

# T WEST



**Multi-State Licensed, Tier 1 Medical-Grade  
Processing and Extraction Labs**

Research | Processing | Manufacturing | Remediation



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**Addendum:** Cash Flows by Month (x6)

# T WEST



**Dr. John McKay, PhD**  
Chemistry of Extraction & Cancer Screening  
Dept Head – Processing Division





# I. EXECUTIVE SUMMARY

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## Industry & Value Overview

Periodically, a new industry or category is created. In the early 1900's, it was automobiles. In the mid-1900's, it was the oil industry. In the 80's, it was personal computing. In the 90's, it was mobile phones. In the 2000's, it was cryptocurrency, and more importantly, the advent of Blockchain that is utilized in almost every industry.

In the 2020's, it is legal, medical-grade cannabis coupled with fully state-licensed Tier 1 medical processing laboratories.

### *Why?*

Cannabis and product derivatives have been found to provide significant, and wide-ranging health and medical benefits.

According to the U.S. Government's National Institute of Health's website: (<https://pubmed.ncbi.nlm.nih.gov/?term=cbd>), there are over 8,000 peer reviewed, medical research studies determining the benefits these products have on the following conditions to name a few:\*

- Pain
- Sleep
- Skin Care
- Immunology
- Depression
- Anxiety
- Seizures
- Inflammation
- Parkinson's
- Cancer (virtually every type)
- And Many More

All cannabis products, as well as any other cannabis derivatives are required to be processed at state licensed facilities – that means anything harvested from indoor grow houses or outdoor farms.

**Dr. Meghan McCormick, PhD**  
Anti-Cancer Prodrug Activation  
Process Lead – Senior Chemist





# I. EXECUTIVE SUMMARY



## Industry & Value Overview (cont.)

A Tier 1 medical processor is extremely unique in that not only can it process with less than .3% THC to more than 96% THC , but most importantly, ALL products sold in dispensaries, and ALL products used by medical researchers or pharmaceutical companies **can only be processed by an in-state Tier 1 medical processor like us.**

Further, crops grown in a state must be processed by a processor licensed in that same state - no crossing state lines. There are precious few licensed processors in any state and even fewer Tier 1 medical processors like us.

Without our processor labs, medical and pharmaceutical researchers currently have little to no product they can access to research new medical treatments, medications and/or patents.

We will develop and operate Tier 1 medical processor labs needed.

We have new and existing medical research relationships with:





# I. EXECUTIVE SUMMARY

## Industry & Value Overview (cont.)

Certainly, the purpose of obtaining Tier 1 medical processing licenses is to build world-class Tier 1 medical processing laboratories. We have had significant experience in doing just that.

Only a handful of states have Tier 1 medical processing labs in operation. There are a few reasons for this:

- Most focus has been on cultivation facilities or dispensaries.
- Labs require real scientists and highly skilled personnel.
- Licenses are extremely difficult to obtain or are not available.
- Major financial and experience barriers to entry.

In every state, demand for product from Tier 1 processing labs far outstrips supply. In Utah, for instance, the cost per pound of medical cannabis has soared to over \$9,500 per lbs - one of the highest in the nation. A moratorium is in place, as there is insufficient supply available.

<https://pubmed.ncbi.nlm.nih.gov/?term=cbd>



*Our Tier 1 Medical Processing QAQC Lab Room*



# I. EXECUTIVE SUMMARY

## Industry & Value Overview (cont.)

Our Tier 1 medical processing laboratory can manufacture THC Products and any product sold in any retail store or dispensary and provide medical and pharmaceutical researchers with the specific isolates and cannabinoids they need.

Despite the magnitude of the existing marketplace, the U.S. Congress recently passed the MORE ACT and the SAFE Banking Act. A democratic senate will be passing these, and other Acts into law. (See “Regulatory” pg 21.) The SAFE Banking Act was just introduced into the Senate with bipartisan support. The Act is expected to pass the Senate and be enacted into law within 6 months.

The passage of these laws will allow pharmaceutical companies, breweries, beverage companies and **many others into the space, causing a bidding war for existing companies.** Consumers will then find THC and cannabinoids in everything from toothpaste to sodas to prescription medications.



*Our Tier 1 Medical Processing Distillation Lab Room*

**“Our Tier 1 processing laboratories have thrived against exceptional barriers to entry, namely through expertise, costs and the scarcity of state licenses.”**





## II. COMPANY OVERVIEW

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### Industry & Value Overview (cont.)

Our company includes Tier 1 medical processing licenses, Tier 1 medical processing laboratories (to be built via this offering) and an exquisite brand of botanicals and medical grade cannabis oil products. Our line of products are created with ultra-high potency and 100% organic oil derived from a patent-pending process.

At our founding processing facility in California, we gathered an original team of Israeli geneticists, an agriculture engineer & a plant sustainability scientist, as well as horticultural PhD's and a Swiss biochemical engineer. They then provided advanced equipment, USDA approved organic fields, hand-crafted plants, a track-and-trace supply line system and testing labs.

Coming from military families, we initially focused on making affordable, high quality cannabis oils specifically for Veterans in the San Francisco Bay Area.

**VA**



U.S. Department  
of Veterans Affairs

So many Veterans began using their product that they were asked to begin production for the **U.S. Department of Veterans Affairs (VA)** for patient and research use.

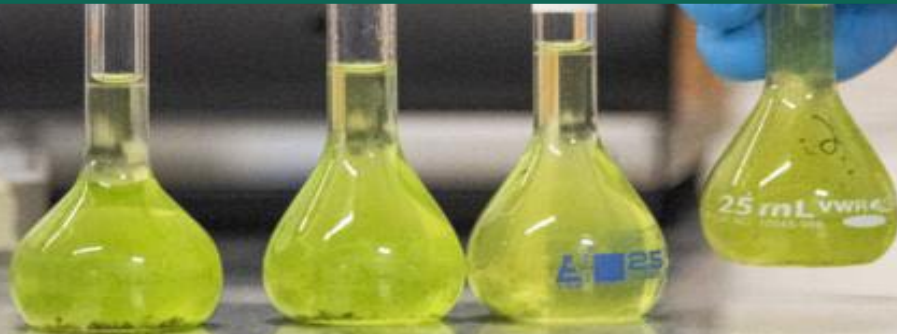
The VA conducts extensive studies and treats many veterans with **Alzheimer's disease, Parkinson's disease, post-traumatic stress disorder (PTSD), Gulf War illness, epilepsy, depression, and other conditions** associated with nerve loss in the brain.

Based on specific parameters provided by extensive research, we began to engineer a pure medical-grade cannabis extract for medical research at the VA, as well as at **Stanford University** and the **University of California at Santa Cruz Genomics Institute**.

