

# Zacks Small-Cap Research

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## Flora Growth Corp. (FLGC-NASDAQ)

### FLGC: Laying the Groundwork For Global Sales of Cannabis & Related Products

Flora Growth is an emerging company focused on cultivating, processing and supplying medicinal-grade cannabis and related products globally. Flora is pursuing an ambitious growth strategy, building an ecosystem to support multiple consumer categories of plant-based wellness merchandise and lifestyle brands. Flora maintains all-outdoor cultivation activities at a 249-acre farm and laboratory facility in Colombia and GMP processing facility in Bogota, as well as processing laboratory in Fort Lauderdale, Florida.

Current Price (6/15/22) \$0.70  
Valuation \$4.50

### OUTLOOK

Flora Growth benefits from a favorable regulatory environment and positive cultivation conditions in Colombia that help lower production costs. Thus, management estimates that it has a significant cost advantage over competitors. The company believes that 2021 was transformational, as FLGC concluded supplier, vendor and distribution agreements, strengthened the balance sheet and executed on a complementary M&A strategy. Of note, recently acquired Vessel Brand helped Flora establish a foothold in the U.S. cannabis accessories business and enhance its e-commerce capabilities and also enhanced FLGC's management team.

### SUMMARY DATA

52-Week High \$21.45  
52-Week Low \$0.61  
One-Year Return (%) -81  
Beta N/A  
Average Daily Volume (sh) 740,912

Shares Outstanding (mil) 75  
Market Capitalization (\$mil) \$52  
Short Interest Ratio (days) N/A  
Institutional Ownership (%) N/A  
Insider Ownership (%) \* 8

Annual Cash Dividend N/A  
Dividend Yield (%) N/A

#### 5-Yr. Historical Growth Rates

Sales (%) N/A  
Earnings Per Share (%) N/A  
Dividend (%) N/A

P/E using TTM EPS N/A  
P/E using 2022 Estimate N/A  
P/E using 2023 Estimate N/A

Risk Level High  
Type of Stock Small-Value

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2020					\$0 A
2021					\$9 A
2022		\$10 E		\$27 E	\$38 E
2023		\$30 E		\$45 E	\$75 E

#### Per Share Data

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020					
2021					\$-0.48 A
2022					\$-0.45 E
2023					\$-0.36 E

Quarters might not sum due to rounding & share counts

Disclosures on page 13

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## KEY POINTS –LAYING THE GROUNDWORK FOR GLOBAL SALES

- Flora Growth is focused on cultivating, processing and supplying medicinal-grade cannabis and related products globally and is pursuing an ambitious growth strategy, building an ecosystem to support multiple consumer categories of cannabis, plant-based wellness merchandise and lifestyle brands.
- Flora benefits from favorable cultivation conditions in Colombia that help lower production costs. Management estimates that it has a significant cost advantage over competitors located in other markets and even compared to Colombian peers, as Flora believes it is the only public company with GACP approval for all-outdoor cultivation of both CBD and THC.
- Flora's growth strategy also has a favorable regulatory tailwind in Colombia. The company believes that 2021 was transformational as it concluded certain supplier, vendor and distribution agreements, strengthened the balance sheet and executed on its complementary M&A strategy that is expected to broaden the company's product portfolio and distribution and accelerate revenue growth.
- The acquisition of Vessel Brand, Inc. (VBI), for example, helped Flora establish a foothold in the U.S. cannabis accessories business and enhance its e-commerce capabilities. VBI markets cannabis and wellness consumer products and the acquisition provided access to a range of products and distribution points, as well as executive leadership.
- Reflecting the foundation established in 2021, Flora expects revenue growth to accelerate beginning in 2022. The company's commercial and wholesale portfolio of products includes a range of THC and CBD both dried flower and formulations designed to meet international and domestic standards as well as evolving legal market opportunities.
- Cross-promoting its growing product portfolio to enhance and accelerate growth is a priority. With an expanded executive team in place, Flora expects to launch an ambitious marketing effort to accomplish this. For example, given JustCBD's presence in Europe, Vessel now also has a pathway for distribution in the U.K. and EU.

