



STRATEGIC BUSINESS PLAN

Sample Cannabis Co.



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TABLE OF CONTENT

| | |
|---|----|
| TABLE OF CONTENTS..... | 2 |
| EXECUTIVE SUMMARY | 3 |
| SAMPLE CANNABIS CO..... | 4 |
| Growing Plan..... | 4 |
| Operations | 5 |
| Marketing Channels..... | 5 |
| TARGET MARKET | 6 |
| OVERVIEW OF CANNABIS IN CALIFORNIA..... | 8 |
| Product Segmentation in California Market Size..... | 8 |
| Pricing - California Cannabis Flower..... | 9 |
| INDUSTRY OVERVIEW: CANNABIS GROWING MARKET | 10 |
| Demand Determinants..... | 11 |
| Barriers to Entry..... | 11 |
| COMPETITIVE ANALYSIS | 13 |
| Key Success Factors | 13 |
| SWOT ANALYSIS..... | 14 |
| FINANCIAL PROJECTIONS | 15 |
| Revenue Forecast..... | 15 |
| Projected Income Statement..... | 16 |
| Projected Cash Flow..... | 17 |
| Projected Balance Sheet..... | 18 |





SAMPLE CANNABIS CO.

EXECUTIVE SUMMARY

Sample Cannabis Co. is a licensed cannabis grower in California. The Company has identified a 22,000 square foot facility in California to build a state-of-the-art indoor cannabis cultivation facility. The 22K square foot indoor facility is ideal for indoor growing and can produce over 7.5K pounds of Cannabis annually.

The management estimated \$1 million to develop an indoor cultivation facility in California.

The Company will mainly provide Cannabis to licensed processors and dispensaries for inclusion in their products. The target market segment includes wholesale distributors and medical & recreational dispensaries in California. The Department of Public Health (DPH) issues licenses for manufacturers who procure raw cannabis from the grower and manufacture concentrated waxes, vape oils, edibles and other cannabis products. As of the first quarter of 2021, DPH issued 711 licenses for manufacturers.

Tim Thomas is the CEO and Founder of Sample Cannabis Co. He brings operating and investing experience to the Company. Before founding Cannabis Co., Tim worked for a decade in agri-business under senior management capacity. He earned his BA from the University of California and MBA from Harvard University.

California's market represents about a third of the North American cannabis market. According to market research estimates, the legal cannabis industry could reach \$50 billion by 2026, with California accounting for about \$25 billion in that market. According to ArcView Market Research and BDS Analytics' report, the global cannabis market will increase by threefold in five years, with the US expected to play a significant role in the growth with an expected market value of \$23.3 billion. Research also shows that there were 4.4 million adult-use consumers 21 years of age and older in 2018.

SAMPLE CANNABIS CO.

Sample Cannabis Co. is an indoor cannabis grower in California. The Company holds a type 1A category license in California. The cannabis cultivation license allows the Company to legally grow and sell Cannabis for medical as well as for recreational purposes to licensed processors and licensed dispensaries in California.

Sample Cannabis Co. is a limited liability Company registered and headquartered in the state of California. Tim Thomas is the owner of the Company.

Growing Plan

The Company will develop a state-of-the-art indoor facility on 10,000 square feet initially for cannabis production in California and will expand up to 20,000 square feet.

The Company will grow mainly Sativa and Indica.

SATIVA: Sativas grow long, lanky, and take their time to finish. Sativa has a shorter vegetative cycle. It takes around 10-12 weeks until it is ready for harvest. Pure Sativa strains growing period is approximately six months. Sativa's important qualities include anti-anxiety and anti-depressant actions; it treats chronic pain and increases focus, energy, and creativity.



INDICA: Indica has always been famous amongst growers because of its shorter flowering periods and higher yields. Shorter flowering periods mean plants mature and finish growing sooner than Sativa strains. The essential qualities of Indica strains are that it provides relief in relief from body pain, increase appetite, reduce anxiety, lower seizure frequencies and intensity, and aids sleep for those who are suffering from insomnia.



Operations



SECURITY PLANS & PROCEDURES

Sample Cannabis Co. places the utmost importance on the safety and security of its employees, clients, neighbors, and members of the community. Key elements of the Company's safety and security plan include facility security, fire safety, and product security.



INVENTORY AND RECORD-KEEPING

The following procedures related to inventory management, packaging and labeling, and storage will prevent the diversion of cannabis products.