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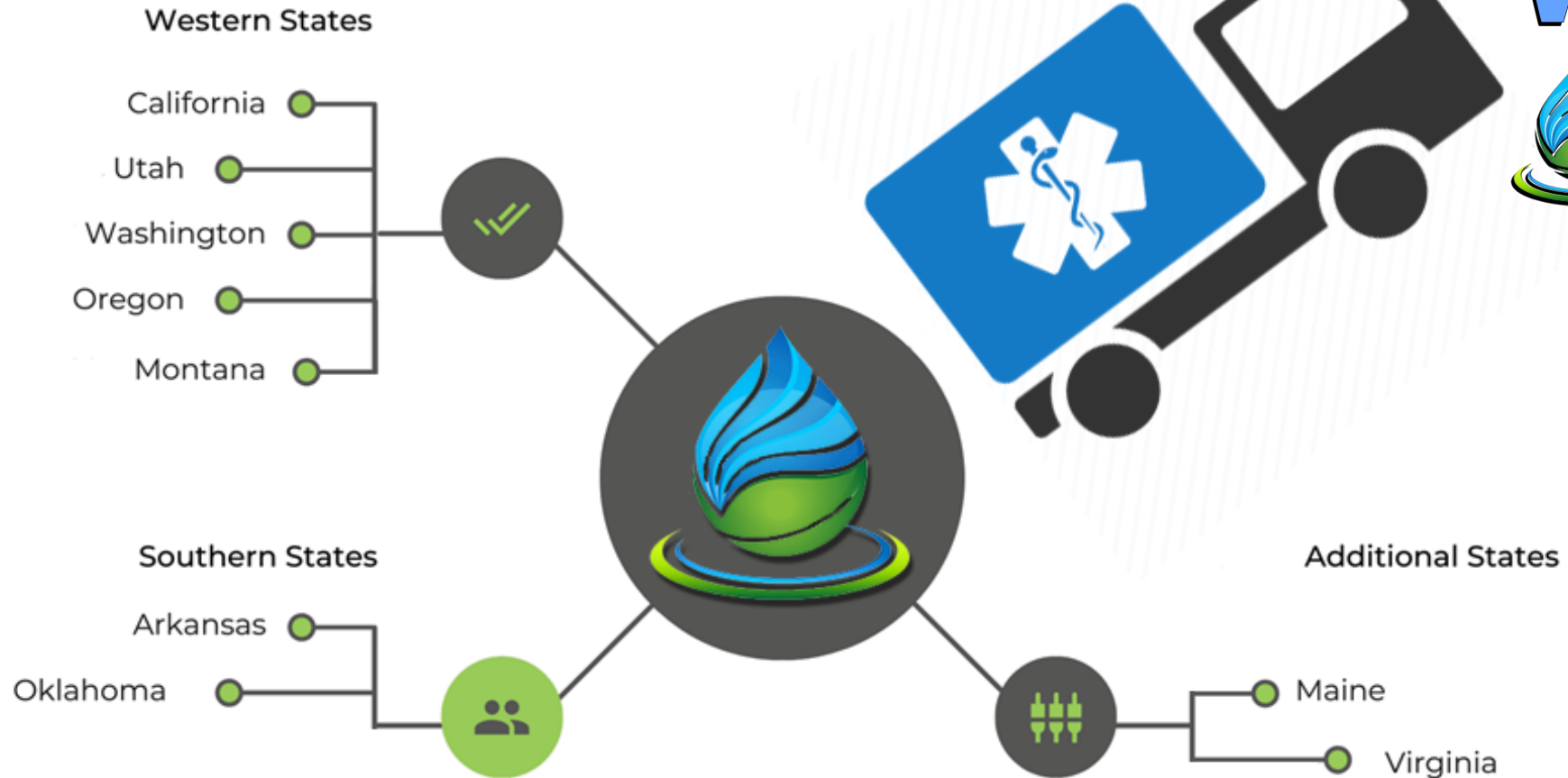


“This has led to our exclusive position with researchers in various Medical Universities and the award of multiple licenses and Tier 1 medical processing facilities in multiple states.”





# III. OWNERSHIP OVERVIEW



Pending site inspection.



## IV. SEASONED MANAGEMENT TEAM

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### Ron A. Smalley Jr. – Chief Executive Officer

Ron A. Smalley Jr., and his operational in-sights into how cannabis licenses are allocated and awarded is invaluable for our efforts. Since 2012, Ron has worked with numerous clients competing for limited licenses in Massachusetts, Minnesota, Illinois, New York, Florida, Maryland, Hawaii, Puerto Rico, Pennsylvania, Arkansas, Ohio, California, Colorado, Connecticut, Michigan and New Jersey.

This licensing process includes interfacing with local and state government officials, site selection, design and engineering activities, construction management, lease negotiations, writing business plans, and pro-formas. It is this deep understanding of the cannabis industry that brings extensive, developmental possibilities to our team. These will continue to result in industry-leading excellence and acclaim from involved city, state and national parties.



### Jeremy Applen – Chief Science Officer

Jeremy Applen previously served as Chief Science Officer for Bhang Inc. where he oversaw all quality and regulatory compliance matters including manufacturing operations and supply chain validation with regard to sourcing hemp derived ingredients such as CBD isolate, distillate and broad-spectrum oils.

Jeremy also founded one of the first regulated cannabis laboratories in the United States and has consulted on the topic of cannabis/hemp testing, GMP compliance, product quality and safety for many cannabis and hemp companies.

Recognized by his peers for his expertise on the topics of testing, production methods, standards, GMP regulations and impact on The public health.





## IV. SEASONED MANAGEMENT TEAM

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### **Dr. John MacKay, Department Head - Processing Division**

Dr. John MacKay is an internationally recognized scientific expert in analytical testing, extraction and purification techniques within the botanical space. Prior to our effort, John was the Department Head for the Processing Division with Hybrid Tech. His career has included many roles in innovative product development. Dr. MacKay is currently a contributing journalist of Extraction Magazine, a cannabis extraction publication, and Terpenes and Testing Magazine, a publication serving the cannabis industry with cannabis news and science on horticulture, extraction and testing labs.

Dr. MacKay earned his B.A. in Chemistry from St. Lawrence University and his Ph.D. from the University of Vermont in Inorganic Chemistry focused on the synthesis of cancer fighting compounds.



### **Brian L. Sutherland – Chief Marketing Officer**

Brian Sutherland is an experienced, charismatic and persuasive communications and marketing team leader, project manager and media spokesperson with over 25 years experience marketing cannabis products, education and technology.

Most recently, he was VP of Marketing for a Boston Tech company and he also worked for a prestigious international high-tech marketing agency, he was Executive Producer of an award-winning, feature length film and soundtrack, Branding Manager for Van Gogh Vodka, and successfully ran his own Digital Marketing Agency for over 12 years. Brian Now has over 15 years of traditional and specialized education from Columbia University, Marquette, the University of Nevada, Reno and Louisiana State University. Most recently he obtained certification in Sports Industry Management from Columbia.





## IV. SEASONED MANAGEMENT TEAM

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### Owen Williams – Sales and Business Consultant

Owen Williams provides significant assistance in developing medical licenses and strategy, partnerships and investment funding. To date, Owen has raised several million dollars and has an enormous networking base in the cannabis industry through his time developing training and education programs throughout northern Nevada and Lake Tahoe.

