

# **AYR WELLNESS, INC.**

## **VALUATION OF DEBENTURES**

**As of February 7, 2024**

Report Date: May 8, 2024

**PRIVATE & CONFIDENTIAL**

Information contained herein is intended solely for the information and internal use of Ayr Wellness, Inc., and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report.

**May 8, 2024**

Mr. Brad Asher  
Chief Financial Officer  
Ayr Wellness, Inc.  
2601 S Bayshore Dr., 9th Floor  
Miami, FL 33133

Dear Mr. Asher:

We performed a valuation analysis to estimate the fair value of debentures (the "Subject Loans") of **Ayr Wellness, Inc.** (the "Company") as of **February 7, 2024** (the "Valuation Date"). The valuation has been performed for debt modification purposes in accordance with Accounting Standards Codification 470 - *Debt*. The valuation is to be used for the aforementioned purpose and may not be distributed or used for any other purpose without the express written consent of CohnReznick LLP ("CohnReznick").

This report complies with the reporting requirements set forth by the 2024 Uniform Standards of Professional Appraisal Practice ("USPAP"); the Statements on Standards for Valuation Services, Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset (VS Section 100) of the American Institute of Certified Public Accountants ("AICPA") for a summary report; the ethics and standards of the American Society of Appraisers ("ASA"). Supporting documentation concerning the data, reasoning, and analysis has been retained as part of our work papers. The attached report describes the information considered, process followed, and our conclusion of value. The report also sets forth all of the special considerations, assumptions, and limiting conditions relevant to the issue. The depth of discussion contained in this report is specific to the needs of the client and for the intended use herein.

Based on our analysis, we estimate the fair market value of the Subject Loans in the amount of **\$268.795 million** as of the Valuation Date.

These estimates of value are provided subject to the Valuation Assumptions and Limiting Conditions included in Appendix IV, the accompanying analysis, and the assumption that there are no undisclosed facts or circumstances that would materially affect our valuation.

If you have any questions regarding these matters, please call us.

Very truly yours,

CohnReznick LLP

**Contact:**

**ANNA KAMENOVA, ASA**

**Managing Director**

Tel: 704-837-7599

[anna.kamenova@cohnreznick.com](mailto:anna.kamenova@cohnreznick.com)



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# OBJECTIVE AND PURPOSE

<b>Objective and Purpose</b>	<ul style="list-style-type: none"> <li>• We performed a valuation analysis to estimate the fair value of debentures (the “Subject Loans”) of Ayr Wellness, Inc. (the “Company”) as of February 7, 2024 (the “Valuation Date”). The valuation has been performed for debt modification purposes in accordance with Accounting Standards Codification 470 - Debt. The valuation is to be used for the aforementioned purpose and may not be distributed or used for any other purpose without the express written consent of CohnReznick LLP (“CohnReznick”).</li> <li>• This report complies with the reporting requirements set forth by the 2024 Uniform Standards of Professional Appraisal Practice (“USPAP”); the Statements on Standards for Valuation Services, Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset (VS Section 100) of the American Institute of Certified Public Accountants (“AICPA”) for a summary report; the ethics and standards of the American Society of Appraisers (“ASA”). Supporting documentation concerning the data, reasoning, and analysis has been retained as part of our work papers. The attached report describes the information considered, process followed, and our conclusion of value. The report also sets forth all of the special considerations, assumptions, and limiting conditions relevant to the issue. The depth of discussion contained in this report is specific to the needs of the client and for the intended use herein.</li> </ul>
<b>Standard of Value</b>	<ul style="list-style-type: none"> <li>• For purposes of our valuation, fair value is defined in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures (“ASC 820”) as follows:  <i>“Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”</i></li> </ul>
<b>Premise of Value</b>	<ul style="list-style-type: none"> <li>• Our estimate of value is based on a going concern premise. The going concern premise assumes that the assets in continued use as part of a business enterprise represent the highest and best use of the assets.</li> </ul>
<b>Limitations</b>	<ul style="list-style-type: none"> <li>• Although our valuation is intended to estimate fair value, our valuation does not address the underlying fairness of any proposed transaction. Our valuation does not address the underlying business decisions to affect any transactions of the seller or buyer, the effects thereof, or any other matters. CohnReznick assumes no responsibility for a seller or buyer’s inability to obtain a contract using our conclusion of value.</li> </ul>

