

Zacks Small-Cap Research

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Vireo Growth Inc.

(OTCQX: VREOF)

VREOF: Vireo announces 1st quarter 2026 financial and operating results and updates investors on recent acquisition activity.

Utilizing a Discounted Cash Flow process containing conservative estimates combined with other valuation methodologies, we believe VREOF could be worth **\$1.50** per share.

Current Price (5/13/26) \$0.42
Valuation **\$1.50**

OUTLOOK

Vireo Growth (VREOF) is a vertically integrated cannabis Multiple State Operator (MSO) involved in the cultivation, production, and distribution of a diversified suite of medical and recreational products to proprietary retail outlets and third-party dispensaries in wholesale markets. Following the early 2025 closed acquisitions and the announced acquisitions at the end of 2025, the company's operating footprint covers CA, CO, FL, MD, MN, MO, NM, NV, NY, and UT. The company appears to be positioned for strong growth going forward and we believe the stock to be significantly undervalued.

SUMMARY DATA

52-Week High \$0.80
52-Week Low \$0.32
One-Year Return (%) 4.74
Beta N/A
Average Daily Volume (sh) 215,359

Shares Outstanding (mil) 1,568
Market Capitalization (\$mil) \$581
Short Interest Ratio (days) N/A
Institutional Ownership (%) 11
Insider Ownership (%) 27

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

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 2026 Estimate N/A

P/E using 2027 Estimate N/A

Risk Level

Type of Stock
Industry

Above Average
Small Growth
Medical Products

ZACKS ESTIMATES

Revenues

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	24.2 A	25.1 A	25.2 A	25.0 A	99.4 A
2025	24.5 A	48.1 A	91.7 A	104.5 A	268.8 A
2026	106.2 A	144.0 E	153.3 E	166.4 E	569.9 E
2027					665.6 E

Earnings/Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	(\$0.05) A	(\$0.00) A	(\$0.02) A	(\$0.07) A	(\$0.16) A
2025	(\$0.02) A	(\$0.03) A	(\$0.04) A	(\$0.02) A	(\$0.09) A
2026	(\$0.02) A	\$0.01 E	\$0.01 E	\$0.01 E	\$0.01 E
2027					\$0.03 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding.

WHAT'S NEW

1st Quarter 2026 Financial Results

On May 12, 2026, Vireo reported 1st quarter 2026 financial results which showed a strong increase in revenues and adjusted EBITDA.

Reported revenue growth increased 333.5% to \$106.2 million from \$24.5 million in the prior year period largely due to acquisitions made in 2025. On a pro forma basis, 1st quarter organic revenues increased 5.0% year-over-year. Pro-forma retail revenues increased 5.5%, pro-forma wholesale revenues increased 9.0%, and non-cannabis revenues decreased 14.9%.

Gross profit during the quarter was \$59.3 million (*gross margin 55.8%*) compared to gross profit of \$12.4 (*gross margin 50.6%*) in the prior year period. This increase was driven by the closing of recent acquisitions, which added gross profits in Colorado, New Mexico, Nevada, Missouri, and Utah. The increase in gross margin was also driven by acquisition-related activity, as the businesses acquired had higher margins than the existing prior portfolio of businesses.

Reported adjusted EBITDA increased 395.5% and pro-forma adjusted EBITDA increased 29.8% for the 1st quarter. Adjusted EBITDA margin improved to 30.8% compared to 26.9% for the prior year period. This was primarily driven by continued optimization of previous acquisitions.

As of 3/31/26, the company had \$137.8 million of cash and an additional \$1.0 million of marketable securities. Total current assets excluding tax receivables and assets held for sale were \$239.7 million, compared to current liabilities excluding uncertain tax liabilities of \$82.0 million creating a strong current ratio of 2.92x.