Owen previously developed and managed multiple cannabis efforts in California, including a Tier 1 medical processor and grower. Owen helped to provide engineered cannabis products for medical research and major universities.

Owen received his business education from Harvard and the University of Southern California.



### Dr. Meghan McCormick - Process Lead, Senior Chemist

With more than 15 years of experience working and teaching in chemistry laboratories, Meghan McCormick, Ph.D., is the Senior Chemist and Process Lead with Hybrid Tech, a cutting-edge process, design, engineering and consulting firm. Meghan serves as the resident expert in the chemical processes that occur during cannabis extraction and post-processing and has helped design and test largescale cannabis processing modules.

Meghan designs process-trains for extraction, winterization, solvent recovery, remediation, decarboxylation, and purification in a GMP Facility and consultation on theory, methodology, optimization, and implementation/training of the chemical processes occurring during cannabis Extraction, technical writing documentation including application templates and SOPs. Meghan received her Ph.D. in Inorganic Chemistry, Indiana University studying organometallic electrocatalysis and anti-cancer prodrug mechanisms.





## IV. SEASONED MANAGEMENT TEAM

### Jacob Enslein - Process Training Engineer

Jacob Enslein has seven years of experience in cannabis manufacturing. In 2013, Jacob co-started and ran a prop 215 extraction company. Working with some of the industries greatest pioneers such as Graywolf, Gold Coast Extracts, and Alpine Vapor, Jacob designed and operated closed loop extraction systems and helped develop processes for distillation.

In 2017 Jacob became a Certified Safety and Health Official and in 2019 an OSHA (and Cal/OSHA) Authorized General Industry Outreach trainer.

Jacob is a knowledgeable occupational safety and compliance expert, and designs and commissions hydrocarbon and ethanol extraction labs.



*Additional Team Members featured above include those in laboratory equipment manufacturing, accounting & sales.*



## V. THE PROBLEM



*“U.S. demand for cannabis products is soaring, yet the lack of Tier 1 medical processing labs will fatally restrict supply.”\**

All U.S. Cannabis products to be sold to consumers or used for research must be processed by a state-licensed processor laboratory like ours! Demand for these products has increased in every fiscal quarter in every state from inception. As states approve medical/recreational use and Congress approves Federal legalization, demand for cannabis products will be truly explosive.

Further complicating supply is the fact that approximately **50% of all crops become contaminated and must be destroyed** - however, our labs are uniquely equipped to **remove all contaminants, saving farmer’s crops and sharing additional revenues.**

The process to obtain Tier 1 medical state processing licenses is severe. Many states have limited the number of licenses and those have already been awarded. Even with a license, the scientific expertise and capital required to develop and operate a processing laboratory is significant. The combination of these factors has caused a serious shortage of processing in every state.

This has resulted in extraordinary prices, lack of supply to medical users, very frustrated state officials and an almost non-existent supply to medical researchers.





## V. THE PROBLEM (Cont.)



### *Federal Lawmakers and Special Interests Agree:*

*“...researchers don’t have the medical processing labs necessary to conduct proper, science-driven research... if they did, it would provide additional treatment options for millions of patients.” – House Representative, Debbie Dingell*



*“...the lack of medical processing labs leaves scientists with woefully inadequate supplies of cannabis and cannabis products available for human studies.” - NORML Deputy Director Armentano*





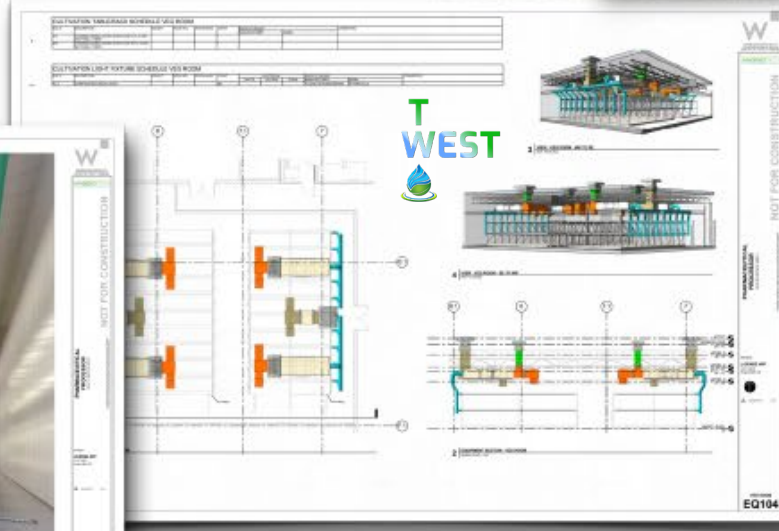
## VI. THE SOLUTION

*The solution is the development of our Tier 1, medical research and processing labs, pursuant to the limited licenses awarded by multiple states.*

*Each lab is approximately 5,000 sf - 10,000 sf that allows for significant capacity suitable for a single state. If increased capacity is needed, additional equipment can be added to that existing lab to augment output by approximately 30%-40%.*

*As a medical processing lab we are also able to isolate specific strains or cannabinoids for medical/pharmaceutical research AND HIGHLY LUCRATIVE PATENTS.*