- All inventory will be accounted for and entered into the Cannabis Software System and State's state-mandated seed-to-sale-tracking system (Metric).
- Packaging & Labelling: Packaging and labelling will be monitored through video surveillance and will meet health and safety guidelines as per state requirement
- Storage: The finished packed products will be stored in the storage room in a vaulted safe until ready for distribution.



PERSONNEL POLICIES

Personnel policies include a detailed hiring plan and recruitment process to hire prospective employees. After hiring, the Company will have a rigorous orientation training program for all new hires and monthly meetings to ensure employees are well informed of company procedures and state and local laws and regulations.

Marketing Channels

Marketing will be done through the following media:

SHOWS & EVENTS

The Company will attend trade shows and events such as California Cannabis Business Conference

NETWORKING

Networking will facilitate propagation of the Company's products through distributors and delivery service providers

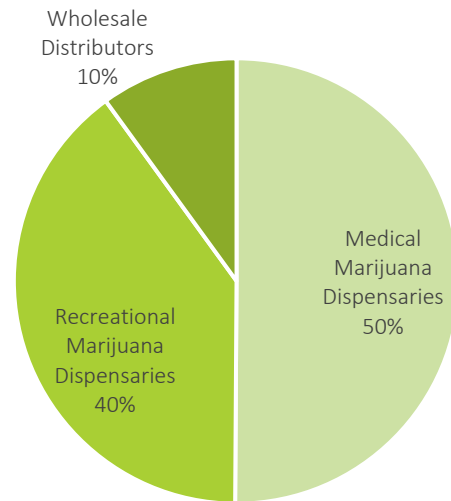
ONLINE

- The Search Engine Optimized website will direct traffic searching for cannabis growers in California.
- The Company will utilize YouTube to post videos sharing growing technique and product's efficacy.
- AdWords - Testing various keywords to select terms relevant to the topic and, at the same time, acceptable by Google's algorithm, such as green, medicine, 502, infused, relaxing, stimulating, enhanced, alternative therapies, alternative medicine, natural, and others. Mantis, 420 Network, and 420 Click.
- The Company will also ensure its presence and positive consumer reviews at cannabiscouponcodes.com, Weedmaps, Leafly, Stickyguide.com, cannasaver.com, weedealio.com, and Wikileaf

TARGET MARKET

Medical marijuana is used to treat many ailments, but it is most commonly used to relieve pain. By contrast, the sale of recreational cannabis is currently limited to the states that have passed legalization laws for adult full use. Although the sale of recreational marijuana only began in 2014, it will grow to command nearly 40.0% of the customer market for legal marijuana in 2021.

The COVID-19 (coronavirus) pandemic is expected to increase industry demand. In 2020 and 2021, Medical and Recreational Marijuana Stores industry operators are expected to experience and increase in demand. This will translate to dispensaries demanding more from growers. There is not expected to be a significant difference in change in demand based on type of dispensary.



MEDICAL DISPENSARY

Medical dispensaries will account for 50.1% of total industry revenue in 2021. Severe pain is the most commonly cited reason for medical marijuana use. Severe pain can result from a variety of chronic diseases and injuries. Medical marijuana can help alleviate severe pain and help patients relax and rest. On average, 52.2% of medical marijuana users used medical marijuana because of severe pain.

Muscle spasms can be caused by multiple sclerosis, Lou Gehrig's disease, cerebral palsy, quadriplegia, cranial and spinal nerve injuries, and Tourette's syndrome. Since medical marijuana is purported to help patients relax and sleep better, it is estimated that 7.0% of industry customers used medical marijuana because of muscle spasms.

A variety of diseases can cause nausea and migraines, including digestive disorders. Medical marijuana can provide relief and muscle relaxation, which helps alleviate nausea. IBISWorld estimates that 5.6% of customers used medical marijuana because of severe nausea.



Medical marijuana is used to help provide pain relief in a variety of more specific diseases and conditions, such as patients suffering from cancer and seizures. Cancer treatment can be painful, and medical marijuana can help patients relax and rest to accelerate recovery. Medical dispensaries demand has remained relatively stable as medical marijuana has become more accepted in society and accessible.



