EVERGREEN PACIFIC INSURANCE CORP. PRIVATE $1.25 March 15, 2019

Rating:	STRONG BUY
Target Price:	C$13.00
Market Capitalization:	C$42.2M
Risk Profile:	HIGH

DIVERSIFIED HEALTHCARE & FINANCIAL SERVICES

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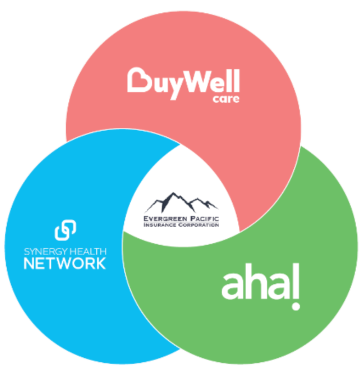
COMPANY PROFILE

Evergreen Pacific Insurance Corp. is an insurance product developer and brokerage, which owns and operates a captive marketing and sales distribution channel – the company's focus is on the alternative healthcare space. The Evergreen ecosystem of companies addresses the comprehensive needs of the alternative health consumer. Headquartered in Toronto, Ontario, Canada, Evergreen was founded in January of 2018.



Financial Summary	
Last Price	$1.25
Price Target	C$13.00
Div / Yield	$0.00 / 0.0%
S/O Basic (M)*	43.8
S/O FD (M)*	53.6
Market Cap (C$M)	54.73
Net Debt (C$M)	(4.40)
Enterprise Value (C$M)	50.33
Fiscal Year End	June 30

* assuming 10M shares & 5M warrants issued

COMPREHENSIVE PAIN CARE COMPETENCY

- **INVESTMENT THESIS** Evergreen is acquiring TargetCo, a steady, growing clinical business with positive cash flow and a proven, low upfront capital expansion model. TargetCo adds 69,000 patients to the Evergreen ecosystem of which 9.4% hold medical cannabis prescriptions. The acquisition brings market clout in the alternative health space and provides significant cross-sell opportunity for the Evergreen ecosystem.
- **COMPREHENSIVE PAIN CARE** The combination of TargetCo and the Evergreen Clinical division creates an end-to-end pain care service organization with market dominance in Ontario and national expansion aspirations over the next 18 months.
- **TARGET VALUATION** Based on our estimate of all-in cash consideration of $61M, we estimate that Evergreen will pay 6.4x two-year forward EV/EBITDA for TargetCo – in line with public company comparables.
- **FINANCIAL OUTLOOK** The addition of TargetCo results in upward revision of our Revenue and EBITDA estimates for F2020 and F2021 (F2020: Revenue to $140M from $96M, EBITDA to $46M from $38M; F2021: Revenue to $278M from $226M, EBITDA to $108M from $98M).
- **VALUATION** We value Evergreen using a blended multiple applied to our F2021 Revenue and EBITDA estimates for each of the company's three subsidiaries. Our target implies EV/EBITDA of 9.4x our F2021 EBITDA estimate of $108 million.
- **CATALYSTS** **Short-term:** We estimate that Evergreen can add $1.30/share in additional value to our target by improving migration rates to the BuyWell Care and insurance platforms over the next 24 months. **Long-term:** Our target does not include contribution from international expansion – the investor receives a free option on a 2-5x opportunity.
- **TARGET & RATING** We rate Evergreen shares a STRONG BUY with a 12-month price target of $13/share and risk rating of High.

Forecasts	F2019E	F2020E	F2021E
Revenue ($M)	10.4	140.1	277.8
EBITDA ($M)	-3.9	45.8	108.1
Adj EPS (FD)	-$0.07	$0.64	$1.51
Adj EPS (basic)	-$0.09	$0.78	$1.85
CFPS	(0.19)	0.28	1.25

All figures in C$ unless otherwise noted.

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INVESTMENT THESIS

Evergreen, through its subsidiary, Synergy Health Network, previously forged a partnership with TargetCo in September 2018. TargetCo is a highly specialized chronic pain management clinical organization based in Ontario with expansion underway in the Maritimes and Western Canada. The TargetCo/Synergy partnership extends Synergy's multi-disciplinary expertise, protocols, and treatments/services to the TargetCo patient base. In Synergy, TargetCo gains a complementary medical/clinical treatment partner. **Evergreen signed a Letter of Intent to acquire TargetCo in March 2019 (see "Proposed Transaction"). The combination will result in existing and future TargetCo clinics being consolidated into the Clinical division of Evergreen.**

Although TargetCo is included in our previous estimates on account of Evergreen's partnership, the acquisition of TargetCo alters significantly the financial outlook and strategic character of Evergreen:

1. In TargetCo, Evergreen acquires a steady, growing stream of positive cash flow as a standalone business with low/attractive upfront capital requirements for expansion.

2. The addition of the TargetCo patient base (currently 69,000, and growing, by our estimate, to over 100,000 by the end of 2019) improves the buying power of the Evergreen ecosystem vis-à-vis Licensed Producers and other merchant vendors on the BuyWell platform, and places BuyWell Care within site of the 5 largest medical cannabis providers in Canada by patient count.

3. The TargetCo patient base cross-sell opportunity for BuyWell Care and Markers represents a source of high margin incremental revenue – we expect Evergreen to pursue this opportunity more assertively as a majority investor rather than non-equity partner.

4. Upside potential to our revised estimates is considerable given (1) an increase in conversion of prescription holders to BuyWell Care platform customers, and (2) an improvement in conversion of prescription holders to insureds.

5. We believe that TargetCo as a standalone business adds ~$1.50/share per share to the company's post-financing valuation immediately, while the revenue synergy from insurance and BuyWell Care conversion improvement adds an additional $2.50/share – as a public entity, we expect Evergreen would now trade in the range of $7/share. **We have increased our 12-month price target from $7 to $13 per share based on our revised F2021 revenue and EBITDA estimates. Our price target is derived by applying a 30% discount (safety margin) to our intrinsic value of $19/share.**

EXHIBIT 1: KEY ESTIMATE REVISIONS (FINANCIALS IN C$ THOUSANDS)

Revision Summary	% Change	Revised	Previous
Total Patients in-network	0%	72,009	72,009
Medical Cannabis Patients today	0%	8,807	8,807
Medical Cannabis Patients in-network (2019)	6%	12,642	11,929
Medical Cannabis Patients in-network (2020)	11%	17,790	16,046
F2020 Revenue	42%	140,148	98,587
F2020 EBITDA	21%	45,811	37,959
F2021 Revenue	23%	277,848	226,350
F2021 EBITDA	11%	108,085	97,686

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THE PROPOSED TRANSACTION

- **Upfront consideration:** Evergreen to purchase 75% of the shares of TargetCo at an enterprise value of 10x last 12 months' (LTM) EBITDA (10x ~$5 million, or $50 million), for cash consideration provided at closing of $37.5 million (75% of $50 million).

- **Final buyout consideration:** Evergreen to purchase the remaining 25% of the shares of TargetCo at 10x LTM EBITDA calculated on the 3-year anniversary of closing. Based on our current estimates, we expect the buyout consideration for the remaining 25% of shares to be $23.9 million (or 10x EBITDA of $9.5 million.

