



8/13/2025

Village Farms International (VFF)

Company update: Overweight

US\$Mn									
Cons Rev	CY23a	CY24a	CY25e	Prev		CY26e	Prev	CY27e	Prev
1Q	64.7	78.1	77.1	A	77.1	50.3	45.8	66.4	57.2
2Q	77.2	92.2	59.9	E	71.4	63.6	60.3	79.7	69.1
3Q	69.5	83.4	56.6	E	50.8	65.8	62.0	82.3	72.4
4Q	<u>74.2</u>	<u>82.6</u>	<u>56.2</u>	E	<u>51.0</u>	<u>67.4</u>	<u>62.5</u>	<u>83.0</u>	<u>66.1</u>
FY	285.6	336.2	249.8	E	250.3	247.1	230.6	311.4	264.8
EBITDA	CY23a	CY24a	CY25e	Prev		CY26e	Prev	CY27e	Prev
1Q	0.5	3.6	0.1	A	0.1	7.4	7.3	17.1	13.2
2Q	4.5	-3.6	13.3	E	3.1	9.5	10.0	19.0	14.3
3Q	3.2	5.3	9.2	E	6.1	12.7	12.7	21.7	16.6
4Q	<u>-0.7</u>	<u>-3.5</u>	<u>8.6</u>	E	<u>6.5</u>	<u>14.5</u>	<u>13.6</u>	<u>22.2</u>	<u>15.5</u>
FY	7.6	1.8	31.1	E	15.8	44.1	43.6	79.9	59.6

Share price (US\$)	2.48	Perf.		VFF		YOLO ETF		S&P500		Stance:	Overweight
Share count (mn)	112.3	30d		82%		42%		3%			no price target
Market Cap (US\$Mn)	279	90d		158%		60%		9%			FY=Dec
Ticker	VFF	1yr		157%		-7%		21%			



US\$Mn	CY24	CY25	CY26
Projected EV	312	258	242
EV/Sales	0.0x	1.0x	1.0x
EV/EBITDA	0.0x	8.3x	5.5x
	CY24	CY25	CY26
Net debt/Sales	-0.1x	na	na
Net debt/EBITDA	-11.1x	na	na
Free Cash Flow	0.3	13.0	18.6
Net (debt) cash	-19.9	37.5	56.1
Consensus	CY25	CY26	
Sales	232.0	243.6	
EBITDA	23.0	42.2	
Guidance CY25:	n/a		

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Update Post 2Q25

We keep the OW stance, although after the recent run up in the stock (+158% in the last 90 days), the adjusted comparable spot valuation is now more in line with peers (VFF and CGC at 1.2x adj; TLRY 1.3x, ACB 1x). That said, the potential for VFF to deliver international sales growth ahead of the LP peer set and likely meaningful earnings contribution from the Dutch Pilot (2Q sales 3x our estimate; EBITDA margins of 50%; 4x capacity next year) may allow for VFF shares to continue to outperform. We do not set price targets but at a conservative 10x EBITDA, the stock would trade north of \$6 by Dec'26. Note: All \$ figures are in US\$ unless noted otherwise.

Here we discuss the company's 2Q25 results and outlook by divisions.

- **International MMJ.** The cannabis international unit did \$12Mn in 2Q25 sales (vs. \$5.4Mn in 1Q25 and \$1.8Mn in 4Q24). YTD \$17.4Mn revenues are already 3x what the company achieved in all CY24. With 2H25 sales expected at least in line with 1H25 levels, that means CY25 sales will be 6x the CY24 level (vs. original guidance for 3x). VFF does not split sales by market, but it says it is already exporting to five countries (including Germany, Australia, UK). It claims leading SKUs in Germany, per the flowzz MMJ patient website. Unlike peers that may have feet on the ground and RTM in the overseas markets, VFF at this stage relies mostly on distributors. With its “crawl before you walk” approach (VFF began B2B in Canada rec before moving to branded), we assume VFF does not rule out downstream investments down the road. With higher prices realized in exports, the VFF international growth is accretive to cannabis profit margins. We believe the company's growth overseas is sustainable given its cost advantage (greenhouses in BC) and positive consumer product reviews. See our recent [report](#) on record Canadian export growth.
- **More on cannabis: rec/bulk; global margins; capacity expansion.** VFF remains a top 3 player in Canada rec and claims leadership in flower, but it has shifted away from the lower end of the market, now focusing more on profitability than just top line (see our [review](#) of VFF's underlying rec trends, per Hifyre). In 2Q25, VFF rec sales fell 17% yoy, but were up 6% qoq. Bulk sales have remained stable at \$9Mn per qtr. In terms of sales mix, in 2Q25 international was 27% of cannabis sales vs. 16% in 1Q25 and 4% in 2Q24; this, together with improved domestic rec margins, resulted in global cannabis gross margins of almost 40% in 2Q25 vs. 36.5% in 1Q25 and 27% in 2Q24. Total cannabis EBITDA (ex-corporate overheads) came in at \$12Mn vs. \$7Mn in 1Q25 and \$5Mn in 2Q24. VFF will convert the half of the Delta 2 greenhouse to cannabis from tomatoes (the other half of Delta 2 had already been converted), adding 40 tons to total capacity (for a combined total 160 tons of capacity when complete) for a cash cost of \$7Mn. Sales should commence by early 2027, with most of the build-up conversion done during 2026 (the Delta 2 greenhouse tomato crop will be pulled this Nov).