RECREATIONAL DISPENSARIES

Recreational marijuana dispensaries will account for 39.9% of total industry revenue in 2021. Recreational marijuana users typically smoke in hand-rolled cigarettes ("joints") or pipes or water pipes ("bongs"). They also smoke marijuana in blunts, which are cigars that have been emptied of tobacco and refilled with a mixture of marijuana and tobacco. Recreational marijuana users typically smoke to obtain a "high," which affects the part of the brain that influences pleasure, memory, thinking, concentration, sensory and time perception and coordinated movement. As of the November 2020 elections,

legal recreational marijuana use is limited to Alaska, Arizona, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Montana, Oregon, Nevada, New Jersey, South Dakota, Vermont and Washington. However, recreational users' market share is set to expand rapidly over the five years to 2026 as additional states permit the purchase of cannabis for recreational use and pass legislation authorizing its sale. Moreover, the expansion of recreational marijuana to the industry's largest market, California, will likely increase this segment of revenue.

WHOLESALE DISTRIBUTORS

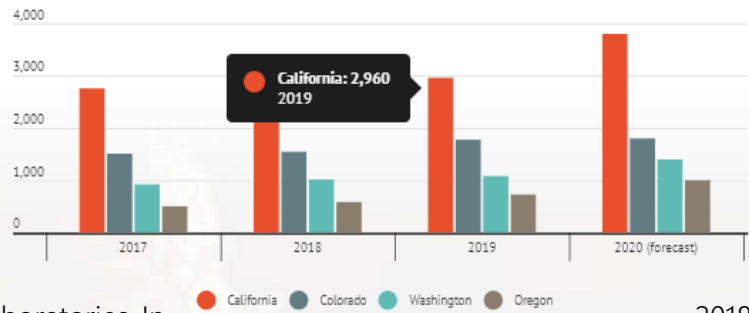
Marijuana growers sell to wholesalers that distribute marijuana to medical or recreational dispensaries, depending on the state's law. Considering that marijuana is still illegal at a federal level, most states require a license to transport marijuana products. This market segment ensures a product reaches retail locations (or dispensaries) legally, from testing to taxation. For example, in California, distributors, or a distribution license, are required by law

because cultivators or growers cannot sell directly to retailers. As the retail market for recreational marijuana products continues to increase, industry operators will likely want to use a distributor to operate efficiently and diminish regulatory problems. In 2021, wholesale distributors were anticipated to generate 10.0% of industry revenue. However, this share has decreased as laws loosen up for the industry, permitting cultivators to sell directly to retailers.



OVERVIEW OF CANNABIS IN CALIFORNIA

In 2019, the combined year-to-year sales hit \$3 billion, indicating a 20% growth compared to 2018 and representing about 22 percent of U.S. sales. As of January 2020, there were 7,551 active licenses, including 4,220 cultivators, 987 manufacturers and 910 retailers, delivery services, 944 distributors, 243 microbusinesses, 129 transporters, 86 event organizers 32 testing laboratories. In

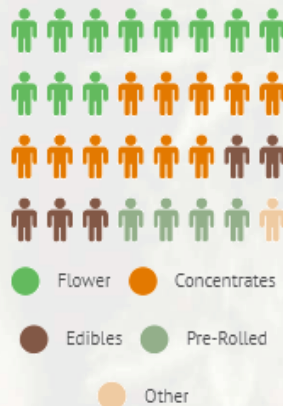


2018, California retail stores sold \$2.5 billion worth of cannabis products, and sales in California represented about 24 percent of legal sales in the United States, while combined sales in Colorado, Washington and Oregon represented about 30 percent of U.S. sales. California’s cannabis excise tax generated \$181.9 million in 2018, and recreational cannabis sales reached nearly \$1,210 million or 48.4% of total sales.

The first quarter of 2019 brought in \$120.8 million of tax revenues, the second and the third increased to \$144.2 million and \$163.2 million, respectively, and the fourth was estimated to hit \$160 million. The cannabis industry's total tax revenue in 2019 was about \$590 million, including about \$300 million in excise tax, and recreational cannabis sales reached almost \$2 billion.

Product Segmentation in California

Californians spent most of their dollars (36%) on the flower. Concentrates, the next most significant share of cannabis sales, captured 33%, with over 83% of cartridges. Edibles, with 17%, came in third. The top performers in the California edibles market included cannabis-infused chocolate, gummies and beverages. Pre-rolled joints grab 11% of the market, and other product categories represent less than 2% of the marketplace. At year-end 2019, sales from recreational Cannabis accounted for nearly 70% of total concentrate sales in California and continued to increase in proportion to overall category sales.



