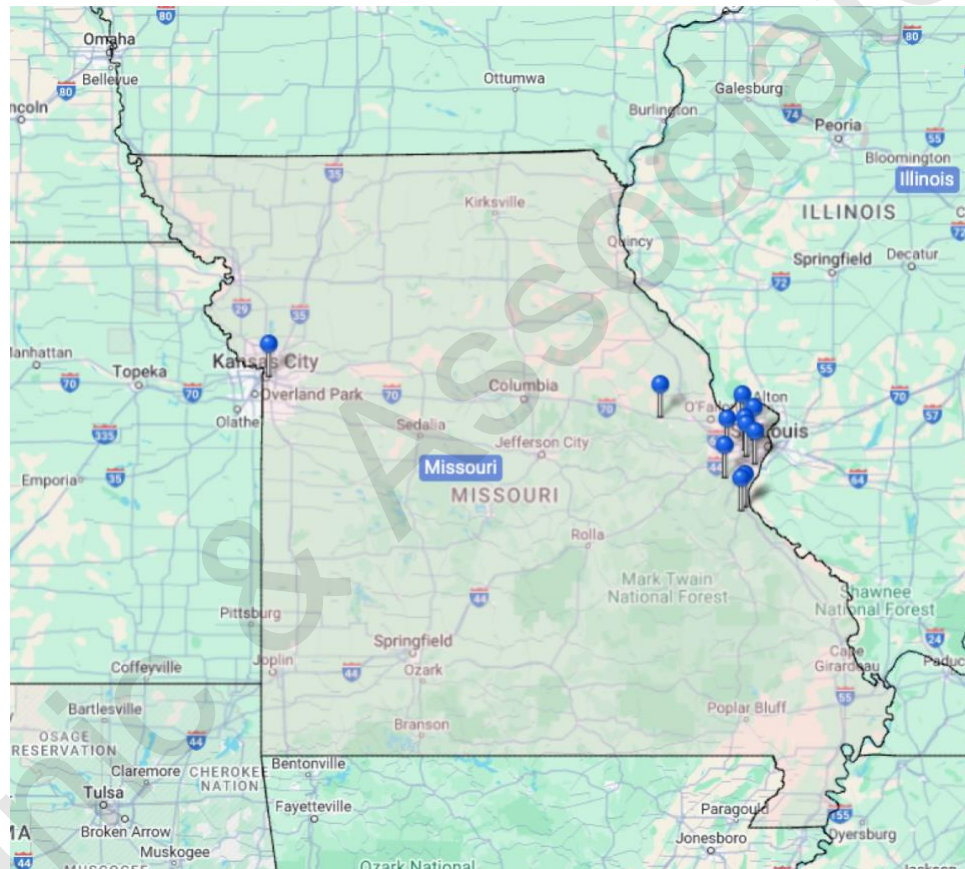
Proper sales grew by 19% in CY24 in a MO market that grew by 9%; we estimate the stores yield close to \$7Mn in rev/store pa, in line with the state average.

We do not expect the company to further expand the footprint this year (it would need to be via M&A, given the state’s cap on total licenses), with the focus more on optimization. Proper recently

expanded capacity to about 30K sq ft of canopy (total building size of 90k sq ft). The bulk of the company branded sales are done under the Proper Cannabis brand (other brands include HoneyBee, Ratio, goodnight, and New Growth Horizon).

In CY24, Proper generated EBITDA of \$24.4Mn (down from \$29.6Mn in CY23), for margins of 27% (48% gross margins). *Later in this report we discuss reference EBITDA taken for the deal's valuation, and the 2026 EBITDA floor to calculate earnouts.*

Table 6: Vireo stores in MO (under the 'Proper Cannabis' banner)



Source: Maptive, company websites, Z&A

A top-down view of the Missouri market: Rec sales began in Feb 2023. Retailer economics remain attractive, despite deflation; overall market growth trends are improving. Pennsylvania (\$1.65Bn): Growth trends improving; attractive retailer economics.

- Sales:** On a 12mo trailing basis, the market reached \$1.48Bn in sales thru Mar'25. Total market sales amounted to \$370Mn in 1Q25 (88% rec; 12% med), up 6% yoy and down 3% qoq on seasonality. Market growth (+243% in CY23; +9% in CY24) seems to have picked up in recent quarters owing to wider assortment (4Q24 was up 10% yoy, after +2% in 3Q and 0% in 2Q). In terms of growth, we consider MO an example of a successful transition from med to rec, with total market sales up 3.1x 12mo after rec began. MO also benefits from out of state traffic, with seven bordering states (IA; NE; KS, OK, AR, TN, KY) not having

rec programs; also, due to lower prices and taxes, it attracts IL consumers. So, “per capita” stats look solid for MO; at \$240, per cap spend is already in line with CO and trails only MI and MA (two markets with >5-year-old rec programs).

- Prices and market structure: Per Headset, retail flower prices in 1Q25 were \$6.52/gram, down 19% yoy and -4% seq; back in 1Q23, the average was \$8.01. While prices are below some of the more restricted states (NY \$8.81; MD \$7.87; OH \$7.49; IL \$6.81), they are well above the more competitive states (MI \$2.45; AZ \$3.30; MA \$4.15; CA \$4.30; NV \$4.60), taking Headset data. Wholesale prices of \$1,900/lb allow for good profitability at the grower level too. In terms of market structure (format mix), in 1Q25 flower accounted for 44% of total sales, vape 25%, edibles 14%, pre-rolls 12%, and concentrates 5%, per Headset.
- Stores and retailer economics: As of 3/19/25, there were 214 dispensaries approved to sell rec (or 35 stores per 1mn people), per the official state website, which makes MO more dense compared with other “new” rec states (NY 12; CT 13; MD 16; NJ 26) and even more established rec markets (IL 20; AZ 21), albeit well below CO (180) and MI (100) and other outlier states (NM, OR). For context, MA and WA are near 60. That said, MO will not be adding more stores for the time being. We understand the cap per operator is at 10% of total stores (~21). In terms of retailer economics, revenue per store of \$7Mn is above average. Headset estimates flower spreads at \$2.93/gram for 1Q25 (down from \$3.53 in 1Q24 and \$3.80 in 1Q23), and gross margins at 45%, which equates to \$3.2Mn gross profit per store. Of course, gross margins would be higher for those with vertical operations.
- Leading Brands: Four brands had ~6% of the total market (per Headset) as of 1Q25: Good Day Farms, CODES, Flora Farms, and Illicit Gardens. In flower, Flora Farms was #1 with 11.6% share (the top 3 had 29% combined flower share); Rove was #1 in vape with 7.1% share (top 3: 18%); Gron was #1 in edibles with 12.6% (31%); Good Day Farm was #1 in pre-rolls with 13.8% share (28%). We understand reciprocity is a key factor in MO, which makes it difficult for growers/producers without retail (or with few stores), especially in the context of some larger retail chains.
- MSOs: Limited presence in MO, ex a recent entry by MariMed with extraction.

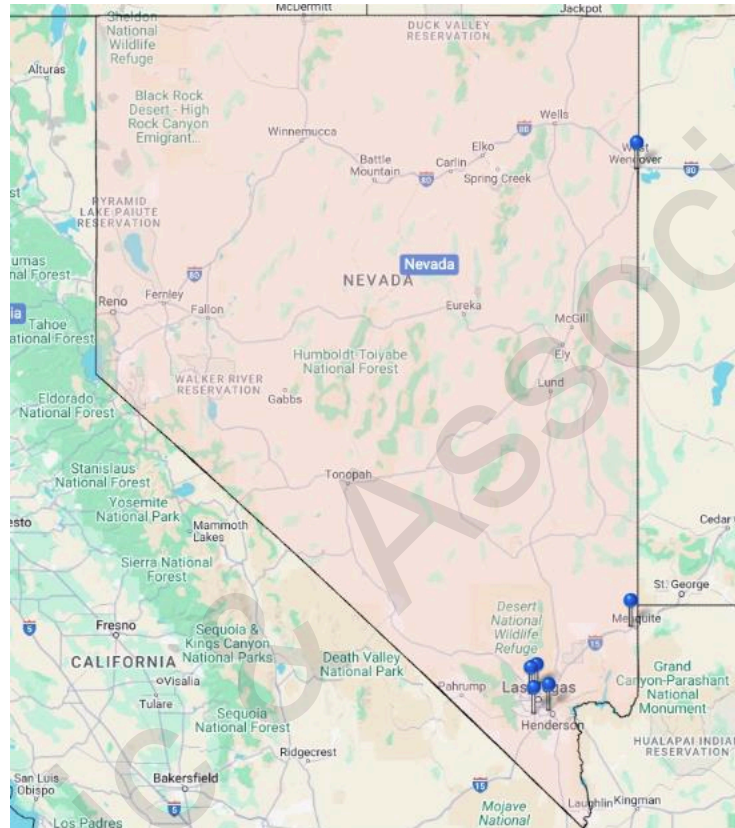
Nevada

In Deep Roots Harvest (~\$100Mn in proforma CY24 revenues; 98% retail), Vireo is acquiring one of the largest players in NV, which recently (Oct’24) expanded by acquiring the retail and cultivation assets of The Source+ in the state. Counting a store opened in 1Q25, the operation now has a total of 10 stores (10% of NV’s total stores), plus two undeveloped dispensary licenses; six of the 10 are under the [Deep Roots Harvest](#) banner and four under [The Source+](#). The reported sales for CY24 were \$69.5Mn, include only two months from The Source+ and reported EBITDA was \$20Mn (29% EBITDA margins). Per company disclosure, proforma EBITDA (with a full year of The Source) was \$29.7Mn. Taking proforma sales, we estimate Deep Roots now has ~16% total market share of NV

(for context, we calculate PLNH with its superstore and one Medizin store had 8% retail share in 1Q25, taking the market for 1Q at \$155Mn, as per Headset).

We discuss reference EBITDA taken for the deal valuation, and the 2026 EBITDA floor to calculate earnouts, later in this report.

Table 7: Vireo stores in NV (operating under ‘Deep Roots’ and ‘The Source’)



Source: Maptive, company websites, Z&A

A top-down view of the Nevada market,

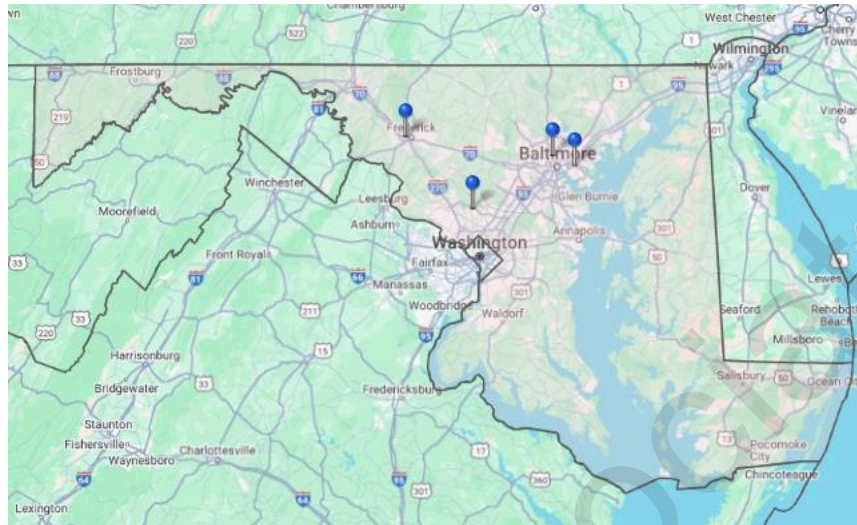
- Sales:** Per Headset (state official data not out yet), cannabis sales amounted to \$155Mn in 1Q25 in NV, down 13% yoy (-25% on a 2-year stacked basis), and down consecutively yoy since a peak of \$227Mn in 1Q21. As in recent quarters, most of the \$ decline is price driven; average flower prices were down 16% yoy in 1Q25 (Headset), with vape -11% and edibles -5% (pre-rolls flat). Note: the \$ market format mix in 1Q25 was flower 41%, vape 26%, pre-rolls 14%, edibles 11%, and concentrates 5% (the other 3% was comprised by drinks, concentrates, and topicals). In addition to consumer pressure, increased cannabis competition, and hemp derivatives, we now must also factor global geopolitical risk, now impacting Las Vegas traffic (down 7% yoy in 1Q25, per LVCVA) and hotel economics (for 1Q25 RevPAR was down 10% yoy).

- Prices and market structure: Flower retail prices in 1Q25 at \$4.60/gram were down 16% yoy and -10% qoq, but they remain among the highest in the western states (OR \$2.40 and CO/WA \$3.00, AZ \$3.30; CA \$4.30), and above MI (\$2.45). Wholesale prices of \$1,350 per lb, are also well above western states levels. In terms of format mix, per Headset, in 1Q25 flower accounted for 41% of NV cannabis sales, vape 26%, pre-rolls 14%, edibles 11%, and concentrates 5%.
- Stores and retailer economics: Per Nevada's CCB, there are 103 licensed dispensaries. That translates to \$6Mn revenue per store (annualizing 1Q25). The store count is up from 75 in early 2023. With the Planet 13 Superstore doing >\$50Mn in annual sales (\$56Mn in CY24, \$12.8Mn in 4Q24), the average for the other stores is closer to \$5Mn. While this is below restricted eastern markets, it is still above what we see in most western states. At retail, flower spreads are now \$2.21/gram for flower (48% gross margins), down from \$2.49 in 1Q24, and \$3.22Mn in 1Q23. In other words, gross profit per store has dropped from ~\$5.50Mn to about \$3Mn now. All these factors force retail stores to cut fixed costs (personnel, marketing, and other services).
- Leading Brands: Only two brands had 5% or more of the total NV market across all formats (per Headset) as of 1Q25: STIIIZY 11% and Medezin (Planet 13) 11%. In flower, STIIIZY was #1 with 7.9% share (ex-house brands, the top 3 had 21% combined flower share); STIIIZY was #1 in vape with 17.2% share (top 3: 37%); Wyld was #1 in edibles with 31.9% (55%); STIIIZY was #1 in pre-rolls with 19.6% share (41%). Per Vireo disclosure, 98% of proforma Deep Roots sales in NV come from its retail business (so it does little wholesale business in terms of selling its own brands to 3rd party stores).
- *Public MSOs in NV: Among MSOs, Planet 13, Green Thumb, and Curaleaf have the largest presence in the state (ex-Vireo now).*

Maryland

MD is part of the Vireo legacy business and accounted for 45% of total company revenues in CY24 (\$42Mn; 65% retail and 35% wholesale). Per our proforma projections, MD should be the fourth largest contributor to Vireo sales by CY26, about half of MO and NV, and one third of MN (assuming a full year of rec for the latter).

The company operates [four stores in MD](#), two directly owned and two under MSA. The two owned stores generated \$6.8Mn in retail sales in 1Q25, equivalent to an annual average of \$13.6Mn, more than 20% above the state average of \$11Mn (Vireo counts sales under the MSA stores as wholesale, together with its sales of own branded products to 3rd party stores). Vireo aims for 40-60% own branded sales at its own stores. According to management, enhanced cultivation efficiencies have boosted throughput at its cultivation facilities (around 45K sq ft of canopy in five greenhouse rooms; total facility size of 144k sq ft).

Table 8: Vireo stores in MD (under the 'Green Goods' banner)

Source: Maptive, company websites, Z&A

A top-down view of the Maryland market,

- Sales:** Rec sales began on 7/1/23. Total rec+med sales reached \$281Mn in 1Q25 (76% rec), up 3% yoy (-4% seq) and up 2.3x vs. 2Q23 (the last quarter with med sales only). While market economics remain attractive, the MD market has slowed down (+8% yoy in 3Q24 and +6% in 4Q24). That said, per capita consumption at \$184 (12mo CY24) is well above other “new” rec states like IL, NJ, and CT. As more stores open and assortment grows, market growth ought to accelerate. With neighboring states like PA, VA, and WV (DC also helps), remaining med, MD should continue to benefit from out of state traffic (unlike the IL regulator, MD does not track the in and out of state shopper traffic flow).
- Prices and retailer economics, and formats:** Flower retail prices and retailer spreads were down 10% yoy, but they remain above other rec markets. Per Headset, flower was retailing at \$7.87/gram in 1Q25, and the retailer spread was \$3.48. Among the 10 states for which we have retailer spread data, only NY and OH had higher retailer flower spreads in 1Q25. Cannabis Benchmarks estimates wholesale prices at \$2,200 per lb, among the highest in the east. Per Headset, in 1Q25 flower accounted for 49% of sales, vape 23%, edibles 12%, pre-rolls 11%, and concentrates 4%.
- Stores:** The state regulator has issued 100 store licenses. Average annualized revenue per store of >\$11Mn is among the best in the US, and well above that of Illinois. We calculate gross margins at >44%, so this means almost \$5Mn gross profit per store. Companies with vertical operations in MD are in a strong position to benefit both from the grower margin piece as well as the retailer margin. The state has a cap of 4 stores per operator.
- Leading Brands:** Three brands had 5% or more of the total MD market across all categories (per Headset) as of 1Q25: Green Thumb's Rythm, Strane (owned by private MSO Holistic), and Fade (owned by private MSO Story). In flower, Rythm was #1 with 9.2% share (the



top 3 had 24% combined flower share); Select (Curaleaf) was #1 in vape with 14.7% share (top 3: 36%); Betty's Eddies (MariMed) was #1 in edibles with 13.4% (34%); Dogwalkers (Green Thumb) was #1 in pre-rolls with 12% share (29%). We understand reciprocity is also a key factor in MD. We see the Vireo stores mostly carry independent brands with brands from Green Thumb, the only MSO featured.

