

POSSIBLE (RE)DEFINED

Should I Stay or Should I Go: Financing or Sale Options for Cannabis Operators

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WELCOME

Today's Presenters



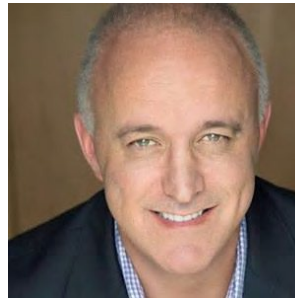
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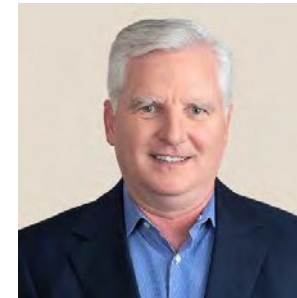
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What We'll Discuss

- The state of M&A and capital in cannabis
- How to decide what to do next
- So...what are your options?
 - Raise capital (equity/debt)
 - Divest noncore assets
 - Sale leaseback
 - Sell company
 - Go public

Financing or Sale Options for Cannabis Operators

The State of M&A and Capital

Year-Over-Year Capital Markets Trends

In Millions USD

Mergers and acquisitions	2019	2020	2021	2022
# of deals	259	86	222	158
\$ amount	\$5,905.8	\$3,727.5	\$17,455.4	\$4,675.7

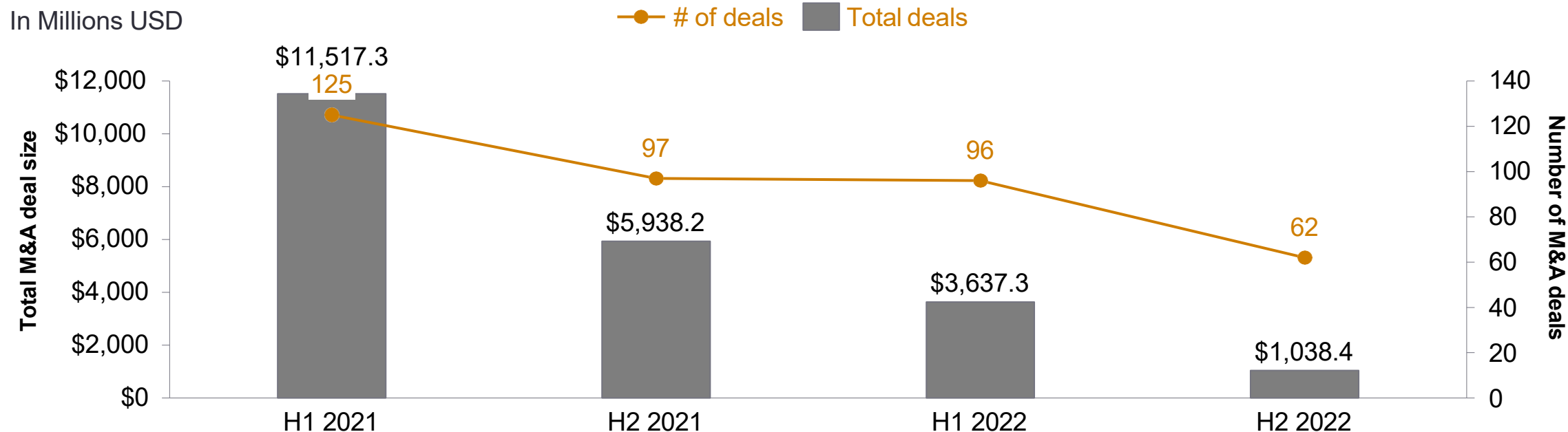
Capital raises – Equity raises	2019	2020	2021	2022
# of raises	339	211	316	132
\$ amount	\$7,772.9	\$2,584.9	\$7,004.1	\$1,649.3

Capital raises – Debt raises	2019	2020	2021	2022
# of raises	148	75	118	110
\$ amount	\$3,117.0	\$1,558.9	\$5,395.9	\$2,362.1

Data from Viridian Capital Advisors Deal Tracker

North American M&A Activity Declined in 2022

Total M&A activity (2021-2022)