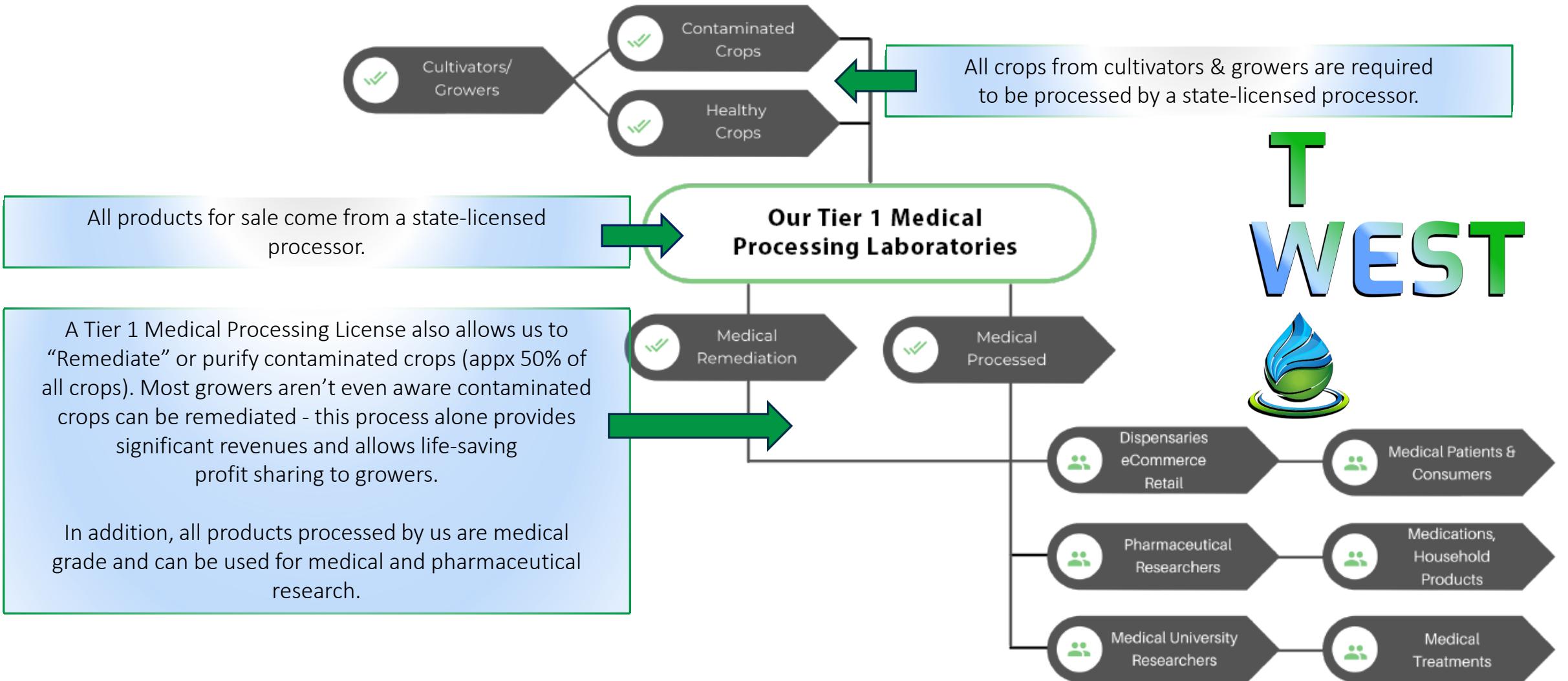
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EQ103



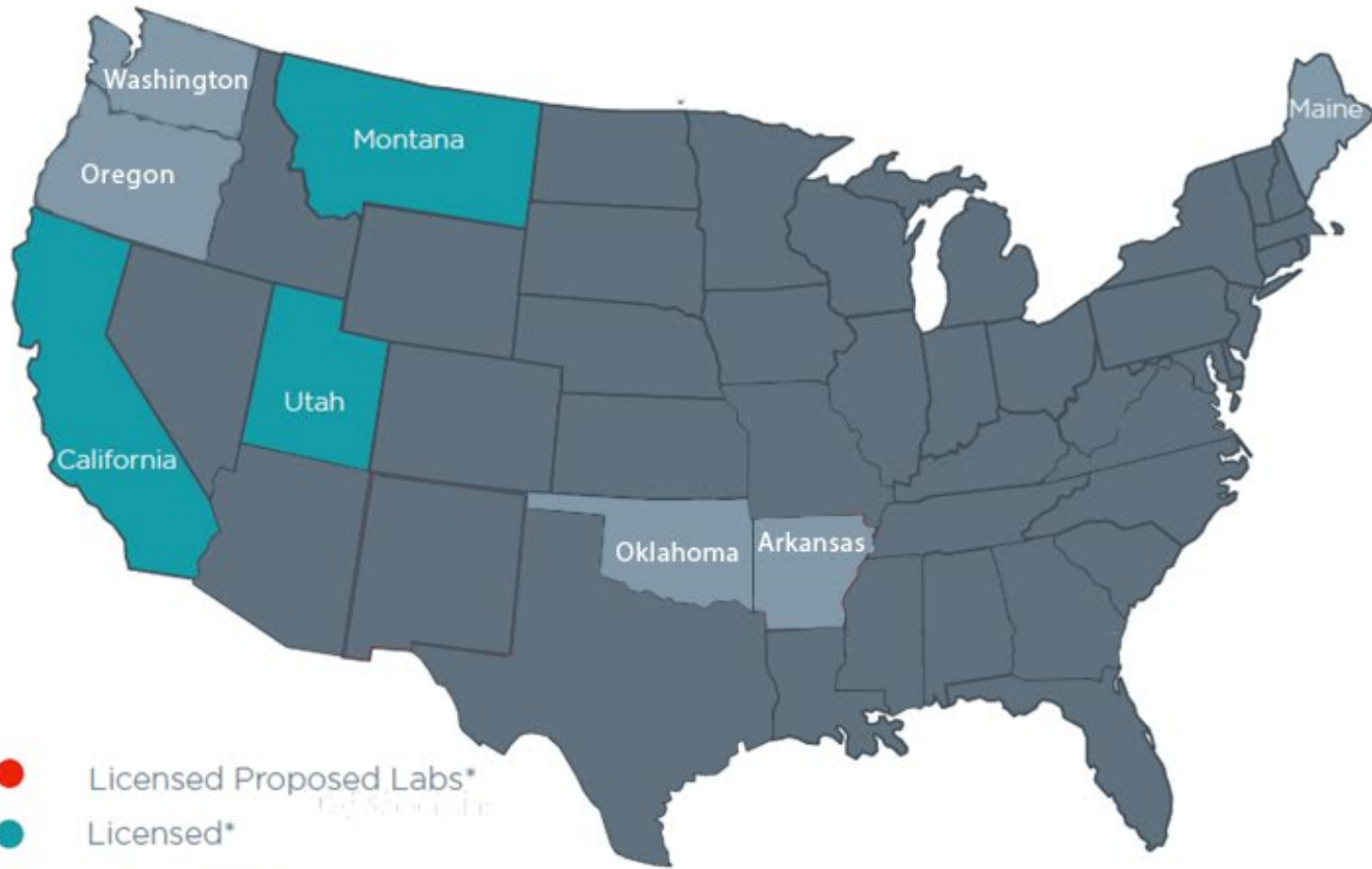
## VI. THE SOLUTION (Cont.)





# VI. THE SOLUTION (Cont.)

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- Licensed Proposed Labs\*
- Licensed\*
- Optional Licenses\*
- Non Licensed

## Our Processor Licenses

Phase 1 Proposed Facilities: New Mexico & Arkansas

	UT	AK
Active Processors	0	2
Medical Processors	0	0
Hemp Farmers	273	121
Contaminated Acres	50%	51%
Remediation	0	0
THC Processors	0	0
Committed Private Acres	300	800

\*Only in limited quantities  
Source: Respective State's Databases

**There are no Tier 1 Medical Processing Laboratories like ours!**

\*Pending final facility approval.