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## COMPANY OVERVIEW

### *Building a multifaceted integrated cannabis company...*

Emerging cannabis company Flora Growth (Nasdaq: FLGC) is focused on cultivation, processing and supplying of medicinal-grade cannabis and related products globally. The company is pursuing an ambitious growth strategy, building an ecosystem to support multiple consumer categories of cannabis, plant-based wellness merchandise and lifestyle brands. Flora maintains all-outdoor cultivation activities at a 249-acre farm, an extraction facility and a laboratory facility in Colombia, as well as processing laboratory in Fort Lauderdale, Florida.

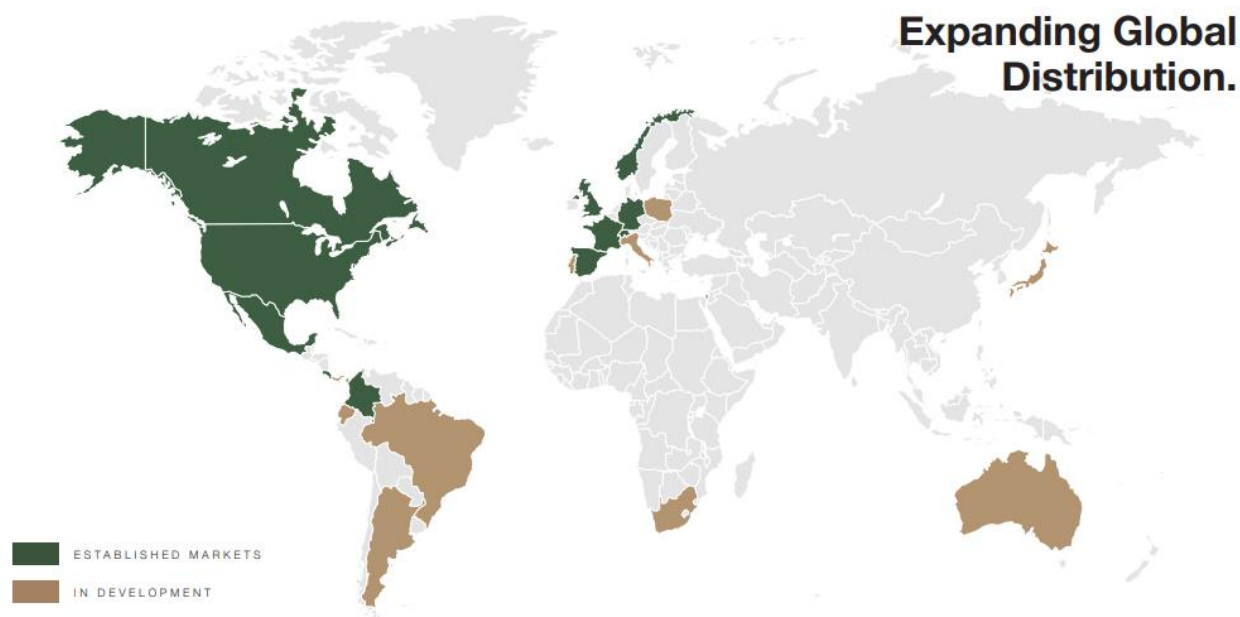
Factors that have also made Colombia one of the largest [flower exporters](#) in the world also enable Flora to benefit from favorable conditions at its Colombia facility. These include climate and weather that enable outdoor cultivation throughout the year and translate into five crop harvests per annum, compared to about one to two in many other markets. The company operates a roughly 16k sq ft greenhouse at has the capacity to produce 23,000 root cuttings per week, with construction of another 16k sq ft of greenhouse planned to double production capacity by year-end 2022. The location of the facilities also includes ready access to water and electricity with the goal of growing utilizing organic methods.

### *... and benefiting from cost advantages...*

Management estimates that it has a significant cost advantage over competitors located in other markets. One factor behind the company's decision to locate its production facility in Colombia was that management believes outdoor cannabis cultivation in Colombia enables greater output per square foot of cultivation, noted above, as well as skilled agricultural labor force that translates into significantly lower costs compared to the U.S. and other markets. Colombia's high altitude also translates into lower levels of pesticides required. Moreover, it is also less expensive to obtain and maintain licenses in Colombia. Flora believes that its production costs, which it estimates at around \$0.06 per gram of dry cannabis flower, is lower than the estimated roughly \$0.50 cents to \$2.00 producers in other markets incur. Flora believes its production costs are also lower than that of Colombian peers as Flora believes it is the only public company with GACP approval for all-outdoor cultivation of both CBD and THC.