- **Final valuation:** Based on our estimate for $9.5 million in TargetCo EBITDA in F2021, we expect the total cash consideration for the acquisition of TargetCo to amount to $61.4 million. The valuation implied in the acquisition of TargetCo is 6.4x our F2021 EBITDA estimate for TargetCo. While the TargetCo acquisition is valued at 10 x LTM EBITDA, the value of TargetCo as part of the Evergreen ecosystem is best considered from a forward public multiple perspective (for the cross-sell synergies vis-à-vis the TargetCo patient base within the ecosystem). **We value our Clinical business based on private company forward multiples (specifically, 4x 2-year forward EBITDA) out of conservatism. However, we believe that the Clinical division would be assigned a public market multiple in line with the forward takeout valuation of TargetCo (i.e. ~6x EV/EBITDA).**

- **Funding assumption:** Based on our valuation analysis within this report, we believe that Evergreen could complete an equity offering in the $4 to $6 per share range. We have assumed a unit offering for $50 million at $5 per share, including a common share and half warrant per unit.

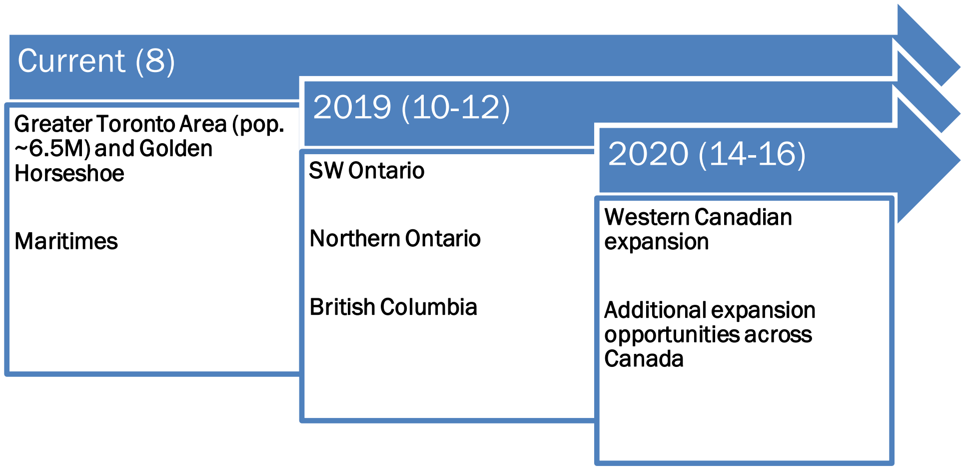
GROWING PAIN MANAGEMENT BUSINESS WITH PLANS FOR NATIONAL REACH

TargetCo is a highly specialized chronic pain management clinical organization based in Ontario with expansion underway in the Maritimes and Western Canada. The company was founded four years ago by experienced physicians who recognized a significant market gap in the treatment of chronic pain in Canada.

Best-of-breed pain care: TargetCo's highly specialized approach is built on a foundation of total care and fuses complimentary facets of health care. Patients receive customized treatments plan based on individual needs. TargetCo facilities are state-of-the-art, equipped with up-to-date technology and advanced pharmaceuticals. **As a result of TargetCo's deep expertise in the pain care space, TargetCo has over 5,500 (and growing) referring physicians.**

Patient base growing through organic expansion of Canadian clinical footprint: TargetCo currently serves approximately 69,000 patients throughout its network of eight clinics in Ontario and Nova Scotia. Approximately 9.4% of patients (~6,500) have been prescribed medical cannabis. The successful expansion to eight clinics in four years demonstrates management's commitment to growth and credibility regarding execution of the go-forward expansion.

EXHIBIT 2: TARGETCO NATIONWIDE EXPANSION PLAN



Source: Company reports

INDUSTRY LEADING STANDALONE CLINIC BUSINESS

Historical margins indicate strong management: TargetCo will report estimated total revenue of approximately $30 million in the most recent fiscal year, along with EBITDA of approximately $5 million, representing margin in excess of 17%. TargetCo has a good near-term track record of revenue growth and margin improvement – TargetCo margins are in line with best-of-industry levels (which range widely from 5% to 15%, typically).

EXHIBIT 3: TARGETCO – HISTORICAL FINANCIAL SUMMARY

To see the complete report, including this content, please contact WTB Research or Evergreen Pacific Insurance Corp. for more information about non-disclosure requirements.

THE CLINICAL COMBINATION RESULTS IN END-TO-END PAIN CARE COMPETENCY

TargetCo clinics are certified for high level pain management. This means that TargetCo clinics can provide invasive (high impact) therapies/ procedures typical of escalated pain management approaches.

The Synergy and TargetCo clinical models complement each other: A patient who may have been treated with deep tissue injections for acute pain at a TargetCo location may be referred to Synergy for follow-up pain management using cannabinoid-based therapy. More generally, the Synergy model provides comprehensive low-impact pain management, while the TargetCo model is designed to handle chronic higher-grade pain management – patients within the SHN have access to the full spectrum of pain management services.

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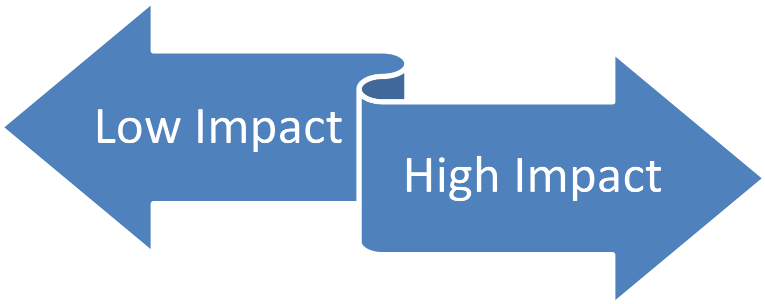
EXHIBIT 4: ADDRESSING THE FULL SPECTRUM OF PAIN MANAGEMENT SERVICES



SYNERGY CLINICS

- Focused on natural treatment pathways
- Services include:
  - Acupuncture
  - Cannabis
  - Chiropractic
  - Injection Therapy
  - Massage
  - Yoga

TARGETCO CLINICS

- Focused on specialized pain management
- Services include:
  - Comprehensive Injection Therapy
  - Epidurals
  - Naturopathy
  - Pharmaceutical Management

Source: Company reports

ACCELERATED CONVERSION OF PATIENT BASE

Our financial estimates start with how we view patient behaviour: As shown in Exhibit 5, we divide the patient universe into four types of patients. The most likely patient both to purchase on BuyWell Care and to opt for coverage are in-networks patients who have signed up for membership in AHA!. We have ascribed very low conversion rates to the three other patient groups. We believe that most in-network patients will be in the upper right-hand quadrant and, thus, expect minimal conversion from non-member in-network patients. For out-of-network patients, we expect to harvest a low percentage from many total patients but expect nearly all those patients to be seeking coverage.

EXHIBIT 5: CONVERSION MATRIX

BUYWELL CARE CONVERSION RATE

IN-NETWORK NON-MEMBER W/ PRESCRIPTION (10%/6%)	IN-NETWORK MEMBER W/ PRESCRIPTION (~100%/36%%)
GENERAL AHA! MEMBER (0%/0%)	OUT-OF-NETWORK W/ PRESCRIPTION (3%/3%)

INSURANCE CONVERSION RATE

The figures in brackets represent "BuyWell Care Conversion Rate" / "Insurance Conversion Rate" generalized assumptions.

