



**Cannabis
Growth Financial Services
("GFS") Overview**

Growth Financial Services

Services Overview



Financial Modeling

Creation of dynamic financial models to validate future company performance.



Investor Presentation

Assembly of customized investor decks, detailing client's business operations.



Valuation Analysis

Utilization of income and market-based approaches to issue defensible valuations.



Strategic Advisory

Expert advisory to help clients navigate an ever-changing regulatory landscape.

Who We Are:

Houlihan Capital ("Houlihan") is a leading, solutions-driven, valuation, financial advisory and boutique investment bank committed to delivering superior client value and thought leadership in an ever-changing landscape.

Houlihan Capital is a FINRA and SIPC member, committed to the highest levels of professional ethics and standards.

Cannabis Industry Experience:

Houlihan Capital has completed over 30+ valuation engagements for cannabis clients that include many of the industry's leaders. With the industry's transformation to a regulated and complex market, Houlihan Capital understands the importance its clients place on timely decision-making that impacts business strategy on a daily basis. As a service provider with extensive experience working with both public and private cannabis companies, Houlihan Capital is flexible in structuring its Growth Financial Service engagements to support its clients' needs.

Contact Info:

200 W Madison Street, Suite 2150
Chicago, IL 60606
(312) 450-8600
info@houlihancapital.com

Services Overview

Value Added, Client Focused Solutions

Financial Modeling for Cannabis Clients:

Houlihan Capital provides a suite of financial modeling and advisory services aimed at independently critiquing assumptions, valuation methodologies, and conclusions for today’s dynamic market environment. Houlihan builds detailed, ground-up, financial models that incorporate Unit Volumes, Revenues, Margins, and Expenses that are easily updated as inputs and assumptions are revised (the “Model”). The Model helps clients validate their revenue forecasts and business models, ultimately leading to more efficient operations. Our valuation experts create a solution tailored specifically for each engagement.



Detailed historical analysis



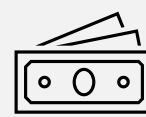
Projected monthly production



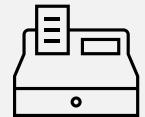
Oil extraction processes and yields



Pricing schedules



Unit volume and margin assumptions



COGS and G&A expenses

Valuation Services for Cannabis Clients:

Houlihan has access to industry tools to help evaluate the regulatory environment, state-by-state legislation, maturity of the market, and company-specific factors, such as granted licenses and competitive advantages. The cannabis market is rapidly evolving as states enact legislation to legalize medical and adult-use cannabis. Houlihan Capital’s team of cannabis experts are constantly informed on the ever-changing cannabis market, allowing us to provide timely, research-backed valuations for clients.

Houlihan Capital has experience valuing operating and non-operating cannabis businesses and has also been routinely engaged to provide valuations for provisional and granted cannabis licenses, for both vertically integrated and standalone operations.

Income-Based Valuation Approaches

Discounted Cash Flow (DCF) Modeling - Terminal value determined by using a long-run growth rate and/or a future simulated buyout of the company.

Discount rate – Each revenue stream is discounted at its own rate to reflect inherent risks and probability. Risk premiums are adjusted for modeling medical vs adult-use markets.

Market-Based Valuation Approaches

Precedent Transactions – Utilize market-based evidence such as previously closed transactions for comparable analysis of the subject company.

Guideline Public Company (GPC) – Analysis of forward-looking multiples from public companies within the subject company’s industry for use in deriving valuation (TEV / Revenue or TEV / EBITDA).