### *... and a favorable regulatory climate in Colombia*

Flora's growth strategy has a favorable regulatory tailwind in Colombia. Passage of the latest Colombian cannabis resolution, allowing Colombian cannabis companies such as Flora Growth, to export THC and CBD dried flower globally enabled Flora to begin full commercial cannabis cultivation. As the company ramps production, it is also forging distribution agreements to expand its international commercial footprint. In fact, the company believes that 2021 was a transformational year as it concluded certain supplier / vendor agreements, strengthened the balance sheet and executed on its complementary M&A strategy. The company acquired Vessel Brand, which helped it establish a foothold in the U.S. cannabis accessories business and enhance its e-commerce capabilities, it constructed the all-outdoor cultivation and on-site extraction facility in Colombia, signed a licensing agreement with Tonino Lamborghini for the development and distribution of cannabis-based beverage products in the U.S. and forged a strategic partnership with Hoshi International.



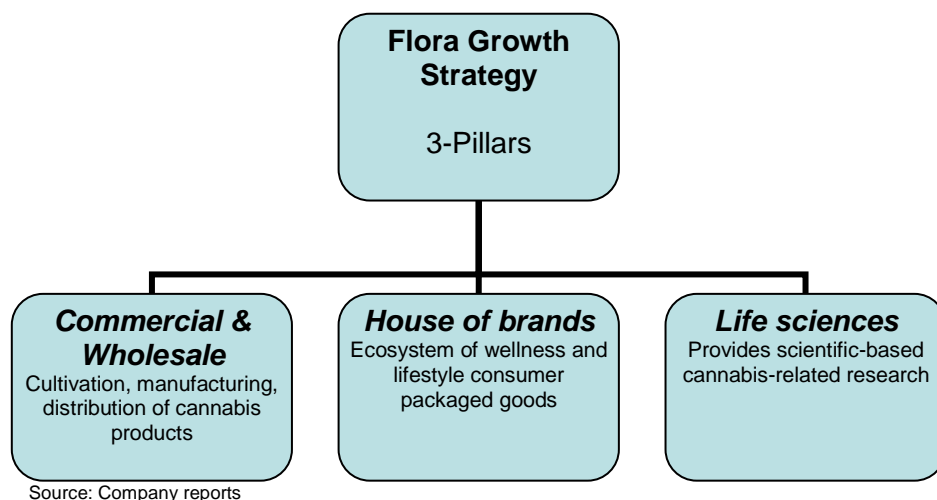
Source: Company [presentation](#)

Specifically, Flora completed an investment in Hoshi International, which establishes Flora as a preferred strategic supplier to Hoshi International's processing facilities in Portugal and Malta and also provides for distribution into the European Union (EU), enabling the company to expand its global footprint (see below). This and other recent distribution and partnership deals position Flora to sell its growing product

portfolio in the U.S., Europe, Latin America, Hong Kong and Israel, as the company continues to expand its global footprint. Separately, the company also signed an agreement with Tropi to sell through Tropi's 130,000 distribution points. Tropi is Colombia's largest distributor, according to the company.

Flora also acquired [Vessel Brand](#) and [JustCBD](#) to enhance its U.S. presence and global marketing strategies. JustCBD is a leading consumer wellness brand, according to the company. The acquisition expanded Flora's footprint to about 14,000 retail stores in the U.S. Moreover, 2021 represented the first full year of revenues for the company, which anticipates accelerating revenue growth in 2022 as it activates the Wholesale and Life Sciences growth units, while simultaneously fueling expansion in the global House of Brands.

The company's commercial and wholesale portfolio of products includes a range of THC and CBD both dried flower and formulations designed to meet international and domestic standards as well as evolving legal market opportunities. Flora's strategy is to supply cannabis derivatives as it builds what it calls its three core growth pillars: commercial/wholesale, house of brands, and life sciences.



## Commercial & Wholesale

Flora's Commercial and Wholesale pillar encompasses the company's cultivation, extraction, manufacturing and global distribution of cannabis and related products both for internal use to supply its other subsidiaries and for external sales. Flora currently has five strains of cannabis approved for commercial use, with another eight currently under evaluation by the Instituto Colombiano Agropecuario (ICA). Flora develops final products such as dried flower, distillate and isolate that meet medical cannabis industry standards and pharmaceutical procedures and is licensed to grow, convert and export both non-psychoactive cannabis (less than 1% THC) and psychoactive cannabis (higher than 1% THC). In March 2022, Colombian regulators granted Flora an export quota of 43,600kg of psychoactive cannabis and derivatives for full year 2022.