Source: WTB Research

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Accelerated roll out of medical cannabis coverage for the TargetCo patient base: As a partner with TargetCo, SHN planned to integrate its service portfolio with TargetCo and implement SHN's medical cannabis management system within all TargetCo locations. Furthermore, SHN's multi-disciplinary treatment offering would be made available for TargetCo physicians to prescribe to their patients. After the closing of the transaction, as a subsidiary of Evergreen, all TargetCo clinics will become part of SHN instantly. This means that TargetCo personnel can begin immediately migrating patients to BuyWell Care, leading to a more rapid harvesting of the TargetCo medical cannabis coverage opportunity. **We raised our medical cannabis penetration rate from 9.4% to 10.6% of TargetCo patients for the next 12 months.**

EXHIBIT 6: PREVIOUS VS. NEW ESTIMATES FOR MEDICAL CANNABIS PATIENTS AT TARGETCO

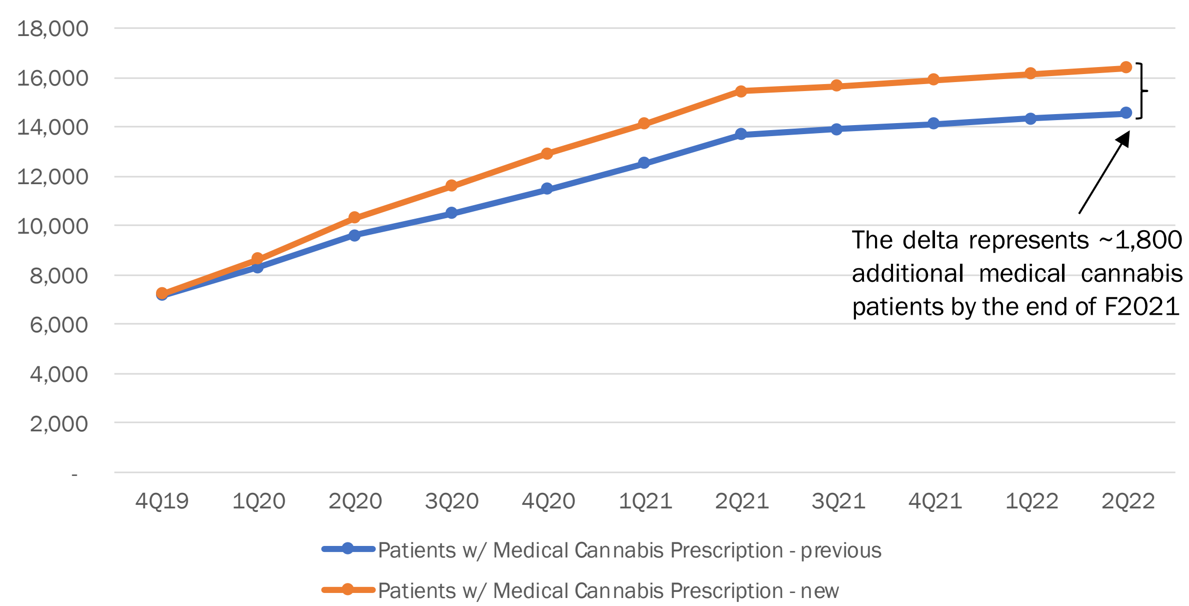
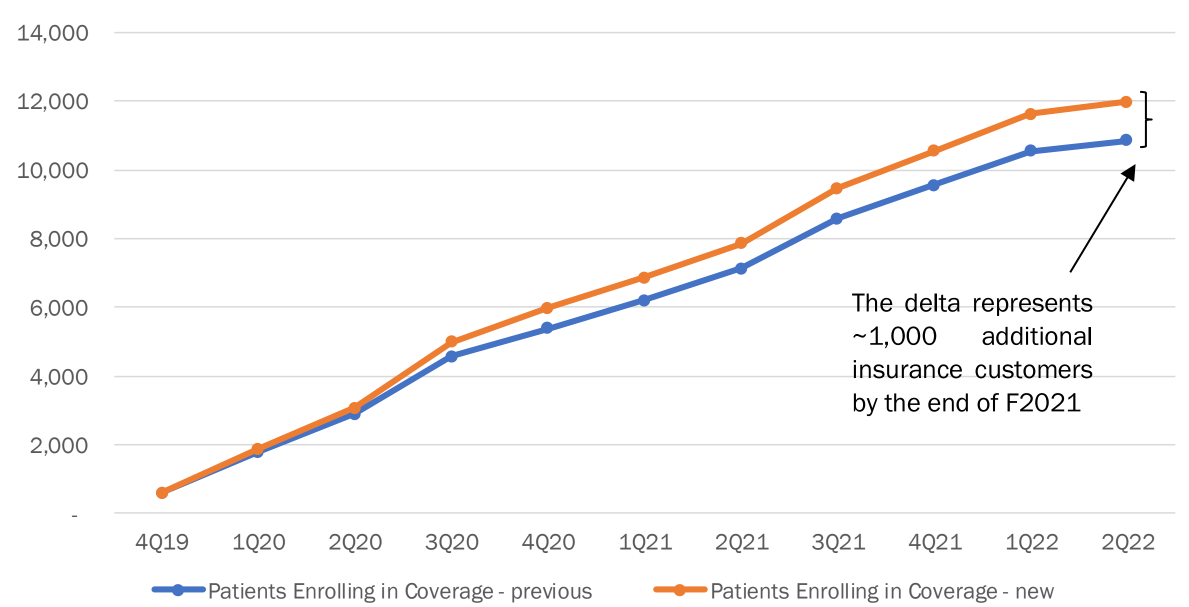


EXHIBIT 7: PREVIOUS VS. NEW ESTIMATES FOR MEDICAL CANNABIS PATIENTS WITH COVERAGE AT TARGETCO



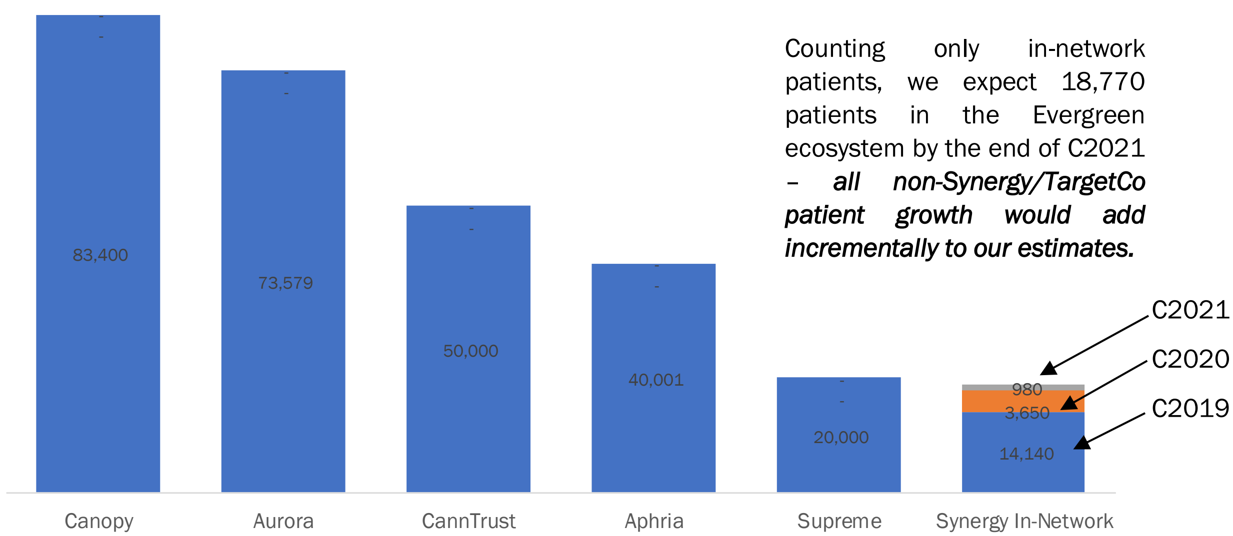
Source: WTB Research estimates

BUILDING MARKET POWER

Beyond cross-sell opportunity, a growing and critical mass of patients provides Evergreen with improved market power to (1) improve margins by improving pricing through greater buying clout with merchants, and (2) lower cost of patient acquisition as the credibility of the Evergreen platform draws prospects into the ecosystem.