# APPROACH

- We have analyzed both internal and external factors that influence value. Internal factors include the history, operations, historical and expected economic earnings and dividends/distributions to owners, and overall financial position. External factors include the economic and capital market outlooks, the outlook for the industry, and the competitive environment.
- Our approach to the valuation analysis includes estimating a value that would provide a fair and reasonable return on investment to a willing buyer in view of the facts and circumstances available to us. Accordingly, our estimate is based, in part, on our analysis of the risks involved in ownership, and the return on investment that would be required on alternative investments with similar levels of risk.
- In addition to analyzing financial and other data provided, the valuation process included discussions with Client and Company management ("Management") concerning the prospects and operating performance of the business. Companies in similar industries were also researched and analyzed. We also performed an analysis of the economic and financial market conditions prevailing as of the Valuation Date. Other such independent analysis and research were also performed by us to the extent we deemed necessary.
- In performing our valuation analysis, we relied upon information provided by Management, the owners, and other third parties without independent verification. We did not audit, compile, or review the forecasts or other data, and we do not express an opinion or any form of assurance on this information. We performed such research and analysis, examination of documents, and inquiries as we judged necessary in the circumstances. Significant sources of information relied upon are detailed in the footnotes to the financial and valuation schedules.
- Our analysis contemplates facts and circumstances that exist or are foreseeable on the Valuation Date. Events and circumstances occurring subsequent to the Valuation Date have not been considered in our analysis. Accordingly, our estimates of value are valid only as of the Valuation Date.

# THE COMPANY

## Company Overview

- Ayr Wellness Inc., a vertically integrated cannabis multi-state operator, cultivates, extracts, manufactures, distributes, and retails cannabis products and branded cannabis packaged goods. The company's cannabis and cannabis products include concentrates, edibles, and vaporizer products. It also provides administrative, consulting, and operations support services to licensed cannabis companies. In addition, Ayr Wellness Inc. operates medical retail dispensaries. The company was formerly known as Ayr Strategies Inc. and changed its name to Ayr Wellness Inc. in February 2021. Ayr Wellness Inc. was incorporated in 2017 and is headquartered in Miami, Florida.
- The company affiliates, holds, operates and manages licenses and permits in the States of Arizona, Connecticut, Florida, Illinois, Massachusetts, Nevada, New Jersey, Ohio, and Pennsylvania.

# SENIOR SECURED NOTE DESCRIPTIONS

On February 7, 2024, the Company underwent a debt restructuring of their Senior Secured Notes. The terms, rights, obligations and preferences of the Subject Loans are set forth as follows.

	Loan 9:	Loan 14:	Loan 29:
<u>Priority</u>	Senior	Senior	Senior
<u>Principal</u>	\$110,000,000	133,250,000	\$40,000,000
<u>Interest Rate</u>	13.00% , accruing monthly, paying quarterly	13.00% , accruing monthly, paying quarterly	13.00% , accruing monthly, paying quarterly
<u>Maturity</u>	December 10, 2026	December 10, 2026	December 10, 2026



# VALUATION METHODOLOGY

- The fair value of the Debentures was estimated using the Dividend Yield model of the Income approach. The contractual cash flows set in the note agreements are based on monthly accrual and non-compounding quarterly payment frequency. The resulting cash flows are discounted using a market level interest rate.
- To determine the market level yield, an analysis of all publicly traded debt of cannabis multistate operators was performed and the credit quality of each issuer was assessed specifically focusing on comparable priority level debt issuances, i.e. senior secured loans. Issuances of convertible, second lien, thinly traded, or incomparable loans issued by REITs were excluded from the comparable set of loans. The selected peer group is presented in the below table.
- As all issuances are non-rated, an OLOGIT regression model developed in MATLAB is used to indicate unsecured synthetic credit ratings for the peer group using the below indicated balance sheet and income statements metrics.
- Once the unsecured rating of each company is developed, the ratings are increased upwards by two notches to indicate a secured synthetic credit rating, consistent with Moody's guidance for non-investment grade issuers.
- The market yield for the specific investments were sourced from Echelon Capital Partners, a Wealth Management and Capital Markets Firm, as of February 2, 2024. The market yield as of this date is compared to the corresponding corporate yield curve with maturity matching the individual loans for the same date. The corporate yields for the corresponding rating are based on S&P Capital IQ's All Corporate Semi-Annually Compounded Yield curves.
- Comparing the individual loans' yields to the corporate yield curve for the same rating provides the Industry premium applicable to cannabis companies that are not part of the entire market data set used in the Ologit Model as not being rated.
- The market yield applicable to the Subject Loans, as of February 7, 2024, is based on the B+ credit rating assumed for a secured loan priority, the Industry premiums derived for B+ loans, and the B+ corporate yield as of February 7, 2024. The concluded Industry premium is selected as the average of the three loans whose secured synthetic credit rating is B+, consistent with the concluded secured rating of the Company debentures.