Market Size

According to the National Survey on Drug Use and Health (“NSDUH”), medical cannabis registry data from the California Department of Consumer Protection (“CDCP”), patient estimates from the Cannabis Policy Project (“MPP”), and population projections from the California Department of Finance, there were about 5.9 million adult-use consumers 21 years of age and older in 2018 (latest available statistics).

Pricing - California Cannabis Flower

Wholesale Pricing

California cannabis growers report a favorable wholesale market with increasing demand, despite a lack of retail outlets and continued opposition to legal recreational cannabis from the majority of municipalities and counties in the state. Growers in the state report during 2020 (latest available statistics) that pounds of wholesale cannabis flower are selling for:

- Indoor: \$1,800-\$2,200 (similar to 2019)
- Greenhouse: \$1,150-\$1,300 (up 30% from 2019)
- Outdoor: \$900-\$1,100 (similar to 2019)

Retail Pricing

Based on the latest survey, published in 2019, results from a comparison between licensed retailers and unlicensed retailers from the three data collection rounds during the post-regulation phase in 2018 are reported below:

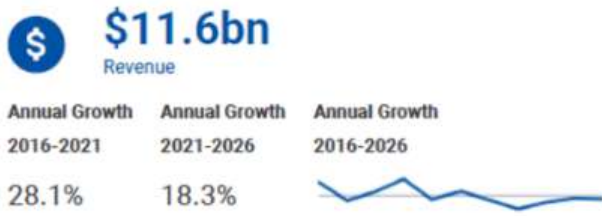
| Data collection round | Retailers | Dried flower, avg. prices | | | | Oil cartridge, avg. prices | |
|-----------------------|-----------|---------------------------|------------|----------|----------|----------------------------|-----------|
| | | 1/8 oz min | 1/8 oz max | 1 oz min | 1 oz max | 0.5 g min | 0.5 g max |
| Feb 2018 | | | | | | | |
| Licensed* | 176 | \$27.44 | \$56.72 | \$184.15 | \$344.59 | \$30.33 | \$49.01 |
| Unlicensed† | 88 | \$25.51 | \$49.25 | \$154.76 | \$295.11 | \$28.58 | \$41.78 |
| License premium‡ | | 7.6% | 15.2% | 19.0% | 16.8% | 6.1% | 17.3% |
| May 2018 | | | | | | | |
| Licensed* | 289 | \$25.83 | \$53.83 | \$169.90 | \$319.44 | \$31.01 | \$49.09 |
| Unlicensed† | 93 | \$23.61 | \$47.90 | \$152.22 | \$289.11 | \$27.60 | \$43.19 |
| License premium‡ | | 9.4% | 12.4% | 11.6% | 10.5% | 8.5% | 13.0% |
| Jul 2018 | | | | | | | |
| Licensed* | 270 | \$31.01 | \$54.46 | \$191.73 | \$311.42 | \$31.80 | \$54.07 |
| Unlicensed† | 89 | \$27.47 | \$51.01 | \$166.68 | \$294.35 | \$29.69 | \$44.90 |
| License premium‡ | | 12.9% | 6.8% | 15.0% | 5.8% | 7.1% | 13.7% |

* Prices listed by retailers active in each data collection round that had obtained temporary licenses from the Bureau of Cannabis Control to operate legally at the time of the data collection round.

† Prices from a representative sample of unlicensed retailers in 20 counties around California (Alameda, Contra Costa, Los Angeles, Marin, Mendocino, Orange, Riverside, Sacramento, Santa Clara, San Bernardino, San Diego, San Francisco, San Luis Obispo, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Tulare and Yolo). The 20-county unlicensed sample was collected by arbitrarily selecting several retailers that appeared in the first page of Weedmaps search results from each of these counties, in approximate proportion to their relative populations. We collected the 20-county unlicensed sample separately for the purposes of this comparison, and only in the three 2018 data collection rounds. The 20-county unlicensed sample aims to be representative of the whole state, and is unrelated to the original October 2016 sample with attrition or the seven-county sample shown in tables 2 and 3. Differences between licensed and unlicensed prices in the original October 2016 sample, with attrition, are also shown in table 3; however, because of unequal attrition in the seven original counties, licensed-unlicensed differences in table 3 are more likely to be biased. We thus calculate percentage license premiums only in table 4.