Aggregate SHN patient base puts Evergreen within site of the Top 5: According to Health Canada data, as of September 30, 2018, there were 342,103 registered medical cannabis clients in Canada. As shown in Exhibit 8, nearly 80% of medical cannabis patients are registered with one of the top producers (by patient count). The 20,000-patient threshold is the goal post beyond which medical cannabis distributors enter Top 5 status – we expect the Synergy Health Network to reach over 14,000 in-network (i.e. Synergy or TargetCo) medical cannabis patients by the end of 2019. **Evergreen is one or two more partnerships away from becoming a Top 5 medical cannabis distributor by patient count.**

EXHIBIT 8: SUMMARY OF CANADIAN MEDICAL CANNABIS PRESCRIPTION PATIENT POPULATION



Source: Company reports, WTB Research estimates

FINANCIAL OUTLOOK

Our Evergreen financial estimates are driven, at the core, by the size of the patient base within the Evergreen ecosystem and the conversion rates of patients to BuyWell Care and treatment/medical cannabis coverage. To that end, the acquisition of TargetCo brings an immediate 6,500 medical cannabis patients (which we assume will grow in proportion to the total TargetCo patient base, at a minimum) and a total patient count of 69,000 (relevant to the multi-disciplinary treatment coverage and BuyWell.com sales within the Evergreen ecosystem). Our financial outlook has been revised to include the financial results of TargetCo (as part of the Synergy Health Network division) beginning on July 1, 2019 (i.e. Day 1 of F2020 for Evergreen).

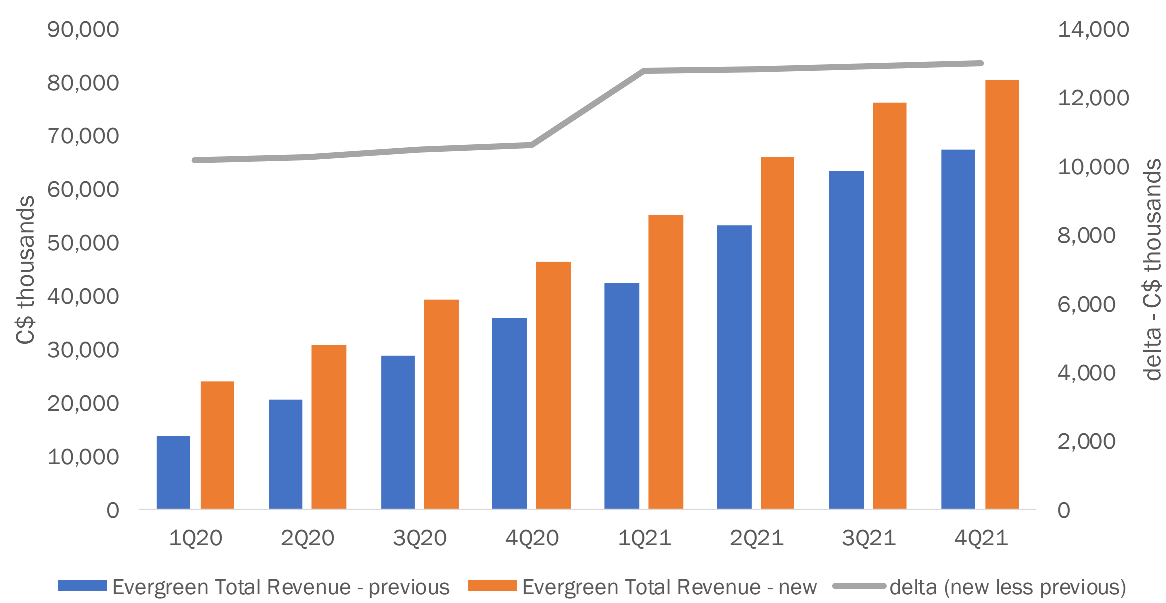
FINANCIAL ESTIMATE REVISIONS

We have revised our estimates for Evergreen based on the following assumptions:

- **Medical cannabis penetration:** We forecast that the TargetCo medical cannabis penetration rate (i.e. the percentage of total patients with a medical cannabis prescription) will rise from the current 9.4% to 10.6% in the 12 months after acquisition close, and then remain at that level going forward. This represents an additional 1,797 medical cannabis patients relative to our prior estimates for medical cannabis penetration from the TargetCo channel by the end of F2021 (June 30, 2021).
- **Insurance sell-through:** We forecast average insurance conversion rates (i.e. the percentage of patients with medical cannabis prescriptions who opt for coverage) of 36% and 47% in F2020 and F2021, respectively, for in-network patients. These rates have not changed relative to our previous assumptions.
- **Non-Covered BuyWell Care sell-through:** We forecast an average non-covered conversion rate (i.e. the percentage of patients with medical cannabis prescriptions who opt purchase on BuyWell Care without coverage) of 10% for both F2020 and F2021 for in-network patients. These rates have not changed relative to our previous assumptions.
- **Considerable room for upside from TargetCo patient base alone:** We have taken a conservative approach to forming the penetration and conversion rate assumptions underlying our financial estimates. We believe our assumptions represent a "pessimistic case" view of the commercial opportunity within the Evergreen ecosystem patient base. Our revenue and EBITDA sensitivity analysis indicates that modest improvement in penetration and conversion rates yields significant upside to our revised estimates.

Revenue estimate revisions (Exhibit 9): We have increased our F2020 revenue estimate to $140.1 million (from $98.6 million) based on the impact of TargetCo standalone clinical revenue (~$40.2 million in F2020), and additional revenue synergy impact through increased medical cannabis penetration (~$1.3 million). For F2021, we have increased our revenue estimate to $277.8 million (from $226.3 million) based on ~$48.6 million in TargetCo clinical revenue and additional revenue synergy impact of ~$2.9 million. **By the end of F2021, the impact of acquiring TargetCo accounts for an additional $13 million in quarterly revenue for Evergreen.**