Company Name	Original Size	Maturity Date	Term to maturity (years)	Seniority	2/2/2024 Yield [A]	Total assets	Total debt	LTM revenue	LTM EBIT	LTM Net Income	Total MVIC
Ayr Wellness, Inc.	\$293,250	12/10/2026	2.84	Senior Sec	21.59%	\$1,459,855	\$500,459	\$463,630	-\$26,722	-\$272,433	\$834,112
Green Thumb Industries, Inc.	\$250,000	4/30/2025	1.23	Senior Sec	10.07%	\$2,490,057	\$308,449	\$1,054,553	\$190,099	\$36,267	\$3,532,109
Ascend Wellness Holdings, Inc.	\$275,000	8/27/2025	1.55	Senior Sec	14.60%	\$919,550	\$308,713	\$518,590	-\$2,275	-\$48,214	\$632,505
The Cannabist Company Holdings, Inc.	\$185,000	2/3/2026	1.99	Senior Sec	21.03%	\$823,111	\$354,612	\$511,327	-\$19,623	-\$175,712	\$563,737
Cresco Labs, Inc.	\$400,000	8/12/2026	2.51	Senior Sec	17.25%	\$1,358,467	\$533,652	\$756,056	\$63,194	-\$175,522	\$1,274,174
Curaleaf Holdings, Inc.	\$475,000	12/15/2026	2.85	Senior Sec	11.80%	\$3,096,600	\$746,771	\$1,346,600	\$42,900	-\$281,200	\$5,041,980
Trulieve Cannabis Corp.	\$425,000	10/6/2026	2.66	Senior Sec	11.68%	\$2,729,055	\$692,608	\$1,129,193	\$92,641	-\$526,796	\$2,774,774
Verano Holdings Corp.	\$350,000	10/30/2026	2.73	Senior Sec	14.78%	\$2,318,745	\$445,642	\$938,452	\$143,278	-\$117,348	\$2,704,288



# SYNTHESIS AND CONCLUSION

- The table below summarizes the indications of value under the methods that we applied.

Loan	Outstanding Principal	Fair Value Conclusion	% of Outstanding Principal
Loan Number 9	\$110,000,000	\$101,070,224	91.9%
Loan Number 14	\$133,250,000	\$122,432,794	91.9%
Loan Number 29	\$50,000,000	\$45,292,104	90.6%
Total	\$293,250,000	\$268,795,123	91.7%

- Based on our analysis, we estimate the fair value of the Subject Loans in the amount of **\$268.795 million** as of the Valuation Date.
- This estimate of value is provided subject to the Valuation Assumptions and Limiting Conditions included in **Appendix IV**, the accompanying analysis, and the assumption that there are no undisclosed facts or circumstances that would materially affect our valuation.

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# **APPENDIX I**

# **FINANCIAL AND VALUATION EXHIBITS**

# Exhibit 1

## Valuation Summary

Ayr Wellness, Inc.

Valuation of Debentures

As of February 7, 2024

Loan	Outstanding Principal	Fair Value Conclusion	% of Outstanding Principal	
Loan Number 9	\$110,000,000	\$101,070,224	91.9%	<a href="#">Exhibit 4</a>
Loan Number 14	\$133,250,000	\$122,432,794	91.9%	<a href="#">Exhibit 5</a>
Loan Number 29	\$50,000,000	\$45,292,104	90.6%	<a href="#">Exhibit 6</a>
Total	\$293,250,000	\$268,795,123	91.7%	

Exhibit 2

Ayr Wellness, Inc.