	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
<u>Retail:</u>				
MN	\$ 18.2	\$ 11.2	\$ 7.0	63 %
NY	0.8	1.2	(0.4)	(33)%
MD	6.6	6.8	(0.2)	(3)%
UT	12.3	—	12.3	100 %
NV	27.4	—	27.4	100 %
MO	20.7	—	20.7	100 %
CO & NM	3.9	—	3.9	100 %
Total Retail	\$ 89.9	\$ 19.2	\$ 70.7	368 %
<u>Wholesale:</u>				
MN	\$ —	\$ 0.3	\$ (0.3)	(100)%
NY	5.2	0.9	4.3	478 %
MD	3.4	4.1	(0.7)	(17)%
UT	2.8	—	2.8	100 %
NV	0.2	—	0.2	100 %
MO	4.7	—	4.7	100 %
Total Wholesale	\$ 16.3	\$ 5.3	\$ 11.0	208 %
Total Revenue	\$ 106.2	\$ 24.5	\$ 81.7	333 %

Source: investors.vireogrowth.com

During the quarter ending March 31, 2026, the company had operating revenue in eight states - Colorado, Maryland, Minnesota, New Mexico, New York, Missouri, Nevada, and Utah. Retail revenues during the 1st quarter were derived from sales in 82 dispensaries throughout these eight states. The company had 24 operational dispensaries in Colorado, 8 in Minnesota, 21 in New Mexico, 4 in New York, 2 in Maryland, 11 in Missouri, 11 in Nevada, and 1 in Utah. The company is believed to be the 4th largest cannabis company by total revenues.

Business Updates & Subsequent Events

- On March 19, 2026, the company completed its previously announced acquisition of a controlling interest in Vireo Health of Rocky Mountain through the restructuring of Medicine Man Technologies (Schwazze). In this transaction, the company acquired 45 dispensaries and two manufacturing facilities located in Colorado and New Mexico.
- On March 22, 2026, the management services agreement previously entered into in connection with the pending acquisition of certain PharmaCann assets became effective in which the company began providing management services related to the dispensaries to be acquired.
- On April 1, 2026, the company completed its merger with Eaze. The company issued 90,379,591 subordinate voting shares as estimated closing consideration subject to customary post-closing adjustments. Former Eaze stockholders may also be eligible to receive additional shares based on the achievement of certain financial targets through calendar year 2026.
- On April 8, 2026, the company completed the acquisition of The Hawthorne Gardening Company from The Scotts Miracle-Gro Company. The company issued 213,000,000 subordinate voting shares subject to customary post-closing adjustments. The company also issued warrants to purchase 80,000,000 subordinate voting shares at an exercise price of \$0.85 per share with a five-year term.
- On April 13, 2026, the company and Glass House Brands announced a definitive agreement to form a joint venture to combine each party's California dispensary operations. Upon closing, each party is expected to contribute its California retail operations to the joint venture in exchange for a 50% ownership interest. The JV agreement is expected to combine the company's 12 dispensaries and home delivery operations in California and those acquired from Eaze with Glass House's 11 California retail locations. The combined platform is expected to be supported by a preferential supply agreement with Glass House. Beginning five years after closing, the company will have an option to acquire Glass House's ownership interest in the JV, and Glass House will have a reciprocal put right.
- On April 23, 2026, the U.S. DOJ announced an order reclassifying certain FDA-approved marijuana products and cannabis products subject to qualifying state medical marijuana licenses from Schedule I to Schedule III under the Controlled Substances Act. The Department of Justice also announced an administrative hearing process to consider broader rescheduling of marijuana.
- On April 30, 2026, Vireo entered into an agreement to acquire all outstanding shares of FLUENT Corp. in an all-stock transaction. FLUENT shareholders will receive 0.0705359 of a subordinate voting share of Vireo for each FLUENT share. The transaction has been unanimously approved by the boards of both companies following a review by an independent special committee of FLUENT and is subject to customary conditions, including shareholder approvals, regulatory approvals, as well as the completion of a debt equitization of approximately \$30.0 million of FLUENT debt.

FLUENT is a national cannabis consumer packaged goods company and retailer. FLUENT produces an assortment of cannabis products under a diverse portfolio of brands including MOODS, Knack, Wandr, Bag-O and Hyer Kind. FLUENT operates in Florida, New York, and Texas. Headquartered in Tampa, Florida, FLUENT has approximately 650 employees across 8 cultivation and manufacturing facilities, 35 active retail locations and a wholesale division which trades under ENTOURAGE servicing third party retailers in New York.