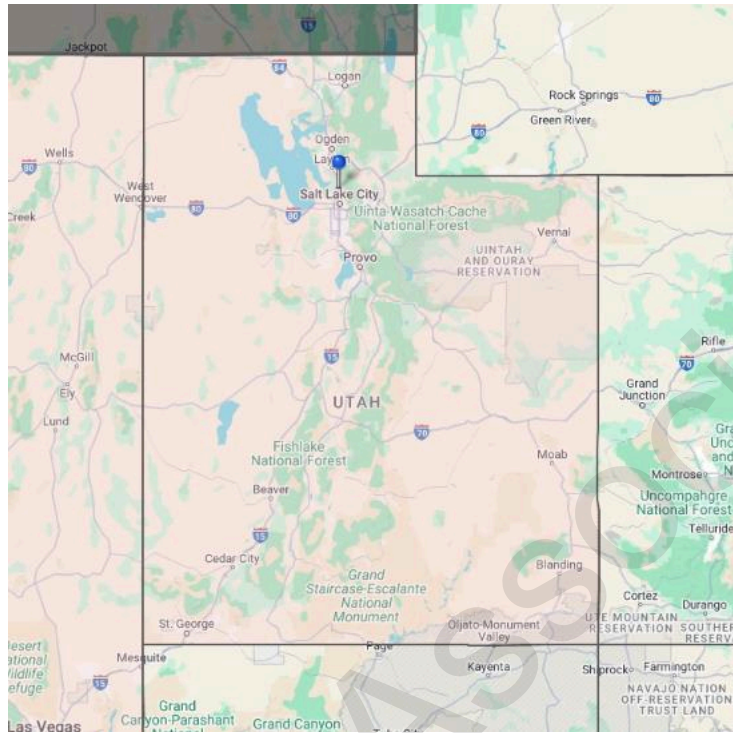
- *Context re other public MSOs in MD: There are 10 in total (Ascend, Cannabist, Curaleaf, Goodness Growth, Green Thumb, iAnthus, MariMed, TerrAscend, Trulieve, Verano).*

Utah

On 5/12, Vireo closed on the acquisition of Wholesome cannabis and its related Arches online delivery platform. Wholesome (\$47.5Mn in CY24 revenues; 84% retail, 16% wholesale), is one of the few licensed operators in Utah's medical cannabis program. Wholesome owns one of the best performing stores in the state (it can add three more) and has 22.5K sq ft of cultivation. In part, the company's outsized market share at retail (~25%; one store of 15) is the result of its strong delivery business.

- Management estimates the size of UT's MMJ market at \$162Mn (CY24).
- Per the regulator, as of 4/18/25, there were 99,464 active patients (up 20% yoy), or 2.8% of the state's population (well more developed than MN at 0.9%).
- That said, average patient spend of \$135/mo (taking Vireo's market size estimate), is well below the \$200 level seen in most states. If we took the current patient count and \$200/mo spend, UT's MMJ market could already be at \$240Mn (50% above Vireo's estimate).
- There are only 15 stores in the state (called "pharmacies", per the regulator), which makes for attractive retail economics (<\$11Mn rev/store pa).
- The [Wholesome store](#) (one "only") outperforms, with CY24 sales of \$40Mn, or about 25% of the market (taking the market size at \$162Mn). It sells a wide range of own company brands as well as 3rd party brands.
- Regarding the other 14 pharmacies, Curaleaf has 4, Beehive Farmacy 2, Bloc Pharmacy 2, Dragonfly Wellness 2; The Flower Shop 2; The Forest 1; Zion Medicinals 1.
- Retail prices for 1/8oz of flower are near \$40 (>\$11.43/gram), which would be the highest in the Vireo footprint.
- There are 8 licensed cultivators in Utah. Wholesome generated around \$7.6Mn in net wholesale revenues in CY24, for about 9% market share.
- *Later in this report we discuss reference EBITDA taken for the deal's valuation, and the 2026 EBITDA floor to calculate earnouts.*

Table 9: Utah



Source: Maptive, company websites, Z&A

New York

Vireo is one ten licensed operators in New York's medical program, with four stores and grow. The company has not entered the adult-use market at retail (incumbents have the right to co-locate rec services at three dispensaries, but must pay a \$5Mn registration fee per store), so sales at its [Vireo Health](#) stores remain small (~\$1.2Mn pa, down from \$3Mn before the start of rec). On the other hand, Vireo is supplying 3rd party rec stores on the wholesale side (\$0.9Mn in sales in 1Q25). It has a 388k sq ft facility in Bluebird NY, and it is ramping indoor cultivation ("by applying SOPs and best practices from The Flowery", per management).

The NY operation is booked as "assets held for sale" on the company balance sheet, as Vireo is in the process of partnering with a social equity group in the state (Vireo would take a stake on what would eventually be a larger operation). In the meantime, the company is expanding its wholesale business by selling its range of brands to a wider network of 3rd party stores.

About the NY rec market,

- Market size and structure:** Per the OCM's latest meeting (4/24/25), 1Q25 sales reached \$346Mn (for an annual run rate of \$1.38Bn), up 3x from \$104Mn in 1Q24, and slightly down from \$358Mn in 4Q24 due to seasonality. The market has made great strides after a slow start (the first dispensary opened in late Dec'22), but in per capita terms it continues to lag at only \$70. High prices, the illicit market, unlicensed stores, hemp



derivatives, are some of the causes, per various operators in the state. In terms of market mix, per Headset, in 1Q25 flower sales accounted for 34% of the market, vape 27%, pre-rolls 18%, and edibles 14% (concentrates 3%; the rest are 1% or less: drinks, capsules, tinctures, and topicals).

- Stores: There were 327 licensed dispensaries as of March 2025 (up from 269 at the end of 2024 and 44 at YE23), which yields average rev/store pa of \$4Mn. But we understand some of the more established stores still generate >\$20Mn pa. The store density, at only 16 per 1mn people, is still low compared with the more competitive rec markets (MI 100; CO 180), but in line with several other markets (CT 13, MD 16, IL 20, AZ 21, NJ 26). It seems the regulator plans to keep adding dispensary licenses, which could put the density ratio over 30 by YE25. Few of the licensed medical operators have entered the rec market at retail (they are allowed to open 3 rec stores but need to pay a \$5Mn registration fee per store to enter).
- Pricing and economics: Per Headset data, average flower prices at retail were \$8.81/gram in NY (down 13% yoy), the highest in the eastern states for which we have data. Retailer spreads were at \$4.33/gram (49% gross margins) vs. \$5.04 in 1Q24 (little changed from \$5.04/g when rec sales were just starting). If we take the current average of \$4Mn rev per store pa, that equates to a pretty decent \$2Mn in gross profit per store, before factoring operational costs.
- Leading Brands: Two brands had 5% or more of the total NY market across all categories (per Headset) as of 1Q25: Dank by Definition (DbD) 6.0% and Ayrloom 5.4%. In flower, DbD was #1 with 13.4% share (the top 3 had 23% combined flower share); Jaunty was #1 in vape with 11.9% share (top 3: 28%); Ruby Farms was #1 in pre-rolls with 12.4% share (25%); Off Hours was #1 in edibles with 17.3% share (43%). For the most part, so far, the local independent brands account for the bulk of market share, but out of state brands are gaining presence (via licensing deals and some by garnering licenses; here we do not factor out of state illegally imported brands making it to licensed dispensary shelves), as well as MSOs that had the resources to expand capacity (and paid the “registration fee” in case of the incumbents).

Florida

[The Flowery](#) has 11 stores in FL, a state with 715 stores at last count. In our judgement, this deal is in limbo, and we find a larger operation would make sense for Vireo. Scaling up organically in the state would take time and be costly. The Flowery had 3 stores back in 1Q23 and grew to 10 by 4Q24 (it just added its 11th store). The OMMU volume data shows mix performance trends for The Flowery in recent months. In a slide deck from 12/18/24, Vireo estimated The Flowery sales for CY24 at \$54Mn and EBITDA of \$15Mn (28% margins).



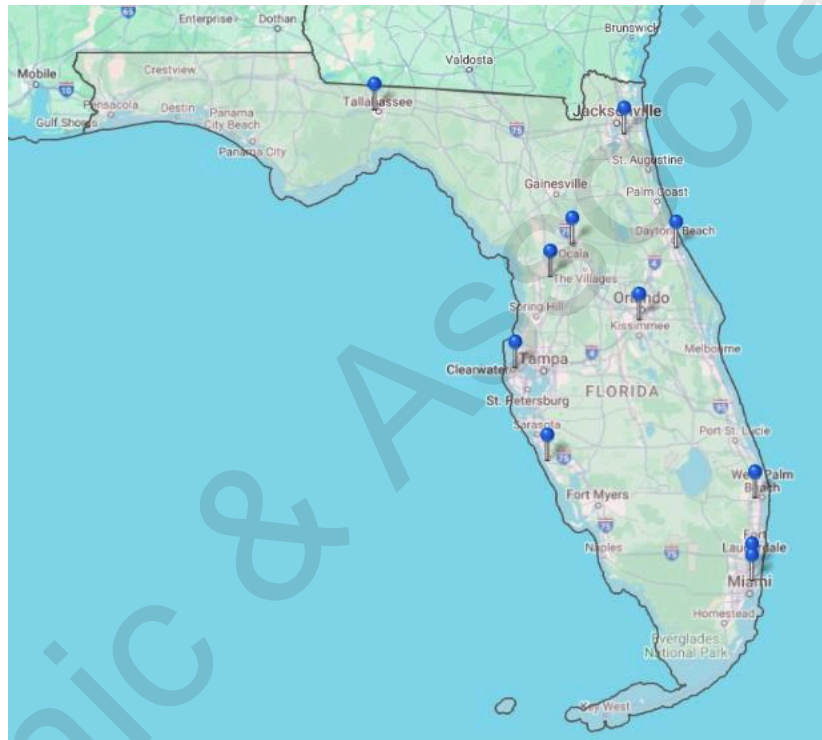
Re macro market trends,

- \$ market growth, per Headset.** Headset points to \$435Mn in 1Q25 sales in FL, up 8% seq (in 1Q24, sales were up only 1% seq), compared with -4% in 4Q24 and -13% in 3Q24. In yoy terms, sales were down 11% vs. -17% in 4Q24 and -13% in 3Q24. As per Headset, unit volume (not the same as grams) growth accelerated, with 16% yoy growth in 1Q25 (vs. +9% in 4Q24 and +9% in 3Q24). In QoQ terms, trends also improved to +9% vs. +3% in 4Q24 and -2% in 3Q24. If we assume no change in product mix or on pack sizes (i.e., units trends equaling gram trends), this would mean price was down 23% yoy, but only down 1% qoq (in 4Q24, based on the Headset \$ and unit data, price would have been down -7% qoq and -11% in 3Q24).
- What the OMMU volume data imply.** Per OMMU (the official state data regarding volumes), during 1Q25 flo volumes reached 1.66mn oz (+19% yoy vs. up 13-15% yoy in 3Q24 and 4Q24) and non-flo 4,765mn mg (+11% yoy vs. +12% in 4Q24 and +6% in 3Q24). So, per OMMU, blended volume growth improved in 1Q25 to +15% yoy (flo +19%; non flo +11%) vs. +13.5% in 4Q24 (+12%; +15%). In qoq terms, blended volumes were up 1.5% (flo +3%; non-flo 0%) vs. +6% in 4Q24 and +1% in 3Q24. The total number of stores was 712 at the end of March 2025 (vs. 702 YE24 and 615 at YE23). Flo volume per store has ticked up (1Q25 2.35k oz per store; 4Q24 2.33k; 3Q24 2.31k). Non-flo volume per store at 6.74mn mg per store, was down 2% yoy and qoq.
- Price trends.** Crossing Headset and OMMU, we calculate price/mix was up >6% qoq in 1Q25 (+8% \$ sales growth qoq per Headset, and OMMU blended volume growth +1.5%) vs. -9% in 4Q24 and -14% in 3Q24. Obviously, this marks a sharp turn in pricing (even accounting for the fact that 4Q, due to the YE holidays, and 2Q, due to 4/20, are more promotional quarters). Sure, pricing is still down meaningfully yoy (crossing Headset and OMMU: 1Q25 -23%, 4Q24 -27%, 3Q24 -21%), so we will wait for 2Q data to make a call on pricing.
- Store efficiency.** The total number of stores was 712 at the end of March 2025 (vs. 702 YE24 and 615 at YE23). Flo volume per store has ticked up to 2.35k oz sold per store in 1Q25 (+4% yoy), from 4Q24 2.33k and 3Q24 2.31k. On the other hand, non-flo volume per store at 6.74mn mg per store, was down 2% yoy and qoq. Regarding MSOs sales per store performance (we discuss Cannabist here although we realize the company is in the process of selling its FL license; we do not discuss The Flowery in detail as it remains unclear, for now, whether Vireo Growth will buy the company).
- MSOS in FL:** *Of the MSOs mentioned, the ones with the highest relative exposure to FL are Trulieve, AYR, Verano, and Planet 13 (proforma) as per our calculations.*
- For greater FL market color, see our [report from 4/24](#).*

The Flowery performance. Company flo volumes (as per OMMU, this means flower and pre-rolls) fell 1% qoq in 1Q25, in a market that grew 3%; that said, the company outperformed the market in CY24, with 62% growth vs. 12% for the market (for 4Q24 this was +18% vs. +19%). In the case of

extracts (non-flo per OMMU, the outperformance was even greater in 2024, with sales up 59% for CY24 vs. 11% for the market (4Q24 +36% vs. +11%), but in 1Q25, as in flower, the company lagged in qoq terms (-10% vs. 0%). Our read for the latter may be that the company was for sale in 2024, and it promoted heavily, but now this is being unwounded. All this said, in terms of store efficiency, The Flowery is above average, with 3.17k oz of flo sold per store in 1Q25 compared with the state average of 2.35K, and 9.66mn mg of non-flo vs. the state average of 6.74mn. If we take an average of 8 stores for CY24, this would imply sales per store of \$6.8Mn, almost 3x our estimate of the state MMJ rev/store average for CY24 of \$2.7Mn.

Table 10: The Flowery Stores in FL



Source: : Maptive, company websites, Z&A

Financial Projections

As stated before, Vireo has several growth drivers, including underlying market growth; MN going rec; store and cultivation expansion across the footprint; selective M&A to expand the footprint (in new states and or existing states); and sharing of best practices and operating leverage driving EBITDA margin expansion. Also, the previous shareholders have further upside (via earnouts) if they can beat their EBITDA targets. The next table outlines our estimates through 2027. We factor the three deals in our model from their respective closing dates. *Note: CY24 proforma sales (per the 12/18/24 slide deck) ex FL were \$340Mn, and EBITDA \$79Mn; on 6/17/2, the company guided for 2Q25 proforma sales of \$88-91Mn and EBITDA of \$23-24Mn, which in both cases would imply growth vs. proforma CY24 (annualizing 2Q25 proforma).*

Table 11: Our Financial Projections

| US\$ Mn | Dec CY22 | Dec CY23 | Dec CY24 | Mar 1Q25 | Jun 2Q25e | Sep 3Q25e | Dec 4Q25e | Dec CY25e | Dec CY26e | Dec CY27e |
|-----------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| P&L Highlights | | | | | | | | | | |
| Revenues | 74.6 | 88.1 | 99.4 | 24.5 | 32.2 | 90.1 | 91.2 | 238.1 | 481.8 | 553.3 |
| qoq ch % | na | na | na | -2% | 31% | 180% | 1% | na | na | na |
| yoy ch % | -39% | 18% | 13% | 2% | 28% | 258% | 265% | 140% | 102% | 15% |
| Consensus Sales | | | | | na | na | na | na | na | na |
| Gross profit | 30.9 | 44.1 | 50.8 | 12.4 | 16.8 | 47.8 | 48.3 | 125.3 | 255.4 | 293.2 |
| as % of sales | 41.4% | 50.0% | 51.1% | 50.6% | 52.0% | 53.0% | 53.0% | 52.6% | 53.0% | 53.0% |
| Total SGA | -37.8 | -33.5 | -37.2 | -10.4 | -8.1 | -28.7 | -28.7 | -76.0 | -124.3 | -135.8 |
| SGA/sales | -50.7% | -38.0% | -37.4% | -42.5% | -25.1% | -31.9% | -31.5% | -31.9% | -25.8% | -24.5% |
| Operating income | -6.9 | 10.6 | 13.6 | 2.0 | 8.7 | 19.0 | 19.6 | 49.3 | 131.1 | 157.4 |
| operating margin | -9.3% | 12.0% | 13.6% | 8.1% | 26.9% | 21.1% | 21.5% | 20.7% | 27.2% | 28.5% |
| Adj EBITDA | 4.1 | 19.6 | 25.1 | 6.6 | 9.6 | 20.7 | 23.1 | 59.9 | 145.4 | 172.7 |
| EBITDA margin | 5.5% | 22.2% | 25.3% | 26.8% | 29.7% | 22.9% | 25.3% | 25.2% | 30.2% | 31.2% |
| Consensus EBITDA as % of sales | | | | | na | na | na | na | na | na |
| Net interest expense | -22.6 | -31.3 | -31.2 | -7.6 | -4.7 | -4.7 | -4.7 | -21.7 | -18.6 | -17.8 |
| Net int exp/sales | -30.3% | -35.5% | -31.4% | -31.0% | -14.7% | -5.2% | -5.2% | -9.1% | -3.9% | -3.2% |
| Profit before tax | -36.6 | -17.8 | -16.9 | -4.8 | 3.9 | 14.4 | 14.9 | 28.4 | 112.5 | 139.6 |
| Net profit | -42.5 | -25.5 | -28.0 | -6.5 | 3.1 | 11.5 | 11.9 | 20.1 | 90.0 | 111.7 |
| EPS | -0.33 | -0.19 | -0.16 | -0.02 | 0.01 | 0.02 | 0.01 | 0.03 | 0.10 | 0.12 |
| ending share count (mn) | 128.1 | 143.1 | 366.0 | 367.2 | 501.5 | 924.9 | 924.9 | 924.9 | 924.9 | 924.9 |
| BS and CF Highlights | | | | | | | | | | |
| Operating cash flow | -18.1 | -1.0 | -10.2 | -3.3 | 3.1 | -37.9 | 14.1 | -24.1 | 64.2 | 103.7 |
| (-) Capex | -5.6 | -5.0 | -11.7 | -1.1 | -1.0 | -2.7 | -2.7 | -7.6 | -14.5 | -16.6 |
| Free cash flow | -23.6 | -5.9 | -21.9 | -4.5 | 2.1 | -40.6 | 11.4 | -31.6 | 49.7 | 87.1 |
| Financial net (debt) | -42.9 | -53.4 | 19.4 | 13.8 | 15.9 | -24.7 | -13.4 | -13.4 | 36.3 | 123.4 |
| cash | 15.1 | 16.0 | 91.6 | 86.3 | 102.5 | 108.2 | 119.6 | 119.6 | 169.3 | 256.4 |
| debt | 58.0 | 69.4 | 72.2 | 72.5 | 86.6 | 133.0 | 133.0 | 133.0 | 133.0 | 133.0 |
| Net debt to Sales | -0.6x | -0.6x | 0.2x | 0.1x | 0.1x | -0.1x | 0.0x | -0.1x | 0.1x | 0.2x |
| Net debt to EBITDA | -10.4x | -2.7x | 0.8x | 0.5x | 0.4x | -0.3x | -0.1x | -0.2x | 0.2x | 0.7x |
| OCF/Sales | -24.2% | -1.1% | -10.3% | -13.5% | 9.5% | -42.1% | 15.5% | -10.1% | 13.3% | 18.7% |
| Capex/Sales | -7.5% | -5.6% | -11.8% | -4.7% | -3.0% | -3.0% | -3.0% | -3.2% | -3.0% | -3.0% |
| Broad net debt (inc taxes, oth | -118.2 | -85.2 | -24.0 | -28.8 | -35.1 | -95.5 | -84.2 | -84.2 | -36.1 | 50.1 |

Source: Company reports; Z&A estimates

The Three Acquisitions

Merger agreements with operators in NV (Deep Roots), MO (Proper Holdings and NGH Inv.), and UT (Wholesome), were first disclosed on 12/18/24, and all closed during 2Q25. Back in Dec, Vireo also disclosed a “binding MOU” to acquire The Flowery in FL, but negotiations are still ongoing.