- **Leli Holland.** The 2Q25 results (sales of \$2.5Mn, and divisional EBITDA of \$1.2Mn, for almost 50% EBITDA margins) were in line with management's expectations (but 3x our own estimate for 2Q25). Leli is now supplying 66 of the 80 coffeeshops in the pilot. Leli is in the process of expanding capacity in Holland by 4x, with the expansion resulting in increased sales starting in 2026. Management does not expect much change in the pace of sales and EBITDA at Leli for 3Q25 and 4Q25 (although it is rolling out hash this year); start-up costs will begin to show in 1Q26 as the expansion (called phase II) starts to come online during 2Q26. See our [Dutch Pilot](#) report for more color.
- **On produce.** The partial spin-off of the produce unit was completed on 5/30/25, so the 2Q25 consolidated B/S shows the full impact from that transaction, while the 2Q25 P&L shows only the effect from one month (see our [recent VFF report](#) with a more in-depth discussion of the spin mechanics). Going forward the investment in the new produce partnership is shown as an investment on the B/S, and the operational results are not included in the financial results. VFF recorded a gain on the sale of the produce assets net of tax of \$19Mn in 2Q25. Future operational results will only include the Canadian produce assets retained (besides the cannabis and energy unit). Bear in mind there is significant seasonality in the produce piece kept by VFF (zero revenues, for example, in 1Q Jan-Mar period). *Note: we do not adjust back quarters, but the company, as it is customary, did adjust past financial statements for comparative periods and booked the privatized assets as discontinued.*

Valuation. After the produce spin news and owing to strong export growth, VFF has outperformed the peer set by a wide margin. In the last 90 days VFF is up 158% vs. TLRV +111%, CRON +25%, CGC +7%, and ACB +2%. Taking Tuesday's close, we calculate a spot proforma EV of \$270Mn, resulting from \$286Mn in market cap (share price of US\$2.48; share count of 112.6mn plus 2.7mn RSUs), net cash of \$26Mn, net leases of \$6Mn, minority interest (at BV) of \$10Mn, and adjusting for the \$6Mn book value of the minority equity stake in Vanguard Foods. With VFF consolidated proforma sales of \$193Mn (CY24 \$336.2Mn total sales reported less \$143.5Mn of produce revenues span off), the spot EV to proforma CY24 sales multiple would be 1.4x. But if we take our more normalized 2Q25 revenues (annualized \$226Mn), the multiple would be 1.2x. Given recent volatility and the US rescheduling process, the comps have moved around. As of Tuesday's close, TLRV is at 1.3x, ACB 1x, and CGC at 1.2x (factoring the equity stake in TerrAscend and adding to the denominator sales from C-USA). So, the prior steep discount to peers is no longer there and cannot be part of the investment case. Still, the potential for VFF to deliver international sales growth ahead of the LP peer group and likely meaningful earnings contribution from the Dutch Pilot (2Q sales 3x our estimate; EBITDA margins of 50%; 4x capacity next year) may allow for VFF shares to continue to outperform. We do not set price targets but at a conservative 10x EBITDA, the stock would trade north of \$6 by Dec'26.