- The company does not provide formal revenue or EPS guidance, but management's forward-looking outlook focused on integration execution and disciplined M&A. CEO John Mazarakis stated, *"The strong financial position, along with rescheduling tailwinds and our disciplined approach to growth through accretive M&A and organic investment, positions us to deliver a strong 2026."*
- In addition, Florida was highlighted as the key near-term integration focus. CEO Mazarakis stated, *"Florida is like, almost like an orphan asset for us, and that's going to be our first meaningful integration. Florida is going to be the first test case for us as to how we're going to turn around an asset that we again bought very reasonably."*

FOOTPRINT EXPANSION



Source: vireogrowth.com

Following the transformational acquisitions of Wholesome, Proper Brands, and Deep Roots Harvest in the first half of 2025, management has remained aggressive on the M&A front. Management remains focused on building a diversified network of local operators across financially attractive and complementary markets that offer a high ROI over time.

On a pro forma basis, Vireo Growth will operate 166 dispensaries across 10 states (CA, CO, FL, MD, MN, MO, NM, NV, NY, and UT), with approximately 800,000 square feet of cultivation and production facilities, as market shares continue to roll up to scale-enabled Multi-State Operators (MSOs). While independent management teams retain control of day-to-day operations, affiliated companies can leverage shared corporate services to facilitate operating efficiencies and enhance growth. From a financing standpoint, Vireo's strong balance sheet remains a key competitive advantage relative to many other U.S.-based cannabis operators that typically struggle to source capital to fund growth. Vireo maintains strong liquidity to continue to capitalize on accelerating consolidation trends across the industry, with \$122.5 million of cash on the balance sheet as of 12/31/25. Most of the debt on the balance sheet does not come due until 2028.

Eaze Inc.

In December 2025, Vireo announced the company entered into a merger agreement with Eaze Inc., an MSO with 65 retail dispensaries across California (12), Colorado (14), and Florida (39). The acquisition further diversifies the company's geographic footprint by adding scale-enabled operations in two of the largest markets in the U.S., California and Florida. Eaze manages California's largest legal cannabis marketplace providing access through on-demand delivery, with 12+ million cannabis deliveries since inception, while maintaining outsized cultivation capacity in Florida. Management seems open to further acquisitions in Florida, with Eaze acting as the company's initial foothold.

The base consideration is \$47 million (adjusted for cash, indebtedness, transaction expenses, working capital, and tax items) and financed by the issuance of 83.9 million subordinate voting shares of VREOF (subject to staggered lock-up periods commencing in March 2027 through March 2028) at \$0.56 per share. In addition, former Eaze stockholders may be entitled to earnout payments (in the form of incremental subordinate voting shares of VREOF priced at the higher of

\$1.05 or the 20-day Volume-Weighted Average Price as of 12/31/26) based on 3.84x Eaze's Adjusted EBITDA for 2026 less the base consideration. The transaction closed on April 1, 2026.

PharmaCann

In mid-December 2025, Vireo announced the company entered into an Asset Purchase agreement with PharmaCann involving the sale of 17 retail cannabis dispensaries in Colorado in exchange for a share consideration of \$49 million (adjusted for changes in inventories/trade payables). This was financed by the issuance of ~116.7 million subordinate voting shares of VREOF (based on the stock's current price), as well as the assumption of certain liabilities. In addition, Vireo and PharmaCann entered into a Management Services Agreement in which the company will provide certain management services related to the dispensaries until the closing of the transaction (expected in the first half of 2026). This transaction further expands Vireo's retail presence in Colorado to 55 dispensaries on a pro forma basis.

Schwazze

In October 2025, Vireo Growth announced the acquisition of ~\$91 million of 13% senior secured convertible notes issued by Medicine Man Technologies / Schwazze (OTCPK: SHWZ) in exchange for 114.8 million subordinate voting shares of VREOF at \$0.54 (~\$62 million in aggregate). The two companies entered into a Restructuring Support Agreement that contemplates the sale of select Schwazze assets to a NewCo (majority-owned by Vireo), as well as the liquidation/wind down of Schwazze's remaining operations. Schwazze is currently in default on the company's payment obligations related to the convertible notes. Vireo has secured financing commitments for up to \$62 million for refinancing and working capital needs. Subsequently, Vireo acquired an additional \$2.6 million of the convertible notes in mid-December 2025 bringing the company's ownership stake to 89% of SHWZ's total outstanding senior secured convertible notes. In March 2026, the company announced it closed its acquisition of Schwazze assets.