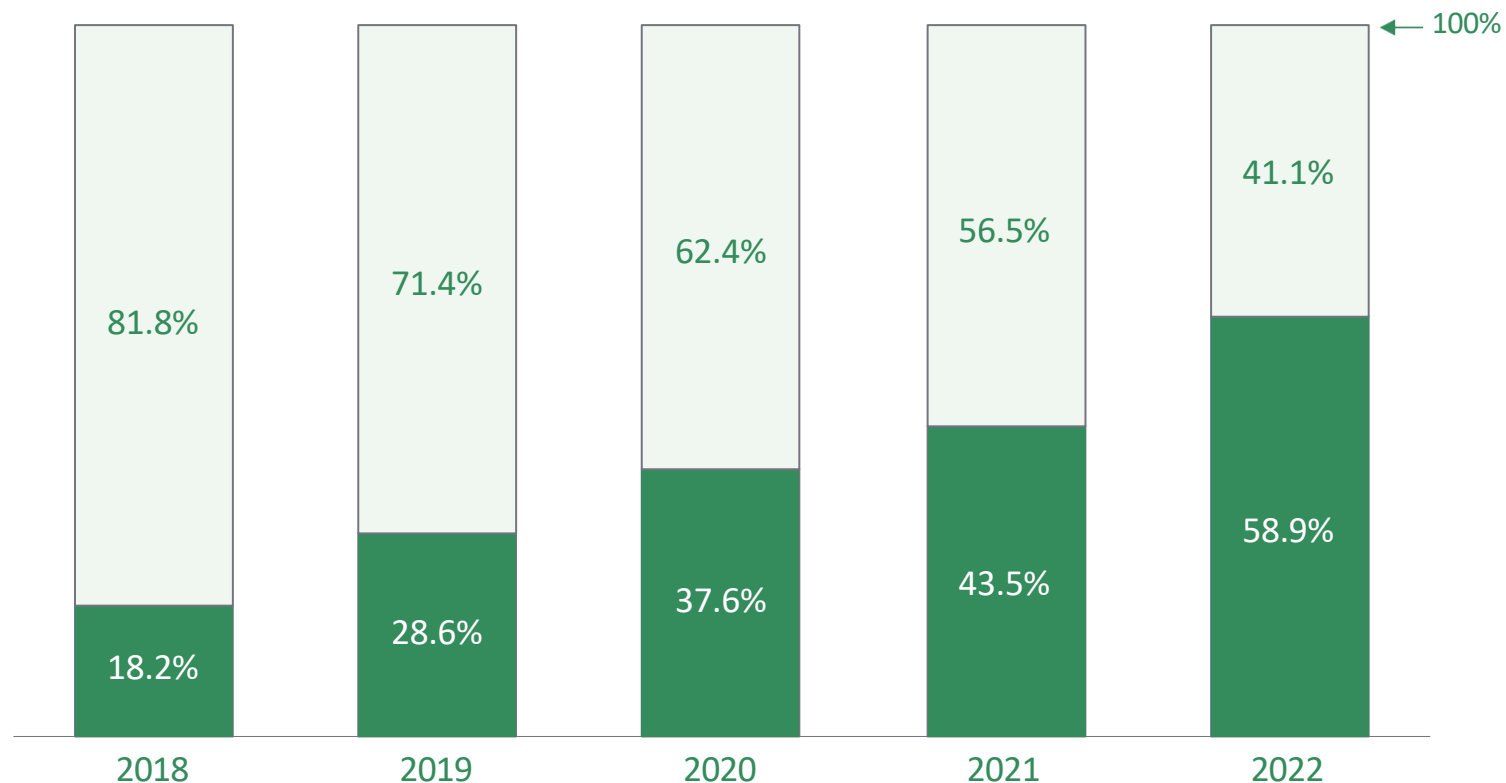
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Debt has Become the Primary Source of Growth Capital

Equity vs. debt capital raises (2018-2022)

In Millions USD

Equity raises Debt raises



Data from Viridian Capital Advisors Deal Tracker

Capital Raises by Industry Sector

Sector	# of Capital Raises for LTM Ended				\$Mils of Capital Raises for LTM Ended		
	02/17/23	02/17/22	% change		02/17/23	02/17/22	% change
Total	245	425	-42.4%		\$ 3,752.22	\$ 10,972.52	-65.8%
Cultivation & Retail	98	188	-47.9%		\$ 1,871.70	\$ 6,422.83	-70.9%
Real Estate	7	14	-50.0%		\$ 534.16	\$ 1,134.36	-52.9%
Psychedelics	26	1	2500.0%		\$ 398.56	\$ 6.23	6299.2%
Software/Media	31	45	-31.1%		\$ 367.85	\$ 880.01	-58.2%
Hemp	12	28	-57.1%		\$ 180.89	\$ 214.39	-15.6%
Biotech/Pharma	35	46	-23.9%		\$ 175.25	\$ 307.42	-43.0%
Infused Products & Extracts	23	58	-60.3%		\$ 72.71	\$ 271.20	-73.2%
Agriculture Technology	5	12	-58.3%		\$ 68.88	\$ 542.20	-87.3%
Investments/M&A	6	23	-73.9%		\$ 59.73	\$ 1,066.99	-94.4%
Consumption Devices	2	4	-50.0%		\$ 22.50	\$ 47.93	-53.1%
Miscellaneous Ancillary	0	5	-100.0%		\$ -	\$ 58.97	-100.0%
Consulting Services	0	1	-100.0%		\$ -	\$ 20.00	-100.0%
Non-Cannabis-Related	0	0			\$ -	\$ -	
Physical Security	0	0			\$ -	\$ -	