Table 1: 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
Consortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	not rated
Jushi Holdings		JUSHF	Overweight
MariMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	not rated
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science		VEXTF	Overweight
Vireo Growth		VREOF	Overweight
Finance (MJ) Companies			
AFC Gamma		AFCG	Neutral
Chicago Atlantic BDC		LIEN	Overweight
Chicago Atlantic REAF		REFI	Overweight
Innovative Industrial Properties		IIPR	will cover
New Lake Capital Partners		NLCP	Overweight
SHF Holdings		SHFS	not rated

Source: Z&A

Company name	Ticker	Rating
Canada LPs		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	XLY	will cover
Avant Brands	AVNT	not rated
Avicanna	AVCN	not rated
Ayurcann Holdings	AYURF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth	CGC	Neutral
Cronos Group	CRON	will cover
Decibel Cannabis Co	DB	Overweight
Organigram Holdings	OGI	will cover
Rubicon Organics	RUBI	Overweight
SNDL Inc	SNDL	will cover
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
Other		
Cantourage AG	HIGH:FF	not rated
Charlotte's Web	CWBHF	will cover
Flora Growth	FLGC	not rated
Grow Generation	GRWG	not rated
IM Cannabis	IMCC	not rated
Intercure	INCR	not rated
Ispire Technology	ISPR	will cover
Leafly	LFLY	not rated
LFTD Partners Inc.	LIFD	Overweight
Smooore International	SMORF	will cover
Urban-gro	UGRO	not rated
WM Technology	MAPS	Neutral



Appendix I: Company Financials

Exhibit 1: Consolidated Highlights

US\$Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e	CY28e
Proforma consolidated sales	285.6	336.2	77.1	59.9	56.6	56.2	249.8	50.3	63.6	65.8	67.4	247.1	311.4	350.7
qoq ch %	na	na	-7%	-22%	-5%	-1%	na	-11%	27%	3%	3%	na	na	na
yoy ch %	-3%	18%	-1%	-35%	-32%	-32%	-26%	-35%	6%	16%	20%	-1%	26%	13%
guidance consensus	na	na			56.0	55.9	232.0	0.0	0.0	0.0	0.0	243.6	na	na
Profit margins														
Gross profit after FV adj	49.4	47.4	11.3	22.3	20.9	20.4	74.9	19.7	21.8	25.4	26.8	93.6	133.5	152.3
as % of sales	17.3%	14.1%	14.7%	37.3%	36.9%	36.3%	30.0%	39.1%	34.2%	38.6%	39.7%	37.9%	42.9%	43.4%
Op exp	65.5	71.0	16.8	15.4	15.8	15.8	63.8	16.4	16.5	16.9	16.6	66.3	71.0	78.7
as % of sales	22.9%	21.1%	21.8%	25.7%	27.9%	28.2%	25.5%	32.7%	25.9%	25.7%	24.6%	26.9%	22.8%	22.4%
EBIT	-16.1	-23.6	-5.4	6.9	5.1	4.5	11.1	3.2	5.3	8.5	10.2	27.3	62.5	73.6
as % of sales	-5.6%	-7.0%	-7.1%	11.6%	9.0%	8.1%	4.5%	6.5%	8.3%	12.9%	15.2%	11.0%	20.1%	21.0%
Adj EBITDA	7.6	1.8	0.1	13.3	9.2	8.6	31.1	7.4	9.5	12.7	14.5	44.1	79.9	91.6
as % of sales	2.7%	0.5%	0.1%	22.1%	16.2%	15.4%	12.5%	14.7%	14.9%	19.4%	21.5%	17.9%	25.7%	26.1%
consensus					6.8	7.4	23.0	na	na	na	na	42.2	na	na
as % of sales					12.1%	13.2%	9.9%	na	na	na	na	17.3%	na	na
EPS														
Pre tax income	-27.4	-38.3	-6.1	12.4	4.5	4.0	14.9	2.8	4.8	8.0	9.7	25.4	60.8	72.4
Tax rate assumption	-27.2%	4.3%	-16.0%	20.1%	20.0%	20.0%	34.9%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net income	-34.8	-36.7	-7.1	9.9	3.6	3.2	9.7	2.2	3.9	6.4	7.8	20.3	48.6	57.9
Share count (FD) Mn	108.7	111.4	112.3	112.7	112.3	112.3	112.4	112.3	112.3	112.3	112.3	112.3	112.3	112.3
EPS	-0.32	-0.33	-0.06	0.09	0.03	0.03	0.09	0.02	0.04	0.06	0.07	0.19	0.45	0.55
consensus					0.02	0.02	0.06	na	na	na	na	0.16	na	na
BS & CF highlights														
Operating cash flow	5.3	10.3	-6.4	13.0	10.1	7.8	24.4	9.5	2.4	10.3	12.1	34.4	63.6	88.8
(-) Capex	-6.5	-10.1	-2.5	-2.8	-2.8	-3.4	-11.5	-4.0	-5.1	-3.9	-2.7	-15.8	-12.5	-14.0
Free cash flow	-1.2	0.3	-8.9	10.2	7.2	4.4	13.0	5.5	-2.7	6.4	9.4	18.6	51.2	74.8
Ending net cash (debt)	-16.8	-19.9	-29.1	25.9	33.1	37.5	37.5	43.0	40.3	46.7	56.1	56.1	107.3	182.1
Net debt/Sales	-0.1x	-0.1x	-0.1x	0.1x	0.1x	0.2x	0.3x	0.5x						
Net debt/EBITDA	-2.2x	-11.1x	-89.7x	0.5x	0.9x	1.1x	1.2x	1.5x	1.1x	0.9x	1.0x	1.3x	1.3x	2.0x
Equity	302.6	254.0	248.3	284.3	288.0	291.4	291.4	293.8	297.9	304.7	312.9	312.9	363.9	425.4

