

Business Valuation Services

Cannabis

Boards of directors, capital market participants, counsel, operators, and other industry stakeholders increasingly manage a broad range of transactions, strategic situations, and disputes that require supportable valuations, expert testimony, and transactional support experience.

FTI Consulting's professionals analyze financial, competitive and industry information to ensure our clients make decisions based on a supportable and accurate valuation whether in the context of court room or board room. FTI Consulting's team understands the unique challenges of the cannabis industry from local, national and global perspectives and, as one of the first major U.S.-based business advisory firms to establish a cannabis-specific practice, FTI Consulting is committed to helping the industry grow and succeed.



— AREAS OF EXPERTISE

Strategic Advisory and Transaction Support

- Forecast preparation and assessment
- Strategic alternatives and transaction structuring support
- Transaction support for capital raising, M&A efforts, IPOs and distressed matters

Valuation Opinions

- Fairness and solvency opinions
- Collateral
- Intellectual property and intangible assets
- Going concern

Litigation Support

- Expert witness testimony
- Economic damages and valuation opinions
- Court-ready reports and analysis

Financial Reporting & Tax Opinions

- Purchase price allocations
- Goodwill impairment
- Portfolio valuations for private equity
- Equity incentive compensation and options
- Estate and gift tax

Representative Matters in Cannabis

FTI Consulting was retained to provide valuations of cannabis assets for a wide range of matters:

- Determined fair market value of minority interest in a Massachusetts-based vertically integrated cannabis company pursuant to dispute involving an acquisition by a privately held multi-state operator (“MSO”). Provided expert testimony in arbitration.
- Determined the value of a minority ownership interest in the Florida-based cannabis operations of a publicly traded MSO for purposes of quantifying economic damages. Provided expert testimony in deposition and arbitration.
- Determined the value of a significant number of vertically integrated cannabis assets across five states (medical and recreational) for a corporate roll-up. Determined value of ownership interests in separate cannabis assets to allocate stock in roll-up based on economic rights pursuant to operating agreements. Demonstrated value increase with roll-up structure from operational synergies and market premiums. Client successfully raised capital at the determined valuation.
- Provided valuation of CBD spinoff pursuant to an acquisition of a multi-state cannabis manufacturer and retailer by a publicly traded global company. Determined value of intangible assets including customer relationships, trade names and trademarks, and contracts in place.
- Determined value of four investment funds with significant investments in vertically integrated cannabis assets in California including retail, manufacturing, cultivation, real estate, branding, licensing, and management services for purposes of a corporate roll-up. Provided value of combined structure with synergies and market premiums.
- Performed a brand valuation for one of the country’s largest CBD and THC oil manufacturers and retailers for tax purposes pursuant to a corporate restructuring.
- Retained by foreign investment fund to perform due diligence on multi-state operator pursuant to a potential investment of over \$100 million. Analyzed operations, business plan and financial projections to identify potential issues and concerns. Determined valuation of operations and communicated findings to client.



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