- Deep Roots (NV) reported sales of \$69.5Mn in CY24 (98% retail; 2% wholesale), including two months from The Source deal. In total, Deep Roots now has 9 dispensaries plus cultivation/production. The acquisition of four dispensaries (The Source) in late Oct'24 accounted for the bulk of the 8% yoy growth in the sales base. Reported adjusted EBITDA for CY24 was \$20Mn (inc. 2 months from The Source), or 29% of sales. On a proforma basis (i.e., assuming a full year for The Source), CY24 EBITDA would have been \$29.7Mn. Vireo paid \$132.7Mn (255.2mn shares at 52c), subject to claw-backs and before earnouts. per management, on what it calls reference CY24 EBITDA of \$30Mn, it paid 4.175x (we calculate 4.4x EBITDA). *Note: Final proforma EBITDA for CY24 was disclosed at \$29.7Mn.*
- Wholesome (UT) generated sales of \$47.5Mn in CY24 (84% retail; 16% wholesale), on a base of 1 dispensary and cultivation/production. The company posted 28% yoy growth in CY24 (on increased patient count, delivery sales, product offerings, and improved product quality). Adj EBITDA was \$15.4Mn (>32% of sales). Vireo paid \$69.8Mn (134.2mn shares at 52c), subject to claw-backs and before earnouts. According to management, on what it calls reference CY24 EBITDA of \$16Mn, it paid 4.175x (we calculate 4.4x EBITDA). *Note EBITDA for CY24 was reported at \$15.4Mn.*
- Proper (MO) generated sales of \$90.4Mn in CY24 (84% retail; 16% wholesale), on a base of 11 dispensaries and cultivation/production. Part of the 19% yoy sales growth came from the acquisition of one store (SLCC in KC) and an MSA with Nirvana Inv (four stores). Adj EBITDA for CY24 was \$24.4Mn (27% of sales); no proforma number was provided. Vireo paid \$102Mn (196.2mn shares at 52c), subject to claw-backs and before earnouts. According to management, on what it calls reference CY24 EBITDA of \$31Mn, it paid 4.175x (we calculate 3.3x EBITDA). *Note: EBITDA for CY24 was \$24.4Mn.*

Table 12: Proforma Financials









| US\$ 000s | | | | | | |
|----------------------------------|---------|------------|---------|-----------|-------------|----------|
| Key B/S Highlights (YE24) | Vireo | Deep Roots | Proper | Wholesome | Adjustments | Proforma |
| Net debt | 19,405 | -2,929 | -11,676 | -648 | -6,295 | -2,143 |
| Cash | 91,605 | 16,067 | 15,692 | 8,467 | -6,295 | 125,536 |
| Financial debt | 72,200 | 18,995 | 27,368 | 9,115 | 0 | 127,679 |
| Other assets | 187,258 | 114,913 | 75,061 | 26,009 | 152,356 | 555,597 |
| Income tax debt | 33,324 | 12,282 | 4,822 | 8,040 | 0 | 58,469 |
| income tax payable | 0 | 0 | 4,822 | 1,317 | 0 | 6,140 |
| uncertain tax position liability | 33,324 | 12,282 | 0 | 6,723 | 0 | 52,329 |
| Other liabilities | 117,775 | 31,184 | 28,226 | 13,736 | 125,452 | 316,373 |
| Equity | 55,564 | 68,518 | 30,338 | 3,584 | 20,609 | 178,612 |
| Key P&L Highlights (CY24) | Vireo | Deep Roots | Proper | Wholesome | Adjustments | Proforma |
| Revenues | 99,384 | 69,510 | 90,408 | 47,501 | | 306,803 |
| Gross profits | 50,771 | 38,477 | 43,705 | 28,748 | | 161,701 |
| as % of sales | 51.1% | 55.4% | 48.3% | 60.5% | | 52.7% |
| Income from ops | 13,563 | 11,104 | 19,022 | 11,816 | -4,227 | 51,278 |
| as % of sales | 13.6% | 16.0% | 21.0% | 24.9% | | 16.7% |

Source: Company reports; Z&A estimates

Vireo's Own Proforma Projections

When the four deals were announced in Dec'24 (including the binding MOU with The Flowery in FL), management set a target of \$636Mn in revenues by 2026, up 60% from \$394Mn proforma in CY24. By the same token, it aimed for EBITDA margin expansion from ~24% in CY24 to >32% by 2026. It did not split the growth delta by states but noted several "core growth drivers" in a slide deck released on 12/18/24 (see slide below), including cultivation expansion and store openings, besides the start of adult use sales in Minnesota.

Table 13: Company Targets

| | Vireo | | | Proper | Deep Roots | WholesomeCo | The Flowery ¹ | Total |
|---|--|---|--|---|--|---|---|---|
| |  |  |  |  |  |  |  |  |
| | Maryland | Minnesota | New York | Missouri | Nevada | Utah | Florida | |
| 2024E Revenue | \$42mm | \$46mm | \$11mm | \$92mm | \$102mm | \$48mm | \$54mm | \$394mm |
| 2025E Revenue | | | | | | | | \$478mm |
| 2026E Revenue | | | | | | | | \$636mm |
| 2024E EBITDA | \$18mm | \$23mm | (\$4mm) | \$28mm | \$27mm | \$14mm | \$15mm | \$94mm ² |
| 2025E EBITDA | | | | | | | | \$133mm |
| 2026E EBITDA | | | | | | | | \$205mm |
| Dispensaries | 4 ³ | 8 | 4 | 11 | 10 ⁴ | 1 ⁵ | 10 ⁵ | 48 |
| Incremental Dispensary Opportunity ⁶ | -- | -- | -- | 9 dispensaries | Varies ⁷ | 3 dispensaries | Unlimited | See state specific breakdown |
| Facility Square Footage | ~144,000 | ~225,000 ⁸ | ~388,000 | ~90,000 | ~54,000 | ~22,500 | ~120,000 ⁸ | ~1,043,500 |
| Core Growth Drivers | <ul style="list-style-type: none"> Enhanced cultivation efficiency and wholesale business | <ul style="list-style-type: none"> Anticipated launch of adult-use market in 2025 Buildout of new indoor cultivation facility | <ul style="list-style-type: none"> Ramping indoor cultivation operations at Bluebird cultivation and production facility by applying SOPs and best practices from The Flowery | <ul style="list-style-type: none"> Expanding cultivation capacity and anticipated launch of delivery operations via Arches in 2025 1 undeveloped dispensary license | <ul style="list-style-type: none"> One anticipated dispensary opening 2 additional undeveloped dispensary licenses | <ul style="list-style-type: none"> Continued expansion of delivery driving outsized market share | <ul style="list-style-type: none"> 4 anticipated dispensary openings and enhancement of delivery operations to same-day delivery in 2025 | |

Source: Company reports

In our projections, we do not factor the FL deal (The Flowery was 14% of 2024 proforma sales and 26% of EBITDA) and only assume rec sales in MN begin in 2026 (and not 2025, per the said slide deck). Also, we do not factor the deal earnouts outlined in the filings. Our base case estimates for 2026 are \$482Mn in sales (vs. the \$636Mn shown in the Dec'24 slide deck) and \$145Mn EBITDA with 30% margins (vs. \$205Mn and 32% margins outlined in the slide deck). *Note: Our 3Q25 sales (first full quarter with the three deals) estimates are in line with the proforma guidance issued on 6/17 for 2Q25, while our EBITDA for 3Q25 is slightly lower than 2Q25 proforma owing to what we believe may be integration costs (we realize this may be conservative on our part).*

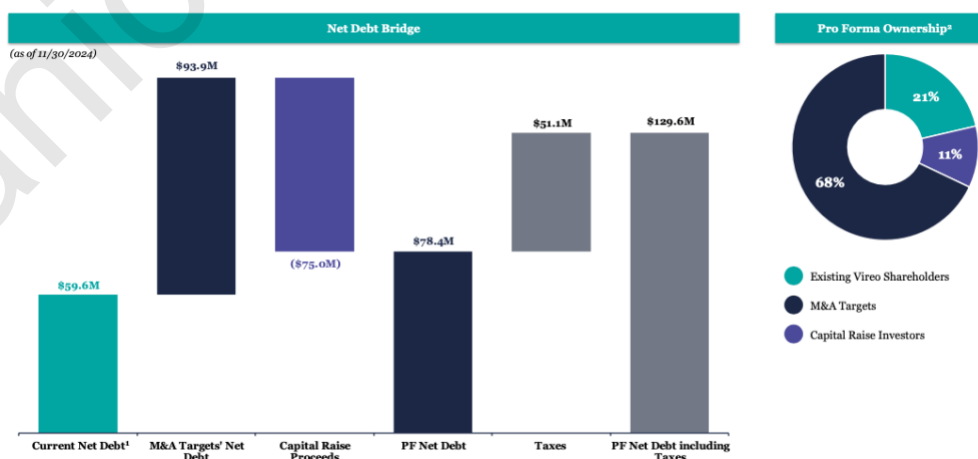
Regarding earn-outs, these will be calculated taking a factor of 4x of the difference between the EBITDA delivered in 2026 (*) minus a set floor for 2026 in EBITDA (which is above the reference EBITDA used for the Dec'24 announced deals) minus any new debt taken post deal closing plus any tax refunds. For all the deals, the calculated earnout (if applicable) will be paid in Vireo stock, taking the share price at \$1.05. (*) *Note: this will take the greater of calendar year 2026 12-month EBITDA vs. annualized EBITDA for the 2Q26 through 4Q26 period.*

- For Wholesome (including the ecom platform) the 2026 floor will be \$24Mn (\$20Mn for the cannabis unit and \$4Mn for the ecom platform); the latter means that at or below \$24Mn, there would be no earnout (assuming zero new debt taken and zero tax refunds). So, if, for example, the 2026 EBITDA for Wholesome (inc. ecom) were \$30Mn, the owners of Wholesome would be paid \$24Mn ($4 \times [\$30\text{Mn} - \$24\text{Mn}]$), in the form of 22.9mn shares ($\$24\text{Mn}/\1.05).
- The 2026 EBITDA floor Proper Cannabis will be \$31Mn.
- For Deep Roots the 2026 EBITDA floor will be \$30Mn (adj. by \$1Mn for a new store if opened by 4/1/25).

On the Dec'24 Equity Capital Raise

On 12/30/24, the company closed on a private placement offering raising gross proceeds of \$81Mn, for 129.5mn shares at a price of \$0.625 (a 17% premium to the closing price on 12/27). Per the press release at the time, Vireo “intends to use the net proceeds from the offering for business development, including organic and acquisitive growth investments, as well as working capital and general corporate purposes”. Chicago Atlantic group formed a special purpose vehicle in order to pool investor capital for the purpose of subscribing for a portion of offering. Per company disclosure (taking the offering at the initially planned amount of \$75Mn, and the M&A deals announced on 12/18/24 (inc. The Flowery), prior Vireo (“oldco”) shareholders would own 21% of the new company, the capital raise investors 11%, and the M&A targets 68%. That said, if we adjust for the larger offering and exclude The Flowery deal, we calculate that the capital raise investors will own 13.6% ($129.5\text{mn}/953.8\text{mn}$); shareholders of the acquired companies will own 61.5% ($586.5\text{mn}/953.8\text{mn}$), and the owners of the “oldco” 24.9% ($237.9\text{mn}/953.8\text{mn}$).

Table 14: Bridge Provided by Management on 12/18/25



Source: Company reports

Benchmarking

Vireo will have a stronger balance sheet than most of the larger MSOs, and screen well on profit margins and cash flow. We compare here our 2026 projections for Vireo (re sales and EBITDA margins, as that provides a more accurate proforma look and the) with the tier 1 MSOs.

Table 15: Proforma Financials

| | Vireo YE25 | Ascend | Cresco | Curaleaf | Green Thumb | Trulieve | Verano |
|---------------------------------|---------------|--------|--------|----------|----------------|----------|--------|
| Broadly defined net debt (BDND) | -87 | -541 | -525 | -1,188 | -105 | -820 | -664 |
| Financial net debt (FND) | -14 | -233 | -320 | -654 | -42 | -289 | -336 |
| cash | 119 | 100 | 162 | 122 | 211 | 328 | 84 |
| debt | -133 | -333 | -482 | -776 | -252 | -617 | -421 |
| Income tax debt | -60 | -174 | -139 | -464 | -33 | -501 | -319 |
| Net leases | -13 | -133 | -56 | -64 | -31 | -25 | -8 |
| Contingent considerations | 0 | 0 | -10 | -6 | 0 | -6 | -1 |
| BDND/Sales | -0.2x | -1.1x | -0.8x | -1.0x | -0.1x | -0.7x | -0.8x |
| FND/Sales | 0.0x | -0.5x | -0.5x | -0.5x | 0.0x | -0.2x | -0.4x |
| BDND/EBITDA | -1.1x | -5.0x | -3.6x | -4.6x | -0.3x | -1.9x | -3.1x |
| FND/EBITDA | -0.2x | -2.2x | -2.2x | -2.5x | -0.1x | -0.7x | -1.5x |

Note: we take the latest reported quarter annualized for sales and EBITDA (and proforma FY25 numbers for Vireo)

Source: Company reports; Z&A estimates

Sales. By 2026, Vireo should generate \$482Mn in sales (the start and shape of MN rec are key factors determining that number), per our estimates. For context, Curaleaf would be at a current annual run rate of \$1.24Bn in sales (annualizing 1Q25); Trulieve \$1.19Bn; Green Thumb \$1.12Bn; and Verano \$839Mn. Besides those four, only Cresco (\$664Mn) and Ascend (\$617Mn) would be larger.

Profitability. Vireo should reach EBITDA margins >30% by 2026, and EBITDA of \$145Mn. Of the six companies mentioned above (with sales above Vireo), at \$145Mn that would put Vireo above the Cresco annualized EBITDA and in line with Ascend, and only below Trulieve at \$437Mn; Green Thumb \$341Mn; Curaleaf \$261Mn; and Verano \$218Mn. For these last four, respectively, in 1Q25 EBITDA margins were 37%, 30%, 21%, and 26%.

Cash Flow. OCF comps are distorted by company's different policies regarding 280e accounting and the timing income tax payments (like most, Vireo is provisioning taxes as if 280e does not apply, and booking the difference as uncertain tax benefits, under long term liabilities). By 2026, we project Vireo should generate \$64Mn in operating cash flow. Based on reported numbers for CY24, of the six companies mentioned above, Trulieve reported \$272Mn in OCF (or 65% of OCF); Green Thumb \$195Mn (53%); Verano \$112Mn (42%); Curaleaf \$163Mn (54%); Ascend \$73Mn (63%); and Cresco \$32Mn (16%). However, if we adjust for the increase in income tax debt (only Green Thumb is provisioning and paying taxes per 280e), the Trulieve OCF was near beak even (+\$7Mn); Verano \$34Mn; Curaleaf \$25Mn; Ascend +\$3Mn; and Cresco -\$8Mn.

Balance sheet comps. Ex Green Thumb, Vireo will have one of the strongest balance sheets among the top 7 MSOs at 1.1x broadly defined net debt to EBITDA (0.2x if only taking net financial debt)

compared with >4x for Ascend, Cresco, and Curaleaf; 3x for Verano and 1.6x for Trulieve (Green Thumb is at 0.4x).

Discussion of Vireo 1Q25 Results (Pre-Deals)

The company reported 1Q results on 5/9, for its base operations in MN, NY, and MD (these results do not reflect the yet to close deals in MO, NV, and UT).

- Sales of \$24.5Mn were up 2% yoy (-2% qoq), with retail at \$19.2Mn down 2% yoy, and net wholesale up 18% yoy to \$5.3Mn.
- The revenue split by state was MN 47%, MD 44%, and NY 9%. But the retail/wholesale mix varies. In the case of MN, wholesale only accounts for 2% of Vireo's sales in the state; in MD wholesale is 37% of revenues, and in NY wholesale (to the medical market) is 44% of sales.
- In yoy terms, sales in MN were up 5%, MD +7% (in a market that was up 3% yoy), and NY -28% (as more med patients move over to the rec market).
- Gross margins increased 2.7pt yoy 52.3% mostly due to the better state mix (as MD gained weight in the sales mix) and operating efficiencies. Cash opex in 1Q25 of \$7.5Mn was a tad above the CY24 quarterly average of \$7.1Mn. As disclosed, EBITDA margins increased 1.6pt yoy to 26.8%.
- Vireo posted negative free cash flow in 1Q25 of -\$4.5Mn (only a slight improvement from -\$5.5Mn per quarter on average in CY24). That said, capex was lower at \$1.1Mn vs. almost \$12Mn in CY24. It should be noted that prior to the Dec capital raise, cash burn had worsened to \$7.5Mn in 3Q24 on net debt of \$51Mn (51% of annualized sales).
- Post the 4Q24 equity raise, the B/S is strong with a net cash position of \$13.8Mn (cash \$86.3Mn and debt of \$72.5Mn). Of \$62.6Mn in LT debt, \$59Mn are not due until 1/29/27 (the rest is due in 2026). Convertible notes of \$9.9Mn are not due until 11/1/27 (12% rate, conversion price \$0.625).
- Vireo, as most MSOs, is filing taxes as a normal corporation (as if 280e does not apply). The B/S showed \$35Mn in uncertain tax liabilities as of 12/31/24.
- The 1Q25 shows net assets held for sale of \$10.5Mn (assets \$100Mn; liabilities \$89Mn) in NY, NV, and MA.

Valuation and Stock Performance

Taking forward EV (different from spot EV), on our estimates, Vireo trades at a hefty discount to the larger MSO group at 2.8x CY26 EV/EBITDA. The latter compares with a current sector average of 7.4x (taking spot EV over current EBITDA, which is not the same as forward CY26 EV/EBITDA).

In our view, the stock valuation does not capture the MN upside, the profit margin expansion potential, and the cash flow generation nature of the acquired assets. The company's roll-up potential is also a source of upside. As we said before, assuming a turn for the best on the reform front at the federal level, US cannabis stocks are attractively valued, but in the case of Vireo the upside could be greater. Not many are putting new money into the sector, but spearheaded by Chicago Atlantic group (it was not disclosed how much of the \$81Mn Dec'24 capital raise came from them), a group of well performing private MSOs (Deep Roots, Proper, and Wholesome) decided this was the right time to set up the next Tier 1 MSO, and pursue a roll-up strategy as part of a larger entity, while placing their debt in friendly hands (i.e., via Vireo, their debt is now with related parties, in the form of the CA group).