Source: Z&A estimates, company reports



Exhibit 2: Divisional Split

US\$Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e	CY28e
Sales	285.6	336.2	77.1	59.9	56.6	56.2	249.8	50.3	63.6	65.8	67.4	247.1	311.4	350.7
Produce	151.2	169.2	37.4	8.6	7.3	5.6	58.9	0.4	9.4	7.3	5.7	22.8	23.0	23.3
Cannabis PSF	114.0	148.9	34.8	44.5	42.8	43.8	165.9	42.0	44.3	46.1	47.0	179.4	211.3	249.9
US CBD/Hemp	20.3	17.4	3.9	3.8	3.9	3.9	15.5	3.9	3.9	3.9	4.0	15.7	16.0	16.4
Energy	0.0	0.8	0.4	0.5	0.3	0.3	1.5	0.3	0.3	0.3	0.3	1.2	1.2	1.2
Leli Holland			0.5	2.5	2.5	2.6	8.0	3.7	5.7	8.0	10.5	27.9	59.9	59.9
Gross Margin	17.3%	14.1%	14.7%	37.3%	36.9%	36.3%	30.0%	39.1%	34.2%	38.6%	39.7%	37.9%	42.9%	43.4%
Produce	0.1%	3.0%	-11.4%	7.0%	15.0%	13.0%	-3.2%	-4.0%	2.0%	15.0%	12.0%	8.6%	9.0%	9.0%
Cannabis PSF	31.5%	20.6%	35.8%	39.2%	37.7%	37.7%	37.7%	37.8%	37.6%	38.8%	38.9%	38.3%	41.1%	42.2%
US CBD/Hemp	65.6%	63.5%	66.4%	63.4%	60.0%	60.0%	62.5%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Energy	na													
Leli Holland			41.4%	57.8%	60.0%	60.0%	58.2%	40.0%	45.0%	50.0%	52.0%	48.4%	58.4%	58.4%
EBITDA	7.6	2.0	0.1	14.3	9.2	8.6	32.1	7.4	9.5	12.7	14.5	44.1	79.9	91.6
Produce	0.5	2.2	-5.1	2.6	1.0	0.6	-0.9	-0.1	0.1	1.0	0.6	1.6	1.8	1.9
Cannabis PSF	14.8	7.3	6.7	11.9	9.1	9.5	37.2	8.4	9.2	10.0	10.7	38.4	52.1	63.2
US CBD/Hemp	0.9	-0.7	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.2	0.4	0.6
Energy	-0.2	0.8	0.3	0.4	-0.2	-0.8	-0.2	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Leli Holland			0.1	1.2	1.2	1.2	3.7	1.1	2.2	3.6	5.1	11.9	33.4	33.4
Corporate	-8.4	-7.5	-2.0	-1.8	-2.0	-2.0	-7.9	-2.0	-2.0	-2.0	-1.9	-7.9	-7.6	-7.4
EBITDA margin	2.7%	0.6%	0.1%	23.8%	16.2%	15.4%	12.9%	14.7%	14.9%	19.4%	21.5%	17.9%	25.7%	26.1%
Produce	0.3%	1.3%	-13.7%	29.8%	13.6%	11.3%	-1.6%	-29.0%	1.1%	13.9%	10.6%	7.1%	7.8%	8.0%
Cannabis PSF	12.9%	4.9%	19.2%	26.6%	21.4%	21.8%	22.4%	20.1%	20.7%	21.7%	22.9%	21.4%	24.7%	25.3%
US CBD/Hemp	4.2%	-3.9%	2.9%	1.2%	0.3%	0.6%	1.2%	0.9%	1.2%	1.5%	1.9%	1.4%	2.6%	3.8%
Energy	na													
Leli Holland			15.8%	49.1%	48.6%	47.5%	46.4%	29.0%	38.0%	45.0%	48.2%	42.7%	55.7%	55.7%
Corp as % of total sales	-2.9%	-2.2%	-2.6%	-3.1%	-3.5%	-3.6%	-3.2%	-4.0%	-3.1%	-3.0%	-2.9%	-3.2%	-2.4%	-2.1%