Schwazze is a vertically integrated MSO based in Denver with 46 retail dispensaries and two manufacturing facilities across Colorado and New Mexico. Focusing on Colorado, Schwazze remains the largest cannabis operator in the state, though market shares remain fragmented. That said, the state seems primed for ongoing consolidation following a more challenging industry backdrop, with VREOF seemingly well positioned to continue to roll up market share, thereby further enhancing the company's scale and buying power in Colorado. This transaction closed on March 19, 2026.

Hawthorne

In January 2026, the company announced a nonbinding Memorandum of Understanding (MOU) with The Scotts Miracle-Gro Company (SMG) to acquire The Hawthorne Gardening Company LLC, a provider of indoor/hydroponic gardening products. The proposed acquisition involves equity participation in Vireo through the issuance of subordinate voting shares and is expected to close in the 1st quarter of 2026.

Company management commented that this transaction represents the first step in building a national procurement and supply chain platform with meaningful scale and recurring revenue. Vireo plans on using this platform to purchase ancillary products used across the overall business in a cost-effective manner. Hawthorne has moved past their Capex inventory-focused sales model and into a more Opex-focused model of monthly recurring sales, which management believes is the first step to succeeding in this ancillary market.

The proposed terms as updated in March 2026 would be that Vireo would acquire Hawthorne with at least US\$35 million of cash, approximately US\$50 million of net working capital, and would be

provided with approximately US\$20 million of inventory comprised mostly of soil to be supplied to Vireo over two years. The consideration to Hawthorne would be the issuance of 206 million subordinate voting shares of Vireo and a warrant to purchase 80 million shares at an exercise price of US\$0.85 per share. This transaction closed on April 8, 2026.

ACCRETION

During the 4th quarter of 2025, the company completed the key integration work related to the transactions that closed in 2025, including integrating HR, ERP platforms, rationalizing insurance providers and policies, and centralizing procurement across the entire enterprise. According to management, these actions have already generated meaningful corporate overhead and ongoing operating synergies, which are expected to become even more evident in full year 2026 results.

Based on those actions, there could be a major step up in earnings power following the closing of the Schwazze, PharmaCann, and Eaze transactions. Beyond the rise in revenue related to VREOF's most recent transactions (partially offset by incremental corporate overhead, interest, and minority interest expenses), key organic growth drivers include the launch of adult-use sales in Minnesota, and a step up in New York revenues reflecting the commencement of adult-use sales from the company's indoor facility.

From a margin perspective, the integrations of Proper, Deep Roots, and Wholesome have largely been completed which included consolidating accounting, finance, human resources, insurance, and procurement operations, with related synergies likely to be fully realized in 2026. Furthermore, a favorable sales mix shift in favor of higher-margin recreational-use products in the retail channel, as well as management's continued focus on driving operational efficiencies and economies of scale more broadly likely result in a step up in profitability.

We believe Adjusted EBITDA (excludes non-cash inventory adjustments and stock-based compensation expenses, as well as non-recurring items) points to additional accretion related to the pending Schwazze, PharmaCann, and Eaze acquisitions.

RESCHEDULING UPDATE

The Trump administration issued an executive order in December 2025 instructing the attorney general to expedite the process of rescheduling marijuana to Schedule III of the Controlled Substances Act. On April 23, 2026, the U.S. Department of Justice announced an order reclassifying certain FDA-approved marijuana products and cannabis products subject to qualifying state medical marijuana licenses from Schedule I to Schedule III under the Controlled Substances Act. The Department of Justice also announced an administrative hearing process to consider broader rescheduling of marijuana.

As a review, the rescheduling of marijuana from Schedule I to Schedule III potentially paves the way for several key benefits for cannabis-related businesses:

- 1) IRS Code Section 280E would no longer apply, thereby allowing for the deduction of business expenses on federal tax returns. Beyond immediate cash flow benefits on a go-forward basis, cannabis companies likely settle outstanding liabilities with the government (VREOF carried approximately \$120 million of uncertain tax liabilities on the balance sheet as of 12/31/25).

2) Marijuana rescheduling likely improves access to banking/financial services for cannabis companies, thereby lowering costs of capital, all else equal.