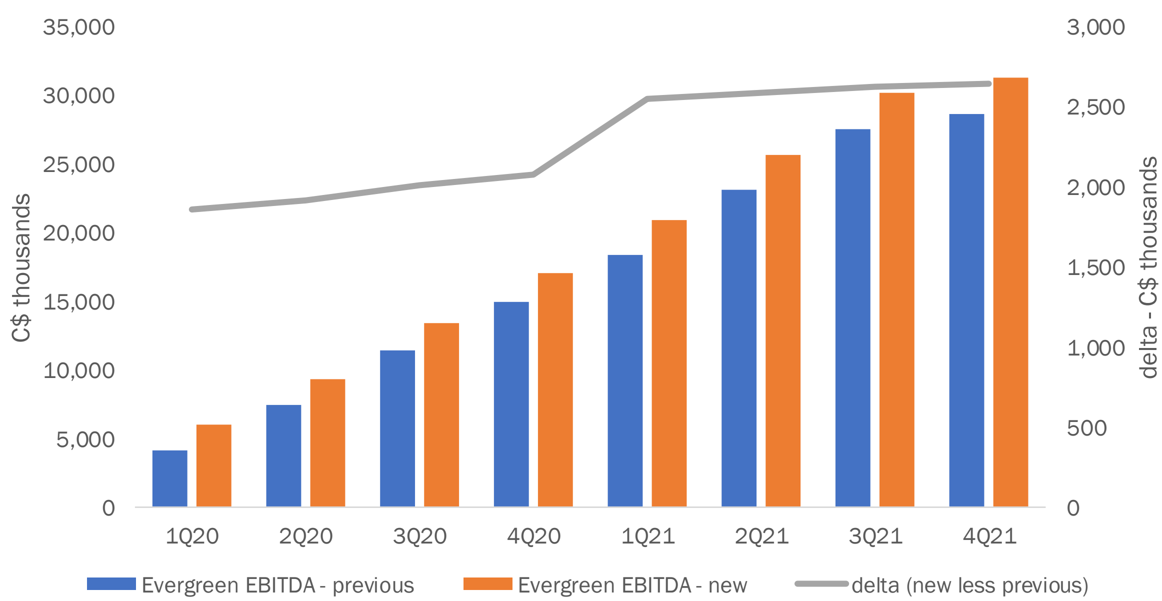
EXHIBIT 9: REVENUE ESTIMATE REVISIONS BY FISCAL QUARTER



Source: WTB Research estimates

EBITDA estimate revisions (Exhibit 10): We have increased our F2020 EBITDA estimate to $45.8 million, representing margin of 32.7% (previously $37.9 million with margin of 38.5%) based on upwardly revised revenue estimates along with lower marketing costs for Markers customers in the TargetCo patient base. For F2021, we have increased our EBITDA estimate to $108.1 million, representing margin of 38.9% (from $97.7 million with margin of 43.2%) based on ~$48.6 million in TargetCo clinical revenue and additional revenue synergy impact of ~$2.9 million. The downward move in EBITDA margin is based on a greater proportion of Evergreen revenues coming from the Synergy Health Network (a lower margin business relative to BuyWell and Markers) compared with our prior revenue mix. We expect EBITDA margin to improve in F2021 as the TargetCo patient base grows in an environment of improving conversion rates. **By the end of F2021, the impact of acquiring TargetCo accounts for an additional $2.6 million in quarterly EBITDA for Evergreen.**

EXHIBIT 10: EBITDA ESTIMATE REVISIONS BY FISCAL QUARTER



Source: WTB Research estimates

SENSITIVITY ANALYSIS

The Evergreen ecosystem, as a commercial enterprise, moves according to three key drivers:

(1) The total network of patients/customers, and the growth rate of the network,

(2) The percentage of patients/customers that seek products and services on BuyWell.com and BuyWell Care (and the average monthly spend within each e-commerce space), and

(3) The percentage of patients/customers who seek coverage from Evergreen for multi-disciplinary treatments and medical cannabis therapy.

We have forecasted our financial estimates based on these key drivers, and have tested the sensitivity of our financial model by varying two key variables:

- **Medical Cannabis Penetration rate:** The percentage of Evergreen ecosystem constituents who have a medical cannabis prescription. The current 9.4% penetration at TargetCo is assumed to be a lower bound.
- **Insurance Conversion rate:** The percentage of Evergreen ecosystem constituents with medical cannabis prescription who opt for coverage. Aside from in-network Clinical patients/ AHA! members with prescriptions, we assume minimal insurance conversion.

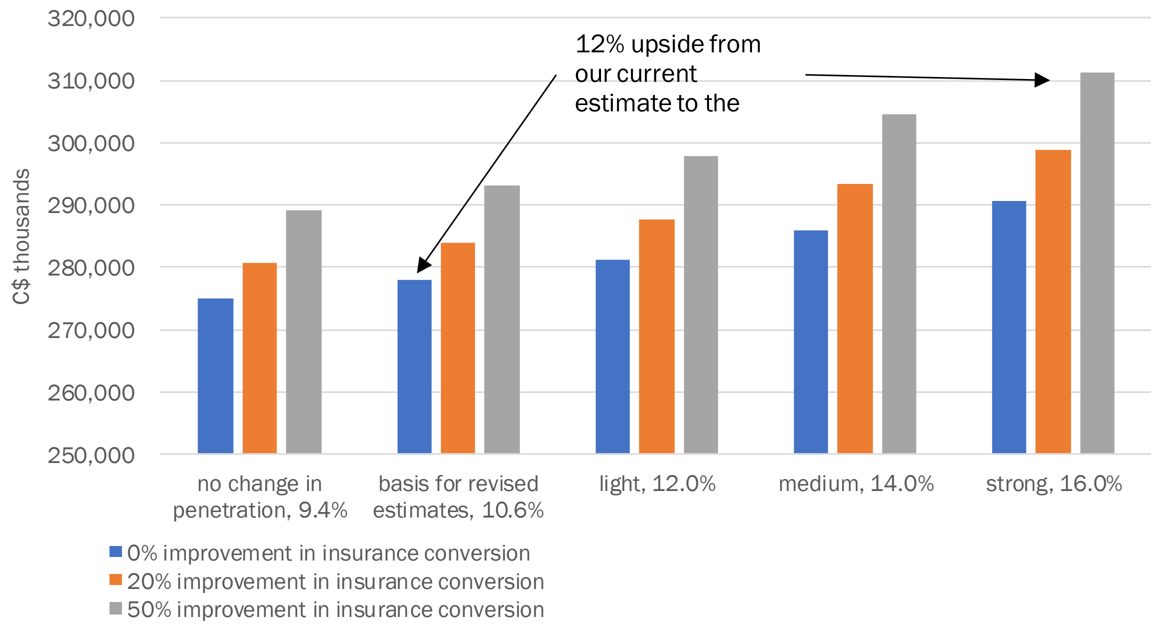
We have created three scenarios based on varying our assumption for insurance conversion of the in-network patient base. **The three scenarios:**

- **Scenario 1: No improvement in the insurance conversion rate.** We assume average in-network patient insurance conversion rates of 36% and 47% in F2020 and F2021, respectively.
- **Scenario 2: An improvement of 20% in the insurance conversion rate.** We assume average in-network patient insurance conversion rates of 43% and 56% in F2020 and F2021, respectively.
- **Scenario 3: An improvement of 50% in the insurance conversion rate.** We assume average in-network patient insurance conversion rates of 54% and 71% in F2020 and F2021, respectively.

We have stress tested our model by varying the medical cannabis penetration rate of the total TargetCo patient base across each insurance conversion rate scenario. We have tested our model sensitivity based on the following penetration rates:

- **Flatlined:** We assume 9.4% of TargetCo patients will always have/seek a medical cannabis prescription.
- **Current estimates:** We assume a 12-month increase to 10.6% penetration before flatlining.
- **Light increase case:** We assume a 12-month increase to 12% penetration before flatlining.
- **Medium increase case:** We assume a 12-month increase to 14% penetration before flatlining.
- **Strong increase case:** We assume a 12-month increase to 16% penetration before flatlining.