## VI. THE SOLUTION (Cont.)



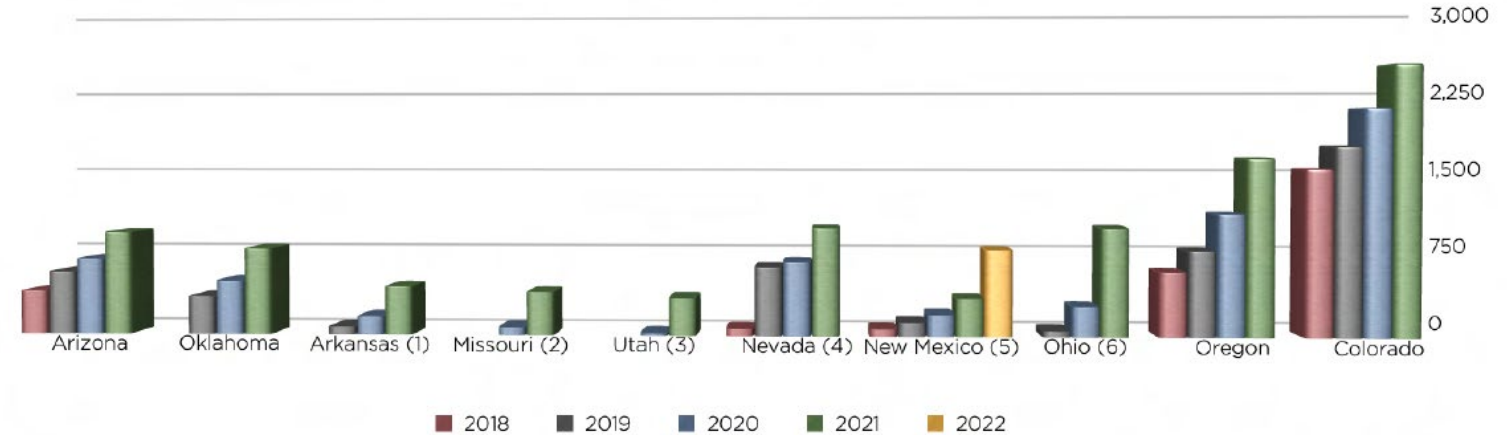
### Medical Patient Sales (\$m)

Medical Cards at Dispensaries - CBD Sales Not Included

The demand for cannabis related products from medical patients alone has soared every year, in every state.

Sales will continue to have significant growth, especially as states go recreational – see the spike in sales in Nevada between 2018 and 2019, New Mexico between 2021 and 2022 (projected by the state) and Ohio between 2020 and 2021 (projected by the state).

These figures do not include sales from any CBD products or from researchers. There is already insufficient medical processing in every state. That dearth will accelerate as demand continues to grow at an increasing rate.



	2018	2019	2020	2021	2022
Arizona	400	580	700	950	
Oklahoma	-	350	500	800	
Arkansas (1)	-	74	170	450	
Missouri (2)	-	-	74	400	
Utah (3)	-	-	22	350	
Nevada (4)	65	639	685	1,000	
New Mexico (5)	67	129	200	350	800
Ohio (6)	-	56	277	1,000	
Oregon	597	790	1,130	1,639	
Colorado	1,540	1,750	2,100	2,500	

Source: Respective State Websites

(1) May-Dec 2019 (2) Sep-Dec 2020 (3) Mar-Dec 2020 Very Limited Supply (4) Recreational 2019 (5) Recreational 2021 (6) Apr-Dec 2019; Recreational 2021

\*Pending final facility approval.



## VIII. RECENT TRANSACTIONS



*Currently Filling U.S. Vendor Orders for:*





## VIII. RECENT TRANSACTIONS

	Our Makeup Ph I - Two States	Cresco Labs Acquires Bluma	Aphria Reverse Acquisition Tilray	Curaleaf Acquires GrassRoots	Charlotte's Acquires Abacus	Cresco Acquires Origin	Kaddenwood Capital Raises
Closing Date	-	Jan 2021	Dec 2020	Aug 2020	June 2020	Jan 2020	Current
Purchase Price	-	\$213mm	\$1.23bn (appx)	\$830mm	\$99mm	\$327mm (Shares+Cash)	\$186mm (Valuation from raise)
Last Raise	No Debt	-	Tilray is a very poor operator w/ severe losses & debt.	\$90mm Mar 2020 \$40mm 2019	\$40mm Dec 2019 \$34mm May 2019	Bought 5 Brands in 2019 to Establish Company then	\$40mm Feb 2020 \$15mm Jun 2019 \$2mm 2019
Revenues	\$27mm* (est Yr 1 for 2 Labs)	\$12mm	\$190mm (\$270mm net loss)	\$30mm 2018 \$40mm 2019	\$4.4mm 2019	\$50mm 2019 (est)	\$30mm (est)
Money Factor	TBD	17.75x Revenue	6.5x Revenue	20.7x Revenue	22.5x Revenue	6.5x Revenue	6.2x Revenue
Tier 1 Medical Processor Licenses	Multiple Licenses in Multiple States	1	1 (Canada only)	5 (Only 1 Processor Operating at Close)	0	0	1 (Acquired EcoGen 8/20 w/ License Does Not Allow
Cultivation	9,050 Acres (Farmer Partnerships)	54,000 SF	155,000 SF (Indoor. Canada only)	250,000 SF (Indoor)	0	92,000 SF (Indoor)	0
Patent-Pending Specialty Products	6	0	0	0	0	0	0
Number of Stores	28 Retail +eCommerce (National Distribution in Process)	6	Canadian dispensaries only	0	5,000 (Abacus acquired Harmony's 2,500 stores 2/20)	575 in CA (Basically, distribute & sell their own products)	eCommerce as LevelSelect Purity Organic



# IX. PROJECTED CASH FLOWS - PHASE 1 MAJOR ASSUMPTIONS



Number of Tier 1 Medical Labs Valued	1 Medical Lab Covering 2 States
Retail/eCommerce/Wholesale Revenues	Ramp Up to 30% Capacity by Month 12
Remediation/Processing Revenues	Ramp Up to 50% Capacity by Month 12
Medical Revenues	Ramp Up to 50% Capacity by Month 12
Inflation	Revenues = 0%, Expenses = 5%
Months to Build Following Permits	Temporary Lab in 2 Months - Permanent Lab in 5 Months
Lease Buildings & Finance Equipment	5 Yr, 20% Residual, 8%/Yr
Remediation & Processing Contracts	During Build-Out. Significant Existing Demand
Raw Material Costs (% of Sales)	20% existing trim; 27% new trim
Lab Supply Costs (% of Sales)	4%
Sales Commission (% of Sales)	7%
Marketing (% of Sales)	7%
Affiliates (% of Retail)	25%
Wages for 2 Laboratories in 2 States	40 employees (PhD's & Marketing Managers Selected)