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

Exhibit 3: Cannabis Projections

US\$Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e	CY28e
Sales (ex Leli)	112.0	147.0	34.4	44.0	42.2	43.3	164.0	41.5	43.8	45.6	46.5	177.4	209.2	247.9
Canada cannabis	107.4	140.9	29.0	32.0	33.2	34.3	128.6	32.5	34.8	36.7	36.9	140.9	160.4	166.8
<i>branded</i>	91.9	112.0	22.8	25.0	26.5	27.1	101.3	25.5	27.2	28.7	28.9	110.3	124.8	129.7
<i>bulk</i>	15.5	28.9	6.3	7.1	6.7	7.2	27.3	7.1	7.5	8.0	8.0	30.6	35.6	37.1
International	4.6	6.1	5.4	12.0	9.0	9.0	35.4	9.0	9.0	9.0	9.6	36.5	48.8	81.1
Cannabis P&L														
Sales	112.0	147.0	34.4	44.0	42.2	43.3	164.0	41.5	43.8	45.6	46.5	177.4	209.2	247.9
qoq ch %	na	na	2%	28%	-4%	2%	na	-4%	5%	4%	2%	na	na	na
yoy ch %	4%	31%	-7%	9%	17%	29%	12%	21%	-1%	8%	7%	8%	18%	18%
Gross profit	35.9	30.7	12.5	17.5	16.1	16.5	62.6	15.9	16.7	17.9	18.3	68.7	86.8	105.4
as % of sales	32.1%	20.9%	36.2%	39.7%	38.2%	38.1%	38.2%	38.3%	38.1%	39.2%	39.3%	38.7%	41.5%	42.5%
EBIT	4.5	-4.4	3.7	8.6	7.4	7.8	27.4	6.6	7.4	8.2	8.9	31.1	44.5	55.4
as % of sales	4.0%	-3.0%	10.8%	19.5%	17.5%	17.9%	16.7%	16.0%	16.8%	18.0%	19.1%	17.5%	21.3%	22.4%
EBITDA	14.8	7.3	6.7	11.9	9.1	9.5	37.2	8.4	9.2	10.0	10.7	38.4	52.1	63.2
as % of sales	13.2%	5.0%	19.5%	26.9%	21.6%	22.0%	22.7%	20.3%	21.0%	22.0%	23.1%	21.6%	24.9%	25.5%
Branded rec assumptions														
Canada rec market (C\$Mn)	5,163	5,375	1,290	1,381	1,455	1,464	5,590	1,355	1,450	1,528	1,538	5,870	6,163	6,410
Canada rec market (US\$Mn)	3,826	3,923	899	998	1,052	1,059	4,008	979	1,048	1,105	1,112	4,243	4,456	4,634
wholesale adj for 0.4x factor (*)	1,531	1,569	360	399	421	423	1,603	392	419	442	445	1,697	1,782	1,854
PSF branded sales US\$Mn	91.9	112.0	22.8	25.0	26.5	27.1	101.3	25.5	27.2	28.7	28.9	110.3	124.8	129.7
in C\$Mn	124.0	153.3	32.7	34.5	36.7	37.5	141.5	35.2	37.7	39.7	40.0	152.6	172.6	179.5
share %	6.0%	7.1%	6.3%	6.3%	6.3%	6.4%	6.3%	6.5%	6.5%	6.5%	6.5%	6.5%	7.0%	7.0%
PSF reported yoy C\$ sales growth	11%	24%	na	na	na	na	na	na	na	na	na	na	na	na
Growth per Hifyre	9%	20%	-19%	na	na	na	na	na	na	na	na	na	na	na
Reported sales / Retail sales per	36%	37%	na	na	na	na	na	na	na	na	na	na	na	na