3) Less onerous tax burdens potentially promote stepped-up spending on marketing and/or research and development, thus enhancing sustainable growth across cycles. More broadly, lower regulatory/financial barriers likely spur growth across the industry, with scale-enabled MSOs seemingly well positioned to gain market share, we believe.

As uncertainty around rescheduling probabilities, implications, and timelines fade, we look for cannabis stocks to benefit from meaningful upward revaluations. Further catalysts include potential uplistings to senior exchanges (NYSE, Nasdaq) here in the U.S., which could enhance liquidity and institutional shareholder ownership for public-traded cannabis companies.

KEY INVESTMENT POINTS



Source: vireogrowth.com

Vireo Growth is a vertically integrated cannabis Multiple State Operator (MSO) involved in the cultivation, production, and distribution of a diversified suite of medical and recreational products across proprietary retail outlets and third-party dispensaries in wholesale markets.

Our investment thesis revolves around:

- Transformational Acquisitions: Following the recently closed acquisitions of Wholesome (Utah), Proper Brands (Missouri), and Deep Roots Harvest (Nevada), the company's diversified operating footprint spans six states (including legacy markets in Maryland, Minnesota, and New York), eight cultivation facilities, and 38 dispensaries. Management remains focused on building a diversified network of local operators across financially attractive and complementary markets. While independent management teams retain control of day-to-day operations, affiliated companies can leverage shared corporate services to facilitate operating efficiencies and enhance growth. In late 2025, the company announced additional accretive acquisitions which will expand its market footprint to 10 states.
- Multi-Layered Growth Story: Despite ongoing regulatory uncertainty, we see a number of broader industry and company-specific catalysts that position VREOF for accelerating growth going forward. First, U.S. cannabis industry revenues reached ~\$32 billion last year in 2024, with ongoing growth projected driven by further legalization at the state level, rising consumer demand, and a step up in the number of users reflecting growing adoption of cannabis to treat a wider array of medical conditions, as well as building acceptance/support for legalization efforts. For Vireo, we suspect much of the standalone business's growth will come from Minnesota and New York, where management remains focused on building out cultivation/production capacity to meet building adult-use demand. Furthermore, following the previously announced transformational acquisitions, we believe Vireo has reached critical mass, with market shares continuing to roll up to scale-enabled MSOs.
- Profitability Inflection: Our model calls for EPS to hit \$0.01 in 2026 reflecting full-year accretion from recent acquisitions, with further growth expected in 2027 and beyond as the business continues to

scale. Focusing on the top line, we look for strong growth in 2026 and beyond following the closings of the Wholesome, Proper, and Deep Roots acquisitions, as well as the commencement of adult-use sales in Minnesota. Furthermore, we forecast a step up in New York revenue reflecting the recent initiation of adult-use sales from the company's indoor facility. Key expansion drivers likely include meaningful transaction-related accretion, as senior officials rationalize redundant corporate services across accounting/finance, legal, human resources, and other departments.

- **Balance Sheet Strength:** Vireo's strong balance sheet remains a key competitive advantage relative to most other U.S.-based cannabis operators that typically struggle to source capital to fund growth due to regulatory restrictions, with highly dilutive financings often the only course of action. Put another way, Vireo maintains ample liquidity to weather the storm and capitalize on accelerating consolidation trends across the industry should the regulatory backdrop remain challenging. Importantly, Vireo's debt profile remains generally favorable, with long-dated maturities (mostly 2028).
- **Attractive Valuation:** We believe VREOF stock trades at a significant discount from its peers and our DCF calculation. There appear to be multiple catalysts in 2026 & 2027 that may close the value gap.

VALUATION & ESTIMATES

We are maintaining our price target of **\$1.50** as we wait for further growth metrics and the closing of the most recent acquisitions. This valuation level still represents meaningful upside potential from current levels. Our view is that once uncertainty related to the closing/integration of pending acquisitions fades (old and recent), VREOF's improving fundamental story will increasingly resonate with investors, thereby driving a material upward revaluation for the stock. Vireo remains uniquely positioned to continue to roll up accretive assets, with further acquisitions likely representing incremental catalysts for the stock

In addition, a more favorable regulatory backdrop (particularly as it relates to federal rescheduling or incremental state legalizations) and/or further acquisitions of strategically complementary assets at attractive valuations likely represent powerful catalysts for VREOF. Finally, insiders (including directors and executive officers along with investment vehicles managed by related party Chicago Atlantic) own approximately 40% of VREOF's total capital stock, reinforcing strong management alignment.