## House of Brands: Leveraging M&A...

FLGC has leveraged strategic M&A to enhance its product portfolio and accelerate growth. Flora's House of Brands includes wellness and lifestyle consumer packaged goods (CPG). Several recent transactions have added new products and categories in the House of Brands. The portfolio includes seven brands noted below that encompassing more than 400 products in categories such as cannabis accessories, cosmetics, medical products, personal care, pet wellness, food & beverage and textiles. In addition to proprietary products, Flora also leverages third-party white-label manufacturers to expand its product line.

Flora Growth's House of Brands includes:

- JustCBD / Wellness, CBD
- Vessel / Consumer Accessories & Technology
- Mind Naturals / Personal Care (Skincare)
- Mambe / Food & Beverage
- Stardog / Lifestyle
- Tonino Lamborghini / Beverages
- Kalaya / Medical-OTC
- Masaya / Medical-CBD

### **... including recent acquisition of Vessel Brand & Just Brands**

Vessel Brand, Inc. (VBI), acquired in 2021, was a pivotal transaction for Flora Growth, as it provided access to a range of products and distribution points, as well as executive leadership. VBI markets cannabis and wellness consumer products. The company paid \$30 million for VBI in a combined cash and shares deal. JustCBD generated \$28 million and \$7 million of revenues and EBITDA, respectively, in 2020 across multiple categories, including gummies, tinctures, vape cartridges, creams and pet wellness, among others. Flora recently formed a partnership for Vessel with Highsman, a cannabis lifestyle brand backed by former NFL running back Ricky Williams.

Moreover, Flora has also added key VBI executives to complement its leadership team. For instance, earlier this year Flora named James Choe and Jessie Casner, respectively VBI's founder/CEO and CMO (chief marketing officer, to its executive team. Flora expects to launch an ambitious marketing effort to cross-promote its growing product portfolio to enhance and accelerate growth. Given, JustCBD's presence in Europe, Vessel now also has a pathway for distribution in the U.K. and EU.

Flora leverages JustCBD's production facility in Fort Lauderdale, Florida and broad distribution across the U.S. Recently, [JustCBD](#) signed a deal with OTG Management, which operates airport restaurants and retail venues, to sell CBD products in OTG Management airports in the U.S. in Houston and Washington, DC. Initial products include JustCBD's night-time and regular gummies. According to the LA Times, fruit-flavored gummies are among the most popular cannabis products released since regulatory liberalization. Market research firm The Insight Partners pegs the projected growth of the global CBD [gummies market](#) from 2021 to 2028 at a CAGR of about 28%. Flora is optimistic that it can expand the products distributed and its presence at additional OTG locations. Flora expects future orders to extend to additional products and other airports in the U.S.

In addition to OTG airport locations, the company's retail presence includes its online presence on Macys.com, Walmart.com Mexico and Coppel. In addition, Flora has opened a bricks-and-mortar location in Miami, Florida. Flora also recently announced that JustCBD has partnered with German-based Greenyard to open bricks-and-mortar stores throughout Germany and the Czech Republic and to be distributed by Greenyard throughout Germany, the Czech Republic, Poland, Austria, Switzerland, Ukraine, Georgia and Estonia.

In 1Q22, Flora acquired Just Brands and High Roller Private Label and believes these could complement other businesses and reach positive cash flow generation to subsidize the company's operations as it builds out its cannabis operations.

### **Life Sciences**

Flora's Life Sciences pillar is focused on providing scientific-based research related to the cannabis plant. The company creates education platforms and conducts research studies and clinical trials for the development of plant-based, medical-grade pharmaceuticals, phytotherapeutics, and dietary supplements. For example, Flora currently is conducting a study with the U.K. University of Manchester to assess the benefits of a proprietary CBD formulation on patients suffering from fibromyalgia and pain-

related illnesses. The company anticipates launching commercial distribution of pharmaceutical-grade products based on proprietary research, as Flora recently acquired the brand [Masaya](#), along with its patent-pending CBD formulations. Flora intends to distribute the brand and its formulations worldwide. Flora is also seeking approval from Colombia's regulatory authority for a patent-pending cannabinoid formulation for use as medicine. Flora believes it can clear clinical trials as early as yearend 2022.