Valuation of Debentures

Synthetic Credit Rating of Peer Group

As of February 7, 2024

US\$ in thousands

						Ologit Model Inputs							
Company Name	Original Size	Maturity Date	Term to maturity (years)	Seniority	2/2/2024 Yield [A]	Natural logarithm of total assets (1)	Total debt / total assets (2)	EBIT / total debt (3)	Return on assets (4)	EBIT margin (5)	Natural logarithm of MVIC (6)	Total debt / MVIC (7)	Return on MVIC (8)
Ayr Wellness, Inc.	\$293,250	12/10/2026	2.84	Senior Sec	21.59%	7.29	0.34	(0.05)	(0.19)	(0.06)	6.73	0.60	(0.33)
Green Thumb Industries, Inc.	\$250,000	4/30/2025	1.23	Senior Sec	10.07%	7.82	0.12	0.62	0.01	0.18	8.17	0.09	0.01
Ascend Wellness Holdings, In	\$275,000	8/27/2025	1.55	Senior Sec	14.60%	6.82	0.34	(0.01)	(0.05)	(0.00)	6.45	0.49	(0.08)
The Cannabist Company Hold	\$185,000	2/3/2026	1.99	Senior Sec	21.03%	6.71	0.43	(0.06)	(0.21)	(0.04)	6.33	0.63	(0.31)
Cresco Labs, Inc.	\$400,000	8/12/2026	2.51	Senior Sec	17.25%	7.21	0.39	0.12	(0.13)	0.08	7.15	0.42	(0.14)
Curaleaf Holdings, Inc.	\$475,000	12/15/2026	2.85	Senior Sec	11.80%	8.04	0.24	0.06	(0.09)	0.03	8.53	0.15	(0.06)
Trulieve Cannabis Corp.	\$425,000	10/6/2026	2.66	Senior Sec	11.68%	7.91	0.25	0.13	(0.19)	0.08	7.93	0.25	(0.19)
Verano Holdings Corp.	\$350,000	10/30/2026	2.73	Senior Sec	14.78%	7.75	0.19	0.32	(0.05)	0.15	7.90	0.16	(0.04)
			Regression Coef Ologit Assets			1.34	-2.41	0.00	11.22	-0.08			
			Regression Coef Ologit MVIC					0.00		-0.03	1.51	-4.76	1.73

Notes:

\* Inputs (1), (2), (3), (4) and (5) are used in the Ologit - Assets regression model

\*\* Inputs (3), (5), (6), (7) and (8) are used in the Ologit - MVIC regression model

Exhibit 3

Ayr Wellness, Inc.

Valuation of Debentures

As of February 7, 2024

Peer Analysis

US\$ in thousands

						Synthetic Credit Rating (Secured)		Yield implied as of 2/2/2024		Yield implied as of 2/7/2024		Credit Spread Increase (1)		Implied Entity/Industry Premium		
Company Name	Original Size	Maturity Date	Term to maturity (years)	Seniority	2/2/2024 Yield [A]	Ologit - Assets	Ologit - MVIC	Ologit - Assets [B]	Ologit - MVIC [C]	Ologit - Assets	Ologit - MVIC	Ologit - Assets [D]	Ologit -MVIC [E]	Ologit - Assets [A]-[B]+[D]	Ologit - MVIC [A]-[C]+[E]	Average
Ayr Wellness, Inc.	\$293,250	12/10/2026	2.84	Senior Sec	21.59%	B+	B+	6.25%	6.25%	6.27%	6.27%	0.02%	0.02%	15.35%	15.35%	na
Green Thumb Industries, Inc.	\$250,000	4/30/2025	1.23	Senior Sec	10.07%	BBB-	BBB	5.97%	5.72%	6.00%	5.76%	0.04%	0.04%	4.14%	4.38%	4.26%
Ascend Wellness Holdings, In	\$275,000	8/27/2025	1.55	Senior Sec	14.60%	B+	B+	6.63%	6.63%	6.64%	6.64%	0.02%	0.02%	7.99%	7.99%	7.99%
The Cannabist Company Holc	\$185,000	2/3/2026	1.99	Senior Sec	21.03%	B+	B+	6.55%	6.55%	6.56%	6.56%	0.01%	0.01%	14.49%	14.49%	14.49%
Cresco Labs, Inc.	\$400,000	8/12/2026	2.51	Senior Sec	17.25%	B+	B+	6.37%	6.37%	6.38%	6.38%	0.02%	0.02%	10.90%	10.90%	10.90%
Curaleaf Holdings, Inc.	\$475,000	12/15/2026	2.85	Senior Sec	11.80%	BB	BBB	5.97%	5.23%	6.01%	5.28%	0.05%	0.05%	5.88%	6.61%	6.24%
Trulieve Cannabis Corp.	\$425,000	10/6/2026	2.66	Senior Sec	11.68%	BB	BB+	6.04%	5.79%	6.09%	5.84%	0.05%	0.05%	5.69%	5.93%	5.81%
Verano Holdings Corp.	\$350,000	10/30/2026	2.73	Senior Sec	14.78%	BB+	BB	5.77%	6.01%	5.82%	6.06%	0.05%	0.05%	9.05%	8.81%	8.93%
													Average (only B+ ratings) - Chosen		11.13%	
													Median (only B+ ratings)		10.90%	
													Indicated industry premium (rounded)		11.10%	