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

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

Exhibit 4: Cash Flow

US\$ 000s														
SUMMARY CASH FLOW	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	1Q26e	2Q26e	3Q26e	4Q26e	CY26e	CY27e	CY28e
Net earnings	-31,798	-35,643	-7,115	-718	3,688	3,345	-800	2,415	4,137	6,757	8,214	21,524	51,047	61,482
(+) D&A	15,926	18,838	4,973	3,437	4,066	4,099	16,575	4,133	4,179	4,237	4,282	16,831	17,456	18,038
Cash earnings	-15,872	-16,805	-2,142	2,719	7,754	7,444	15,775	6,548	8,315	10,995	12,497	38,355	68,503	79,520
(-) Working capital changes	-2,088	438	-4,209	10,416	2,255	214	8,676	2,758	-6,235	-992	-771	-5,239	-7,284	5,672
(-) Other operating flows	23,275	26,715	-25	-160	56	127	-2	198	271	346	420	1,235	2,407	3,595
Net operating cash flow	5,315	10,348	-6,376	12,975	10,065	7,785	24,449	9,504	2,351	10,349	12,146	34,351	63,626	88,787
(-) net capex	-6,518	-10,083	-2,539	-2,750	-2,832	-3,371	-11,491	-4,021	-5,091	-3,946	-2,697	-15,754	-12,457	-14,026
Free cash flow	-1,203	265	-8,915	10,225	7,233	4,415	12,958	5,483	-2,739	6,404	9,450	18,597	51,169	74,761
(-) acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) divestitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-1,099	-3,429	-232	44,738	0	0	44,506	0	0	0	0	0	0	0
(+) share issuance/repurchases	24,772	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) stock options/warrants	83	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in net	22,553	-3,164	-9,147	54,963	7,233	4,415	57,464	5,483	-2,739	6,404	9,450	18,597	51,169	74,761
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending net (debt)	-16,767	-19,931	-29,078	25,885	33,118	37,533	37,533	43,016	40,277	46,680	56,130	56,130	107,299	182,060
Cash/inv/sec	35,291	24,631	15,125	64,988	71,891	76,245	76,245	80,948	79,972	86,656	96,324	96,324	149,552	222,709
Gross debts/loans/bonds	52,058	44,562	44,203	39,103	38,773	38,712	38,712	37,932	39,695	39,976	40,194	40,194	42,253	40,649
<i>Net debt / Sales</i>	<i>-0.1x</i>	<i>-0.1x</i>	<i>-0.1x</i>	<i>0.1x</i>	<i>0.1x</i>	<i>0.2x</i>	<i>0.3x</i>	<i>0.5x</i>						
<i>Net debt / Adj EBITDA</i>	<i>-3.7x</i>	<i>-26.6x</i>	<i>-89.7x</i>	<i>0.5x</i>	<i>0.9x</i>	<i>1.1x</i>	<i>1.2x</i>	<i>1.5x</i>	<i>1.1x</i>	<i>0.9x</i>	<i>1.0x</i>	<i>1.3x</i>	<i>1.3x</i>	<i>2.0x</i>