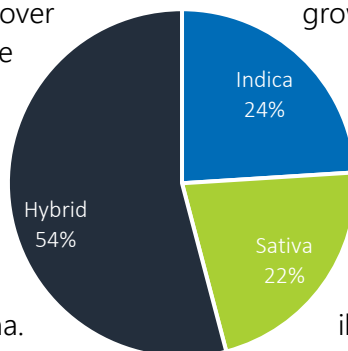
‡ Calculated as (licensed - unlicensed)/unlicensed.

INDUSTRY OVERVIEW: CANNABIS GROWING MARKET



Watershed legalization victories over recent years, most notably during the 2016 and 2020 election cycles, proved that the cannabis industry is one of the fastest-growing industries in the US. In 2020 alone, Arizona, Montana, New Jersey and South Dakota passed legislation to legalize recreational marijuana. Consumer attitudes are also accelerating legalization efforts at the state level. Gallup reports that an estimated 80.0% of US citizens approve of legal access to medical marijuana, while 60.0% approve of full adult-use legalization. The growing acceptance of medical marijuana provides growers and investors with unprecedented opportunities. As a result, industry revenue is forecast to grow an annualized 28.1% to \$11.6 billion over the five years to 2021. In 2021 alone, revenue is expected to grow 29.5% due to new legalization initiatives and increased demand from the COVID-19 (coronavirus) pandemic.

In the 2016 and 2020 elections, states increasingly passed legalization laws. These legislative victories fueled industry operations' strong growth and provided growth opportunities. The licensing of commercial, recreational marijuana



growers in these states contributed to industry revenue growth of 40.8% in 2016, as new entrants flooded the market. In addition to the favorable regulatory environment in these states, medical marijuana growers have continued to benefit from the steadily aging population. Chronic illnesses and cancer become more prevalent as individuals age, and these ailments drive demand for medical marijuana products in particular. As recreational marijuana continues to be legalized and accepted by different states, profit for industry operators is anticipated to increase.

Over the five years to 2026, revenue is expected to increase an annualized 18.3% to \$26.9 billion. However, the industry's future remains uncertain until the federal government definitively rules to legalize marijuana. Until then, a growing number of medical marijuana patients and the recreational cannabis legalization movement will generate an expanding consumer base for growers. Moreover, as surrounding nations, including Canada and Mexico, legalize the drug, the US government will likely be pressured to follow suit.

Demand Determinants



GOVERNMENT REGULATION

The federal government regulates cannabis as a Schedule I controlled substance and considers all marijuana cultivation, sale and consumption illegal. In states that lack laws legalizing the medical or recreational use of cannabis, marijuana use is explicitly prohibited.

However, a total of 34 states across the United States and Washington, DC have some level of legalization of medical marijuana. Nonetheless, federal policy continues to limit some consumer demand in states where medical marijuana is legal because of pervasive fears of violating federal law. President Obama's December 2014 passage of an omnibus spending bill included a directive preventing the Department of Justice from using federal funding to impeded states from implementing their own state laws that authorize the use, distribution, possession or cultivation of medical marijuana. Over the five years to 2026, the legalization of medical and recreational marijuana in a score of other states will likely occur.



INCOME AND DEMOGRAPHICS

The legalization of medical marijuana, and recreational marijuana in some states, has created a market for high-quality cannabis, which can be expensive. Furthermore, since medical marijuana is typically not covered under health insurance plans, demand is largely dependent on patients' income levels.

Population demographics, particularly age, also dictate demand trends for medical marijuana. Although adults aged 50 and older are more likely to develop health conditions such as cancer, Alzheimer's, chronic pain, glaucoma and other diseases that can be treated with medical marijuana, obtaining a medical marijuana card is not difficult in many states. As a result, the average age of a medical marijuana patient is 41.5 years of age. Moreover, changing societal norms have made marijuana use much more acceptable today.