# IX. PROJECTED CASH FLOWS - PHASE = 1 LAB



## Projected Cash Flows

	TOTAL	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 5	Qtr 6	Qtr 7	Qtr 8	Qtr 9	Qtr 10	Qtr 11	Qtr 12
<b>INCOME</b>													
Retail/eCommerce	\$ 44,938	\$ 300	\$ 1,310	\$ 2,264	\$ 3,913	\$ 4,644	\$ 4,644	\$ 4,644	\$ 4,644	\$ 4,644	\$ 4,644	\$ 4,644	\$ 4,644
Remediation/Processing	0	0	0	0	0	0	0	0	0	0	0	0	0
Medical	41,193	275	1,201	2,076	3,587	4,257	4,257	4,257	4,257	4,257	4,257	4,257	4,257
<b>Total Income</b>	<b>86,131</b>	<b>575</b>	<b>2,512</b>	<b>4,340</b>	<b>7,500</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>
<b>EXPENSES</b>													
Wages	4,897	223	412	412	412	415	419	422	427	431	435	442	446
Other Goods & Services	20,196	350	597	991	1,746	1,953	1,980	2,008	2,036	2,164	2,094	2,123	2,153
Build Out/IT's	100	100	0	0	0	0	0	0	0	0	0	0	0
Lab Equipment Deposit	350	350	0	0	0	0	0	0	0	0	0	0	0
Lab Equipment Payment	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Rent	186	15	15	15	15	15	15	16	16	16	16	16	17
<b>Total Expenses</b>	<b>25,729</b>	<b>1,038</b>	<b>1,024</b>	<b>1,418</b>	<b>2,173</b>	<b>2,383</b>	<b>2,415</b>	<b>2,446</b>	<b>2,478</b>	<b>2,611</b>	<b>2,545</b>	<b>2,581</b>	<b>2,616</b>
<b>NET OPERATING INCOME</b>	<b>\$ 60,402</b>	<b>\$ (463)</b>	<b>\$ 1,487</b>	<b>\$ 2,922</b>	<b>\$ 5,327</b>	<b>\$ 6,517</b>	<b>\$ 6,486</b>	<b>\$ 6,455</b>	<b>\$ 6,422</b>	<b>\$ 6,289</b>	<b>\$ 6,355</b>	<b>\$ 6,320</b>	<b>\$ 6,284</b>



## IX. PROJECTED VALUATION - PHASE = 1 LAB\*



Money Factor \*  
**18X**

Valuation of two Labs\*\*  
**\$232m**

(See "Recent Transactions" page 21)

\*Money Factor based on VII. Recent Transactions page 23.

\*\*The first 12 months of the financial projections that leads to the projected Valuation assumes revenues in month 5 to month 12, and that stabilized revenues don't occur until month 12 - reality would be much sooner. Further, the Valuation is based on revenues from operating 8 hours/day, when, in fact, the lab would operate 24 hours/day, resulting in higher revenues.

Given the status of the MORE ACT and, in particular, the BANKING ACT, a terminal sale is expected within 12 months.



## IX. PHASE I FUNDING – One TIER 1 LAB

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### Requirements

Fund Operations & Build-Out  
Guarantee Building Leases  
Guarantee Equipment Leases

### Capital Raise

**\$800k\***

*Includes ownership in all company assets, including laboratories, licenses, patents and product lines in all states.*

\*Each additional full Tier 1 medical processing lab will require approximately \$800k - \$1.5m. Our company can build 8 labs concurrently. With the imminent passage of either the BANKING ACT or the MORE's ACT, as addressed herein, big pharmaceuticals, breweries, Wall Street, etc. will flood the market as soon as either the BANKING or the MORE's ACTS pass the Senate. We are extremely well positioned to be purchased by one of these entities. The more labs either under construction or operational, the higher the ultimate purchase valuation. It is expected that this will occur before the end of 2022.

As such, our company expects to build additional labs from cash flow and additional capital raised.

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## XI. CONTACT US



**T  
WEST** **801.822.9362**  
[Click to Email](#)







# ADDENDUM: CASH FLOWS BY MONTH

PAVATE PROJECTED CASH FLOWS	13	14	15	16	17	18	19	20	21	22	23	24
Months 1-36	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
<b>INCOME</b>												
WHOLESALE PRODUCT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAIL PRODUCT	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934
REMEDIATION/PROCESSING	0	0	0	0	0	0	0	0	0	0	0	0
MEDICAL	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940
<b>TOTAL INCOME</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>
Quarterly Wholesale/Retail			\$4,643,802			\$4,643,802			\$4,643,802			\$4,643,802
Quarterly Remediation/Processing			0			0			0			0
Quarterly Medical			4,256,819			4,256,819			4,256,819			4,256,819
			<b>\$8,900,621</b>			<b>\$8,900,621</b>			<b>\$8,900,621</b>			<b>\$8,900,621</b>
<b>EXPENSES</b>												
<b>Wages</b>												
General Manager	15,063	15,125	15,188	15,252	15,315	15,379	15,443	15,507	15,572	15,637	15,702	15,767
Manager	15,063	15,125	15,188	15,252	15,315	15,379	15,443	15,507	15,572	15,637	15,702	15,767
Manager	0	0	0	0	0	0	0	0	0	0	0	0
Onsite Managers	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Extraction Manager CTO	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Extraction Specialist	4,017	4,033	4,050	4,067	4,084	4,101	4,118	4,135	4,153	4,170	4,187	4,205
Extraction Specialist	4,017	4,033	4,050	4,067	4,084	4,101	4,118	4,135	4,153	4,170	4,187	4,205
Production Technician	3,515	3,529	3,544	3,559	3,574	3,588	3,603	3,618	3,633	3,649	3,664	3,679
Production Technician	3,515	3,529	3,544	3,559	3,574	3,588	3,603	3,618	3,633	3,649	3,664	3,679
Security Personnel	0	0	0	0	0	0	0	0	0	0	0	0
Security Personnel	3,515	3,529	3,544	3,559	3,574	3,588	3,603	3,618	3,633	3,649	3,664	3,679
Marketing Manager & IT	7,531	7,563	7,594	7,626	7,658	7,689	7,722	7,754	7,786	7,818	7,851	7,884
Social Media Marketing & Manage	6,025	6,050	6,075	6,101	6,126	6,152	6,177	6,203	6,229	6,255	6,281	6,307
Sales Rep #	4,017	4,033	4,050	4,067	4,084	4,101	4,118	4,135	4,153	4,170	4,187	4,205
Sales Rep #2	0	0	0	0	0	0	0	0	0	0	0	0
Sales Rep #3	0	0	0	0	0	0	0	0	0	0	0	0
Secretary Assistant (GM)	0	0	0	0	0	0	0	0	0	0	0	0
Secretary Assistant (Mgrs)	5,021	5,042	5,063	5,084	5,105	5,126	5,148	5,169	5,191	5,212	5,234	5,256
Receptionist	3,515	3,529	3,544	3,559	3,574	3,588	3,603	3,618	3,633	3,649	3,664	3,679
Admin/Bookkeeper	3,013	3,025	3,038	3,050	3,063	3,076	3,089	3,101	3,114	3,127	3,140	3,153
Sales Manager	7,531	7,563	7,594	7,626	7,658	7,689	7,722	7,754	7,786	7,818	7,851	7,884
Distribution Drivers	4,017	4,033	4,050	4,067	4,084	4,101	4,118	4,135	4,153	4,170	4,187	4,205
Inventory Logistics Manager & Complian	5,021	5,042	5,063	5,084	5,105	5,126	5,148	5,169	5,191	5,212	5,234	5,256
Payroll Taxes & Benefits	22,978	23,057	23,136	23,215	23,295	23,375	23,455	23,536	23,617	23,698	23,780	23,862