Table 16: Tier 1 MSO Comps

| US\$Mn 17-Jun-25 | Z&A Spot EV / Sales | | | Z&A Spot EV / EBITDA | | | Stock Performance | | |
|---------------------|---------------------|-------|-------|----------------------|-------|-------|-------------------|------|------|
| | Current | CY25e | CY26e | Current | CY25e | CY26e | 30d | 90d | 1yr |
| US MSO average | 1.6x | 1.1x | 0.9x | 7.4x | 6.0x | 4.2x | | | |
| Cresco Labs | 1.2x | 1.2x | 1.2x | 5.6x | 5.5x | 4.8x | -29% | -33% | -71% |
| Curaleaf | 2.2x | 2.1x | 1.9x | 10.3x | 9.5x | 8.2x | -5% | -10% | -80% |
| Green Thumb | 1.2x | 1.2x | 1.1x | 3.9x | 3.9x | 3.6x | -10% | -20% | -57% |
| Trulieve | 1.3x | 1.3x | 1.3x | 3.5x | 3.7x | 3.8x | -18% | -12% | -59% |
| Verano | 1.0x | 1.0x | 1.0x | 3.9x | 3.6x | 3.3x | -31% | -23% | -85% |
| Vireo Growth | 1.2x | 1.0x | 0.7x | 4.1x | 3.5x | 1.5x | -6% | 2% | -20% |

Source: Company reports, FactSet, Z&A calculations

Recent Stock Performance

For the most part, MSO stocks are rather correlated and aligned with the MSOS ETF. That said, Vireo has outperformed recently. For the last 90 days, Vireo is up 2% and the MSOS ETF is down 18%. That said, the stock is less liquid than peers (in a sector that is illiquid, in general).

Table 17: MSOS ETF and Stocks Performance

| | MSOS ETF | CRLBF | CURLF | GTBIF | TCNNF | VREOF | VRNOF |
|-----|-------------|-------|-------|-------|-------|-------|-------|
| 30d | -18% | -29% | -5% | -10% | -18% | -6% | -31% |
| 90d | -18% | -33% | -10% | -20% | -12% | 2% | -23% |
| 1yr | -69% | -71% | -80% | -57% | -59% | -20% | -85% |

Source: FactSet

The stock did decouple back in Dec'24 when the recapitalization and M&A deals were announced, moving from 25c to 59c over just a few days. For context, investor confidence (subscribing to the

capital raise at \$0.625) and the acquirees' belief in the Vireo vision (taking stock at 52c), all at a time the share price was at 25c, demonstrate, in our view, the long-term upside for VREOF.

Table 18: VREOF vs. the MSOS ETF



Source: FactSet

Spot EV and Projected EV

Proforma Valuation. For EV calculation purposes, we factor the three acquisitions as follows,

- A total of 585.6mn shares were issued for three deals. So, taking the Vireo share count disclosed as of 5/7/25 (per the 1Q25 10-Q), the proforma share count is 953.8mn. At the current share price of US\$0.39 that implies a market cap of \$376Mn (inc 12.7mn RSUs).
- Per the [DEFM14C](#) filed on 3/21, we know the YE24 net debt was \$22Mn for the companies being acquired. Taking Vireo's latest reported net debt (1Q25) of +\$14Mn net cash, then the proforma net debt is \$8Mn.
- We also include income tax debt in our EV math. Vireo had \$35Mn in tax debt as of 1Q25. The companies being acquired had combined tax debt of \$25Mn. So, proforma tax debt is \$60Mn.
- For "current" valuation multiple analysis, we take CY24 sales for Proper and Wholesome, and proforma CY24 sales for Deep Roots. For Vireo we take annualized 1Q25 sales. We use the same logic for EBITDA.

- On a proforma basis, taking spot EV, Vireo trades at 1.3x current sales and 4.6x current EBITDA. The MSO average (in terms of spot EV to current sales and EBITDA) is 1.6x and 7.6x, respectively. Among the tier 1 MSOs, Curaleaf trades above the MSO average on EV/Sales, with the rest priced below the sector average (with Verano at the bottom). EBITDA comps are less straightforward (less visibility), but Green Thumb, Trulieve, and Verano trade below 4x current EBITDA while Cresco and Curaleaf are higher.

Table 19: Vireo Spot EV Math

| US\$ 000s | | | | | | |
|------------------------|-------|------------|--------|-----------|-------------|----------|
| | Vireo | Deep Roots | Proper | Wholesome | Adjustments | Proforma |
| Deal M&A (\$Mn) | | 132.7 | 102.0 | 69.8 | | |
| Share count (mn) | 367.3 | 255.2 | 196.2 | 134.2 | | 952.9 |
| share price (\$) | | 0.52 | 0.52 | 0.52 | | 0.39 |
| market cap (\$Mn) | | | | | | 370 |
| Net debt (\$Mn) | 14 | -3 | -12 | -1 | -6 | -8 |
| cash | 86 | 16 | 16 | 8 | -6 | 120 |
| financial debt | -72 | -19 | -27 | -9 | | -128 |
| Income tax debt (\$Mn) | -35 | -12 | -5 | -8 | | -60 |
| Revenues | 98 | 103 | 90 | 48 | 0 | 339 |
| EBITDA | 26 | 29.7 | 24.4 | 15.4 | | 96 |

Source: Company reports, FactSet, Z&A calculations

Upside Scenarios

Share price scenarios. We do not set price targets but would expect the peer valuation discount to narrow over the next 1-2 years, all in a context in which cannabis stocks should trade up if we get favorable reform changes at the federal level (rescheduling, SAFER, and or STATES).

Table 20: Forward price scenarios under our base case financial estimates at various multiples

| US\$ Mn | Dec CY22 | Dec CY23 | Dec CY24 | Mar 1Q25 | Jun 2Q25e | Sep 3Q25e | Dec 4Q25e | Dec CY25e | Dec CY26e | Dec CY27e | |
|-----------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------------|-----------|
| EV calculation for val purposes | 170.1 | 143.0 | 169.3 | 176.9 | 411.2 | 471.3 | 460.0 | 460.0 | 411.8 | 325.5 | |
| Market cap (\$Mn) | 51.9 | 57.8 | 145.4 | 148.1 | 375.2 | 375.2 | 375.2 | 375.2 | 375.2 | 375.2 | |
| Share price (US\$) | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 | |
| Share count used for val purposes | 133.2 | 148.2 | 372.8 | 379.9 | 962.0 | 962.0 | 962.0 | 962.0 | 962.0 | 962.0 | |
| common shares | 128.1 | 143.1 | 366.0 | 367.2 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 | |
| RSUs and derivatives in the money | 5.0 | 5.0 | 6.7 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 | 12.7 | |
| Broadly defined net debt (\$Mn) | -118.2 | -85.2 | -24.0 | -28.8 | -36.1 | -96.1 | -84.8 | -84.8 | -36.6 | 49.6 | |
| financial net cash (debt) | -42.9 | -53.4 | 19.4 | 13.8 | 14.9 | -25.4 | -14.0 | -14.0 | 35.8 | 123.0 | |
| leases net of right of use assets | -75.3 | -9.4 | -10.0 | -9.9 | -10.3 | -13.0 | -13.0 | -13.0 | -14.6 | -15.6 | |
| income tax debt | 0.0 | -22.4 | -33.3 | -35.0 | -43.0 | -60.1 | -60.1 | -60.1 | -60.1 | -60.1 | |
| inflows from ITM deriv | | | | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | |
| Valuation Multiples | | | CY24 | | | | | CY25 | CY25 | CY25 | |
| EV/Sales | | | 1.7 | 1.8 | 3.2 | 1.3 | 1.3 | 1.9 | 0.9 | 0.6 | |
| EV/EBITDA | | | 6.7x | 6.7x | 12.4x | 5.7x | 5.0x | 7.8x | 2.8x | 1.9x | |
| Scenarios | | | | | | | | by Dec'25 | by Dec'26 | upside by Dec'25 | by Dec'26 |
| EV/Sales of | | 1.0x | | | | | | 0.46 | 0.63 | 19% | 61% |
| EV/Sales of | | 1.5x | | | | | | 0.71 | 0.91 | 83% | 134% |
| EV/Sales of | | 2.0x | | | | | | 0.96 | 1.20 | 147% | 208% |
| EV/Sales of | | 3.0x | | | | | | 1.46 | 1.78 | 276% | 356% |
| EV/Sales of | | 5.0x | | | | | | 2.47 | 2.93 | 532% | 651% |
| EV/Sales of | | 7.0x | | | | | | 3.47 | 4.08 | 789% | 946% |
| EV/EBITDA of | | 5.0x | | | | | | 0.72 | 0.95 | 84% | 143% |
| EV/EBITDA of | | 7.0x | | | | | | 1.02 | 1.31 | 162% | 235% |
| EV/EBITDA of | | 10.0x | | | | | | 1.47 | 1.85 | 278% | 374% |
| EV/EBITDA of | | 15.0x | | | | | | 2.23 | 2.74 | 472% | 604% |
| EV/EBITDA of | | 20.0x | | | | | | 2.99 | 3.64 | 666% | 834% |

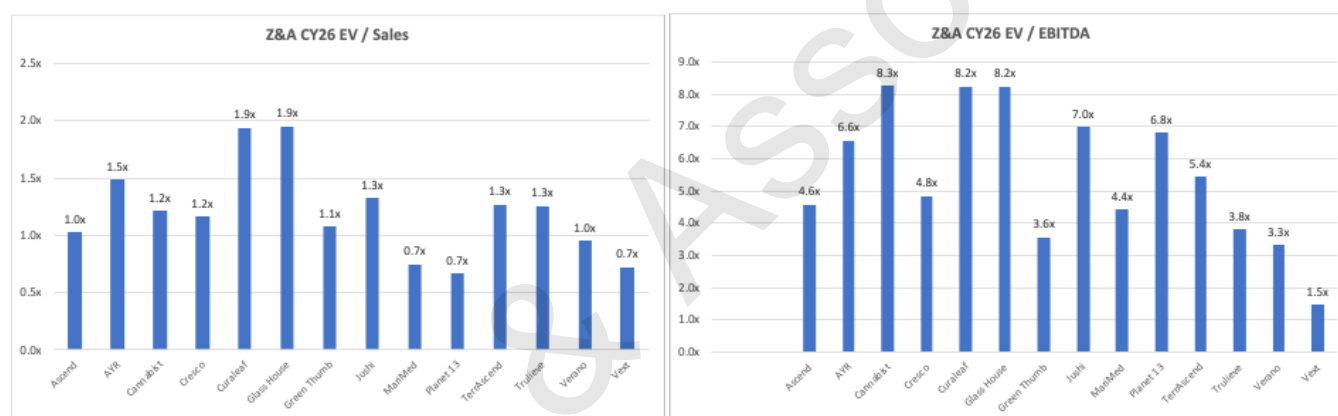
Source: Company reports, FactSet, Z&A estimates

So,

- On our CY27 estimates at 7x EBITDA (roughly the sector average on a spot EV to current basis), Vireo shares would be worth \$1.30 by Dec'26 (1yF basis), for 3.4x upside.
- In the event of a sector rally, say 3-5x EV/Sales, by Dec'26 the stock could be worth 4.6x to 7.5x higher taking 3x or 5x sales).

Bull case vs. bear case. Per the math shown above, the bull case could imply almost 8x upside in the next 18 months, with federal reform changes, MN starting rec, and Vireo quelling any investor concerns that would justify the peer discount. The bear case? No changes at the federal level; MN delaying the start or limiting the role for incumbents like Vireo, and Vireo's recently acquired assets not meeting their EBITDA targets. Still, in the case of the latter, in relative terms (i.e., the group unchanged), we believe the absolute downside should be limited.

Table 21: US MSO Valuation Comps on CY26 Est., taking spot EV (different from projected forward EV, discussed in this report too)



Source: FactSet; company reports; Z&A calculations

Table 22: 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 | 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 | Neutral |
| 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 |
| 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 |
| Smoores International | | SMORF | will cover |
| Urban-gro | | UGRO | not rated |
| WM Technology | | MAPS | Neutral |

Source: Z&A



Appendix I: Company Financials

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Vireo Growth: Initiation of Coverage

Exhibit 1: Financial highlights

| US\$ Mn | 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 |
|--------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| P&L Highlights | | | | | | | | | | | | | | |
| Revenues | 74.6 | 88.1 | 99.4 | 24.5 | 32.2 | 90.1 | 91.2 | 238.1 | 113.7 | 120.0 | 122.8 | 125.4 | 481.8 | 553.3 |
| qoq ch % | na | na | na | -2% | 31% | 180% | 1% | na | 25% | 5% | 2% | 2% | na | na |
| yoy ch % | -39% | 18% | 13% | 2% | 28% | 258% | 265% | 140% | 363% | 272% | 36% | 37% | 102% | 15% |
| Consensus Sales | | | | | na | na | na | na | na | na | na | na | na | na |
| Gross profit | 30.9 | 44.1 | 50.8 | 12.4 | 16.8 | 47.8 | 48.3 | 125.3 | 60.3 | 63.6 | 65.1 | 66.4 | 255.4 | 293.2 |
| as % of sales | 41.4% | 50.0% | 51.1% | 50.6% | 52.0% | 53.0% | 53.0% | 52.6% | 53.0% | 53.0% | 53.0% | 53.0% | 53.0% | 53.0% |
| Total SGA | -37.8 | -33.5 | -37.2 | -10.4 | -9.3 | -30.7 | -28.9 | -79.3 | -30.0 | -31.2 | -31.6 | -32.0 | -124.8 | -136.3 |
| SGA/sales | -50.7% | -38.0% | -37.4% | -42.5% | -29.0% | -34.0% | -31.6% | -33.3% | -26.4% | -26.0% | -25.7% | -25.5% | -25.9% | -24.6% |
| Operating income | -6.9 | 10.6 | 13.6 | 2.0 | 7.4 | 17.1 | 19.5 | 46.0 | 30.3 | 32.4 | 33.5 | 34.4 | 130.6 | 156.9 |
| operating margin | -9.3% | 12.0% | 13.6% | 8.1% | 23.0% | 19.0% | 21.4% | 19.3% | 26.6% | 27.0% | 27.3% | 27.5% | 27.1% | 28.4% |
| Adj EBITDA | 4.1 | 19.6 | 25.1 | 6.6 | 8.3 | 20.7 | 23.1 | 58.7 | 33.9 | 36.0 | 37.2 | 38.3 | 145.4 | 172.7 |
| EBITDA margin | 5.5% | 22.2% | 25.3% | 26.8% | 25.8% | 22.9% | 25.3% | 24.6% | 29.8% | 30.1% | 30.3% | 30.5% | 30.2% | 31.2% |
| Consensus EBITDA | | | | | na | na | na | na | na | na | na | na | na | na |
| as % of sales | | | | | na | na | na | na | na | na | na | na | na | na |
| Net interest expense | -22.6 | -31.3 | -31.2 | -7.6 | -4.7 | -4.7 | -4.7 | -21.7 | -4.7 | -4.7 | -4.6 | -4.6 | -18.6 | -17.8 |
| Net int exp/sales | -30.3% | -35.5% | -31.4% | -31.0% | -14.7% | -5.2% | -5.2% | -9.1% | -4.1% | -3.9% | -3.8% | -3.7% | -3.9% | -3.2% |
| Profit before tax | -36.6 | -17.8 | -16.9 | -4.8 | 2.7 | 12.4 | 14.8 | 25.1 | 25.6 | 27.7 | 28.9 | 29.9 | 111.9 | 139.1 |
| Net profit | -42.5 | -25.5 | -28.0 | -6.5 | 2.1 | 9.9 | 11.8 | 17.4 | 20.5 | 22.1 | 23.1 | 23.9 | 89.6 | 111.2 |
| EPS | -0.33 | -0.19 | -0.16 | -0.02 | 0.00 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.09 | 0.12 |
| ending share count (mn) | 128.1 | 143.1 | 366.0 | 367.2 | 953.8 | 953.8 | 953.8 | 953.8 | 953.8 | 953.8 | 953.8 | 953.8 | 953.8 | 953.8 |
| BS and CF Highlights | | | | | | | | | | | | | | |
| Operating cash flow | -18.1 | -1.0 | -10.2 | -3.3 | 2.1 | -37.5 | 14.1 | -24.7 | -2.4 | 18.5 | 23.5 | 24.6 | 64.3 | 103.8 |
| (-) Capex | -5.6 | -5.0 | -11.7 | -1.1 | -1.0 | -2.7 | -2.7 | -7.6 | -3.4 | -3.6 | -3.7 | -3.8 | -14.5 | -16.6 |
| Free cash flow | -23.6 | -5.9 | -21.9 | -4.5 | 1.1 | -40.2 | 11.4 | -32.2 | -5.8 | 14.9 | 19.8 | 20.9 | 49.8 | 87.2 |
| Financial net (debt) | -42.9 | -53.4 | 19.4 | 13.8 | 14.9 | -25.4 | -14.0 | -14.0 | -19.8 | -4.9 | 15.0 | 35.8 | 35.8 | 123.0 |
| cash | 15.1 | 16.0 | 91.6 | 86.3 | 101.5 | 107.6 | 119.0 | 119.0 | 113.1 | 128.1 | 147.9 | 168.8 | 168.8 | 255.9 |
| debt | 58.0 | 69.4 | 72.2 | 72.5 | 86.6 | 133.0 | 133.0 | 133.0 | 133.0 | 133.0 | 133.0 | 133.0 | 133.0 | 133.0 |
| Net debt to Sales | -0.6x | -0.6x | 0.2x | 0.1x | 0.1x | -0.1x | 0.0x | -0.1x | 0.0x | 0.0x | 0.0x | 0.1x | 0.1x | 0.2x |
| Net debt to EBITDA | -10.4x | -2.7x | 0.8x | 0.5x | 0.4x | -0.3x | -0.2x | -0.2x | -0.1x | 0.0x | 0.1x | 0.2x | 0.2x | 0.7x |
| OCF/Sales | -24.2% | -1.1% | -10.3% | -13.5% | 6.4% | -41.7% | 15.5% | -10.4% | -2.1% | 15.4% | 19.2% | 19.6% | 13.3% | 18.8% |
| Capex/Sales | -7.5% | -5.6% | -11.8% | -4.7% | -3.0% | -3.0% | -3.0% | -3.2% | -3.0% | -3.0% | -3.0% | -3.0% | -3.0% | -3.0% |
| Broad net debt (inc taxes, oth | -118.2 | -85.2 | -24.0 | -28.8 | -36.1 | -96.1 | -84.8 | -84.8 | -91.7 | -77.1 | -57.3 | -36.6 | -36.6 | 49.6 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