Barriers to Entry

Prospective Medical and Recreational Marijuana Growing industry operators contend with minimal barriers to entry in terms of capital costs. However, the classification of marijuana as a Schedule I controlled substance and the possibility of federal prosecution contribute to medium barriers to entry. Over the five years to 2021, many operators entered the Medical and Recreational Marijuana Growing industry due to favorable policy stances from the Obama administration. However, in 2011, the Drug Enforcement Agency (DEA) stepped up raids on marijuana dispensaries, making prospective operators more hesitant to enter this industry. More recently, the industry has benefited from favorable regulatory decisions at the federal level. In response to changing public sentiment, the United States House of Representatives voted in 2014 to restrict the DEA from using funds to target medical marijuana growers

Barriers to entry checklist

| | | |
|---------------------|--------|----|
| Competition | High | ⚠️ |
| Concentration | Low | ✅ |
| Life Cycle Stage | Growth | ✅ |
| Technology Change | Low | ✅ |
| Regulation & Policy | Heavy | ⚠️ |
| Industry Assistance | High | ✅ |

More recently, the industry has benefited from favorable regulatory decisions at the federal level. In response to changing public sentiment, the United States House of Representatives voted in 2014 to restrict the DEA from using funds to target medical marijuana growers

and dispensaries. Although this amendment to the DEA appropriations bill would need to be passed by the Senate to become binding, its confirmation would materially alter the outlook for industry operators. The omnibus-spending statement signed by President Obama in December of 2014 included the historic provisions for medical marijuana discussed above. The bill has a rider to defund the DOJ's war on medical marijuana, preventing the agency from using the funding to "prevent [medical marijuana states] from implementing their State laws that authorize the use, distribution, possession or cultivation of medical marijuana."

State regulations have mixed effects. In general, increased state regulation has benefited industry operators by legalizing medical marijuana or providing a more concrete code on marijuana growing. Over the past five years, barriers to entry have decreased because several states and Washington, DC passed legislation legalizing some level of medical marijuana growing. While states provide a legal avenue for growers to enter this industry, regulations are extensive and costly for prospective growers. For example, Colorado requires every marijuana plant to be registered with the state. Prospective growers are subject to background checks, deposits and licensing and application fees. Licensing and registration fees can total \$500,000 or more. Additionally, all growing facilities are under constant video surveillance by law enforcement personnel from the state's Medical Marijuana Enforcement Division.

Additionally, due to many minor medical marijuana growers, competition is very high. Marijuana vendors must grow high-quality plants while charging competitive prices, which may push away prospective entrants. Over the past five years, competition has increased, making it more challenging to succeed in this industry.



COMPETITIVE ANALYSIS

The identified competitors for Sample Cannabis Co. are described below:

COMPETITOR 1

Founded: 2016
Headquarters: Sacramento, CA
Type: Privately Held
Equity Raised: \$5 million
Specialties: Cannabis, Customer Service, Agriculture, and Supply Chain
Strengths: Online sale option, presence in 3 locations, designer cannabis claim, vertically integrated
Weaknesses: No education programs, and not offering any remarkable products

COMPETITOR 2

Founded: 2015
Location: Santa Barbara, California
Equity Raised: \$7 million
Products: Flower, Pre-Roll, Stylus (Vape)
Strengths: 7+ year-old brand and presence in two states
Weaknesses: No focus on customer betterment & education and positioning as a luxury brand

COMPETITOR 3

Founded: 2018
Location: California City, California
Equity Raised: \$4.5 million
Products: Sativa, Indica and Hybrid
Strengths: Strong brand recognition
Weaknesses: Lacks in automation technology

Key Success Factors

The following is a listing of the primary success factors of the Company:

Ideal Location

- The Company has an ideal location that is surrounded by cannabis delivery service providers and distributors.

Experience

- The extensive experience and years within the Company's senior management industry will help guide its advancing management team.

High Tech

- Highly technological, unique and fully controllable cultivation techniques.

Community Support

- The Company has ability to attract community support through literacy program

Compliance and SOP

- The Company complies with the legislation and is flexible to adjust to changing regulations quickly and smoothly.

Effective Strains

- The Company has develop the most potent and effective strains that attract greater demand.

SWOT ANALYSIS

STRENGTHS

- Strong market potential
- High quality offering
- Ability to grow high quality and consistent products.
- Highly technological, unique and fully controllable cultivation techniques.
- Higher yields with no use of growth regulators or pesticides.
- High-quality products at a reasonable price.
- Ideal location for cultivation, processing, and distribution.



WEAKNESSES

- The Company must build its credibility
- No Federal scope

OPPORTUNITIES

- Networking opportunities with distributors in the vicinity
- California, the world's biggest cannabis market
- The increasing popularity of alternative medicines.
- Growth in the popularity of alternative medicine.
- Expansion of business by expanding the facility and outdoor grow.