Data from Viridian Capital Advisors Deal Tracker

Capital Raises by State

States	# of Capital Raises for LTM Ended				\$Mils of Capital Raises for LTM Ended		
	02/17/23	02/17/22	% change		02/17/23	02/17/22	% change
USA	107	185	-42.2%		\$ 2,707.03	\$ 7,990.23	-66.1%
California	27	56	-51.8%		\$ 791.83	\$ 1,786.90	-55.7%
Illinois	9	17	-47.1%		\$ 613.58	\$ 1,404.34	-56.3%
New York	17	14	21.4%		\$ 520.67	\$ 1,210.38	-57.0%
Florida	14	22	-36.4%		\$ 238.89	\$ 1,221.03	-80.4%
Massachusetts	7	10	-30.0%		\$ 194.60	\$ 758.33	-74.3%
Colorado	7	16	-56.3%		\$ 100.90	\$ 251.12	-59.8%
Michigan	3	4	-25.0%		\$ 80.30	\$ 123.00	-34.7%
Arkansas	1	0			\$ 56.51	\$ -	
Pennsylvania	1	3	-66.7%		\$ 0.15	\$ 62.30	-99.8%
Minnesota	0	2	-100.0%		\$ -	\$ 78.50	-100.0%

Data from Viridian Capital Advisors Deal Tracker

M&A Transactions by Industry Sector

Sector	# of M&A Transactions for LTM Ended			\$Mils of M&A Transactions for LTM Ended		
	02/17/23	02/17/22	% change	02/17/23	02/17/22	% change
Total	162	330	-50.9%	\$ 3,801.53	\$ 25,870.81	-85.3%
Cultivation & Retail	97	177	-45.2%	\$ 2,713.27	\$ 14,038.14	-80.7%
Agriculture Technology	6	23	-73.9%	\$ 366.17	\$ 671.68	-45.5%
Consulting Services	4	2	100.0%	\$ 226.97	\$ 9.49	2291.7%
Software/Media	11	24	-54.2%	\$ 195.23	\$ 2,264.13	-91.4%
Hemp	8	32	-75.0%	\$ 94.57	\$ 456.13	-79.3%
Infused Products & Extracts	10	26	-61.5%	\$ 67.29	\$ 242.13	-72.2%
Biotech/Pharma	7	19	-63.2%	\$ 63.05	\$ 7,385.92	-99.1%
Psychedelics	8	2	300.0%	\$ 23.68	\$ 7.96	197.4%
Real Estate	1	4	-75.0%	\$ 23.50	\$ 10.03	134.3%
Non-Cannabis-Related	3	8	-62.5%	\$ 15.59	\$ 118.41	-86.8%
Miscellaneous Ancillary	7	3	133.3%	\$ 12.22	\$ 1.98	517.6%
Investments/M&A	0	3	-100.0%	\$ -	\$ 437.71	-100.0%
Consumption Devices	0	7	-100.0%	\$ -	\$ 227.10	-100.0%
Physical Security	0	0		\$ -	\$ -	