**Notes:**  
(1) Source: Capital IQ Corporate Yield between Feb 2, 2024 and Feb 7, 2024, commensurate with term to maturity given the Secured Synthetic Credit Rating.

# Exhibit 4

Ayr Wellness, Inc.

Valuation of Debentures

As of February 7, 2024

## Valuation of Debt (Loan #9)

Valuation Inputs	
Valuation Date	2/7/2024
Outstanding Principal	\$110,000,000
Interest Rate %	13.00%
Maturity Date	12/10/2026

Base Yield	6.27%
Industry Premium	11.10%
Concluded Fair Value	17.37%

#	Date	Time	Beginning Balance	Coupon Payment	Principal Payment	Ending Balance	Total Payment	PV Payment
1	2/7/2024	0.00	\$110,000,000	\$1,427,596	\$0	\$110,000,000	\$1,427,596	\$1,427,596
2	6/30/2024	0.39	\$110,000,000	\$5,626,230	\$0	\$110,000,000	\$5,626,230	\$5,269,362
3	12/31/2024	0.90	\$110,000,000	\$7,189,071	\$0	\$110,000,000	\$7,189,071	\$6,192,251
4	6/30/2025	1.39	\$110,000,000	\$7,091,233	\$0	\$110,000,000	\$7,091,233	\$5,623,258
5	12/31/2025	1.90	\$110,000,000	\$7,208,767	\$0	\$110,000,000	\$7,208,767	\$5,256,694
6	6/30/2026	2.39	\$110,000,000	\$7,091,233	\$0	\$110,000,000	\$7,091,233	\$4,760,732
7	12/10/2026	2.84	\$110,000,000	\$6,386,027	\$110,000,000	\$0	\$116,386,027	\$72,540,332

Fair Value	\$101,070,224
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# Exhibit 5

Ayr Wellness, Inc.

Valuation of Debentures

As of February 7, 2024

## Valuation of Debt (Loan #14)

Valuation Inputs	
Valuation Date	2/7/2024
Outstanding Principal	\$133,250,000
Interest Rate %	13.00%
Maturity Date	12/10/2026

Base Yield	6.27%
Industry Premium	11.10%
Concluded Fair Value	17.37%

#	Date	Time	Beginning Balance	Coupon Payment	Principal Payment	Ending Balance	Total Payment	PV Payment
1	2/7/2024	0.00	\$133,250,000	\$1,729,337	\$0	\$133,250,000	\$1,729,337	\$1,729,337
2	6/30/2024	0.39	\$133,250,000	\$6,815,410	\$0	\$133,250,000	\$6,815,410	\$6,383,113
3	12/31/2024	0.90	\$133,250,000	\$8,708,579	\$0	\$133,250,000	\$8,708,579	\$7,501,068
4	6/30/2025	1.39	\$133,250,000	\$8,590,062	\$0	\$133,250,000	\$8,590,062	\$6,811,810
5	12/31/2025	1.90	\$133,250,000	\$8,732,438	\$0	\$133,250,000	\$8,732,438	\$6,367,768
6	6/30/2026	2.39	\$133,250,000	\$8,590,062	\$0	\$133,250,000	\$8,590,062	\$5,766,977
7	12/10/2026	2.84	\$133,250,000	\$7,735,801	\$133,250,000	\$0	\$140,985,801	\$87,872,720

Fair Value	\$122,432,794
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# Exhibit 6

Ayr Wellness, Inc.