Our DCF model suggests a wide disconnect between VREOF's fundamentals and the stock's current price. Key inputs include: 1) EBIT margin forecasts through 2026; 2) slowing EBIT growth through the end of the forecast period; 3) a 12.5% discount rate; 4) a perpetual growth rate of 5% despite sustainably higher growth rates for the foreseeable future; and 5) an exit EV/EBITDA multiple of 6.0x.

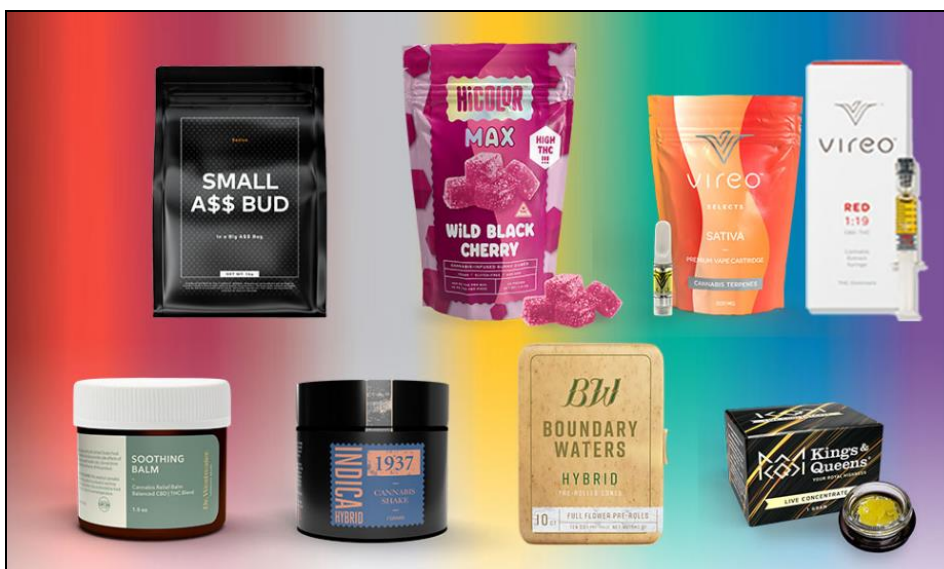
Based on expected deal closings from recent acquisition announcements, we update our 2026 estimates to \$569.9 million and our 2026 EPS estimate is now \$0.01.



Source: vireogrowth.com

INVESTMENT RISKS

- **Regulatory uncertainty:** The cannabis regulatory landscape remains challenging characterized by ongoing bans at the federal level, a patchwork of differing rules and regulations across states, and continual competition from the black market. The federal Controlled Substances Act (CSA) criminalizes the manufacture, sale, and distribution of Schedule I drugs including marijuana, while the Bank Secrecy Act (BSA) requires depository and other financial institutions to ensure clients refrain from engaging in unlawful behavior, including the sales of marijuana, as well as maintain Anti-Money Laundering (AML) programs. Because of this, cannabis operators often struggle to access traditional financial services and funding from banking institutions, thereby driving elevated operating expenses and higher costs of capital, all else equal.
- **M&A integration and financing:** All M&A transactions carry meaningful execution and operational risks. And while VREOF manages a decentralized platform leveraging independent operators' local expertise, business dislocation risk rises as accounting/finance, human resources, legal, and other back-office functions are consolidated. Looking ahead, management remains patient, but aggressive as it relates to potentially capitalizing on incremental M&A opportunities. That said, shareholders likely risk dilution, assuming prospective deals are at least partially financed with equity.
- **Rising competition:** The cannabis industry remains highly fragmented, with ~15,000 dispensaries across the U.S. managed by scale-enabled MSOs and smaller local operators (not to mention the unregulated black market). As such, competition remains fierce, with market shares rolling up to companies that can increasingly leverage superior cultivation and manufacturing capabilities, diversified/innovative product sets, broader retail distribution, more cost-effective marketing initiatives, wider access to financing, and improving operational efficiencies. One of the byproducts of rising competition has been ongoing pricing pressure. Lower prices combined with rising labor/materials costs linked to inflation continues to pressure industry margins, all else equal, with mounting cannabis exports and new market entrants potentially exacerbating the softening pricing trend.
- **Uncertain tax liabilities:** Section Rule 280E of the Internal Revenue Code prohibits companies that traffic in Schedule I or Schedule II controlled substances from deducting ordinary business expenses (with the exception of certain cultivation and manufacturing costs) resulting in outsized tax burdens and less capital to fund growth. Vireo filed amended tax returns for 2020, 2021, and 2022 that allow for standard business expense deductions. While it remains to be seen if the IRS challenges the deductions, one potential outcome is the company is forced to pay back taxes (plus interest).