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## INDUSTRY / REGULATION

### Favorable regulatory framework and cultivation conditions ....

In 2016, Colombia passed a landmark framework regulating the production, distribution, sale, and export of seeds and other cannabis derivatives. [Forbes](#) notes that this made Colombia one of the largest countries in the world to regulate cannabis production and exportation. However, according to [CNN](#), marijuana cultivation has been legal since late 2016, but for the past five years Colombian companies could only export active pharmaceutical ingredients (APIs) and therefore were banned from the most lucrative parts of the business. In July 2021, with the signing of Decree 811, Colombia allowed the export of dry cannabis flowers, which accounts for more than 50% of the demand in many markets including the U.S.

As ongoing regulatory changes occur regarding cannabis, more than 35 countries have legalized and regulated some form of commercial or medical cannabis. As this trend continues, the global cannabis economy is expected to reach sales of \$45 billion by 2025, according to CNN data.

Colombia is one of the fastest growing global regions for cannabis cultivation, as the government continues to evaluate and update the regulatory framework. Many international cannabis companies are now headquartered in or have a presence in Colombia. The Colombian government has issued nearly 2,000 licenses for cultivation, seeding and trade of marijuana products justice ministry since 2017, according to CNN.

[Forbes](#) indicates that, CBD "is a compound found in cannabis that has gained prominence in recent years for its therapeutic properties. Cannabis advocates have hailed the cannabinoid for its promise in combating seizures, anxiety and myriad other ailments." While estimates vary, the CBD market is forecast to reach \$146.4 billion by the end of 2025, according to a Grand View Research [report](#), driven by regulatory liberalization in a growing number of markets and rising use of marijuana for medical applications, including treatment of cancer, mental disorders, multiple sclerosis and chronic pain, among others. The report notes that "the number of conditions treated using medical marijuana is growing rapidly, as new patients are added to the market, the demand for medical marijuana is expected to increase multiple folds." In fact, Grand View Research reports that "medical marijuana emerged as the largest marijuana type segment in 2016 and is estimated to be valued at \$100.03 billion by 2025." Reflecting the sizable global opportunity, Flora Growth aspires to benefit from first mover advantage in multiple market categories.



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## COMPETITORS

The cannabis sector is a nascent and growing one, with various players entering the market to benefit from its anticipated expansion and opportunities as regulatory frameworks evolve. We highlight certain key players below. Given the early stage of this sector, the expansion outlook is expected to support the growth of many early movers within the space.

Flora Growth competes with several other companies, including Clever Leaves. Flora also competes with Aurora, Aphria Inc., Sundial and Tilray, as well as Curaleaf Holdings and Harvest Health & Recreation, Inc., among others.

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## MANAGEMENT

**CEO** Luis Merchan, Flora's president, CEO and board chairman, was appointed to the CEO position in December 2020 and as board chairman in March 2022. He has more than a decade of experience in corporate strategy, merchandising, and executive management, having worked in the corporate level at Macy's from June 2013 to July 2020 in various executive positions. There he developed, implemented and oversaw a workforce strategy to streamline and enhance efficiencies of Macy's 540-store portfolio, distribution centers and credit card service centers, according to Flora. He also led various sales and marketing initiatives, including the B2B corporate sales team that was responsible for \$160 million in annual revenue. He received the Macy's Chairman Award in each year beginning in 2015 through 2018.

**Chief Strategy Officer** James Choe, co-founder and former CEO of VBI, joined Flora in November 2021 following the company's acquisition of VBI. He has more than 20 years of leadership experience and has consulted and advised 100+ brands. Additionally, he oversaw the design, development and introduction of more than 500 products across multiple consumer categories. Prior to VBI, from June 2015 to December 2019, he founded and managed DRVN Partners, which specialized in assisting early-stage companies develop go to market strategies. He was VP of Sports & Retail Marketing at SKLZ from January 2010 to February 2014 and before that, he represented athletes in the Olympics, NFL, MLB, NHL, Lacrosse and Action Sports in all marketing, licensing, endorsement-related efforts from 2006 through 2019.

**CFO** Lee Leiderman was named CFO in June 2021. He started his career at PricewaterhouseCoopers and has more than 25 years of experience working with public and private companies in connection with accounting, M&A, transfer pricing, and investment analysis, having held several corporate positions within Philip Morris International, Caterpillar and RR Donnelley. He was Chief Accounting Officer at OSI Group from April 2016 to May 2019 and from May 2020 to June 2021 was CFO of Nurture Life Inc.