Valuation of Debentures

As of February 7, 2024

## Valuation of Debt (Loan #29)

Valuation Inputs	
Valuation Date	2/7/2024
Outstanding Principal	\$50,000,000
Interest Rate %	13.00%
Maturity Date	12/10/2026

Base Yield	6.27%
Industry Premium	11.10%
Concluded Fair Value	17.37%

#	Date	Time	Beginning Balance	Coupon Payment	Principal Payment	Ending Balance	Total Payment	PV Payment
1	6/30/2024	0.39	\$50,000,000	\$2,557,377	\$0	\$50,000,000	\$2,557,377	\$2,395,165
2	12/31/2024	0.90	\$50,000,000	\$3,267,760	\$0	\$50,000,000	\$3,267,760	\$2,814,660
3	6/30/2025	1.39	\$50,000,000	\$3,223,288	\$0	\$50,000,000	\$3,223,288	\$2,556,026
4	12/31/2025	1.90	\$50,000,000	\$3,276,712	\$0	\$50,000,000	\$3,276,712	\$2,389,406
5	6/30/2026	2.39	\$50,000,000	\$3,223,288	\$0	\$50,000,000	\$3,223,288	\$2,163,969
6	12/10/2026	2.84	\$50,000,000	\$2,902,740	\$50,000,000	\$0	\$52,902,740	\$32,972,878

Fair Value	\$45,292,104
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# **APPENDIX II VALUATION CERTIFICATION**

# VALUATION CERTIFICATION

## I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the American Institute of Certified Public Accountants' ("AICPA") Statement of Standards for Valuation Services Number 1 ("SSVS No. 1").
8. No person other than those acknowledged in this report provided significant business appraisal assistance to the person signing this certification.

## Primary Analyst(s):



Anna Kamenova, ASA

May 8, 2024

Date

## Contributing Analyst(s):

Vikas Venkatapathy

Patrick Russell

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# **APPENDIX III ANALYST QUALIFICATIONS**



# **ANNA KAMENOVA, ASA**

## **MANAGING DIRECTOR VALUATION ADVISORY SERVICES**

525 N. TRYON STREET, SUITE 800

CHARLOTTE, NC 28202

704-837-7599

ANNA.KAMENOVA@COHNREZNICK.COM

- Anna Kamenova is a managing director in CohnReznick Advisory Group's Valuation Advisory Services practice and is based in the Charlotte office. She has extensive corporate financial experience, focused on business, intangible assets, securities, and derivative valuations of public and private entities. These valuations cover a broad range of industries, intangible assets and complex financial instruments for financial reporting (ASC 350, 360, 470, 815, 820, 825, 805, 842, 946) and various tax purposes.
- Anna specializes in the valuations of complex capital structures, options, warrants, preferred equity, common stock in privately-held companies, management incentive plans, performance-based and market conditions, convertible bonds, derivative instruments, contingent assets and liabilities. Anna performs valuations of portfolio companies for venture capital and other investment companies for financial reporting purposes related to their portfolio investments.
- Prior to joining CohnReznick, Anna spent over 18 years in public accounting companies among which the valuation practice at a Big 4 firm where she prepared valuation analyses for financial reporting and tax purposes, authored internal valuation white papers and trained junior fair value specialists.

### **Education**

- Kellstadt Graduate School, DePaul University, Master of Business Administration, Finance
- University of World and National Economy, Bulgaria, Bachelor, International Business

### **Professional Affiliations and Licenses**

- American Society of Appraisers – Accredited Senior Appraiser, Business Valuations
- Member of the Business Valuation Association





# VIKAS VENKATAPATHY

## MANAGER VALUATION ADVISORY SERVICES

312-508-5455

VIKAS.VENKATAPATHY@COHNREZNICK.COM

Vikas Venkatapathy is a manager in CohnReznick's Valuation Advisory Services practice group and is based in the Chicago office. Vikas leverages his diverse background in quantitative finance, engineering, and programming to perform valuations of complex financial instruments such as warrants, earnouts, and convertible securities. He also specializes in valuation of equity compensation and other derivative securities using Monte Carlo simulations, Lattice and Black-Scholes models for ASC 718 compliance.