EXHIBIT 11: F2021 REVENUE ESTIMATE SENSITIVITY TO THE MEDICAL CANNABIS PENETRATION RATE (9.4% - 16.0%)



Source: WTB Research estimates

Revenue upside (Exhibit 11): We believe there is up to 12% upside, or $33.3 million, to our F2021 revenue estimate based on improving medical cannabis penetration and insurance conversion.

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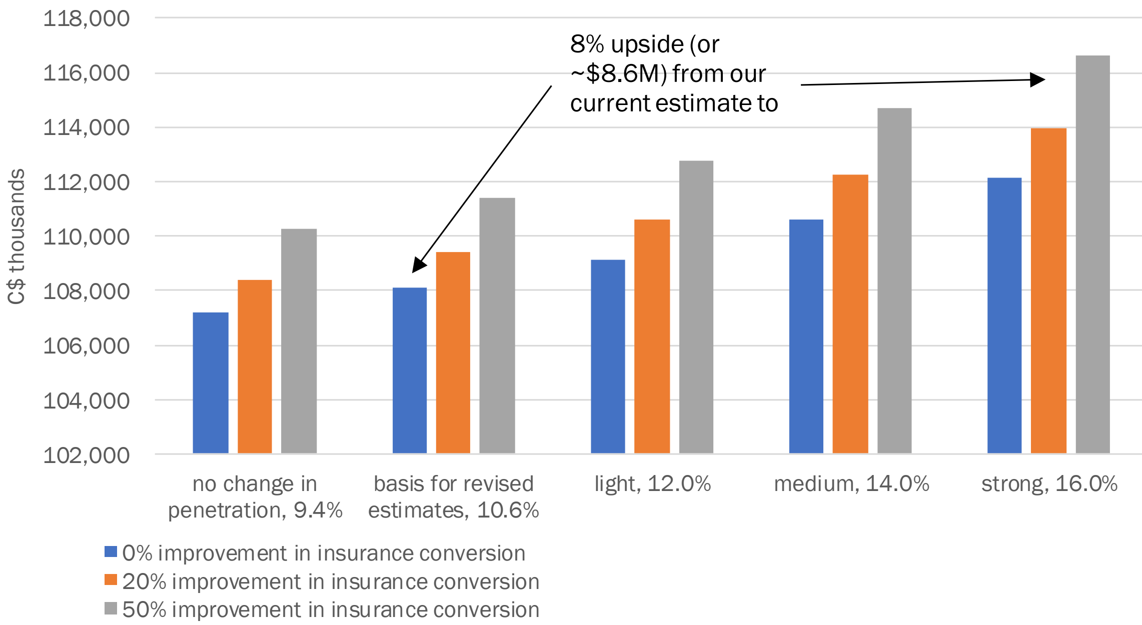
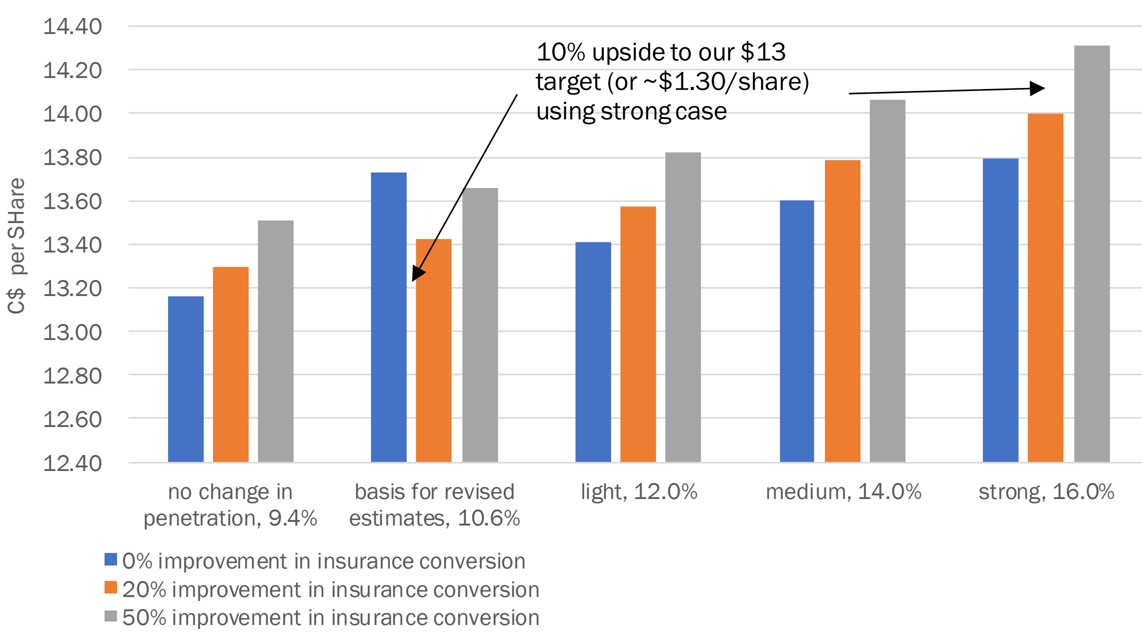
EXHIBIT 12: F2021 EBITDA ESTIMATE SENSITIVITY TO THE MEDICAL CANNABIS PENETRATION RATE (9.4% - 16.0%)



Source: WTB Research estimates

EBITDA upside (Exhibit 12): We believe there is up to 8% upside, or $8.6 million, to our F2021 EBITDA estimate based on improving medical cannabis penetration and insurance conversion.

EXHIBIT 13: TARGET PRICE SENSITIVITY TO THE MEDICAL CANNABIS PENETRATION RATE (9.4% - 16.0%)



Source: WTB Research estimates

Target price upside (Exhibit 13): We believe there is an additional 10% upside potential to our target price based on varying degrees of execution success bringing the TargetCo patient base on to the BuyWell Care platform and insurance cross-sell. **Without altering our other assumptions, we believe an**

additional $1.30 per share in valuation upside to our $13 price target can be achieved within the TargetCo patient base alone.

VALUATION

Evergreen is a unique type of organization as it is comprised of several different types of businesses (with differing top line growth and margin profiles) that collaborate to provide a unified alternative health patient/consumer experience. We believe that, unlike typical holding companies to which the market assigns a discount to net asset value, the whole is truly greater than the sum of its parts, in the case of Evergreen. This is because the Evergreen ecosystem is integrated – each of the commercial subsidiaries generate referral activity for each other (meaning more of the patient's alternative health spend is captured within the Evergreen ecosystem), and the company is organized to capture inter-segment synergies (unlike traditional holding companies, which focus on investment returns of individual holdings).

Evergreen presents as a new type of diversified healthcare enterprise: We classify Evergreen as a diversified healthcare and financial services company. The company seeks to address the needs of a burgeoning subsector of the general healthcare market with a technology based, holistic approach to its consumer. But with an insurance subsidiary, the company also has strong cash flow growth potential in the short-term. To value such a company we have created comparable company analyses for each of Markers (insurance) and BuyWell (digital marketplace) – the two business segments that capture most of Evergreen's value generating capacity. As we expect the Synergy segment to remain a slow grower with limited margin improvement potential, we have explicitly valued the business on a multiple-to-EBITDA basis.