THREATS

- Instability of the US economy leads to unpredictable market activity
- Larger companies that have more resources and the ability to reach deeper into the market
- Changes in laws and regulations

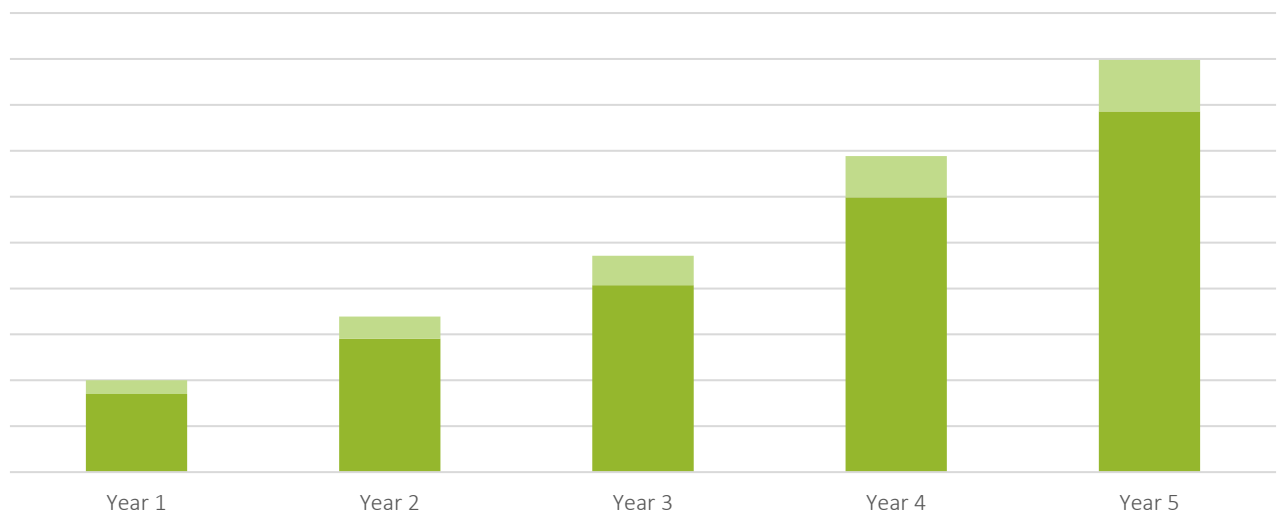


FINANCIAL PROJECTIONS

Revenue Forecast

The following is a five-year revenue and direct cost forecast.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------|--------|--------|--------|--------|--------|
| Total Quantity | | | | | |
| Wholesale (Flower) - Lbs. | xxx | xxx | xxx | xxx | xxx |
| Retail (Flower) - 1/8 oz. | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Price Per Pound | | | | | |
| Wholesale (Flower) | xxx | xxx | xxx | xxx | xxx |
| Retail (Flower) | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Revenue | | | | | |
| Wholesale (Flower) | xxx | xxx | xxx | xxx | xxx |
| Retail (Flower) | xxx | xxx | xxx | xxx | xxx |
| Total Revenue | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Direct Cost | | | | | |
| Wholesale (Flower) | xxx | xxx | xxx | xxx | xxx |
| Retail (Flower) | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Direct Cost of Revenue | | | | | |
| Wholesale (Flower) | xxx | xxx | xxx | xxx | xxx |
| Retail (Flower) | xxx | xxx | xxx | xxx | xxx |
| Subtotal Cost of Revenue | xxx | xxx | xxx | xxx | xxx |



Projected Income Statement

Sample Cannabis Co. intends to deploy its funding to maximize growth and profitability. Below is the projected income statement of the Company:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------|--------|--------|--------|--------|--------|
| Revenue | xxx | xxx | xxx | xxx | xxx |
| Cost of Revenue | xxx | xxx | xxx | xxx | xxx |
| Excise Tax | xxx | xxx | xxx | xxx | xxx |
| Total Cost of Revenue | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Gross Margin | xxx | xxx | xxx | xxx | xxx |
| Gross Margin/Revenue | Xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Expenses | | | | | |
| General & Administrative | xxx | xxx | xxx | xxx | xxx |
| Marketing & Advertising | xxx | xxx | xxx | xxx | xxx |
| Utilities and Triple Net | xxx | xxx | xxx | xxx | xxx |
| Employee Benefits | xxx | xxx | xxx | xxx | xxx |
| Maintenance | xxx | xxx | xxx | xxx | xxx |
| Legal & Professional | xxx | xxx | xxx | xxx | xxx |
| Community Support | xxx | xxx | xxx | xxx | xxx |
| Depreciation | xxx | xxx | xxx | xxx | xxx |
| Salaries & Wages | xxx | xxx | xxx | xxx | xxx |
| Total Operating Expenses | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| EBITDA | xxx | xxx | xxx | xxx | xxx |
| Federal Tax | xxx | xxx | xxx | xxx | xxx |
| | | | | | |
| Net Profit | xxx | xxx | xxx | xxx | xxx |
| Net Profit/Revenue | xxx | xxx | xxx | xxx | xxx |