Representative Client List

Exposure Across Industry Subsectors

Representative Client Engagements:

- We developed a dynamic pro forma financial model to derive a valuation opinion for our client, a national leader in the cannabis sector since 2013. The company holds a controlling interest in a diverse portfolio of medical marijuana licensed businesses and management companies in competitive U.S. jurisdictions. The Company is involved in the production, extraction, and dispensation of formulated, pharmaceutical-quality marijuana products.
- We built a comprehensive pro forma financial and valuation model and performed a valuation for a medical cannabis cultivator and processor. As of December 2017, the company serves the patients of Illinois with a wide arrange of precisely dosed, pharmaceutical-grade cannabis products. The Company has been awarded marijuana cultivation licenses in Ohio and Pennsylvania and has applications pending in several other states.
- We constructed a tailored pro forma financial model and performed a valuation for a finance, research & technology, real estate, and portfolio management company, with 110,000 square feet of real estate under management. The company supports national & international intellectual property management and maintains ten subsidiaries, ranging from foodservices (including cannabis-based products), beverage services, and breweries.
- We perform quarterly valuations to derive fair value reporting for an investment platform primarily focused on controlling and minority equity investments in: (i) plant touching businesses, (ii) differentiated branded products, (iii) attractive retail concepts, (iv) vertically integrated platforms, and (v) medical and adult-use markets.
- We have provided valuations and fairness opinions for a company that operates in the medical marijuana and industrial hemp market. The company’s products range from patented and proprietary cannabinoid products to seed and stalk extracts. The company serves the pharmaceutical, nutraceutical, and cosmeceutical industries by developing health and wellness products. The company also licenses its proprietary testing, packaging, tracking, production, and standardization methods for the medicinal cannabinoid industry.
- We have performed a fair value reporting valuation for a manufacturing, processing, distribution and transportation company offering a wide range of adult-use cannabidiol (“CBD”) derived products. Our client has approximately 35 employees and conducts business activities exclusively in the state of California.
- Houlihan Capital currently provides valuations and valuation reviews for hedge fund clients with various investments focused in the cannabis industry.
- We have provided a fairness opinion for a nonprofit company that holds permits to cultivate, process and sell medical marijuana. The Company commenced operations in October 2015. The parent company owns and operates 49 dispensaries, 14 cultivation sites and 13 processing sites with a focus on highly populated, limited license states.

Areas of Expertise:



Houlihan Capital

Our Team

Houlihan Capital's team offers an integrated advisory approach that draws upon our strategic and technical expertise, industry knowledge, transactional and financing experience, and expansive network of institutional and private investors to guide shareholders and management teams. We also understand the time sensitivity of many of our assignments and work diligently to meet these demands while minimizing operational disruption, allowing clients to focus on their business.

In addition to the firm's GFS offering, Houlihan provides M&A advisory services to businesses across all major industries with an enterprise value greater than \$5.0 million and EBITDA between \$1.0 million and \$15.0 million. Many businesses of this size have a unique story to tell, and we are committed to structuring a tailored approach to assist clients in achieving their strategic, financial, and risk-management objectives.

Our professionals serve as an extension of our client's management team, providing specialized transaction advisory support derived from years of hands-on experience. Our clients can stay focused on running their business while Houlihan runs a successful sale process.

For additional information, or to find out more about how Houlihan Capital can assist, please contact:

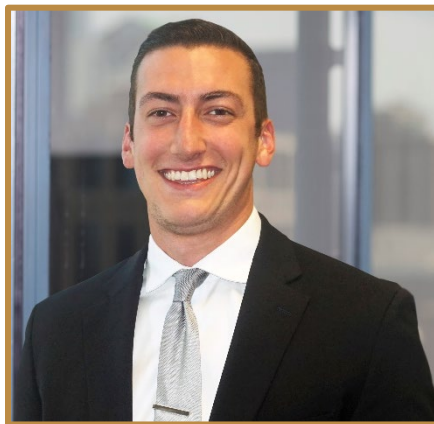


Andrew Smith

President

asmith@houlihancapital.com

(312) 450-8610



Jacques Zureikat

Senior Associate

jzureikat@houlihancapital.com

(312) 450-8634



Connor Fabian

Associate

cfabian@houlihancapital.com

(312) 450-8608