



45 years of economic and financial modeling meets the most respected name in cannabis consulting: BBC Research & Consulting (BBC) and Denver Relief Consulting (DRC) have teamed to provide a comprehensive financial modeling platform for emerging and existing cannabis businesses. The model draws on DRC's deep understanding of cannabis cultivation, processing and retailing, and BBC's market quantification and financial modeling expertise.

CANNABIS FINANCIAL MODELING

BUILD THE BUSINESS

Whether you are a serial entrepreneur entering the industry for the first time or a long-time grower building your first business, our financial models will allow your group to understand the capital, operating and regulatory costs in this unique industry.

- Start-up costs
- Market quantification
- Regulatory costs
- Production metrics
- Optimal scale

ATTRACT INVESTMENT

Let's face it. When recruiting investors, money talks. Our custom financial models will allow you to present a transparent and powerful picture of the opportunities and risks of your cannabis venture to a wide variety of investor audiences.

- Cash flow modeling
- Capital spending and working capital review
- Forecasting
- Mergers & acquisitions
- Risk/reward

STRATEGIC DECISIONS

Successfully deciding on a future course of action depends on your company's ability to understand the financial implications of alternative strategies, such as establishing new sales channels, entering new markets, relocating production sites or launching new products.

- Scenario analysis
- Pricing analysis
- Product development
- Operating cost analysis
- Sensitivity analysis/stress tests

OUR VALUE PROPOSITION

COMPLEXITY TURNED INTO SIMPLICITY: Turn complex information into meaningful answers

TRANSPARENCY: All assumptions are customizable by the user

USER-FRIENDLY DASHBOARD: Easy inputs and graphical outputs

INTUITIVE MODEL CONTROL: No need for an Ivy League MBA to operate

EFFICIENT COMMUNICATION TO EXTERNAL PARTIES: Inform investors, partners, regulators, and creditors

ROBUST DECISION-MAKING TOOL: Form the basis for bold decisions

ACCURATE, FLEXIBLE, PRACTICAL: The right metrics—on Day 1 or Year 10

Medical Marijuana Financial Model: Cultivation Operation-- DRAFT

About this workbook


Created by:


MPG, LLC

System requirements:

Microsoft Excel 2007 or higher


Worksheet Cells:

 Input parameter: Change if known


 Model formula: Do not change

Tab Categories:

 Cultivation specific

 Demand calculations

 Input tabs

 Operational details

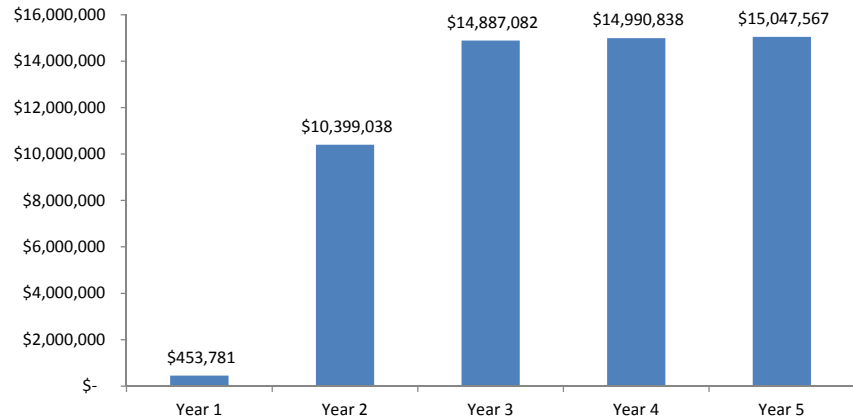
Model Summary:

- The dashboard shows real-time results using basic toggles.
- More detailed customizable inputs are shown on the Payroll Inputs, COGS Inputs, Capital Inputs and Demand Calculation tabs.
- All other tabs show model details but should not be altered.

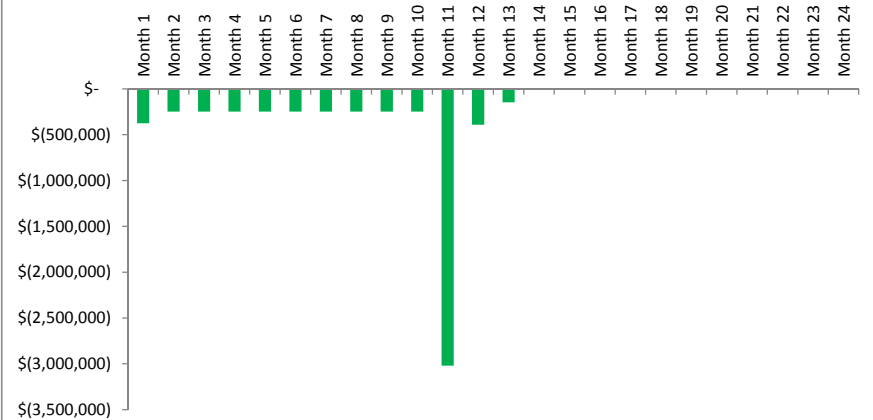
Worksheet Comments:

- Worksheet comments throughout the model are intended to guide the user through the more complicated model inputs.