Our $13/share target is based on a blended multiple: Our target price of $13.00 per share is derived from a blended multiple based on our Digital Marketplace comparables group average EV/Sales multiple of 3.9x, and our Insurance comparables group average EV/EBITDA multiple of 12.0x, applied to our F2021 E-commerce and Insurance sales and EBITDA estimates, respectively. We have applied a standard 4.0x EV/EBITDA private Clinic multiple to the clinical division F2021 EBITDA estimate.

Valuation on a consolidated basis: Our share price target implies $712 million in Enterprise Value (after our 30% margin of error discount, previously $268 million) and represents an EV/EBITDA multiple to our consolidated F2021 EBITDA estimate of 9.4x (our previous $7/share target implied a similar EV/EBITDA multiple of 11.7x). We believe that beginning in the second half of C2019, the Evergreen ecosystem will shift into fifth gear as each segment of the ecosystem becomes more fully integrated.

NTM-based valuation suggests shares could open above $7 in a public market: While our share price target is based on a two-year forward outlook, in the near-term, we believe the public market would value the company today nearer to the implied target price based on our F2020 estimates (ending June 30, 2020), at or above $7.00 per share.

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EXHIBIT 15: TARGET VALUATION ANALYSIS FOR EVERGREEN

All figures in C$ thousands	F2021	F2020	C2020
E-Commerce Sales	55,856	28,116	43,860
Insurance EBITDA	76,864	27,955	52,290
Clinical EBITDA	8,663	8,553	1,312
Target Multiples			
EV/S - Digital Marketplace	3.9	3.9	3.9
EV/EBITDA - Insurance	12.0	12.0	12.0
EV/EBITDA - Clinics	4.0	4.0	4.0
Enterprise Value by Segment			
E-Commerce	111,314	56,033	87,409
Insurance	922,365	335,459	627,479
Clinical	34,651	34,214	5,246
Multiple-based Enterprise Value	1,068,330	425,706	720,134
Net Debt	-11,819	-11,819	-11,819
Implied cash proceeds of dilution	-39,209	-39,209	-39,209
Total Enterprise Value	1,017,302	374,678	669,106
Fully Diluted Shares	53,650	53,650	
Target Share Price	**18.96**	**6.98**	
Margin of Error discounted from Target	30%	0%	
Adjusted Target	13.27	**6.98**	
average of unadjusted Target Share Prices:		**12.97**	

Note: Net Debt is total debt less cash as at the closing of the TargetCo acquisition (post-funding).

Source: WTB Research estimates

INVESTMENT RISKS

Regulatory Risk – Cannabis: Evergreen operates subsidiaries that deal with cannabis commercially and as a medical product. The regulation governing the cannabis industry in any given jurisdiction are subject to change at any time. Should regulations adversely affect Evergreen's ability to operate within specific geographic jurisdictions, or within its existing markets in Canada, our valuation and financial forecasts would be at risk.

Regulatory Risk - Financial Services: Evergreen has ownership interests in financial services subsidiaries engaged in various insurance businesses, including brokerage, third party administration, and reinsurance (Markers Financial Inc., Revolution Insurance Services, and Evergreen Pacific Reinsurance). The insurance business requires coordination between entities in different countries governed by various financial services compliance requirements, licensing regimes, and regulations. Evergreen's business can be materially adversely affected by regulatory changes concerning financial services companies in any of the jurisdiction in which Markers and its affiliates operate.

Supply Chain Disruption: The Evergreen ecosystem is part of a supply chain involving LPs, health and wellness product and service providers, and multidisciplinary clinical operations, which transact through the BuyWell platform. Disruption to the BuyWell supply chain could have negative effects leading to deterioration in valuation and estimates.

APPENDIX: TARGETCO MANAGEMENT

To see the complete report, including this content, please contact WTB Research or Evergreen Pacific Insurance Corp. for more information about non-disclosure requirements.

APPENDIX: PROJECTED FINANCIAL STATEMENTS

PROJECTED INCOME STATEMENT

Values in $CAD, FYE ending June 30	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	2019	2020	2021
Revenue											
Insurance division	6,621,331	10,948,038	17,332,750	22,356,155	27,257,502	35,677,328	45,154,641	49,065,925	3,417,313	57,258,275	157,155,396
E-Commerce division	4,158,489	6,008,076	8,022,303	9,927,625	11,852,095	14,058,044	14,816,229	15,129,132	3,573,132	28,116,493	55,855,500
Clinical division	13,015,364	13,801,777	13,907,581	14,048,517	16,029,223	16,237,919	16,273,252	16,296,475	3,375,447	54,773,239	64,836,869
Total Revenue	**23,795,184**	**30,757,890**	**39,262,635**	**46,332,298**	**55,138,820**	**65,973,291**	**76,244,122**	**80,491,533**	**10,365,892**	**140,148,006**	**277,847,765**
y/y growth	-	-							-	**1252%**	**98%**
Cost of Sales											
COGS	4,811,276	7,442,896	11,594,229	14,706,999	17,775,573	23,546,000	29,172,176	32,270,544	3,340,318	38,555,400	102,764,293
Total Cost of Sales	**4,811,276**	**7,442,896**	**11,594,229**	**14,706,999**	**17,775,573**	**23,546,000**	**29,172,176**	**32,270,544**	**3,340,318**	**38,555,400**	**102,764,293**
Gross Profit	**18,983,908**	**23,314,995**	**27,668,405**	**31,625,299**	**37,363,247**	**42,427,291**	**47,071,946**	**48,220,988**	**7,025,575**	**101,592,606**	**175,083,472**
% of Revenue	*79.8%*	*75.8%*	*70.5%*	*68.3%*	*67.8%*	*64.3%*	*61.7%*	*59.9%*	*67.8%*	*72.5%*	*63.0%*
OpEx	13,009,356	14,020,625	14,348,199	14,655,978	16,524,083	16,890,742	17,029,314	17,096,445	7,423,409	56,034,158	67,540,585
Transaction Fees	0	0	0	0	0	0	0	0	3,500,000	0	0
Inter-Company Transfers	-30,940	-49,567	-78,610	-93,223	-107,104	-122,684	-147,871	-164,688	0	-252,340	-542,347
Total Opex	**12,978,415**	**13,971,058**	**14,269,589**	**14,562,755**	**16,416,979**	**16,768,058**	**16,881,444**	**16,931,757**	**10,923,409**	**55,781,818**	**66,998,238**
% of Revenue	*54.5%*	*45.4%*	*36.3%*	*31.4%*	*29.8%*	*25.4%*	*22.1%*	*21.0%*	*105.4%*	*39.8%*	*24.1%*
EBITDA	**6,005,492**	**9,343,937**	**13,398,816**	**17,062,543**	**20,946,268**	**25,659,233**	**30,190,502**	**31,289,231**	**-3,897,834**	**45,810,788**	**108,085,234**
% of Revenue	*25.2%*	*30.4%*	*34.1%*	*36.8%*	*38.0%*	*38.9%*	*39.6%*	*38.9%*	*-37.6%*	*32.7%*	*38.9%*
Less: Tax (25% effective rate)	-1,501,373	-2,335,984	-3,349,704	-4,265,636	-5,236,567	-6,414,808	-7,547,626	-7,822,308	0	-11,452,697	-27,021,309
Net Income	**4,504,119**	**7,007,952**	**10,049,112**	**12,796,907**	**15,709,701**	**19,244,425**	**22,642,877**	**23,466,923**	**-3,897,834**	**34,358,091**	**81,063,926**
Less: Minority Interest	1,049,525	1,365,253	1,757,081	2,110,909	2,507,667	2,986,133	3,298,881	3,429,557	546,853	6,282,768	12,222,238
Net Income	**5,553,644**	**8,373,205**	**11,806,193**	**14,907,816**	**18,217,368**	**22,230,558**	**25,941,757**	**26,896,480**	**-3,897,834**	**34,358,091**	**81,063,926**
EPS (Fully Diluted)	**0.08**	**0.13**	**0.19**	**0.24**	**0.29**	**0.36**	**0.42**	**0.44**	**-0.07**	**0.64**	**1.51**