**CMO** Jessie Casner joined Flora as a result of the VBI acquisition. At VBI, she led marketing and sales from September 2019 until the Flora acquisition. Flora named her as Chief Marketing Officer in March 2022. She brings more than a decade of experience in Omnichannel marketing, having operated her own marketing agency prior to VBI.

Insiders, including non-employee directors, collectively hold over 8% of FLGC shares.

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## FINANCIAL OVERVIEW RECENT RESULTS

The company reported 2021 total revenue of \$9 million, with 2H21 revenue up 329% compared to 1H21. The year was Flora's first full year generating revenue. Flora recorded gross profit of about \$2.4 million and an operating loss of roughly \$19 million. The company ended 2021 with cash of about \$37.6 million, having completed its IPO on Nasdaq under the ticker FLGC in May 2021 and a subsequent secondary offering, raising aggregate proceeds of about \$54 million.

Flora reported a loss of \$21.4 million for 2021, which included one-time charges of about \$8.2 million. Of this amount, about \$4.7 million related to issuance costs and \$3.5 million to legal, accounting and other charges.

In 1Q22, revenue advanced 450% compared to 1Q21. Flora reiterated 2022 guidance of \$35 million to \$45 million, which management believes is supported by the JustCBD acquisition, award of an export quota for 43.6 tons of high-THC cannabis in Colombia and completion of the necessary steps to allow for the commercial planting and export of psychoactive cannabis, among other catalysts for revenue growth. In July 2021, Flora signed a one-year sales agreement, with Colombian distributor Tropi to deliver canned products which we do not expect Flora to extend.

### Balance sheet, financing

To date, the company has financed its operations and growth through short-term loans and equity issuances. These included a Regulation A Tier 2 offering in December 2020, the May 2021 IPO and a follow-on equity offering in November 2021. The company ended 2021 with cash of about \$37.6 million, as noted. Flora expects to reach cash flow breakeven as revenue continues to ramp.

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## VALUATION

We believe it is difficult to compare Flora Growth to most other publically-traded companies noted earlier, given the early stage of its operations at this point. Nevertheless, the shares trade at a discount to the group on a P/Revenue basis; as revenue continues to ramp, we would expect that gap to narrow. The company has provided 2022 guidance of \$35 million to \$45 million, as noted. FLGC shares trade at only 1.4x and 0.6x our respective 2022E and 2023E revenue projections compared to a range of higher multiples for peers. As Flora Growth continues to boost awareness of its strategy and operations continue to develop and expand, we would anticipate multiple expansion *if the company can execute its strategy successfully*. We also note that if revenue ramps faster than we currently anticipate, our 2022-23 revenue projections could prove conservative. For example, the company has noted that the month of April recorded Flora's highest monthly revenue growth since its inception. We illustrate a 2023 accelerated growth case as an example.

FLGC shares represent an option on management's ability to continue to execute its growth and expansion strategy, in our view, as the company capitalizes on the expected continued consumer adoption of medical cannabis products and related merchandise. We expect the shares to begin to reflect the company's opportunities over time, as FLGC reaches a growing number of milestones. For instance, as the company satisfies its export quota and expands its global distribution footprint, we would expect the shares to begin to mirror these expansion steps. Similarly, as the company grows revenue and Flora gains operating leverage, we would also expect the shares to begin to reflect these potential benefits.



## Flora Growth Peer Analysis

Company	Ticker	6/15/2022 Price	Revenue (\$M)			EPS		
			2021A	2022E	2023E	2021A	2022E	2023E
Aurora Cannabis	ACB	1.31	193	173	186	(0.30)	(4.04)	(0.38)
Clever Leaves	CLVR	1.00	15	23	41	(0.91)	(1.33)	(0.93)
Curaleaf Holdings	CURLF	5.26	1,210	1,440	1,880	(0.15)	(0.09)	0.06
Sundial Growers	SNDL	0.29	43	522	741	(0.09)	(0.01)	0.01
Tilray Brands	TLRY	3.16	NM	1,030	1,280	NM	(0.08)	0.13
Trulieve Cannabis	TCNNF	13.20	938	1,360	1,610	0.12	0.03	0.58
Flora Growth	FLGC	0.69	9	38	85	(0.48)	(0.45)	(0.36)