Exhibit 2: Sales projections

| US\$ Mn | CY23 | CY24 | 1Q25 | 2Q25e | 3Q25e | 4Q25e | CY25e | 1Q26e | 2Q26e | 3Q26e | 4Q26e | CY26e | CY27e |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total sales reported (\$Mn) | 86.1 | 99.4 | 24.5 | 44.7 | 90.1 | 91.2 | 250.6 | 113.7 | 120.0 | 122.8 | 125.4 | 481.8 | 553.3 |
| Retail | 71.7 | 79.5 | 19.2 | 37.0 | 77.9 | 78.4 | 212.6 | 98.8 | 103.6 | 104.5 | 106.4 | 413.2 | 468.3 |
| Wholesale (net) | 14.5 | 19.8 | 5.3 | 7.7 | 12.2 | 12.8 | 38.0 | 14.9 | 16.4 | 18.3 | 19.0 | 68.6 | 85.0 |
| Total sales | 86.1 | 99.4 | 24.5 | 32.2 | 90.1 | 91.2 | 250.6 | 113.7 | 120.0 | 122.8 | 125.4 | 481.8 | 553.3 |
| FL | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MD | 27.0 | 42.2 | 10.9 | 11.9 | 12.6 | 13.1 | 48.5 | 12.5 | 13.5 | 14.4 | 14.7 | 55.0 | 59.3 |
| MN | 45.2 | 46.1 | 11.5 | 12.6 | 14.4 | 16.0 | 54.5 | 38.3 | 41.6 | 43.9 | 45.9 | 169.7 | 221.0 |
| MO | | | | | 23.6 | 23.9 | 53.9 | 24.2 | 25.3 | 25.7 | 26.1 | 101.2 | 110.4 |
| NV | | | | | 25.8 | 24.8 | 56.7 | 25.3 | 26.0 | 25.2 | 25.2 | 101.8 | 103.7 |
| NY | 14.0 | 11.1 | 2.1 | 1.7 | 1.7 | 1.7 | 7.2 | 1.7 | 1.7 | 1.7 | 1.7 | 6.8 | 6.8 |
| UT | | | | 6.1 | 12.1 | 11.7 | 29.8 | 11.8 | 11.8 | 11.8 | 11.8 | 47.3 | 52.1 |
| Sales mix % | | | | | | | | | | | | | |
| FL | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| MD | | 42% | 44% | 37% | 14% | 14% | 19% | 11% | 11% | 12% | 12% | 11% | 11% |
| MN | | 46% | 47% | 39% | 16% | 18% | 22% | 34% | 35% | 36% | 37% | 35% | 40% |
| MO | | 0% | 0% | 0% | 26% | 26% | 21% | 21% | 21% | 21% | 21% | 21% | 20% |
| NV | | 0% | 0% | 0% | 29% | 27% | 23% | 22% | 22% | 21% | 20% | 21% | 19% |
| NY | | 11% | 9% | 5% | 2% | 2% | 3% | 1% | 1% | 1% | 1% | 1% | 1% |
| UT | | 0% | 0% | 19% | 13% | 13% | 12% | 10% | 10% | 10% | 9% | 10% | 9% |
| Market size assumptions (\$Mn) | | | | | | | | | | | | | |
| FL | 1,862 | 1,789 | 435 | 437 | 427 | 417 | 1,717 | 419 | 422 | 425 | 428 | 1,696 | 1,731 |
| MD | 787 | 1,141 | 281 | 304 | 322 | 328 | 1,235 | 311 | 338 | 359 | 367 | 1,376 | 1,483 |
| NV | 825 | 828 | 184 | 184 | 188 | 180 | 736 | 184 | 189 | 184 | 184 | 740 | 754 |
| MO | 1,338 | 1,461 | 370 | 387 | 393 | 399 | 1,549 | 403 | 422 | 428 | 434 | 1,687 | 1,840 |
| NY | 431 | 1,167 | 485 | 534 | 582 | 631 | 2,232 | 674 | 723 | 772 | 821 | 2,991 | 3,111 |
| MN | 66 | 125 | 34 | 35 | 37 | 38 | 143 | 88 | 99 | 110 | 121 | 418 | 619 |
| UT | 143 | 163 | 45 | 45 | 45 | 45 | 179 | 49 | 49 | 49 | 49 | 197 | 217 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

Exhibit 3: Market growth assumptions

| US\$ Mn | CY19 | CY20 | CY21 | CY22 | CY23 | CY24 | 1Q25 | 2Q25e | 3Q25e | 4Q25e | CY25e | CY26e | CY27e | CY28e | CY29e | CY30e | rec began |
|-----------------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------------|
| Total (med/rec) | 11,665 | 18,035 | 23,993 | 25,200 | 28,053 | 29,852 | 7,649 | 7,866 | 7,915 | 7,900 | 31,331 | 33,805 | 36,127 | 38,131 | 40,771 | 43,623 | |
| AZ | 841 | 801 | 1,359 | 1,426 | 1,419 | 1,271 | 322 | 313 | 285 | 300 | 1,220 | 1,222 | 1,244 | 1,267 | 1,290 | 1,314 | Jan'21 |
| CA | 2,400 | 4,027 | 4,952 | 4,626 | 4,436 | 3,982 | 1,005 | 1,008 | 956 | 909 | 3,877 | 3,995 | 4,114 | 4,233 | 4,351 | 4,470 | Oct'16 |
| CO | 1,748 | 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 | 84 | 117 | 150 | 150 | 277 | 294 | 79 | 84 | 88 | 93 | 344 | 368 | 381 | 394 | 408 | 423 | Jan'23 |
| FLA | 506 | 1,308 | 1,603 | 1,708 | 1,862 | 1,789 | 435 | 437 | 427 | 417 | 1,717 | 1,696 | 1,731 | 1,748 | 2,660 | 4,001 | Jul'29 |
| GA | | 0 | 1 | 16 | 49 | 109 | 34 | 34 | 34 | 34 | 136 | 156 | 216 | 355 | 475 | 530 | med |
| IL | 251 | 1,035 | 1,776 | 1,907 | 1,960 | 2,008 | 482 | 494 | 487 | 502 | 1,964 | 1,985 | 2,009 | 2,034 | 2,060 | 2,086 | Jan'20 |
| MA | 677 | 962 | 1,644 | 1,755 | 1,806 | 1,838 | 432 | 472 | 491 | 480 | 1,875 | 1,923 | 1,957 | 1,992 | 2,028 | 2,064 | Nov'18 |
| MD | 252 | 453 | 551 | 509 | 787 | 1,141 | 281 | 304 | 322 | 328 | 1,235 | 1,376 | 1,483 | 1,577 | 1,639 | 1,664 | Jul'23 |
| ME | 9 | 16 | 93 | 171 | 229 | 265 | 63 | 69 | 84 | 74 | 290 | 304 | 318 | 334 | 350 | 367 | Oct'20 |
| MI | 289 | 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 | 20 | 25 | 36 | 66 | 125 | 34 | 35 | 37 | 38 | 143 | 418 | 619 | 762 | 877 | 991 | Jan'26 |
| MO | 20 | 21 | 210 | 390 | 1,338 | 1,461 | 370 | 387 | 393 | 399 | 1,549 | 1,687 | 1,840 | 2,008 | 2,193 | 2,396 | Feb'23 |
| MT | | | | 304 | 319 | 304 | 78 | 82 | 67 | 83 | 310 | 316 | 324 | 332 | 341 | 351 | Jan'22 |
| NH | 10 | 13 | 17 | 20 | 24 | 27 | 8 | 8 | 8 | 8 | 30 | 34 | 37 | 40 | 44 | 47 | med |
| NJ | 95 | 196 | 217 | 556 | 800 | 1,046 | 267 | 279 | 291 | 303 | 1,141 | 1,250 | 1,371 | 1,504 | 1,650 | 1,811 | Apr'22 |
| NM | 119 | 119 | 119 | 358 | 556 | 603 | 150 | 148 | 151 | 149 | 597 | 598 | 609 | 609 | 609 | 609 | Apr'22 |
| NV | 702 | 780 | 1,042 | 882 | 825 | 828 | 184 | 184 | 188 | 180 | 736 | 740 | 754 | 769 | 783 | 798 | Jul'17 |
| NY | 173 | 200 | 250 | 265 | 431 | 1,167 | 485 | 534 | 582 | 631 | 2,232 | 2,991 | 3,111 | 3,239 | 3,377 | 3,524 | Dec'22 |
| OH | 56 | 223 | 379 | 467 | 482 | 675 | 227 | 227 | 225 | 231 | 909 | 1,081 | 1,375 | 1,436 | 1,499 | 1,566 | Aug'24 |
| OK | 428 | 831 | 941 | 780 | 728 | 714 | 179 | 185 | 175 | 175 | 714 | 724 | 735 | 746 | 757 | 769 | med |
| OR | 840 | 1,111 | 1,184 | 994 | 955 | 968 | 236 | 245 | 252 | 244 | 978 | 987 | 997 | 1,007 | 1,017 | 1,028 | Oct'15 |
| PA | 671 | 823 | 1,353 | 1,457 | 1,530 | 1,726 | 428 | 411 | 397 | 397 | 1,632 | 1,977 | 2,546 | 2,773 | 2,802 | 2,930 | Jul'26 |
| RI | 40 | 47 | 44 | 53 | 108 | 117 | 30 | 30 | 31 | 31 | 123 | 132 | 142 | 151 | 161 | 170 | Dec'22 |
| VA | 0 | 10 | 27 | 100 | 167 | 237 | 67 | 68 | 70 | 71 | 276 | 307 | 501 | 995 | 1,245 | 1,403 | Jul'27 |
| VT | 5 | 6 | 8 | 9 | 11 | 12 | 3 | 3 | 3 | 3 | 14 | 15 | 17 | 19 | 20 | 22 | May'22 |
| WA | 1,200 | 1,280 | 1,422 | 1,294 | 1,259 | 1,265 | 306 | 315 | 327 | 320 | 1,268 | 1,270 | 1,273 | 1,275 | 1,278 | 1,281 | Jul'14 |
| WV | 0 | 0 | 0 | 22 | 66 | 85 | 23 | 24 | 25 | 26 | 99 | 116 | 129 | 129 | 129 | 129 | med |
| Other states | 229 | 459 | 603 | 883 | 1,005 | 1,120 | 295 | 300 | 312 | 322 | 1,229 | 1,392 | 1,532 | 1,621 | 1,925 | 2,057 | |

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

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Vireo Growth: Initiation of Coverage

Exhibit 4: Income statement

| US\$ 000s | 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 |
|---|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| Revenues | 74,626 | 88,133 | 99,384 | 24,541 | 32,215 | 90,110 | 91,223 | 238,088 | 113,743 | 119,951 | 122,766 | 125,372 | 481,832 | 553,260 |
| (-) Product costs | -39,424 | -42,740 | -48,319 | -11,695 | -15,463 | -42,352 | -42,875 | -112,385 | -53,459 | -56,377 | -57,700 | -58,925 | -226,461 | -260,032 |
| (-) Inventory valuation adjustments | -4,294 | -1,289 | -294 | -433 | 0 | 0 | 0 | -433 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross profit before impact of biological as: | 30,908 | 44,104 | 50,771 | 12,412 | 16,752 | 47,758 | 48,348 | 125,270 | 60,284 | 63,574 | 65,066 | 66,447 | 255,371 | 293,228 |
| (+) Realized fair value amounts included in i | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) Unrealized fair value gain on growth of t | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gross profit | 30,908 | 44,104 | 50,771 | 12,412 | 16,752 | 47,758 | 48,348 | 125,270 | 60,284 | 63,574 | 65,066 | 66,447 | 255,371 | 293,228 |
| (-) SG&A | -33,824 | -28,218 | -28,340 | -7,474 | -9,060 | -29,548 | -27,737 | -73,819 | -28,891 | -30,075 | -30,401 | -30,817 | -120,184 | -131,410 |
| (-) Transaction related expenses | 0 | 0 | -4,227 | -1,245 | 0 | 0 | 0 | -1,245 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) Stock-based compensation expense | -2,694 | -4,158 | -3,628 | -1,461 | 0 | 0 | 0 | -1,461 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) Depreciation | -653 | -470 | -293 | -77 | -85 | -332 | -336 | -830 | -340 | -344 | -349 | -355 | -1,388 | -1,473 |
| (-) Amortization | -677 | -679 | -720 | -180 | -197 | -775 | -784 | -1,937 | -793 | -804 | -816 | -828 | -3,241 | -3,440 |
| Loss from operations | -6,939 | 10,580 | 13,563 | 1,976 | 7,409 | 17,102 | 19,492 | 45,979 | 30,259 | 32,351 | 33,499 | 34,448 | 130,557 | 156,904 |
| (+) impairment of long-lived assets | -8,596 | -412 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) gain on disposal of assets | 322 | -4,478 | -218 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) interest expenses, net | -22,594 | -31,261 | -31,189 | -7,600 | -4,736 | -4,679 | -4,703 | -21,717 | -4,696 | -4,684 | -4,641 | -4,590 | -18,611 | -17,845 |
| (+) other income | 1,242 | 7,746 | 949 | 790 | 0 | 0 | 0 | 790 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) fair value loss on derivatives | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) gain on note payable modification | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) FX loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss before provision for income taxes | -36,564 | -17,824 | -16,895 | -4,834 | 2,673 | 12,424 | 14,789 | 25,052 | 25,564 | 27,666 | 28,858 | 29,858 | 111,946 | 139,059 |
| (-) current income tax expense | -6,085 | -6,036 | -11,113 | -1,675 | -535 | -2,485 | -2,958 | -7,652 | -5,113 | -5,533 | -5,772 | -5,972 | -22,389 | -27,812 |
| (-) deferred income tax recoveries | 192 | -1,687 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net loss and comprehensive loss | -42,457 | -25,547 | -28,008 | -6,509 | 2,138 | 9,939 | 11,831 | 17,400 | 20,451 | 22,133 | 23,087 | 23,886 | 89,557 | 111,247 |
| (-) non controlling interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net loss attributable to Harvest Enterprise | -42,457 | -25,547 | -28,008 | -6,509 | 2,138 | 9,939 | 11,831 | 17,400 | 20,451 | 22,133 | 23,087 | 23,886 | 89,557 | 111,247 |
| Basic EPS | -0.33 | -0.19 | -0.16 | -0.02 | 0.00 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.09 | 0.12 |
| FD EPS | -0.33 | -0.19 | -0.16 | -0.02 | 0.00 | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.03 | 0.09 | 0.12 |
| basic share count (Mn) | 128.1 | 135.2 | 180.4 | 366.8 | 658.2 | 949.3 | 949.3 | 730.9 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 |
| diluted share count (Mn) | 128.1 | 135.2 | 180.4 | 366.8 | 658.2 | 949.3 | 949.3 | 730.9 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 | 949.3 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

Exhibit 5: Cash Flow

| US\$ 000s | 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 |
|-----------------------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|
| SUMMARY CASH FLOW | | | | | | | | | | | | | | |
| Net earnings | -42,457 | -25,547 | -28,008 | -6,509 | 2,138 | 9,939 | 11,831 | 17,400 | 20,451 | 22,133 | 23,087 | 23,886 | 89,557 | 111,247 |
| (+) D&A | 4,012 | 3,602 | 3,356 | 827 | 907 | 3,562 | 3,603 | 8,899 | 3,644 | 3,695 | 3,749 | 3,804 | 14,893 | 15,805 |
| Cash earnings | -38,445 | -21,945 | -24,651 | -5,682 | 3,045 | 13,501 | 15,434 | 26,299 | 24,095 | 25,828 | 26,836 | 27,691 | 104,450 | 127,053 |
| (-) Working capital changes | -4,719 | 2,304 | 5,104 | -1,299 | -992 | -51,040 | -1,310 | -54,642 | -26,506 | -7,308 | -3,313 | -3,068 | -40,195 | -23,301 |
| (-) Other operating flows | 0 | 0 | 0 | 3,658 | 0 | 0 | 0 | 3,658 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating cash flow | -18,073 | -966 | -10,235 | -3,323 | 2,053 | -37,538 | 14,124 | -24,684 | -2,411 | 18,521 | 23,523 | 24,622 | 64,255 | 103,752 |
| (-) net capex | -5,562 | -4,963 | -11,695 | -1,147 | -966 | -2,703 | -2,737 | -7,553 | -3,412 | -3,599 | -3,683 | -3,761 | -14,455 | -16,598 |
| Free cash flow | -23,635 | -5,929 | -21,930 | -4,470 | 1,087 | -40,242 | 11,387 | -32,237 | -5,823 | 14,922 | 19,840 | 20,861 | 49,800 | 87,155 |
| (-) acquisitions | 0 | 0 | 0 | 0 | -305,000 | 0 | 0 | -305,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) divestitures | 632 | 253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) other | -7,709 | -4,841 | 13,815 | -1,214 | 0 | 0 | 0 | -1,214 | 0 | 0 | 0 | 0 | 0 | 0 |
| (+) share issuance | 0 | 0 | 80,829 | 0 | 305,000 | 0 | 0 | 305,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| (-) stock options/warrants | 7 | 0 | 86 | 62 | 0 | 0 | 0 | 62 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in net | -30,705 | -10,517 | 72,801 | -5,622 | 1,087 | -40,242 | 11,387 | -33,389 | -5,823 | 14,922 | 19,840 | 20,861 | 49,800 | 87,155 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending net (debt) | -42,879 | -53,396 | 19,405 | 13,783 | 14,870 | -25,372 | -13,985 | -13,985 | -19,808 | -4,886 | 14,954 | 35,815 | 35,815 | 122,970 |
| Cash/inv/sec | 15,149 | 15,965 | 91,605 | 86,261 | 101,463 | 107,584 | 118,971 | 118,971 | 113,148 | 128,070 | 147,910 | 168,772 | 168,772 | 255,926 |
| Gross debts/loans/bonds | 58,029 | 69,361 | 72,200 | 72,478 | 86,593 | 132,956 | 132,956 | 132,956 | 132,956 | 132,956 | 132,956 | 132,956 | 132,956 | 132,956 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