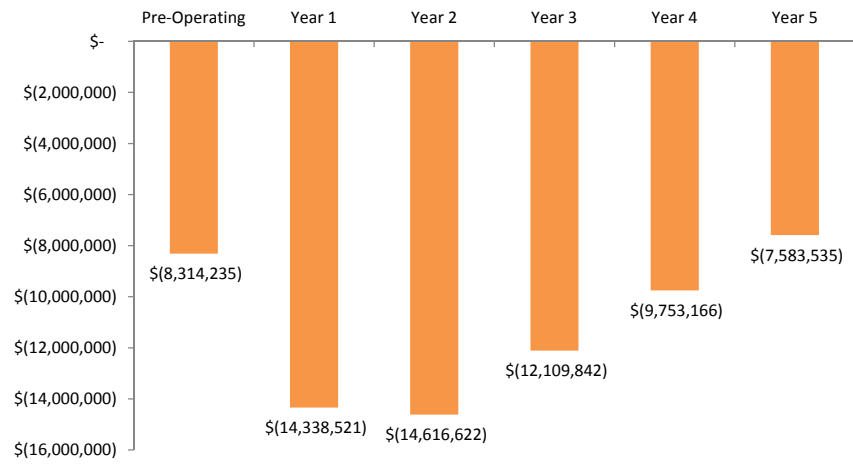
Cultivation Annual Gross Revenues



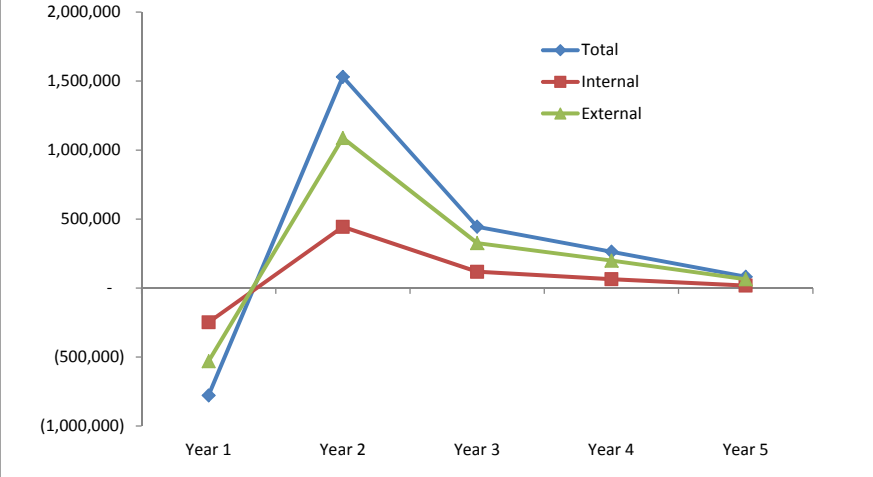
Monthly Cultivation Net Profit (Loss) - 2 Year



Annual Cumulative Profit (Loss)



Annual Cultivation Over (Under) Supply (grams per year)



Please note the magnitude of the axes in the graphs as values change.

Cost of Goods Sold (direct materials and direct labor included)

Direct Materials	Cost per canopy sq ft or per gram	Total Annual Cost at Year 5 Operation
Grow Media and Supplies (per flowering canopy sq ft)	\$ 18.00	\$ 293,760
Nutrients (per flowering canopy sq ft)	\$ 18.00	\$ 293,760
Packaging (per gram)	\$ 0.15	\$ 555,696
Other #1 (per flowering canopy sq ft)	\$ -	\$ -
Other #2 (per flowering canopy sq ft)	\$ -	\$ -
Other #3 (per flowering canopy sq ft)	\$ -	\$ -
Other #4 (per gram)	\$ -	\$ -
Direct Materials Total		\$ 1,143,216
		Total Annual Cost at Year 5 Operation
Direct Labor (from Payroll Inputs Worksheet)		
Master Grower/Cultivation Manager		\$ 150,000
Head Gardener		\$ 75,000
Transportation Manager		\$ 50,000
Transportation Assistant Manger		\$ -
Gardeners ¹		\$ 1,637,500
Laborers ¹		\$ 1,021,875
Trimmers ¹		\$ 1,021,875
Other (Direct Labor) ¹		\$ -
Direct Labor Total		\$ 3,956,250
Total COGS		\$ 5,099,466

Worksheet Comments

1. As these full-time employees come from "Cultivation Labor - Variable," the total annual cost will vary by year depending on the number of employees for the given year. The value presented here shows the corresponding Year 5 value.
2. The "other" line items can be populated if additional direct materials or direct labor should be included.