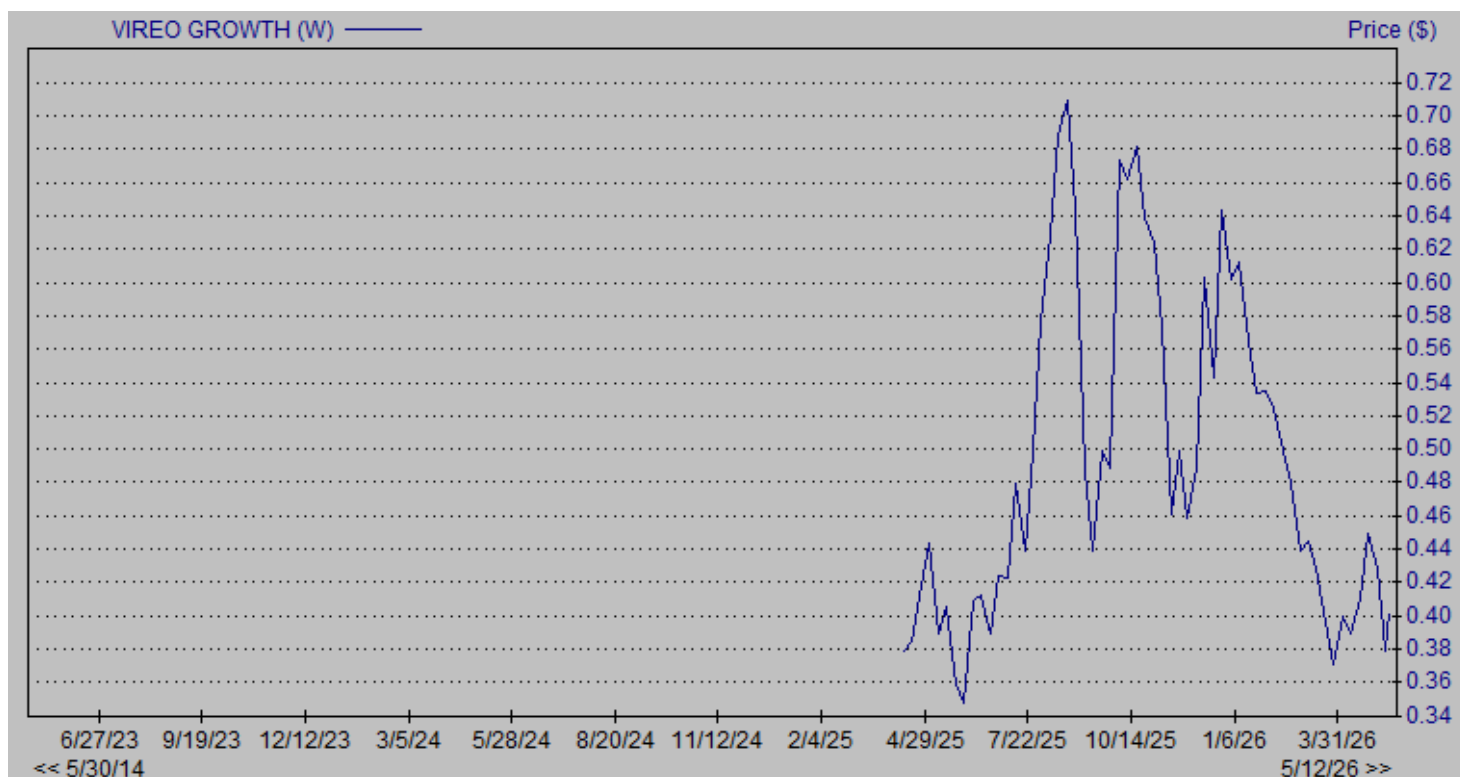
Source: vireogrowth.com

PROJECTED INCOME STATEMENT

	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2023	2024	2025	2026E	2027E
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Dec-23	Dec-24	Dec-25	Dec-26	Dec-26
Revenue	24,541	48,063	91,655	104,510	106,200	135,915	144,786	157,425	88,133	99,384	268,769	544,326	629,700
Cost of Sales:													
Product costs	11,695	23,719	40,878	45,717	46,900	63,880	68,049	73,990	42,740	48,319	122,009	252,819	205,919
Non-cash product costs		4,152	12,398	1,256							17,805	0	0
Inventory valuation adjustments	433	(226)	996	656					1,289	294	1,859	0	0
Gross profit	12,412	20,418	37,383	56,882	59,300	72,035	76,736	83,435	44,104	50,771	127,095	291,507	232,207
	50.6%	42.5%	40.8%	54.4%	55.8%	53.0%	53.0%	53.0%					
Operating Expenses:													
Selling, general and administrative	7,474	12,455	29,681	31,577	30,800	40,231	42,712	46,283	28,218	28,063	81,187	160,026	129,226
Transaction related	1,245	4,729	804	4,430	8,700	2,000	1,000	1,000	0	4,504	11,208	12,700	4,000
Stock-based compensation	1,461	4,151	4,007	9,046	7,000	7,000	7,000	7,000	4,158	3,628	18,664	28,000	21,000
Depreciation	77	388	553	10,320	1,100	1,100	1,100	1,100	470	293	11,338	4,400	3,300
Amortization	180	714	1,530	3,323	2,700	1,500	1,500	1,500	679	720	5,748	7,200	4,500
Total Operating Expenses	10,437	22,437	36,574	58,697	50,300	51,831	53,312	56,883	33,524	37,208	128,144	212,326	162,026