	52-Week		Mkt Cap (\$M)	Price / Revenue			P/E		
	High	Low		2021A	2022E	2023E	2021A	2022E	2023E
Aurora Cannabis	9.54	1.21	402	2.1x	2.3x	2.2x	NM	NM	NM
Clever Leaves	12.40	0.91	41	2.7x	1.8x	1.0x	NM	NM	NM
Curaleaf Holdings	15.02	5.08	3,887	3.2x	2.7x	2.1x	NM	NM	87.7x
Sundial Growers	1.06	0.29	722	16.6x	1.4x	1.0x	NM	NM	29.0x
Tilray Brands	19.24	3.04	1,593	NM	1.5x	1.2x	NM	NM	24.3x
Trulieve Cannabis	40.22	12.72	2,493	2.7x	1.8x	1.5x	110.0x	440.0x	22.8x
Flora Growth	21.45	0.65	54	6.0x	1.4x	0.6x	NM	NM	NM

Source: Company reports, Yahoo Finance, Thomson Reuters, Zacks

Even at about \$4.50 – which still represents a nearly 80% discount to their 52-week high – the shares would still trade at a discount to the company's expected growth. As the company maintains its growth strategy, we would expect FLGC to narrow the gap between its shares and those of peers over time, if management successfully executes its initiatives. We also note recent consolidation in the sector supports the potential for share price appreciation. Separately, Flora authorized the repurchase of up to \$5 million of its shares, with the lower share count reflected in our model and valuation.

Any delay or failure in successful execution of the strategy could cause the share price to decline and represents a potential risk to our valuation, but we believe FLGC shares represent an option on management's ability to continue to execute its growth strategy successfully. We believe the risk / reward ratio could be attractive for investors who want exposure to the sector and have a higher than average risk tolerance and longer time horizon.

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## RECENT NEWS

- On May 23, 2022, Flora Growth acquired CBD Brand Masaya.
- On May 18, 2022, the company's Vessel Brand launched a collaboration with Ricky Williams' cannabis brand Highsman.
- Flora's JustCBD signed a deal with OTG Management to sell CBD products in Airports on April 7, 2022.
- On April 5, 2022, was named a Director to the US Hemp Roundtable non-profit organization.
- Flora Growth expanded its physical presence In Europe through JustCBD's partnership With Greenyard on March 24, 2022.
- On March 15, 2022, the company received the 2022 export quota for 43,600kg of high THC cannabis.
- Flora signed an agreement on March 14, 2022, to distribute Mind Naturals In the Hong Kong region.
- On February 16, 2022, Flora signed an agreement with Artos Ltd to send high THC cannabis flower to Israel.

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## RISKS

We believe risks to FLGC achieving its goals, and to the valuation, include the following, among others.

- FLGC shares could be impacted by concerns overhanging the cannabis sector.
- Among the biggest risks, in the company's view, is that the Flora does not gain market share as quickly as the company expects, which leads to slower than anticipated revenue ramp.
- The company might not gain traction through its new distribution channels as quickly as it expects.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- Regulatory risk.