PROJECTED BALANCE SHEET

Period Ending:	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	2019	2020	2021
Assets											
Current											
Cash	11,817,283	14,140,918	18,054,630	26,791,619	37,860,227	51,249,796	68,410,698	92,342,338	11,819,009	26,791,619	92,342,338
Prepaid Expenses	17,470	17,470	17,470	17,470	17,470	17,470	17,470	17,470	17,470	17,470	17,470
Accounts Receivable	10,809,295	16,460,456	23,524,274	29,244,277	34,594,444	43,830,010	53,461,612	57,445,095	5,706,712	29,244,277	57,445,095
Inventory	3,052,112	4,315,712	6,509,198	7,983,398	9,485,948	10,988,498	11,987,452	11,987,452	1,837,112	7,983,398	11,987,452
Amounts Due from Related Parties	0	0	0	0	0	0	0	0	0	0	0
Total Current Assets	25,696,161	34,934,556	48,105,571	64,036,764	81,958,089	106,085,774	133,877,233	161,792,355	19,380,303	64,036,764	161,792,355
Non-Current											
Shareholder Loan	261,825	261,825	261,825	261,825	261,825	261,825	261,825	261,825	261,825	261,825	261,825
Purchase of TargetCo	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000
Investments	0	0	0	0	0	0	0	0	0	0	0
PPE	25,378	25,378	25,378	25,378	25,378	25,378	25,378	25,378	25,378	25,378	25,378
Total Non-Current Assets	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203	37,787,203
Total Assets	**63,483,363**	**72,721,759**	**85,892,774**	**101,823,967**	**119,745,292**	**143,872,976**	**171,664,435**	**199,579,557**	**57,167,506**	**101,823,967**	**199,579,557**
Liabilities											
Current											
Accounts Payable and Accrued Liabilities	1,581,789	2,446,979	3,811,801	4,835,178	5,844,024	7,741,151	9,590,852	10,609,494	819,576	4,835,178	10,609,494
Amounts Due to Related Parties	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	1,581,789	2,446,979	3,811,801	4,835,178	5,844,024	7,741,151	9,590,852	10,609,494	819,576	4,835,178	10,609,494
Total Liabilities	**1,581,789**	**2,446,979**	**3,811,801**	**4,835,178**	**5,844,024**	**7,741,151**	**9,590,852**	**10,609,494**	**819,576**	**4,835,178**	**10,609,494**
Shareholders' Equity											
Capital Stock	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785	61,206,785
Contributed Surplus	80,021	80,021	80,021	80,021	80,021	80,021	80,021	80,021			
Retained Earnings (Deficit)	(277,600)	6,730,353	16,779,465	29,576,372	43,981,184	63,225,609	85,868,486	109,335,409	(4,781,719)	29,576,372	109,335,409
Non-Controlling Interest	892,368	2,257,621	4,014,702	6,125,610	8,633,277	11,619,411	14,918,291	18,347,848	(157,157)	6,125,610	18,347,848
Total Shareholders' Equity	**61,901,574**	**70,274,779**	**82,080,973**	**96,988,789**	**113,901,268**	**136,131,826**	**162,073,583**	**188,970,063**	**56,347,930**	**96,988,789**	**188,970,063**
Total Shareholders' Equity	**63,483,363**	**72,721,759**	**85,892,774**	**101,823,967**	**119,745,292**	**143,872,976**	**171,664,435**	**199,579,557**	**57,167,506**	**101,823,967**	**199,579,557**

PROJECTED CASH FLOW STATEMENT

Period Ending:	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	2019	2020	2021
Cash Flows from Operating Activities											
Net Income	5,553,644	8,373,205	11,806,193	14,907,816	18,217,368	22,230,558	25,941,757	26,896,480	(3,352,904)	40,640,859	93,286,164
Adjustments for:											
Depreciation	0	0	0	0	0	0	0	0	0	0	0
Change in Prepaid Expenses	0	0	0	0	0	0	0	0	8,336	0	0
Change in Inventory	(1,215,000)	(1,263,600)	(2,193,485)	(1,474,200)	(1,502,550)	(1,502,550)	(998,954)	0	(1,837,112)	(6,146,285)	(4,004,054)
Change in Accounts Receivable	(5,102,583)	(5,651,161)	(7,063,818)	(5,720,003)	(5,350,167)	(9,235,566)	(9,631,602)	(3,983,483)	(5,601,702)	(23,537,565)	(28,200,818)
Change in Accounts Payable	762,213	865,190	1,364,822	1,023,376	1,008,846	1,897,127	1,849,702	1,018,642	481,545	4,015,602	5,774,316
Net Cash from Operating Activities	(1,725)	2,323,635	3,913,712	8,736,989	12,373,497	13,389,568	17,160,903	23,931,639	(10,301,838)	14,972,611	66,855,607
Cash Flows from Investing Activities											
Capital expenditure	0	0	0	0	0	0	0	0	(25,378)	0	0
Purchase of TargetCo	0	0	0	0	0	0	0	0	(37,500,000)	0	0
Purchase of investments	0	0	0	0	0	0	0	0	(261,825)	0	0
Dividend received	0	0	0	0	0	0	0	0	0	0	0
Interest received	0	0	0	0	0	0	0	0	0	0	0
Proceeds from disposal of fixed assets	0	0	0	0	0	0	0	0	0	0	0
Proceeds from disposal of investments	0	0	0	0	0	0	0	0	0	0	0
Net Cash used in Investing Activities	0	0	0	0	0	0	0	0	(37,787,203)	0	0
Cash Flows from Financing Activities											
Issuance of Share Capital	0	0	0	0	0	0	0	0	58,311,785	0	0
Bank Loan Received	0	0	0	0	0	0	0	0	0	0	0
Repayment of Bank Loan	0	0	0	0	0	0	0	0	0	0	0
Net PCC Dividend	0	0	0	0	(1,304,889)	0	0	0	0	0	(1,304,889)
Interest expense	0	0	0	0	0	0	0	0	0	0	0
Net Cash from Financing Activities	0	0	0	0	(1,304,889)	0	0	0	58,311,785	0	(1,304,889)
Net Increase in Cash and Cash Equivalents	(1,725)	2,323,635	3,913,712	8,736,989	11,068,608	13,389,568	17,160,903	23,931,639	10,222,745	14,972,611	65,550,718
Cash and Cash Equivalents, Beginning of Period	12,031,877	12,030,151	14,353,786	18,267,498	27,004,487	38,073,096	51,462,664	68,623,567	1,809,132	12,031,877	27,004,487
Cash and Cash Equivalents, End of Period	12,030,151	14,353,786	18,267,498	27,004,487	38,073,096	51,462,664	68,623,567	92,555,206	12,031,877	27,004,487	92,555,206

RESEARCH DISCLOSURES

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