Projected Cash Flow

The following is a depiction of Sample Cannabis Co.'s projected cash flow:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| Cash Flow From Operating Activities | | | | | |
| Profit before Taxation | xxx | xxx | xxx | xxx | xxx |
| Adjustment of Non-Cash Items | | | | | |
| Depreciation | xxx | xxx | xxx | xxx | xxx |
| Changes in Working Capital | | | | | |
| Account Receivable | xxx | xxx | xxx | xxx | xxx |
| Inventory | xxx | xxx | xxx | xxx | xxx |
| Accounts Payable | xxx | xxx | xxx | xxx | xxx |
| Tax Paid | xxx | xxx | xxx | xxx | xxx |
| Net Cash (Used)/Generated from Operating Activities | xxx | xxx | xxx | xxx | xxx |
| Cash Generated from Investing Activities | | | | | |
| Acquire Long-Term Assets | xxx | xxx | xxx | xxx | xxx |
| Other Assets (Deposits) | xxx | xxx | xxx | xxx | xxx |
| Net Cash (Used) in Investing Activities | xxx | xxx | xxx | xxx | xxx |
| Cash Generated from Financing Activities | | | | | |
| Shares issued | xxx | xxx | xxx | xxx | xxx |
| Loan Received/(Repaid) | xxx | xxx | xxx | xxx | xxx |
| Net Cash Generated from Financing Activities | xxx | xxx | xxx | xxx | xxx |
| Cash Generated from All Activities | xxx | xxx | xxx | xxx | xxx |
| Beginning Cash Balance | xxx | xxx | xxx | xxx | xxx |
| Cash & Cash Equivalent | xxx | xxx | xxx | xxx | xxx |

Projected Balance Sheet

The following is the projected balance sheet of Sample Cannabis Co.

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------------|--------|--------|--------|--------|--------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | xxx | xxx | xxx | xxx | xxx |
| Account Receivable | xxx | xxx | xxx | xxx | xxx |
| Inventory | xxx | xxx | xxx | xxx | xxx |
| Other Current Assets | xxx | xxx | xxx | xxx | xxx |
| Total Current Assets | xxx | xxx | xxx | xxx | xxx |
| Non-Current Assets | | | | | |
| Fixed Assets | xxx | xxx | xxx | xxx | xxx |
| Accumulated Depreciation | xxx | xxx | xxx | xxx | xxx |
| Total Non-Current Assets | xxx | xxx | xxx | xxx | xxx |
| Total Assets | xxx | xxx | xxx | xxx | xxx |
| Liabilities and Capital | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | xxx | xxx | xxx | xxx | xxx |
| Current Borrowings | xxx | xxx | xxx | xxx | xxx |
| Other Current Liabilities | xxx | xxx | xxx | xxx | xxx |
| Subtotal Current Liabilities | xxx | xxx | xxx | xxx | xxx |
| Long-Term Liabilities | | | | | |
| Loan from Investor | xxx | xxx | xxx | xxx | xxx |
| Total Liabilities | xxx | xxx | xxx | xxx | xxx |
| Capital | | | | | |
| Paid-up Capital | xxx | xxx | xxx | xxx | xxx |
| Retained Earnings | xxx | xxx | xxx | xxx | xxx |
| Earnings | xxx | xxx | xxx | xxx | xxx |
| Total Capital | xxx | xxx | xxx | xxx | xxx |
| Total Liabilities and Capital | xxx | xxx | xxx | xxx | xxx |

NOTE TO READERS

This is a sample business plan. It will provide you with an example of a comprehensive plan. This sample business plan is a private property of BPlanwriter and may not be distributed or copied. All names such as owner and key management personnel used in this sample business plan are fictional except market and industry research.



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