# ADDENDUM: CASH FLOWS BY MONTH

PAVATE PROJECTED CASH FLOWS	24	25	26	27	28	29	30	31	32	33	34	35	36
Months 1-36	Month 24	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
<b>INCOME</b>													
WHOLESALE PRODUCT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAIL PRODUCT	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934	1,547,934
REMEDATION/PROCESSING	0	0	0	0	0	0	0	0	0	0	0	0	0
MEDICAL	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940	1,418,940
<b>TOTAL INCOME</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>	<b>2,966,874</b>
Quarterly Wholesale/Retail	\$4,643,802			\$4,643,802			\$4,643,802			\$4,643,802			\$4,643,802
Quarterly Remediation/Processing	0			0			0			0			0
Quarterly Medical	4,256,819			4,256,819			4,256,819			4,256,819			4,256,819
	\$8,900,621			\$8,900,621			\$8,900,621			\$8,900,621			
<b>EXPENSES</b>													
<b>Wages</b>													
General Manager	15,767	15,833	15,899	15,965	16,032	16,099	16,166	16,233	16,301	16,369	16,437	16,505	16,574
Manager	15,767	15,833	15,899	15,965	16,032	16,099	16,166	16,233	16,301	16,369	16,437	16,505	16,574
Manager	0	0	0	0	0	0	0	0	0	0	0	0	0
Onsite Managers	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Extraction Manager CTO	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Extraction Specialist	4,205	4,222	4,240	4,257	4,275	4,293	4,311	4,329	4,347	4,365	4,383	4,401	4,420
Extraction Specialist	4,205	4,222	4,240	4,257	4,275	4,293	4,311	4,329	4,347	4,365	4,383	4,401	4,420
Production Technician	3,679	3,694	3,710	3,725	3,741	3,756	3,772	3,788	3,804	3,819	3,835	3,851	3,867
Production Technician	3,679	3,694	3,710	3,725	3,741	3,756	3,772	3,788	3,804	3,819	3,835	3,851	3,867
Security Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0
Security Personnel	3,679	3,694	3,710	3,725	3,741	3,756	3,772	3,788	3,804	3,819	3,835	3,851	3,867
Marketing Manager & IT	7,884	7,917	7,950	7,983	8,016	8,049	8,083	8,117	8,150	8,184	8,218	8,253	8,287
Social Media Marketing & Manage	6,307	6,333	6,360	6,386	6,413	6,439	6,466	6,493	6,520	6,547	6,575	6,602	6,630
Sales Rep #	4,205	4,222	4,240	4,257	4,275	4,293	4,311	4,329	4,347	4,365	4,383	4,401	4,420
Sales Rep #2	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Rep #3	0	0	0	0	0	0	0	0	0	0	0	0	0
Secretary Assistant (GM)	0	0	0	0	0	0	0	0	0	0	0	0	0
Secretary Assistant (Mgrs)	5,256	5,278	5,300	5,322	5,344	5,366	5,389	5,411	5,434	5,456	5,479	5,502	5,525
Receptionist	3,679	3,694	3,710	3,725	3,741	3,756	3,772	3,788	3,804	3,819	3,835	3,851	3,867
Admin/Bookkeeper	3,153	3,167	3,180	3,193	3,206	3,220	3,233	3,247	3,260	3,274	3,287	3,301	3,315
Sales Manager	7,884	7,917	7,950	7,983	8,016	8,049	8,083	8,117	8,150	8,184	8,218	8,253	8,287
Distribution Drivers	4,205	4,222	4,240	4,257	4,275	4,293	4,311	4,329	4,347	4,365	4,383	4,401	4,420
Inventory Logistics Manager & Compliant	5,256	5,278	5,300	5,322	5,344	5,366	5,389	5,411	5,434	5,456	5,479	5,502	5,525
Payroll Taxes & Benefits	23,862	23,944	24,027	24,110	24,193	24,277	24,361	24,445	24,530	24,615	24,701	24,787	24,873



# ADDENDUM: CASH FLOWS BY MONTH

PAVATE PROJECTED CASH FLOWS		1	2	3	4	5	6	7	8	9	10	11	12
Months 1-36	TOTAL MONTHS 1-36	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Lab Equipment &amp; Materials</b>													
Lab Supplies	\$ 1,799,221	0	0	11,500	13,800	16,560	19,872	23,846	28,616	34,339	41,207	49,448	59,337
Lab Equipment	\$ 350,000	0	350,000	0	0	0	0	0	0	0	0	0	0
Build Out	\$ 100,000	100,000	0	0	0	0	0	0	0	0	0	0	0
Security System	\$ 50,000	0	50,000	0	0	0	0	0	0	0	0	0	0
<b>Raw Materials</b>													
Raw Materials Current Products	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Raw Materials New Products	\$ 12,672,772	0	0	81,000	97,200	116,640	139,968	167,962	201,554	241,865	290,238	348,285	417,942
Wholesale Trim Costs	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
Finished Trim Costs	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
<b>Other COGS</b>													
Lab Testing	\$ 899,610	0	0	5,750	6,900	8,280	9,936	11,923	14,308	17,169	20,603	24,724	29,669
Shipping eCommerce	\$ -	0	0	0	0	0	0	0	0	0	0	0	0
<b>SG&amp;A Expense</b>													
Commissions / Cost of Sales	\$ 2,234,651	0	0	0	17,250	20,700	24,840	29,808	35,770	42,924	51,508	61,810	74,172
Marketing	\$ 884,177	0	0	2,875	3,450	4,140	4,968	11,923	14,308	17,169	20,603	24,724	29,669
Office Supplies	\$ 52,936	500	500	1,000	1,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Annual Licensing Costs	\$ 300,000	0	100,000	0	0	0	0	0	0	0	0	0	100,000
Insurances, WC, Product & Biz	\$ 181,454	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Legal/Accounting	\$ 186,454	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Office Rent	\$ 186,454	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Office Furnishings	\$ 40,000	0	40,000	0	0	0	0	0	0	0	0	0	0
Travel Expenses	\$ 246,134	5,000	5,150	10,000	20,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334
Utilities	\$ 648,521	3,000	4,000	5,000	6,000	10,000	12,000	15,000	15,300	15,606	15,918	16,236	16,561
<b>TOTAL EXPENSES</b>	<b>\$ 25,735,395</b>	<b>164,100</b>	<b>622,850</b>	<b>251,525</b>	<b>318,000</b>	<b>335,370</b>	<b>370,789</b>	<b>419,826</b>	<b>469,382</b>	<b>528,768</b>	<b>599,947</b>	<b>685,277</b>	<b>887,584</b>
<b>NET OPERATING INCOME</b>	<b>\$ 60,395,816</b>	<b>(164,100)</b>	<b>(622,850)</b>	<b>323,475</b>	<b>372,000</b>	<b>492,630</b>	<b>622,812</b>	<b>772,494</b>	<b>961,402</b>	<b>1,188,173</b>	<b>1,460,382</b>	<b>1,787,118</b>	<b>2,079,290</b>