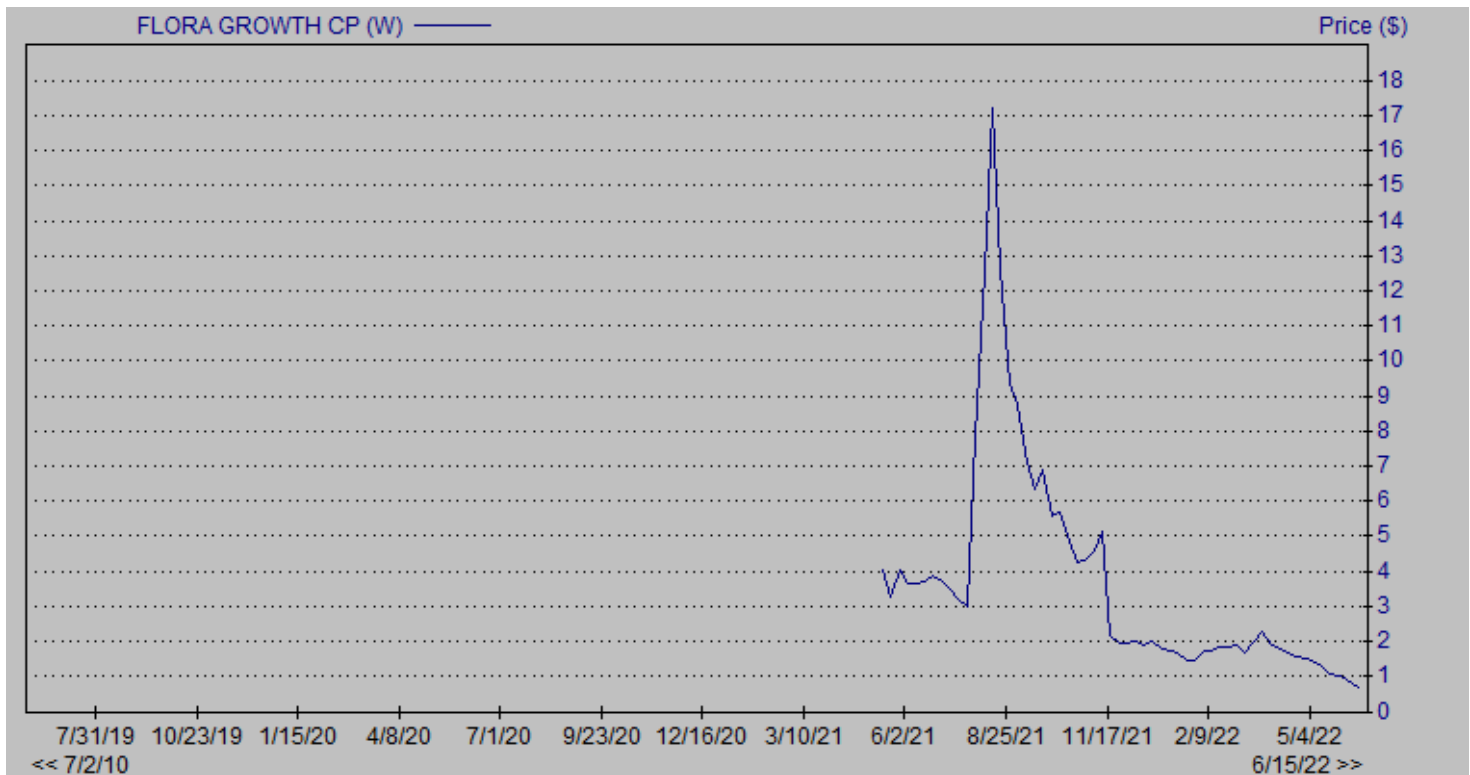
## PROJECTED FINANCIALS

### Flora Growth Income Statement & Projections (\$ 000s)

	2020	2021	1H22	2H22	2022E	Scenarios 2023E	
Revenue	\$106	\$8,980	\$10,200	\$27,300	\$37,500	\$75,000	\$90,000
Cost of sales	35	6,627	7,446	19,929	27,375	54,750	65,700
Gross profit before gain on fair value	71	2,353					
Unrealized gain on changes in fair value	-	72					
Gross Profit	71	2,425	2,754	7,371	10,125	20,250	24,300
Operating Expenses							
Consulting and management fees	4,752	7,324					
Professional fees	794	4,269					
General and administrative	1,400	4,507					
Travel expenses	428	603					
Share based compensation	4,901	1,340					
R&D	78	132					
Depreciation and amortization	113	765					
Bad debt expense	-	1,335					
Goodwill impairment	1,816	51					
Other expenses	73	1,050					
Total operating expenses	14,355	21,376	18,461	22,153	40,614	42,239	43,929
Operating Loss	(14,284)	(18,951)	(15,707)	(14,782)	(30,489)	(21,989)	(19,629)
Interest expense	30	84					
Foreign exchange loss	20	79					
Unrealized loss on fair value of investments	-	2,345					
Net loss before income taxes	(14,334)	(21,459)	(15,782)	(14,857)	(30,639)	(22,139)	(19,779)
Income tax benefit	-	98	-	-	-	-	-
Flora Growth Corp.	(14,154)	(22,396)	(15,782)	(14,857)	(30,639)	(22,139)	(19,779)
Non-controlling interests	(164)	(112)	(52)	(63)	(115)	(114)	(114)
EPS / (loss per share)	(\$0.47)	(\$0.48)			(\$0.45)	(\$0.36)	(\$0.32)
Avg shares out	29,901	43,954			68,357	61,214	61,214

Source: Company reports & Zacks

## HISTORICAL STOCK PRICE



## DISCLOSURES

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