Exhibit 6: Balance Sheet

| US\$ 000s | Dec CY22 | Dec CY23 | Dec CY24 | Mar 1Q25 | Jun 2Q25e | Sep 3Q25e | Dec 4Q25e | Dec CY25e | Dec CY26e | Dec CY27e |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| BALANCE SHEET | | | | | | | | | | |
| Cash and cash equivalents | 15,149 | 15,965 | 91,605 | 86,261 | 101,463 | 107,584 | 118,971 | 118,971 | 168,772 | 255,926 |
| Accounts receivable | 4,286 | 3,087 | 4,590 | 3,983 | 5,229 | 14,627 | 14,807 | 14,807 | 20,351 | 23,564 |
| Inventory | 20,508 | 19,286 | 21,666 | 23,343 | 30,643 | 85,713 | 86,772 | 86,772 | 119,256 | 138,086 |
| Biological assets/2023-Incometax rec | 0 | 12,278 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prepayment and other current assets | 2,545 | 1,336 | 1,651 | 1,786 | 2,344 | 6,557 | 6,638 | 6,638 | 9,123 | 10,563 |
| Income tax receivable | 0 | 3,750 | 12,027 | 11,367 | 14,922 | 41,738 | 42,254 | 42,254 | 58,072 | 67,241 |
| Warrants held | 0 | 0 | 2,271 | 1,752 | 2,300 | 6,433 | 6,512 | 6,512 | 8,950 | 10,363 |
| Assets held for sale | 4,241 | 91,213 | 96,560 | 99,942 | 99,942 | 99,942 | 99,942 | 99,942 | 99,942 | 99,942 |
| Other | 0 | 1,937 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Current assets | 46,729 | 148,852 | 230,371 | 228,434 | 256,842 | 362,594 | 375,897 | 375,897 | 484,464 | 605,685 |
| PPE net | 89,607 | 23,291 | 32,312 | 32,836 | 200,896 | 200,412 | 199,921 | 199,921 | 200,983 | 203,275 |
| Operating lease, right of use asset | 6,111 | 2,018 | 7,859 | 7,661 | 7,661 | 7,661 | 7,661 | 7,661 | 7,661 | 7,661 |
| Notes receivable, long term | 3,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intangible assets, net | 8,777 | 8,719 | 7,899 | 7,695 | 83,695 | 83,320 | 82,945 | 82,945 | 81,445 | 79,945 |
| Goodwill | 184 | 0 | 0 | 0 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 | 61,000 |
| Deposits | 2,312 | 384 | 421 | 421 | 421 | 421 | 421 | 421 | 421 | 421 |
| Deferred tax assets | 1,687 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| deferred loss on sale lease back | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ASSETS | 159,156 | 183,264 | 278,863 | 277,047 | 610,514 | 715,407 | 727,844 | 727,844 | 835,973 | 957,987 |
| Accounts payable and accrued liabilities | 14,929 | 7,674 | 10,456 | 12,197 | 16,012 | 44,787 | 45,341 | 45,341 | 62,314 | 72,153 |
| Long term debt, current portion | 11,780 | 60,221 | 900 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Right of use liability | 1,680 | 890 | 1,400 | 1,149 | 1,508 | 4,219 | 4,271 | 4,271 | 5,870 | 6,797 |
| Convertible notes, net of issuance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Uncertain tax liability | 0 | 22,356 | 33,324 | 34,959 | 42,999 | 60,104 | 60,104 | 60,104 | 60,104 | 60,104 |
| Construction payables | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities held for sale | 1,320 | 88,326 | 89,387 | 89,351 | 89,351 | 89,351 | 89,351 | 89,351 | 89,351 | 89,351 |
| Warrant liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short term financing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total current liabilities | 29,709 | 179,467 | 135,467 | 137,657 | 154,871 | 203,461 | 204,067 | 204,067 | 222,639 | 233,405 |
| Convertible debenture | 0 | 9,140 | 9,862 | 9,875 | 9,875 | 9,875 | 9,875 | 9,875 | 9,875 | 9,875 |
| Derivative liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Right of use liability | 79,758 | 10,544 | 16,494 | 16,437 | 16,437 | 16,437 | 16,437 | 16,437 | 16,437 | 16,437 |
| Long term debt | 46,249 | 0 | 61,438 | 62,604 | 71,719 | 118,082 | 118,082 | 118,082 | 118,082 | 118,082 |
| Deferred tax liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long term liability | 0 | 156 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| Total liabilities | 155,716 | 199,307 | 223,299 | 226,609 | 252,938 | 347,892 | 348,498 | 348,498 | 367,070 | 377,836 |
| Additional paid in capital | 181,322 | 187,384 | 286,999 | 288,382 | 593,382 | 593,382 | 593,382 | 593,382 | 593,382 | 593,382 |
| Contribution surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accumulated deficit | -177,881 | -203,428 | -231,436 | -237,944 | -235,806 | -225,867 | -214,036 | -214,036 | -124,479 | -13,231 |
| Total stockholders equity | 3,441 | -16,044 | 55,564 | 50,438 | 357,576 | 367,515 | 379,346 | 379,346 | 468,903 | 580,151 |
| Non controlling interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL LIABILITIES AND EQUITY | 159,156 | 183,264 | 278,863 | 277,047 | 610,514 | 715,407 | 727,844 | 727,844 | 835,973 | 957,987 |

Source: Z&A estimates, company reports



Appendix II: Valuation Comps

Exhibit 7: MSOs Valuation Multiples (taking spot EV)

| US\$m | Z&A Spot EV / Sales | | | Z&A Spot EV / EBITDA | | | NET DEBT RATIOS | | | | BROADER DEFINITION OF NET DEBT | | | |
|-------------------|---------------------|-------------|-------------|----------------------|-------------|-------------|-----------------|-------|-----------------|-------|--------------------------------|-------|-------------|--------|
| | | | | | | | Net Debt/Sales | | Net Debt/EBITDA | | BDND/Sales | | BDND/EBITDA | |
| | Current | CY25e | CY26e | Current | CY25e | CY26e | Current | CY25 | Current | CY25 | Current | CY25 | Current | CY25 |
| US MSOs | 1.6x | 1.1x | 0.9x | 7.4x | 6.0x | 4.2x | | | | | | | | |
| 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 | 6.4x | 1.5x | 1.5x | 24.7x | 7.2x | 6.6x | -5.0x | -1.2x | -19.3x | -5.6x | -6.2x | -1.4x | -24.0x | -7.0x |
| Cannabist Co | 1.2x | 1.2x | 1.2x | 12.2x | 11.2x | 8.3x | -0.8x | -0.8x | -8.1x | -7.4x | -1.1x | -1.1x | -11.5x | -10.5x |
| Consortium | 1.1x | na | na | 3.7x | na | na | -0.6x | na | -2.0x | na | -0.9x | na | -3.2x | na |
| Cresco Labs | 1.2x | 1.2x | 1.2x | 5.6x | 5.5x | 4.8x | -0.5x | -0.5x | -2.2x | -2.2x | -0.9x | -0.9x | -4.1x | -4.0x |
| Curaleaf | 2.2x | 2.1x | 1.9x | 10.3x | 9.5x | 8.2x | -0.5x | -0.5x | -2.6x | -2.4x | -0.9x | -0.9x | -4.5x | -4.2x |
| 4Front Ventures | 1.9x | na | na | 12.3x | na | na | -1.1x | na | -7.1x | na | -1.9x | na | -12.3x | na |
| Glass House | 2.6x | 2.5x | 1.9x | 15.5x | 12.8x | 8.2x | -0.1x | -0.1x | -0.8x | -0.7x | -0.1x | -0.1x | -0.9x | -0.7x |
| 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 | 1.2x | 1.2x | 1.1x | 3.9x | 3.9x | 3.6x | 0.0x | 0.0x | -0.1x | -0.1x | -0.1x | -0.1x | -0.3x | -0.3x |
| Grown Rogue | 1.6x | na | na | 2.4x | na | na | 0.2x | na | 0.3x | na | 0.0x | na | 0.1x | na |
| iAnthus | 1.1x | na | na | 6.6x | na | na | -0.9x | na | -5.1x | na | -0.9x | na | -5.4x | na |
| Jushi | 1.5x | 1.5x | 1.3x | 7.4x | 8.7x | 7.0x | -0.7x | -0.6x | -3.3x | -3.9x | -1.3x | -1.2x | -6.3x | -7.4x |
| MariMed | 0.9x | 0.8x | 0.7x | 13.2x | 6.7x | 4.4x | -0.4x | -0.4x | -6.5x | -3.3x | -0.6x | -0.6x | -9.0x | -4.6x |
| Planet 13 | 0.8x | 0.7x | 0.7x | na | 25.9x | 6.8x | 0.1x | 0.1x | na | 2.2x | -0.2x | -0.2x | na | -6.8x |
| TerrAscend | 1.4x | 1.4x | 1.3x | 6.5x | 6.3x | 5.4x | -0.6x | -0.6x | -2.8x | -2.7x | -1.1x | -1.1x | -5.1x | -4.9x |
| TILT | 1.4x | na | na | -32.1x | na | na | -0.8x | na | 18.7x | na | -1.4x | na | 31.6x | na |
| Trulieve | 1.3x | 1.3x | 1.3x | 3.5x | 3.7x | 3.8x | -0.2x | -0.2x | -0.7x | -0.7x | -0.7x | -0.7x | -1.9x | -2.0x |
| Verano | 1.0x | 1.0x | 1.0x | 3.9x | 3.6x | 3.3x | -0.4x | -0.4x | -1.5x | -1.4x | -0.8x | -0.8x | -3.1x | -2.8x |
| Vext | 1.2x | 1.0x | 0.7x | 4.1x | 3.5x | 1.5x | -0.7x | -0.6x | -2.3x | -2.0x | -0.7x | -0.6x | -2.3x | -2.0x |

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, Z&A estimates, and company reports

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Vireo Growth: Initiation of Coverage

Exhibit 8: MSOs EV Calculations

| US\$Mn 17-Jun-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 | 554 | 580 | 0.30 | 214.5 | 13.3 | 68 | -241 | -134 | -137 | | | -512 | |
| Ayr Wellness | 605 | 671 | 0.17 | 116.2 | 3.4 | 20 | -522 | -5 | -123 | 0 | | -650 | |
| Cannabist Co | 469 | 405 | 0.05 | 472.7 | 8.2 | 25 | -269 | -26 | -86 | | | -380 | |
| Consortium | 140 | 110 | 0.04 | 304.9 | 5.6 | 14 | -59 | -9 | -29 | | | -97 | |
| Cresco Labs | 663 | 814 | 0.50 | 436.9 | 0.0 | 216 | -320 | -56 | -212 | -10 | | -598 | |
| Curaleaf | 1,508 | 2,675 | 0.84 | 750.1 | 11.0 | 640 | -670 | -46 | -416 | -41 | | -1,173 | 861 |
| 4Front Ventures | 223 | 140 | 0.00 | 915.2 | 3.8 | 0 | -81 | -11 | -42 | -5 | 0 | -139 | |
| Glass House | 390 | 552 | 5.12 | 82.1 | 2.9 | 435 | -29 | 0 | -2 | 0 | | -31 | 86 |
| Vireo Growth (pf) | 130 | 441 | 0.39 | 949.3 | 12.7 | 375 | -8 | | -60 | | 2 | -66 | |
| Green Thumb | 1,410 | 1,318 | 4.98 | 235.9 | 7.7 | 1,213 | -42 | -31 | -33 | 0 | 0 | -105 | |
| Grown Rogue | 75 | 50 | 0.36 | 143.5 | | 52 | 5 | -2 | -2 | | | 1 | |
| iAnthus | 36 | 200 | 0.01 | 6,745.7 | 0.3 | 36 | -157 | -7 | | | | -164 | |
| Jushi | 308 | 385 | 0.29 | 196.7 | 0.0 | 56 | -171 | -3 | -155 | | | -329 | |
| MariMed | 127 | 136 | 0.07 | 389.2 | 11.1 | 28 | -67 | -1 | -25 | | | -93 | 15 |
| Planet 13 | 97 | 88 | 0.20 | 325.4 | 0.3 | 65 | 8 | -10 | -21 | | | -23 | |
| Schwazze | 174 | 188 | 0.02 | 80.2 | | 2 | -151 | -2 | -33 | 0 | | -186 | |
| TerrAscend | 291 | 400 | 0.25 | 356.7 | 3.1 | 90 | -172 | -5 | -128 | -4 | | -310 | |
| TILT | 127 | 125 | 0.01 | 391.3 | 0.7 | 2 | -73 | -47 | -3 | | | -123 | |
| Trulieve | 1,140 | 1,550 | 3.67 | 191.1 | 7.6 | 729 | -289 | -25 | -501 | -6 | | -820 | |
| Verano | 615 | 848 | 0.50 | 359.7 | 6.3 | 183 | -336 | -8 | -319 | -1 | | -664 | |
| Vext | 51 | 55 | 0.10 | 247.4 | 0.2 | 24 | -31 | 0 | | | | -31 | |

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

Exhibit 9: Canada LPs Valuation Multiples

| Multiples 17-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 |
| | | | | | | | Current | CY25 | Current | CY25 | | | |
| Aurora Cannabis | 1.4x | 1.4x | 1.3x | 8.3x | 7.9x | 7.0x | na | na | na | na | 22% | 39% | 4% |
| Auxly Cannabis Group | 1.5x | na | na | 6.6x | na | na | -0.4x | na | -2.0x | na | -6% | 18% | 178% |
| Avant Brands | 0.7x | na | na | 3.5x | na | na | -0.2x | na | -0.8x | na | -14% | -22% | -60% |
| Cannara Biotech | 1.4x | na | na | 5.3x | na | na | -0.4x | na | -1.5x | na | -5% | -8% | 66% |
| Canopy Growth | 2.3x | 2.1x | 2.0x | -16.0x | -59.2x | na | -0.7x | -0.6x | 4.7x | 17.2x | 3% | 32% | -81% |
| Cronos Group | -2.3x | -2.2x | -2.1x | -32.9x | -129.4x | na | na | na | na | na | -6% | 2% | -22% |
| Decibel Cannabis | 0.9x | 0.7x | 0.6x | 5.5x | 3.4x | 2.7x | -0.4x | -0.3x | -2.4x | -1.5x | 14% | -5% | 6% |
| Organigram Holdings | 0.9x | 1.0x | 0.9x | 26.8x | 13.3x | 8.2x | na | s | na | na | 17% | 39% | -8% |
| Rubicon Organics | 0.6x | 0.6x | 0.5x | 11.1x | 10.0x | 3.2x | 0.0x | na | -0.7x | na | -2% | -16% | -17% |
| SNDL | 0.4x | 0.3x | 0.3x | 34.3x | 17.3x | na | na | na | na | na | 4% | -12% | -33% |
| Tilray Brands | 0.7x | 0.6x | 0.5x | 14.0x | 6.9x | 5.7x | 0.0x | 0.0x | -0.8x | -0.4x | -4% | -31% | -76% |
| Village Farms International | 0.5x | 0.6x | 0.7x | 496.4x | 9.4x | 4.5x | -0.1x | -0.1x | -89.7x | -1.7x | 6% | 54% | 3% |

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, Z&A estimates, and company reports

18 June 2025

Vireo Growth: Initiation of Coverage

Exhibit 10: Canada LPs EV Calculations

| C\$Mn 17-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 | 509 | 8.36 | 54.7 | 1.2 | 467 | 51 | -43 | 0 | -10 | 0 | -2 | 40 |
| Auxly Cannabis Group | 195 | 0.08 | 1,285.7 | 133.4 | 120 | -59 | -14 | 0 | -2 | 0 | -75 | |
| Avant Brands | 24 | 0.77 | 10.6 | 0.2 | 8 | -6 | -10 | 0 | 0 | 0 | -16 | |
| Cannara Biotech | 151 | 1.18 | 90.0 | 0.0 | 106 | -43 | 0 | -1 | 0 | 0 | -44 | |
| Canopy Growth | 592 | 1.97 | 211.5 | 1.4 | 419 | -173 | 0 | 0 | 0 | 0 | -173 | |
| Cronos Group | -432 | 2.62 | 281.2 | 0.0 | 738 | 1,172 | -2 | 0 | 0 | 0 | 1,170 | |
| Decibel Cannabis | 76 | 0.07 | 576.9 | 7.7 | 43 | -33 | 0 | 0 | 0 | 0 | -33 | |
| Organigram Holdings | 214 | 1.94 | 133.8 | 19.3 | 298 | 83 | 0 | 0 | 0 | 0 | 83 | |
| Rubicon Organics | 32 | 0.41 | 67.0 | 6.3 | 30 | -2 | 0 | 0 | 0 | 0 | -2 | |
| SNDL | 293 | 1.81 | 263.0 | 12.4 | 498 | 242 | -37 | 0 | 0 | 0 | 205 | |
| Tilray Brands | 690 | 0.57 | 1,006.2 | 26.1 | 593 | -39 | -70 | 0 | -20 | 0 | -130 | -32 |
| Village Farms International | 219 | 1.44 | 112.3 | 0.7 | 163 | -40 | -3 | 0 | 0 | 0 | -43 | 13 |

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

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Vireo Growth: Initiation of Coverage

Exhibit 11: Performance

| 17-Jun-25 | Stock Performance | | |
|----------------------|-------------------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| US MSOs | | | |
| Ascend | -10% | -9% | -68% |
| Ayr | -38% | 8% | -91% |
| Cannabist | -15% | 12% | -73% |
| Cansortium | -13% | -33% | -69% |
| Cresco | -29% | -33% | -71% |
| Curaleaf | -5% | -10% | -80% |
| 4Front | -85% | -97% | -99% |
| GlassHouse | -22% | 8% | -25% |
| Gold Flora | na | 31% | -79% |
| Grown Rogue | -8% | -31% | -45% |
| Green Thumb | -10% | -20% | -57% |
| iAnthus | 23% | -2% | -68% |
| Jushi | -15% | 2% | -48% |
| MariMed | -16% | -32% | -65% |
| Planet13 | -27% | -35% | -60% |
| Schwazze | na | na | -96% |
| StateHouse | na | na | 50% |
| Trulieve | -18% | -12% | -59% |
| TerrAscend | -37% | -44% | -81% |
| Verano | -31% | -23% | -85% |
| Vext | 28% | -19% | -45% |
| Vireo Growth | -6% | 2% | -20% |
| International | | | |
| InterCure | -2% | -27% | -68% |
| PharmaCielo | 29% | 30% | 141% |

| | Stock Performance | | |
|---------------------|-------------------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| Canadian LPs | | | |
| Aurora | 22% | 39% | 4% |
| Avant | -14% | -22% | -60% |
| Auxly | -6% | 18% | 178% |
| Ayurcann | 3% | -13% | -44% |
| Cannara | -5% | -8% | 66% |
| Canopy | 3% | 32% | -81% |
| Cronos | -6% | 2% | -22% |
| Decibel | 14% | -5% | 6% |
| Entourage | na | na | na |
| High Tide | -6% | -6% | -13% |
| OGI | 17% | 39% | -8% |
| Rubicon | -2% | -16% | -17% |
| SNDL | 4% | -12% | -33% |
| Tilray | -4% | -31% | -76% |
| VFF | 6% | 54% | 3% |
| Tech | | | |
| LFLY | -29% | -43% | -93% |
| SBIG | -15% | -20% | -50% |
| MAPS | -11% | -16% | 6% |
| Vape parts | | | |
| GNLN | 100% | -98% | -100% |
| ISPR | -14% | -34% | -65% |
| SMORF | 0% | -25% | 2% |
| TLLTF | -24% | -41% | -83% |

| | Stock Performance | | |
|------------------------------|-------------------|----------|-----------|
| Ticker | Last 30d | Last 90d | Last 12mo |
| MJ Fincos | | | |
| AFCG | -20% | -34% | -65% |
| IIPR | 3% | -18% | -46% |
| NLCP | -1% | -5% | -26% |
| SHFS | 13% | -56% | -81% |
| LIEN | 2% | -17% | -15% |
| REFI | -4% | -7% | -10% |
| Pix & Shovel | | | |
| AGFY | -18% | 35% | 473% |
| GRWG | 4% | 10% | -55% |
| HYFM | 14% | 4% | -55% |
| SMG | 6% | 3% | -8% |
| UGRO | -18% | -57% | -76% |
| CBD | | | |
| CVSI | -5% | -27% | -68% |
| CWEB | -5% | 0% | -39% |
| LFID | 27% | 0% | -59% |
| Index | | | |
| S&P 500 | 2% | 7% | 11% |
| S&P 477 | 2% | 3% | 9% |
| Nasdaq | 7% | 18% | 46% |
| MSOS ETF | -18% | -18% | -69% |
| YOLO ETF | -5% | -3% | -47% |
| Simple Group Averages | | | |
| Large Canada LPs | 7% | 21% | -35% |
| Tier 1 MSOs | -19% | -20% | -70% |