Prior to joining CohnReznick, Vikas worked as an associate with an Arizona based accounting firm that performs the modeling and valuation of equity compensation instruments.

### Education

- PSG College of Technology, Bachelor of Engineering in Electronics and Communication
- University of Illinois at Urbana-Champaign, Master of Science in Finance, specialized in Quantitative Finance

Vikas has cleared CFA Level II and FRM Part I exams.



# PATRICK RUSSELL

## CONSULTANT VALUATION ADVISORY SERVICES

PATRICK.RUSSELL@COHNREZNICK.COM

- Patrick Russell is a consultant in CohnReznick's Valuation Advisory Services practice group and is based in the Bethesda office. CohnReznick performs several hundred valuation and financial advisory engagements annually for mergers and acquisitions, debt and equity funding, equity-based compensation, financial reporting, buy/sell, estate and income tax purposes, litigation support, strategic planning, and real estate.
- Patrick graduated in May 2023 from the Robert H. Smith School of Business at the University of Maryland, College Park. Prior to joining CohnReznick, Patrick interned with the finance team at Thomson Reuters Special Services, LLC, where he worked on analyzing business trends, forecasting contract opportunities, and assessing contract profitability.

### Education

- University of Maryland, College Park
  - Master of Quantitative Finance
  - Bachelor of Science in Finance



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# **APPENDIX IV VALUATION ASSUMPTIONS & LIMITING CONDITIONS**



# VALUATION ASSUMPTIONS & LIMITING CONDITIONS

**Our valuation conclusions and the resulting Report are subject to the following assumptions and limiting conditions. These initial assumptions and limiting conditions may be modified by CohnReznick only as circumstances warrant.**

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# VALUATION ASSUMPTIONS & LIMITING CONDITIONS

(continued)

9. This Report and the conclusion of value are for the exclusive and internal use of the Client for the sole and specific purposes as noted in the Report, and it shall not be used for any other purpose or by any other party for any purpose. Furthermore, the Report and conclusion of value are not intended by CohnReznick, and should not be construed by any recipient of the Report, to be investment advice in any manner whatsoever.
10. We are not required to provide future services regarding the subject matter of this Report, including but not limited to providing further consultation, giving testimony in court, or participating or being in attendance during any meetings, hearings, proceedings or depositions, with reference to the property being valued, unless previous arrangements have been made.
11. This Report and conclusion of value are valid only as of the Valuation Date contained in the Report. Events, conditions and circumstances occurring after the Valuation Date have not been considered. CohnReznick has no obligation to update our valuation, the Report or conclusion of value for such events, and conditions and circumstances.
12. No change of any item in this Report shall be made by anyone other than CohnReznick, and CohnReznick shall have no responsibility for any unauthorized change.
13. CohnReznick has relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, and any other assets or liabilities, except as specifically stated to the contrary in this Report. CohnReznick has not attempted to confirm whether or not all assets of the business are free and clear of liens or encumbrances or that the Company has good title to all assets.
14. CohnReznick assumed that there is full compliance with all applicable federal, state, and local laws and regulations for the purpose of the valuation services and resulting Report unless otherwise specified in this valuation. No effort has been made to determine the possible effect, if any, on the subject business or property due to future Federal, state or local legislation, including any environmental or ecological matters or interpretations therefore, unless otherwise stated.
15. Neither the professionals who worked on this engagement nor CohnReznick have any present or contemplated future interest in the Company, any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation. CohnReznick's compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, the valuation services or resulting Report.
16. This is a Summary Report which is intended to comply with the reporting requirements set forth by the American Institute of Certified Public Accountants ("AICPA") under Statement of Standards for Valuation Services Number 1 ("SSVS No.1") for a Summary Report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use herein. As such, it does not present a complete discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's conclusion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our files.



**CohnReznick LLP**  
1301 Avenue of the Americas  
New York, NY 10019

Tel: 212-297-0400  
[cohnreznick.com](http://cohnreznick.com)



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