Source: Z&A estimates, company reports

Exhibit 5: Projected EV (different from spot EV) and share price scenarios

US\$Mn	CY23	CY24	1Q25	2Q25	3Q25e	4Q25e	CY25e	CY26e	CY27e	CY28e
	proforma									
EV										
Total company EV (US\$Mn)	307	312	279	270	263	258	258	242	195	123
Market cap (US\$Mn)	274	280	280	286	286	286	286	286	286	286
FD share count (Mn)	110.6	113.0	113.0	115.3	115.3	115.3	115.3	115.3	115.3	115.3
common shares	110.2	112.3	112.3	112.6	112.6	112.6	112.6	112.6	112.6	112.6
RSUS and derivatives in the	0.3	0.7	0.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Share price (CAD\$)	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42
Share price (US\$)	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48
Broadly defined net debt	-18	-21	11.1	26	33	38	38	55	105	181
net (debt)	-17	-20	9.9	26	33	38	38	56	107	182
leases/other	-1	-1	-2.3	-6	-6	-6	-6	-7	-9	-8
equity stake in VF	0	0	3.5	6	6	6	6	6	6	6
Redeemable non controlling in	16	10	9.6	10	10	10	10	11	14	17
EV/Consolidated Sales					1.2x	1.1x	1.0x	1.0x	0.6x	0.3x
EV/Consolidated EBITDA					7.2x	7.5x	8.3x	5.5x	2.4x	1.3x
Share price scenarios on:							by Dec'25	by Dec'26	by Dec'27	
On EV/Sales							2.83	3.26	3.14	
							3.90	4.61	4.66	
							6.05	7.31	7.70	
							10.33	12.71	13.79	
							14.62	18.11	19.87	
							21.04	26.22	28.99	
On EV/EBITDA							1.53	2.68	2.56	
							2.68	4.76	4.94	
							3.44	6.14	6.53	
							5.36	9.61	10.50	
							7.27	13.07	14.47	
							11.09	20.01	22.42	

Source: Z&A estimates, company reports



Appendix II: Valuation Comps



Exhibit 6: Canada LPs - Valuation Multiples

Multiples 13-Aug-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Stock Performance		
	Current	2025	2026	Current	2025	2026	to Sales		to EBITDA		30-day	90-day	1-year
Aurora Cannabis	1.0x	1.0x	1.0x	8.7x	6.8x	5.5x	na	na	na	na	17%	2%	-18%
Auxly Cannabis Group	2.2x	na	na	9.7x	na	na	-0.4x	na	-2.0x	na	14%	76%	272%
Avant Brands	0.7x	na	na	3.4x	na	na	-0.2x	na	-0.8x	na	-10%	-20%	-47%
Cannara Biotech	1.4x	na	na	5.0x	na	na	-0.4x	na	-1.4x	na	-32%	-7%	83%
Canopy Growth	2.5x	2.4x	2.3x	-23.0x	-42.3x	na	-0.5x	-0.5x	4.8x	8.8x	37%	7%	-76%
Cronos Group	-1.1x	-1.1x	na	-15.7x	-9.1x	na	na	na	na	na	22%	25%	16%
Decibel Cannabis	1.2x	0.9x	0.7x	7.2x	4.5x	3.5x	-0.4x	-0.3x	-2.4x	-1.5x	39%	76%	109%
Organigram Holdings	1.1x	1.2x	1.0x	30.8x	14.8x	9.3x	na	na	na	na	10%	28%	8%
Rubicon Organics	0.8x	0.8x	0.6x	14.5x	12.5x	3.9x	0.0x	na	-0.7x	na	10%	32%	15%
SNDL	0.6x	0.6x	0.6x	7.3x	na	na	na	na	na	na	45%	53%	-2%
Tilray Brands	1.3x	1.3x	1.2x	11.2x	17.2x	13.6x	0.0x	0.0x	0.0x	0.0x	64%	111%	-47%
Village Farms International	1.1x	1.2x	1.1x	5.2x	11.9x	6.5x	na	na	na	na	82%	158%	157%

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 cash

2) The GCG multiples should be adjusted for the market value of the equity stake in TerrAscend (on the EV) and for the revenues of C-USA (denominator). For example, the adj current 1.2x

Source: FactSet and company reports

Exhibit 7: Canada LPs - EV Calculations (based on spot EV; not the same as forward EV)