Source: FactSet and company reports



Appendix III: MSO Benchmarking Data

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

| US\$ Mn | Acreage Holdings | Ascend Wellness | AYR Strategies | Columbia Care | Cresco Labs | Curaleaf | Fluent | 4Front Ventures | Glass House | Gold Flora | Vireo Growth | Green Thumb |
|---|------------------|-----------------|----------------|---------------|---------------|-----------------|--------------|-----------------|--------------|---------------|--------------|---------------|
| Debt structure | 3Q24 | 1Q25 | 4Q24 | 1Q25 | 1Q25 | 1Q25 | 1Q25 | 3Q24 | 1Q25 | 3Q24 | 1Q25 | 1Q25 |
| Financial debt, net | -260.8 | -233.0 | -375.0 | -283.7 | -319.5 | -653.9 | -39.0 | -67.7 | -18.5 | -40.5 | 19.4 | -41.9 |
| Financial debt, gross | 274.7 | 333.0 | 410.5 | 302.6 | 481.7 | 775.8 | 69.7 | 68.9 | 101.1 | 50.7 | 72.2 | 252.4 |
| ST | 2.4 | 81.4 | 24.8 | 54.1 | 20.8 | 49.4 | 0.5 | 28.7 | 0.5 | 24.1 | 0.9 | 14.0 |
| LT | 272.2 | 251.6 | 385.6 | 248.5 | 460.9 | 726.4 | 69.3 | 40.2 | 100.6 | 26.6 | 71.3 | 238.5 |
| cash | 13.8 | 100.0 | 35.5 | 18.9 | 162.1 | 121.9 | 30.7 | 1.2 | 82.6 | 10.2 | 91.6 | 210.6 |
| Income tax liabilities | 58.1 | 174.5 | 24.4 | 172.3 | 139.3 | 464.1 | 0.0 | 42.4 | 23.3 | 43.9 | 70.6 | 32.9 |
| Leases, net | 2.6 | 133.3 | 19.5 | 26.3 | 56.1 | 63.9 | 10.6 | 13.9 | 26.9 | 76.0 | 10.0 | 30.7 |
| Gross leases | 16.1 | 273.2 | 211.4 | 161.8 | 164.1 | 285.4 | 56.1 | 145.2 | 26.9 | 97.4 | 17.9 | 273.4 |
| Right of use assets | 13.5 | 139.9 | 191.9 | 135.5 | 108.0 | 221.5 | 45.5 | 131.3 | 0.0 | 21.4 | 7.9 | 242.7 |
| Contingent considerations | 0.0 | 0.0 | 136.7 | 0.0 | 10.2 | 6.0 | | 2.8 | 20.7 | 4.1 | 0.0 | 0.0 |
| Ratios under various debt definitions | | | | | | | | | | | | |
| Net financial (debt) | -260.8 | -233.0 | -375.0 | -283.7 | -319.5 | -653.9 | -39.0 | -67.7 | -18.5 | -40.5 | 19.4 | -41.9 |
| last qtr annualized | | | | | | | | | | | | |
| to sales | -165% | -46% | -360% | -81% | -48% | -53% | -36% | -91% | -9% | -29% | 5% | -4% |
| to adj EBITDA | -15.0x | -2.2x | -13.8x | -8.6x | -2.2x | -2.5x | -2.8x | -6.0x | -0.5x | -3.1x | 0.2x | -0.1x |
| to OCF | na | -9.8x | -2.1x | na | -12.3x | -4.1x | na | -16.1x | -0.5x | na | na | -0.1x |
| to FCF | na | na | -2.1x | na | na | -6.8x | na | na | -0.1x | na | na | -0.2x |
| Broader definition (1) | -321.5 | -540.8 | -555.6 | -482.3 | -525.2 | -1,188.0 | -49.6 | -126.8 | -89.4 | -164.6 | -61.2 | -105.4 |
| last qtr annualized | | | | | | | | | | | | |
| to sales | -203% | -106% | -534% | -138% | -79% | -96% | -46% | -170% | -41% | -119% | -15% | -9% |
| to adj EBITDA | -18.4x | -5.0x | -20.5x | -14.5x | -3.6x | -4.6x | -3.5x | -11.2x | -2.5x | -12.6x | -0.6x | -0.3x |
| to OCF | na | -22.8x | -3.0x | na | -20.2x | -7.4x | na | -30.1x | -2.6x | na | na | -0.4x |
| to FCF | na | na | -3.1x | na | na | -12.4x | na | na | -0.5x | na | na | -0.6x |
| 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 | 177 | 547 | 372 | 424 | 706 | 1,314 | 104 | 72 | 225 | 132 | 174 | 1,141 |
| adj EBITDA | 8 | 111 | 81 | 48 | 183 | 289 | 25 | 8 | 51 | 7 | 44 | 366 |
| OCF | -38 | 75 | 47 | -32 | 91 | 159 | 2 | 1 | 39 | na | -14 | 185 |
| FCF | -38 | 54 | 35 | -39 | -22 | 63 | -14 | -7 | 28 | na | -35 | 90 |
| Last qtr metrics annualized | | | | | | | | | | | | |
| Sales | 158 | 512 | 104 | 350 | 663 | 1,240 | 107 | 75 | 216 | 138 | 398 | 1,118 |
| adj EBITDA | 17 | 108 | 27 | 33 | 145 | 261 | 14 | 11 | 36 | 13 | 101 | 341 |
| OCF | -12 | 24 | 182 | -61 | 26 | 161 | -6 | 4 | 34 | na | -41 | 297 |
| FCF | -12 | -2 | 178 | -69 | -23 | 96 | -23 | -88 | 178 | -56 | -88 | 178 |

Source: Z&A estimates, company reports

Exhibit 13: Balance sheet comparisons (continued...)

| US\$ Mn | iAnthus | Jushi Holdings | Marimed | Planet 13 | Schwazze | StateHouse | TerrAscend | Tilt Holdings | Trulieve | Verano Holdings | Vext Science |
|---|---------------|----------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|-----------------|--------------|
| Debt structure | 1Q25 | 1Q25 | 1Q25 | 1Q25 | 3Q24 | 2Q24 | 1Q25 | 1Q25 | 1Q25 | 1Q25 | 1Q25 |
| Financial debt, net | -174.4 | -154.5 | -67.1 | 8.8 | -135.5 | -113.6 | -159.8 | -72.9 | -288.6 | -336.4 | -29.0 |
| Financial debt, gross | 187.3 | 188.4 | 74.3 | 8.8 | 155.1 | 115.6 | 187.2 | 77.2 | 617.0 | 420.6 | 33.9 |
| ST | 5.0 | 5.0 | 4.8 | 8.8 | 4.3 | 26.7 | 7.1 | 65.0 | 5.5 | 16.8 | 3.4 |
| LT | 182.3 | 183.4 | 69.5 | 0.0 | 150.9 | 89.0 | 180.1 | 12.2 | 611.5 | 403.8 | 30.5 |
| cash | 12.8 | 33.9 | 7.2 | 17.6 | 19.6 | 2.1 | 27.4 | 4.3 | 328.5 | 84.2 | 4.8 |
| Income tax liabilities | 54.3 | 146.0 | 124.8 | 40.3 | 18.3 | 53.6 | 120.5 | 167.9 | 500.9 | 318.7 | 0.0 |
| Leases, net | 4.4 | 1.7 | 0.8 | 10.2 | 2.9 | 10.2 | 5.6 | 47.3 | 25.3 | 8.4 | 0.3 |
| Gross leases | 28.5 | 62.3 | 13.3 | 47.9 | 28.2 | 21.9 | 47.2 | 63.9 | 206.8 | 108.1 | 3.5 |
| Right of use assets | 24.0 | 60.6 | 12.5 | 37.7 | 25.3 | 11.7 | 41.6 | 16.6 | 181.4 | 99.7 | 3.2 |
| Contingent considerations | 0.0 | 3.1 | 0.0 | 19.3 | 2.0 | 0.0 | 7.0 | 0.0 | 5.6 | 0.6 | 0.0 |
| Ratios under various debt definitions | | | | | | | | | | | |
| Net financial (debt) | -174.4 | -154.5 | -67.1 | 8.8 | -135.5 | -113.6 | -159.8 | -72.9 | -288.6 | -336.4 | -29.0 |
| last qtr annualized | | | | | | | | | | | |
| to sales | -97% | -59% | -44% | 8% | -75% | -102% | -56% | -80% | -24% | -40% | -63% |
| to adj EBITDA | -5.7x | -3.0x | -6.5x | | | -8.7x | -2.6x | na | -0.7x | -1.5x | -2.2x |
| to OCF | na | -3.3x | -13.0x | na | na | -5.2x | -7.2x | -9.6x | -1.4x | -47.1x | -2.4x |
| to FCF | na | -3.7x | -16.3x | na | na | -5.4x | -13.0x | na | -2.1x | na | |
| Broader definition (1) | -233.2 | -305.3 | -192.6 | -61.0 | -158.7 | -177.4 | -292.9 | -288.1 | -820.5 | -664.2 | -29.3 |
| last qtr annualized | | | | | | | | | | | |
| to sales | -130% | -117% | -127% | -54% | -88% | -159% | -103% | -317% | -69% | -79% | -63% |
| to adj EBITDA | -7.6x | -5.8x | -18.8x | | | -13.5x | -4.8x | na | -1.9x | -3.1x | -2.2x |
| to OCF | na | -6.4x | -37.2x | na | na | -8.1x | -13.2x | -37.8x | -4.0x | -93.0x | -2.4x |
| to FCF | na | -7.4x | -46.9x | na | na | -8.5x | -23.9x | na | -6.1x | 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 | 171 | 257 | 158 | 122 | 176 | 109 | 297 | 101 | 1,187 | 867 | 39 |
| adj EBITDA | 27 | 46 | 18 | 2 | 30 | 11 | 60 | -3 | 424 | 252 | 11 |
| OCF | 3 | 27 | 5 | 1 | na | -28 | 30 | 4 | 183 | 83 | 6 |
| FCF | -7 | 22 | -4 | -10 | na | -29 | 21 | 1 | 60 | -20 | 4 |
| Last qtr metrics annualized | | | | | | | | | | | |
| Sales | 179 | 261 | 152 | 112 | 180 | 112 | 284 | 91 | 1,191 | 839 | 46 |
| adj EBITDA | 31 | 52 | 10 | -10 | 33 | 13 | 61 | -4 | 437 | 218 | 13 |
| OCF | -34 | 47 | 5 | -21 | na | 22 | 22 | 8 | 203 | 7 | 12 |
| FCF | -56 | 41 | 4 | -32 | na | 21 | 12 | -1 | 135 | -48 | 9 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

Exhibit 14: Sales comps (for Vireo, or Goodness Growth, these tables reflect reported numbers, not proforma)

| | CY20 | CY21 | CY22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | CY23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | CY24 | 1Q25 |
|---------------------|-------|---------|---------|-------|-------|-------|-------|---------|-------|-------|-------|-------|---------|-------|
| 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 | 26.0 |
| 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 | 165.8 |
| 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 | 33.5 | 129.9 | 34.4 |
| Goodness Growth | 15.6 | 13.7 | 19.0 | 74.6 | 19.1 | 20.2 | 24.7 | 24.2 | 88.1 | 24.1 | 25.1 | 25.2 | 25.0 | 99.4 |
| 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 | 11.6 |

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

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Vireo Growth: Initiation of Coverage

Exhibit 15: Gross margin comps

| | CY20 | CY21 | CY22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | CY23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | CY24 | 1Q25 |
|-----------------------|--------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| GROSS MARGIN % | | | | | | | | | | | | | | |
| Ascend | 42.4% | 40.9% | 33.1% | 31.3% | 23.0% | 30.8% | 33.9% | 29.9% | 36.5% | 29.4% | 30.9% | 34.5% | 32.8% | 30.9% |
| AYR | 57.2% | 38.6% | 40.9% | 41.0% | 48.5% | 42.1% | 43.0% | 43.7% | 42.9% | 40.2% | 37.6% | 31.5% | 38.1% | 42.6% |
| Cannabist | 34.6% | 42.2% | 39.3% | 37.8% | 40.3% | 28.8% | 34.0% | 35.2% | 34.7% | 38.4% | 38.2% | 35.3% | 36.7% | 33.5% |
| Cresco | 43.4% | 49.5% | 48.3% | 44.2% | 43.8% | 49.1% | 51.1% | 47.0% | 50.0% | 51.4% | 52.0% | 47.8% | 50.3% | 47.4% |
| Curaleaf | 50.3% | 47.6% | 49.1% | 47.8% | 43.3% | 45.0% | 45.2% | 45.6% | 47.5% | 46.9% | 48.6% | 47.5% | 47.6% | 50.1% |
| 4Front | 63.3% | 47.2% | 34.7% | 26.2% | 31.3% | 40.3% | 115.3% | 47.1% | 40.2% | 39.3% | 21.4% | 59.6% | 40.3% | 59.4% |
| Glasshouse Brands | 38.8% | 23.1% | 24.4% | 45.6% | 54.6% | 54.0% | 44.6% | 50.3% | 41.6% | 53.2% | 52.4% | 42.9% | 48.5% | 60.0% |
| Gold Flora | na | na | na | 29.9% | 27.8% | 35.4% | 46.4% | 40.9% | 31.2% | 22.9% | 41.3% | 50.0% | 36.6% | 50.0% |
| Goodness Growth | -39.1% | 15.8% | 44.7% | 41.4% | 49.9% | 46.2% | 53.5% | 49.9% | 50.0% | 50.8% | 54.0% | 49.0% | 50.6% | 51.1% |
| Green Thumb | 54.7% | 55.1% | 49.5% | 50.2% | 49.6% | 48.6% | 51.3% | 49.9% | 52.5% | 53.7% | 51.4% | 53.7% | 52.9% | 51.3% |
| iAnthus | 54.0% | 53.9% | 45.6% | 42.2% | 47.5% | 40.6% | 29.0% | 39.7% | 41.4% | 48.1% | 44.9% | 44.8% | 44.8% | 55.0% |
| Jushi | 47.5% | 39.8% | 33.6% | 42.9% | 46.0% | 43.6% | 40.2% | 43.1% | 49.4% | 50.4% | 45.4% | 38.6% | 45.9% | 48.4% |
| Marimed | 61.5% | 54.6% | 47.7% | 44.8% | 44.8% | 43.4% | 44.5% | 44.4% | 43.4% | 41.8% | 41.3% | 32.6% | 39.8% | 39.9% |
| Planet13 | 48.5% | 55.2% | 45.9% | 43.7% | 46.0% | 44.7% | 47.8% | 45.5% | 45.8% | 50.9% | 51.9% | 43.2% | 48.2% | 42.8% |
| Schwazze | 28.2% | 45.5% | 53.4% | 57.6% | 57.9% | 45.9% | 16.2% | 44.1% | 43.1% | 44.0% | 41.5% | 60.0% | 47.3% | 60.0% |
| StateHouse | 46.8% | 43.3% | 38.9% | 44.3% | 48.6% | 44.9% | 41.6% | 44.9% | 46.5% | 50.8% | 50.0% | 51.0% | 49.6% | 52.0% |
| TerrAscend | 54.6% | 57.9% | 41.0% | 48.8% | 50.2% | 53.6% | 48.2% | 50.3% | 48.0% | 48.6% | 48.8% | 50.2% | 48.9% | 51.8% |
| Tilt | 37.2% | 24.8% | 21.9% | 20.8% | 9.7% | 17.9% | 9.5% | 14.7% | 17.9% | 16.0% | 14.1% | 21.5% | 17.3% | 14.9% |
| Trulieve | 74.1% | 60.3% | 55.0% | 52.7% | 50.3% | 51.9% | 53.6% | 52.1% | 58.4% | 59.9% | 61.0% | 62.1% | 60.3% | 61.5% |
| Verano | 59.3% | 44.9% | 48.1% | 48.1% | 49.2% | 55.5% | 49.6% | 50.6% | 51.0% | 51.4% | 50.3% | 49.3% | 50.5% | 47.5% |
| Vext | 39.3% | 44.1% | 59.1% | 51.0% | 30.4% | 39.3% | 36.5% | 39.3% | 23.1% | 21.1% | 41.7% | 39.8% | 32.0% | 34.2% |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

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% | 189% |
| Cannabist | 229% | 120% | 138% | 99% | 100% | 152% | 102% | 111% | 109% | 83% | 113% | 156% | 112% | 111% |
| Cresco | 95% | 73% | 86% | 84% | 83% | 70% | 59% | 83% | 59% | 60% | 58% | 67% | 61% | 74% |
| 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 | -121% | 428% | 87% | 109% | 75% | 86% | 51% | 52% | 64% | 58% | 56% | 56% | 54% | 56% |
| 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% | 56% |