Operating Income/(Loss)	1,976	(2,019)	809	(1,814)	9,000	20,204	23,425	26,552	10,580	13,563	(1,049)	79,181	70,181
Other Income/(Expense):													
Interest expenses, net	(7,600)	(7,648)	(6,906)	(8,101)	(7,800)	(7,800)	(7,800)	(7,800)	(31,261)	(31,189)	(30,254)	(31,200)	(23,400)
Impairment of long-lived assets	0	0	0	(2,600)					(412)	0	(2,600)	0	0
Gain/(loss) on disposal of assets	0	(6)	(7,838)	(24)	(5,400)				(4,478)	(218)	(7,867)	(5,400)	0
Other income/(expenses)	790	(408)	983	494					7,746	949	1,859	0	0
Other income/(expenses), net	(6,809)	(8,061)	(13,761)	(10,231)	(13,200)	(7,800)	(7,800)	(7,800)	(28,404)	(30,458)	(38,863)	(36,600)	(23,400)
Pre-Tax Income/(Loss)	(4,834)	(10,080)	(12,952)	(12,046)	(4,200)	12,404	15,625	18,752	(17,824)	(16,895)	(39,911)	42,581	46,781
Current income tax expenses	(1,675)	(4,854)	(13,347)	(21,733)	(18,300)	(3,721)	(4,687)	(6,563)	(6,036)	(11,113)	(41,609)	(33,272)	(14,972)
Deferred income tax recoveries	0	0	0	13,406	2,200				(1,687)	0	13,406	2,200	0
Net Income/(Loss)	(6,509)	(14,934)	(26,299)	(20,373)	(20,300)	8,683	10,937	12,189	(25,547)	(28,008)	(68,114)	11,509	31,809
Earnings/(loss) per share	(\$0.02)	(\$0.03)	(\$0.04)	(\$0.02)	(\$0.02)	\$0.01	\$0.01	\$0.01	(\$0.19)	(\$0.16)	(\$0.09)	\$0.01	\$0.03

Source: Company reports and Zacks SCR estimates and calculations.

HISTORICAL STOCK PRICE



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