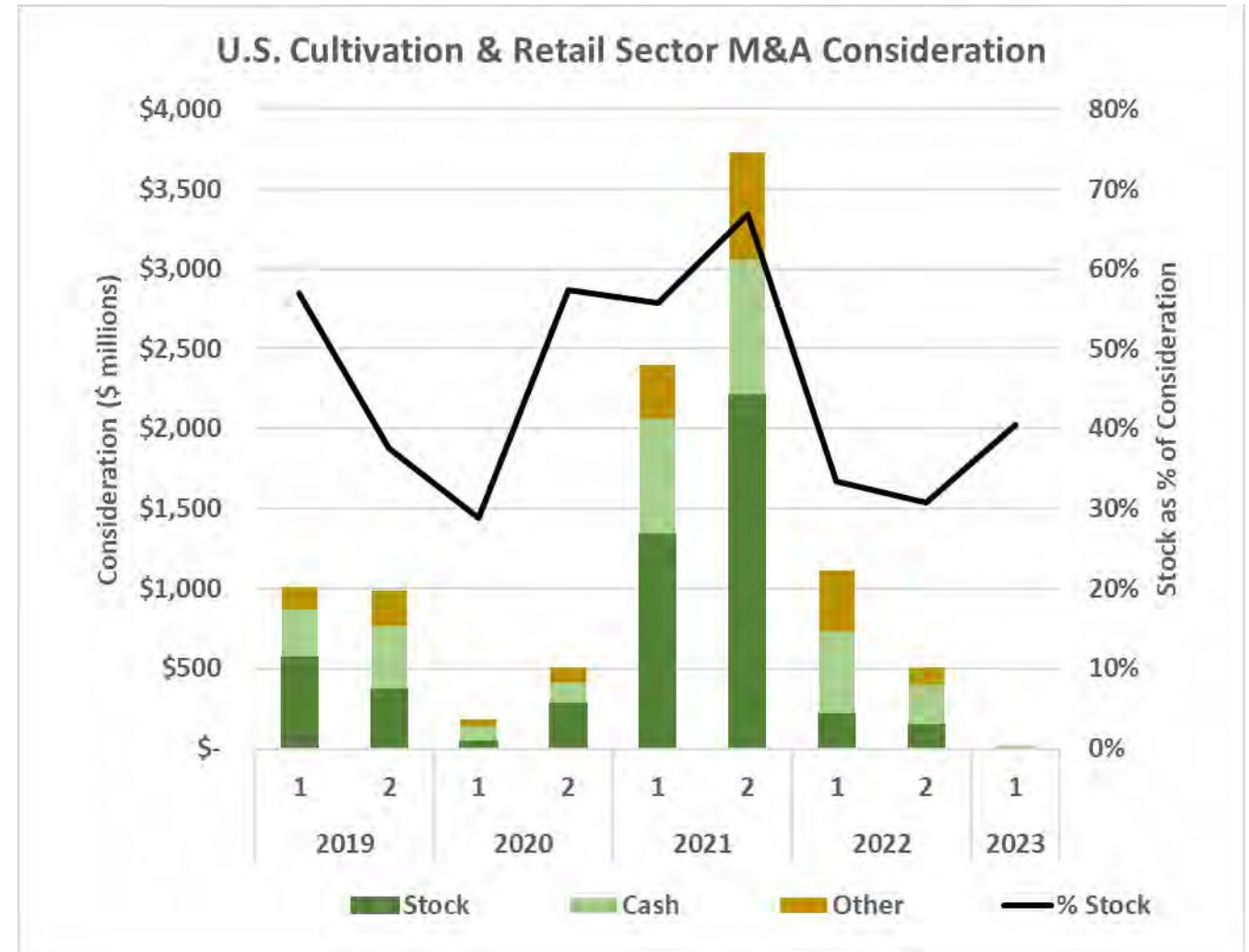
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M&A Transactions by State

States	# of M&A Transactions for LTM Ended				\$Mils of M&A Transactions for LTM Ended		
	02/17/23	02/17/22	% change		02/17/23	02/17/22	% change
USA	93	226	-58.8%		\$ 2,080.95	\$ 10,836.76	-80.8%
New York	8	6	33.3%		\$ 344.39	\$ 105.20	227.4%
Nevada	8	9	-11.1%		\$ 322.51	\$ 314.95	2.4%
Florida	9	9	0.0%		\$ 304.64	\$ 771.25	-60.5%
Texas	3	2	50.0%		\$ 290.10	\$ 27.57	952.2%
Colorado	11	32	-65.6%		\$ 231.17	\$ 1,008.53	-77.1%
California	22	56	-60.7%		\$ 192.16	\$ 3,126.97	-93.9%
Pennsylvania	5	12	-58.3%		\$ 167.16	\$ 919.19	-81.8%
Massachusetts	2	11	-81.8%		\$ 61.50	\$ 385.02	-84.0%
Michigan	3	10	-70.0%		\$ 28.50	\$ 160.14	-82.2%
Washington	-	6	-100.0%		\$ -	\$ 481.65	-100.0%

Data from Viridian Capital Advisors Deal Tracker

Stock is Poised to Rise as a Percentage of M&A Consideration



Data from Viridian Capital Advisors Deal Tracker

Financing or Sale Options for Cannabis Operators

What Do You Do Next?

Financing or Sale Options for Cannabis Operators

How to Decide What to Do Next



- Financial modeling
- Financial forecasting
- Run valuation assessment
- Operations assessment
- Identify risk issues and responses

Financing or Sale Options for Cannabis Operators

So...What Are Your Options?

- Raise capital (equity, debt)
- Sale leaseback
- Divest noncore assets
- Sell company
- Go public

Thank you for
attending

Additional Questions?

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