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 | 18.7% | 18.7% | 4.0% | 15.2% | 15.7% | 17.3% | 15.0% | 16.4% | 14.6% | 17.7% | 17.5% | 17.3% | 17.1% | 17.3% |
| Ascend | 21.4% | 23.9% | 23.0% | 20.4% | 17.3% | 20.9% | 23.1% | 20.5% | 22.8% | 20.0% | 17.7% | 22.2% | 20.7% | 21.1% |
| AYR | 32.1% | 27.4% | 16.2% | 22.4% | 25.2% | 24.9% | 25.9% | 24.6% | 24.6% | 24.3% | 23.2% | 16.7% | 21.6% | 26.0% |
| Cannabist | -11.0% | 12.6% | 13.2% | 13.1% | 15.7% | 15.9% | 9.7% | 13.6% | 12.5% | 14.0% | 12.9% | 7.3% | 11.9% | 9.5% |
| Cresco | 12.8% | 23.6% | 20.5% | 15.1% | 20.5% | 23.4% | 29.1% | 21.9% | 28.8% | 29.2% | 28.5% | 23.6% | 27.6% | 21.9% |
| Curaleaf | 23.0% | 21.9% | 15.9% | 22.0% | 21.3% | 22.6% | 24.0% | 18.8% | 22.8% | 21.3% | 22.8% | 22.7% | 22.4% | 21.0% |
| 4Front | 18.5% | 22.8% | 26.9% | 22.4% | 5.8% | 15.0% | -6.2% | 10.3% | 13.1% | 14.0% | 6.0% | 7.8% | 10.4% | 15.2% |
| Glasshouse Brands | 2.6% | -13.2% | -26.2% | 1.7% | 21.4% | 22.3% | 9.3% | 15.3% | -5.2% | 25.4% | 29.9% | 17.0% | 20.0% | 16.5% |
| Gold Flora | na | na | na | -0.7% | -1.3% | -5.4% | -12.0% | -8.2% | -5.6% | -6.2% | 8.5% | 10.1% | 1.9% | 9.5% |
| Goodness Growth | 0.0% | -32.5% | 13.1% | 5.5% | 7.6% | 14.1% | 37.2% | 25.3% | 22.2% | 25.2% | 22.5% | 27.1% | 26.4% | 25.3% |
| Green Thumb | 32.3% | 34.5% | 30.6% | 30.7% | 30.0% | 30.1% | 32.6% | 30.9% | 32.8% | 33.5% | 31.1% | 33.2% | 32.7% | 30.5% |
| iAnthus | 85.3% | 2.9% | -237.3% | 2.3% | -1.1% | 11.5% | 8.1% | 5.2% | 7.8% | 20.8% | 9.2% | 15.0% | 14.3% | 17.0% |
| Jushi | 0.3% | 6.8% | 2.5% | 10.9% | 18.2% | 14.9% | 16.7% | 15.1% | 20.4% | 22.4% | 16.8% | 12.2% | 17.9% | 20.0% |
| Marimed | 32.1% | 35.3% | 24.2% | 20.6% | 17.3% | 15.6% | 13.5% | 16.6% | 12.3% | 10.8% | 11.5% | 15.2% | 12.4% | 6.8% |
| Planet13 | 11.6% | 14.1% | 3.3% | -5.2% | 8.5% | 0.9% | 5.6% | 2.4% | 0.0% | 10.3% | 4.0% | 0.0% | 3.0% | -8.9% |
| Schwazze | -31.7% | 29.7% | 32.6% | 36.3% | 32.6% | 30.2% | 25.3% | 31.0% | 14.8% | 13.7% | 20.9% | 15.3% | 16.2% | 18.3% |
| StateHouse | 12.3% | 1.4% | -18.5% | -9.5% | 2.5% | 1.9% | -4.1% | 5.5% | -17.7% | 9.7% | 9.5% | 10.5% | 3.3% | 11.7% |
| TerrAscend | 27.1% | 35.9% | 15.7% | 17.6% | 17.8% | 27.1% | 22.7% | 21.7% | 20.1% | 20.2% | 18.5% | 20.3% | 19.8% | 21.6% |
| Tilt | -4.5% | 11.0% | 1.6% | -0.2% | 4.0% | 4.7% | -4.4% | 1.2% | 0.1% | -4.5% | -5.8% | 2.2% | -1.9% | -4.3% |
| Trulieve | 49.9% | 41.0% | 32.1% | 27.4% | 27.9% | 28.2% | 28.3% | 28.5% | 35.5% | 35.2% | 33.8% | 37.0% | 35.4% | 36.7% |
| Verano | 77.4% | 43.9% | 36.8% | 30.8% | 30.5% | 37.2% | 30.9% | 32.5% | 30.1% | 31.7% | 29.7% | 28.8% | 30.1% | 25.9% |
| Vext | 27.0% | 36.0% | 42.7% | 31.3% | 11.4% | 13.3% | 6.5% | 15.9% | 23.3% | 12.9% | 32.0% | 31.8% | 25.4% | 29.1% |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

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% | -9% |
| 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 | 0% | -33% | -37% | -30% | -37% | -38% | -32% | -35% | -35% | na | -30% | -29% | -30% | -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% | -7% |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

Exhibit 19: Incomes taxes paid comps as % of sales

| | 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% | 2% |
| 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 | 0% | 43% | -14% | 7% | 0% | 5% | 0% | 4% | 2% | 28% | -27% | 27% | 0% | 0% |
| 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 | 8% | 19% | 4% | -1% | -6% | 0% | 2% | -1% | -1% | -9% | 0% | 7% | -1% | -5% |
| 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

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Vireo Growth: Initiation of Coverage

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 |
|---------------------------------|------|------|------|------|------|------|------|------|------|-------|------|------|------|------|
| TAX AS % OF GROSS PROFIT | | | | | | | | | | | | | | |
| Acreage | 35% | -19% | -10% | -28% | -29% | -30% | -32% | -29% | 75% | -23% | -32% | 11% | -16% | 6% |
| Ascend | -35% | -31% | -31% | -28% | -17% | -15% | -25% | -22% | -24% | -25% | -22% | -23% | -24% | -28% |
| AYR | -25% | -21% | -24% | -23% | -23% | -28% | -20% | -22% | -22% | -31% | -30% | -50% | -26% | -20% |
| Cannabist | 26% | 0% | 6% | -23% | -12% | -6% | 32% | -3% | -21% | -20% | -50% | -9% | -26% | -3% |
| Cresco | -14% | -10% | -22% | -20% | -16% | 6% | -8% | -9% | -20% | -11% | -20% | -3% | -14% | -18% |
| Curaleaf | -26% | -27% | -29% | -25% | -28% | -23% | 2% | -19% | -25% | -20% | -20% | 3% | -15% | -24% |
| 4Front | -41% | -23% | -24% | -44% | -20% | 45% | -31% | -22% | 0% | 0% | 0% | 0% | 0% | 0% |
| Glasshouse Brands | -34% | -27% | -85% | -19% | -22% | -25% | 23% | -22% | -7% | -1% | -27% | -2% | -18% | -15% |
| Gold Flora | 0% | 49% | -29% | -19% | -19% | -60% | -14% | -19% | -10% | -10% | -17% | -10% | -12% | -10% |
| Goodness Growth | 28% | -53% | -70% | -19% | -17% | -17% | -26% | -8% | -18% | -32% | -3% | -19% | -34% | -22% |
| Green Thumb | -28% | -25% | -19% | -27% | -21% | -26% | -17% | -23% | -22% | -21% | -21% | -20% | -21% | -22% |
| iAnthus | -23% | -20% | -14% | -24% | -30% | -22% | -31% | -26% | -16% | -33% | -40% | 181% | 24% | 0% |
| Jushi | -28% | -36% | -9% | -34% | -28% | -28% | -19% | -27% | -30% | -29% | -32% | -14% | -27% | -20% |
| Marimed | -7% | -24% | -9% | -16% | -12% | -26% | -3% | -14% | -10% | -5% | -4% | -39% | -13% | -19% |
| Planet13 | -21% | -20% | -18% | -21% | -24% | -21% | -36% | -26% | -22% | -26% | -27% | -10% | -22% | -2% |
| Schwazze | 13% | -9% | -18% | -20% | -21% | -25% | -64% | -26% | -22% | -21% | -30% | -20% | -23% | -20% |
| StateHouse | -22% | 7% | 16% | -35% | -5% | -78% | 5% | -28% | -61% | -34% | -21% | -21% | -33% | -21% |
| TerrAscend | -13% | -26% | 11% | -37% | -18% | -28% | 22% | 7% | -25% | -28% | -40% | 38% | 7% | -31% |
| Tilt | 9% | 28% | -8% | -15% | 68% | 25% | -2% | -12% | 24% | -145% | 37% | -29% | -15% | -4% |
| Trulieve | -24% | -26% | -24% | -24% | -24% | -26% | -29% | -26% | -32% | -26% | -27% | -25% | -28% | -29% |
| Verano | -31% | -31% | -25% | -26% | -24% | -31% | -41% | -31% | -10% | -27% | -42% | 42% | -9% | -17% |
| Vext | -5% | -11% | 20% | 25% | 41% | 33% | -75% | 8% | 18% | 7% | 6% | -50% | -11% | 6% |

Note: due to deferred taxes, Columbia Care and TerrAscend declared "tax rebates" in 2022

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 | 44.0 |
| 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 | -22.3 |
| 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 | 0.1 | 3.0 | -2.0 | -8.3 | -11.4 | -1.4 | -0.8 | -5.9 | -19.5 | -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 | 25.3 | na | -28.8 |
| Goodness Growth | | -11.2 | -6.7 | -23.6 | -4.0 | -215.9 | -18.8 | -181.1 | -5.9 | 150.1 | -200.4 | -29.9 | 98.5 | -21.9 |
| 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 | 1.5 | -12.2 | -5.0 |
| 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 | | -58.9 | -77.6 | -5.8 | -9.9 | -10.9 | -1.4 | -27.9 | 2.4 | -7.6 | -13.1 | 14.9 | 1.5 | -4.7 |
| 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 | 2.3 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

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 | 0.22 |
| 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 | 0.47 |
| 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 | 0.48 | 1.73 | 0.50 |
| Goodness Growth | na | 0.11 | 0.15 | 0.58 | 0.15 | 0.16 | 0.17 | 0.17 | 0.65 | 0.17 | 0.17 | 0.12 | 0.11 | 0.55 |
| 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 | 0.05 |

Source: Z&A estimates, company reports

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Vireo Growth: Initiation of Coverage

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 | 0.06 |
| 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 | na | -0.03 | 0.02 | 0.03 | 0.01 | 0.02 | 0.06 | 0.04 | 0.14 | 0.04 | 0.04 | 0.03 | 0.03 | 0.14 |
| 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

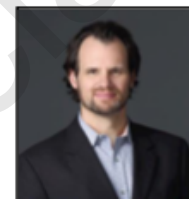


Appendix IV: Other Slides

Exhibit 24: Newly Appointed CEO and CFO Post 12/8/24

John Mazarakis
CEO & Co-Executive Chairman


- Appointed Chief Executive Officer and Co-Executive Chairman effective immediately
- Co-founder of Chicago Atlantic Group, the largest credit and equity fund in the cannabis space with over ~\$2 billion closed in debt and equity investments
 - Took public NASDAQ: REFI, a cannabis REIT, in December 2021 and led the acquisition of NASDAQ: SSIC to establish a \$300 million+ cannabis BDC vehicle
- Brings over 20 years of entrepreneurial, operational, and managerial experience in the real estate, retail and hospitality industries

Tyson Macdonald
Chief Financial Officer


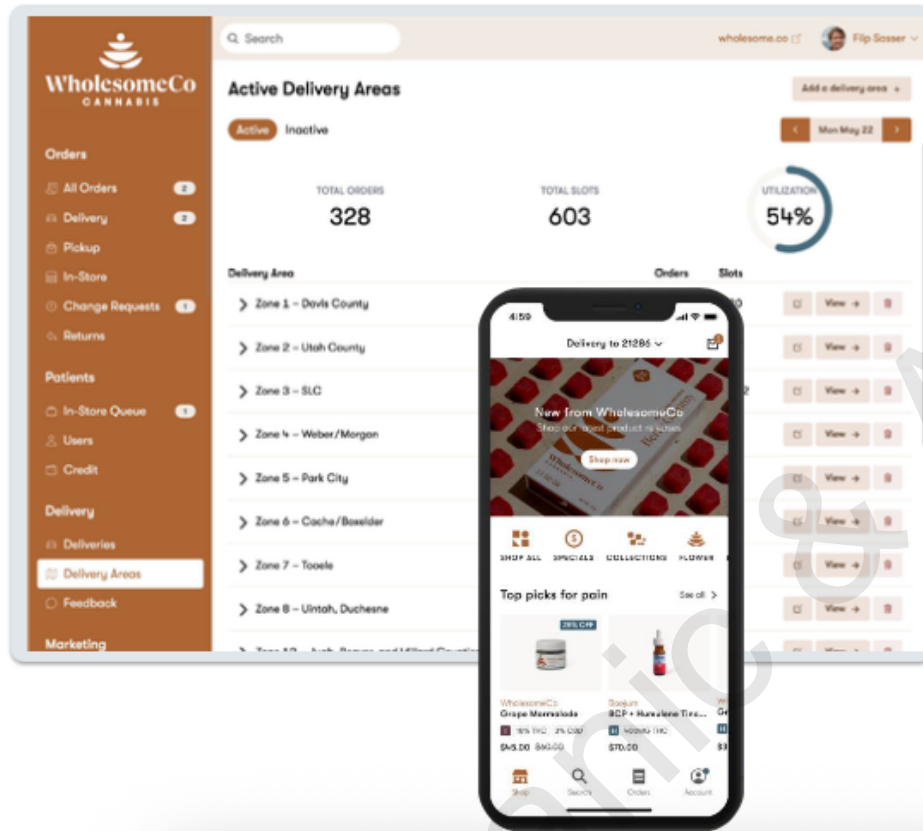
- Appointed Chief Financial Officer, effective immediately
- Previously served as a Managing Partner at TrueRise Capital, CEO of Nova Net Lease REIT, CFO of Cloud Cannabis and an Executive Vice President of Corporate Development at Acreage Holdings
- Brings over 20 years of strategy and investment experience, working with both startups and mature public companies, and is currently a Board Member of Avant Brands (TSX: AVNT)

Source: Company reports

Exhibit 25: On the Arches Platform

Arches Technology

Arches is an omni-channel technology platform for cannabis operators with a comprehensive offering across point-of-sale, customer engagement, digital marketing and delivery to drive sales growth



Arches' 3 Core Areas for Success

Engagement



Traffic Driven

to platform through download initiatives, capabilities such as favoriting and rewards dollars reminders and RFM scoring



RFM Scoring

- Tracks recency, frequency and monetary metrics
- Top 20% of shops are visited more than 4x as often as bottom 80%

Reach



Unlock Access

to patients in competitor markets through delivery channels



Migration to Convenience

- Incentivizing local customers through convenience of platform's abilities

Defensibility



Loyalty

increases linearly with every order



Best-in-Class Product

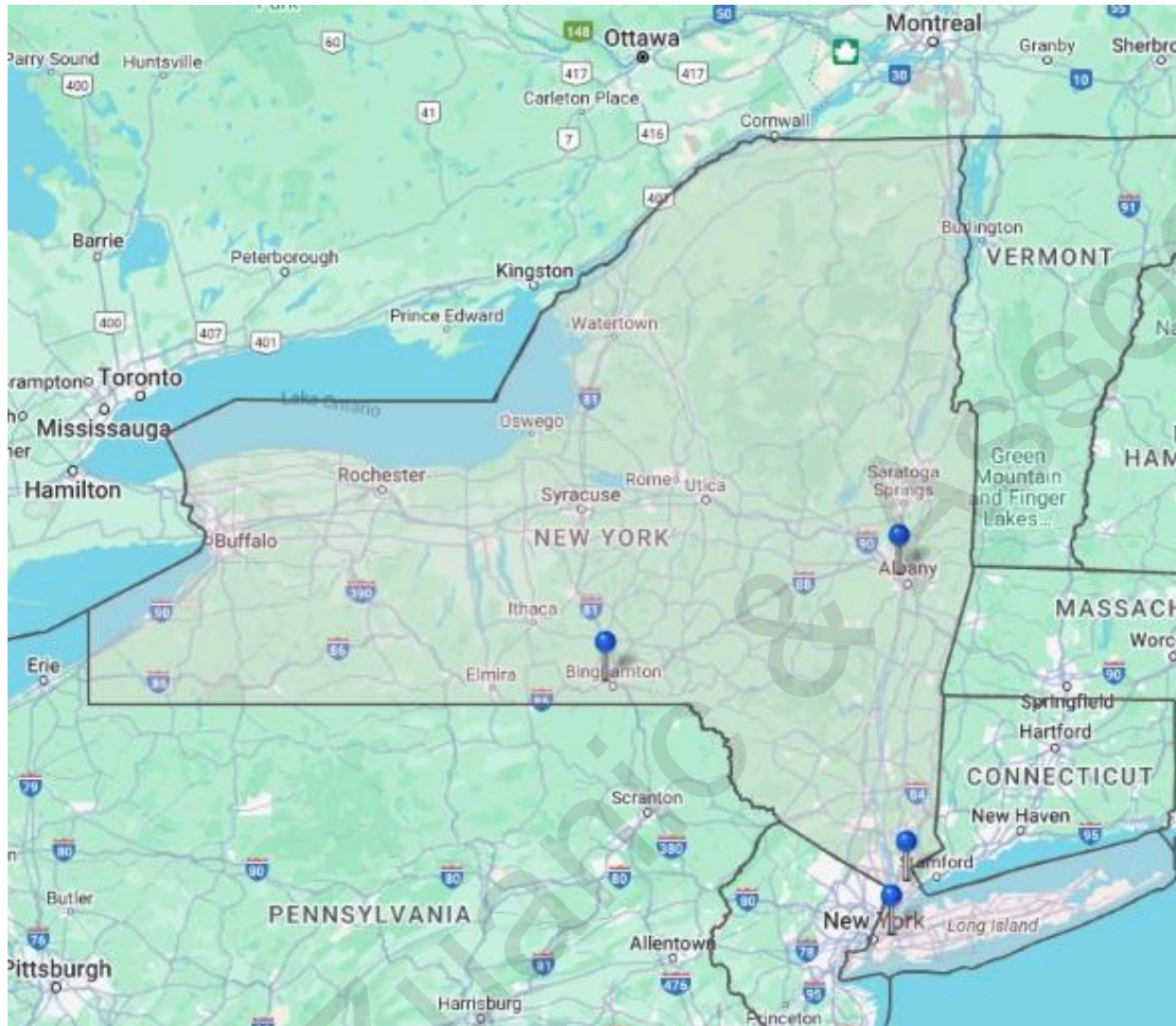
- Personalization
- Integrated rewards & referral program
- Robust shopping features
- UX analytics and brand representation

Source: Company reports

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Vireo Growth: Initiation of Coverage

Exhibit 26: Vireo Growth NY Stores



Source: Company reports



Appendix V: 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 and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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Disclosure: Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. The company discussed in this report is a paying customer of the services provided by the firm.

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