# ADDENDUM: CASH FLOWS BY MONTH

PAVATE PROJECTED CASH FLOWS	13	14	15	16	17	18	19	20	21	22	23	24
Months 1-36	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
<b>Lab Equipment &amp; Materials</b>												
Lab Supplies	59,585	59,833	60,082	60,333	60,584	60,836	61,090	61,344	61,600	61,857	62,114	62,373
Lab Equipment	0	0	0	0	0	0	0	0	0	0	0	0
Build Out	0	0	0	0	0	0	0	0	0	0	0	0
Security System	0	0	0	0	0	0	0	0	0	0	0	0
<b>Raw Materials</b>												
Raw Materials Current Products	0	0	0	0	0	0	0	0	0	0	0	0
Raw Materials New Products	419,684	421,432	423,188	424,952	426,722	428,500	430,286	432,078	433,879	435,687	437,502	439,325
Wholesale Trim Costs	0	0	0	0	0	0	0	0	0	0	0	0
Finished Trim Costs	0	0	0	0	0	0	0	0	0	0	0	0
<b>Other COGS</b>												
Lab Testing	29,792	29,916	30,041	30,166	30,292	30,418	30,545	30,672	30,800	30,928	31,057	31,187
Shipping eCommerce	0	0	0	0	0	0	0	0	0	0	0	0
<b>SG&amp;A Expense</b>												
Commissions / Cost of Sales	74,481	74,791	75,103	75,416	75,730	76,046	76,362	76,681	77,000	77,321	77,643	77,967
Marketing	29,792	29,916	30,041	30,166	30,292	30,418	30,545	30,672	30,800	30,928	31,057	31,187
Office Supplies	1,506	1,513	1,519	1,525	1,532	1,538	1,544	1,551	1,557	1,564	1,570	1,577
Annual Licensing Costs	0	0	0	0	0	0	0	0	0	0	0	0
Insurances, WC, Product & Biz	5,021	5,042	5,063	5,084	5,105	5,126	5,148	5,169	5,191	5,212	5,234	5,256
Legal/Accounting	5,021	5,042	5,063	5,084	5,105	5,126	5,148	5,169	5,191	5,212	5,234	5,256
Office Rent	5,021	5,042	5,063	5,084	5,105	5,126	5,148	5,169	5,191	5,212	5,234	5,256
Office Furnishings	0	0	0	0	0	0	0	0	0	0	0	0
Travel Expenses	6,360	6,387	6,413	6,440	6,467	6,494	6,521	6,548	6,575	6,603	6,630	6,658
Utilities	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004
<b>TOTAL EXPENSES</b>	<b>791,025</b>	<b>794,486</b>	<b>797,967</b>	<b>801,468</b>	<b>804,988</b>	<b>808,529</b>	<b>812,091</b>	<b>815,674</b>	<b>819,277</b>	<b>822,901</b>	<b>826,547</b>	<b>830,215</b>
<b>NET OPERATING INCOME</b>	<b>2,175,848</b>	<b>2,172,387</b>	<b>2,168,907</b>	<b>2,165,406</b>	<b>2,161,885</b>	<b>2,158,344</b>	<b>2,154,783</b>	<b>2,151,200</b>	<b>2,147,597</b>	<b>2,143,972</b>	<b>2,140,326</b>	<b>2,136,659</b>



# ADDENDUM: CASH FLOWS BY MONTH

PAVATE PROJECTED CASH FLOWS	25	26	27	28	29	30	31	32	33	34	35	36
Months 1-36	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
<b>Lab Equipment &amp; Materials</b>												
Lab Supplies	62,633	62,894	63,156	63,419	63,684	63,949	64,215	64,483	64,752	65,021	65,292	65,564
Lab Equipment	0	0	0	0	0	0	0	0	0	0	0	0
Build Out	0	0	0	0	0	0	0	0	0	0	0	0
Security System	0	0	0	0	0	0	0	0	0	0	0	0
<b>Raw Materials</b>												
Raw Materials Current Products	0	0	0	0	0	0	0	0	0	0	0	0
Raw Materials New Products	441,155	442,994	444,839	446,693	448,554	450,423	452,300	454,184	456,077	457,977	459,885	461,802
Wholesale Trim Costs	0	0	0	0	0	0	0	0	0	0	0	0
Finished Trim Costs	0	0	0	0	0	0	0	0	0	0	0	0
<b>Other COGS</b>												
Lab Testing	31,317	31,447	31,578	31,710	31,842	31,974	32,108	32,241	32,376	32,511	32,646	32,782
Shipping eCommerce	0	0	0	0	0	0	0	0	0	0	0	0
<b>SG&amp;A Expense</b>												
Commissions / Cost of Sales	78,291	78,618	78,945	79,274	79,605	79,936	80,269	80,604	80,940	81,277	81,615	81,956
Marketing	31,317	31,447	31,578	31,710	31,842	31,974	32,108	32,241	32,376	32,511	32,646	32,782
Office Supplies	1,583	1,590	1,597	1,603	1,610	1,617	1,623	1,630	1,637	1,644	1,651	1,657
Annual Licensing Costs	100,000	0	0	0	0	0	0	0	0	0	0	0
Insurances, WC, Product & Biz	5,278	5,300	5,322	5,344	5,366	5,389	5,411	5,434	5,456	5,479	5,502	5,525
Legal/Accounting	5,278	5,300	5,322	5,344	5,366	5,389	5,411	5,434	5,456	5,479	5,502	5,525
Office Rent	5,278	5,300	5,322	5,344	5,366	5,389	5,411	5,434	5,456	5,479	5,502	5,525
Office Furnishings	0	0	0	0	0	0	0	0	0	0	0	0
Travel Expenses	6,686	6,714	6,741	6,770	6,798	6,826	6,855	6,883	6,912	6,941	6,969	6,999
Utilities	21,424	21,852	22,289	22,735	23,190	23,653	24,127	24,609	25,101	25,603	26,115	26,638
<b>TOTAL EXPENSES</b>	<b>933,904</b>	<b>837,615</b>	<b>841,349</b>	<b>845,105</b>	<b>848,884</b>	<b>852,685</b>	<b>856,510</b>	<b>860,359</b>	<b>864,231</b>	<b>868,127</b>	<b>872,047</b>	<b>875,991</b>
<b>NET OPERATING INCOME</b>	<b>2,032,970</b>	<b>2,129,258</b>	<b>2,125,525</b>	<b>2,121,769</b>	<b>2,117,990</b>	<b>2,114,188</b>	<b>2,110,363</b>	<b>2,106,515</b>	<b>2,102,643</b>	<b>2,098,747</b>	<b>2,094,827</b>	<b>2,090,883</b>