C\$Mn 13-Aug-25	Z&A Spot EV	C\$ price	mn shares	mn deriv	Total Mkt Cap	Financial net debt	Net leases	ST income tax liab.	Conting Cons.	ITM deriv inflow	Total BDND	Pref Stock Min Int	Equity Stakes
Aurora Cannabis	376	7.26	56.5	1.8	423	126	-42	0	0	0	84	37	
Auxly Cannabis Group	288	0.15	1,285.7	133.4	213	-59	-14	0	-2	0	-75		
Avant Brands	24	0.71	10.6	0.2	8	-6	-10	0	0	0	-16		
Cannara Biotech	152	1.20	90.0	0.0	108	-43	0	-1	0	0	-44		
Canopy Growth	729	2.13	266.1	4.4	577	-152	0	0	0	0	-152		
Cronos Group	-207	3.53	277.6	0.0	979	1,187	-2	0	0	0	1,185		
Decibel Cannabis	100	0.11	576.9	7.7	67	-33	0	0	0	0	-33		
Organigram Holdings	287	2.19	133.8	19.3	335	83	0	0	0	0	83	35	
Rubicon Organics	42	0.54	67.0	6.3	40	-2	0	0	0	0	-2		
SNDL	554	2.78	257.4	13.2	753	232	-34	0	0	0	199		
Tilray Brands	1,530	1.31	1,100.5	27.9	1,477	-1	-61	0	-21	0	-83	-30	
Village Farms International	378	3.42	112.6	2.7	394	26	-6	0	0	0	19	10	6

Source: FactSet and company reports

Exhibit 8: Stock Performance

13-Aug-25	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
US MSOs			
Ascend	63%	82%	-34%
Ayr	-70%	-84%	-97%
Cannabist	83%	106%	-49%
Cansortium	33%	54%	-31%
Cresco	58%	46%	-33%
Curaleaf	137%	213%	-17%
4Front	20%	-70%	-99%
GlassHouse	-1%	7%	-24%
Gold Flora	na	na	-70%
Grown Rogue	17%	7%	-25%
Green Thumb	25%	48%	-27%
iAnthus	16%	34%	-55%
Jushi	52%	96%	30%
MariMed	13%	37%	-35%
Planet13	130%	74%	-2%
Schwazze	na	na	-91%
StateHouse	na	na	-45%
Trulieve	64%	67%	-25%
TerrAscend	100%	92%	-42%
Verano	98%	81%	-66%
Vext	58%	155%	9%
Vireo Growth	46%	74%	32%
International			
InterCure	12%	24%	-25%
PharmaCielo	14%	41%	170%

	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
Canadian LPs			
Aurora	17%	2%	-18%
Avant	-10%	-20%	-47%
Audly	14%	76%	272%
Ayurcann	-3%	0%	-58%
Cannara	-32%	-7%	83%
Canopy Growth	37%	7%	-76%
Cronos	22%	25%	16%
Decibel	39%	76%	109%
Entourage	na	na	na
High Tide	0%	3%	30%
OGI	10%	28%	8%
Rubicon	10%	32%	15%
SNDL	45%	53%	-2%
Tilray	64%	111%	-47%
VFF	82%	158%	157%
Tech			
LFLY	-18%	-31%	-90%
SBIG	-37%	-62%	-69%
MAPS	12%	-1%	15%
Vape parts			
GNLN	15%	-10%	-100%
ISPR	2%	-4%	-61%
SMORF	0%	0%	2%
TLLTF	15%	8%	-61%

	Stock Performance		
Ticker	Last 30d	Last 90d	Last 12mo
MJ Fincos			
AFCG	6%	-17%	-50%
IIIPR	-7%	-5%	-55%
NLCP	0%	-3%	-32%
SHFS	-23%	10%	-78%
LIEN	-4%	4%	-11%
REFI	2%	-6%	-5%
Pix & Shovel			
AGFY	25%	14%	660%
GRWG	43%	35%	-18%
HYFM	15%	32%	-19%
SMG	-12%	3%	-13%
UGRO	31%	4%	-68%
CBD			
CVSI	-4%	24%	-25%
CWEB	20%	22%	-23%
LFID	-24%	-32%	-72%
Index			
S&P 500	3%	9%	21%
S&P 477	2%	3%	7%
Nasdaq	8%	18%	41%
MSOS ETF	57%	72%	-34%
YOLO ETF	42%	60%	-7%
Simple Group Averages			
Large Canada LPs	46%	64%	6%
Tier 1 MSOs	76%	91%	-34%

Source: FactSet



Appendix III: Bio and Disclaimers



Analyst Bio

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



Disclosures and Disclaimers

About the firm: Zuanic & Associates is a domestic limited liability company (LLC) registered in the state of New Jersey. The company's registered address is 971 US Highway 202 N, Ste A, Branchburg, New Jersey 08876, USA. Pablo Zuanic is the registered agent. The firm publishes equity research on selected stocks in the cannabis and psychedelics sector, as well as thematic macro industry notes. The firm also provides consulting and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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