



Honey Bee Pharms

Project Overview

Arizona Medical
Cannabis Production
and Research

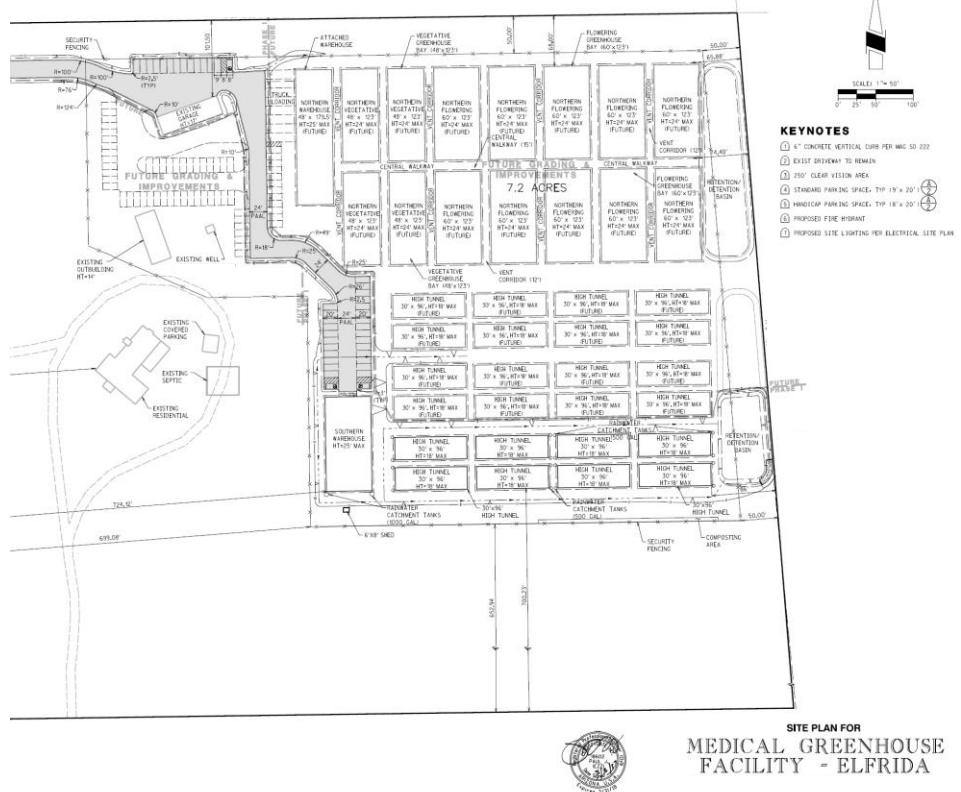
CANNA
CONSULTANTS
MEDICAL CANNABIS CONSULTING

HoneyBee Pharms is a vision of its designers and developers, Canna Consultants, representing what we believe should be the standard business model in the medical cannabis industry.

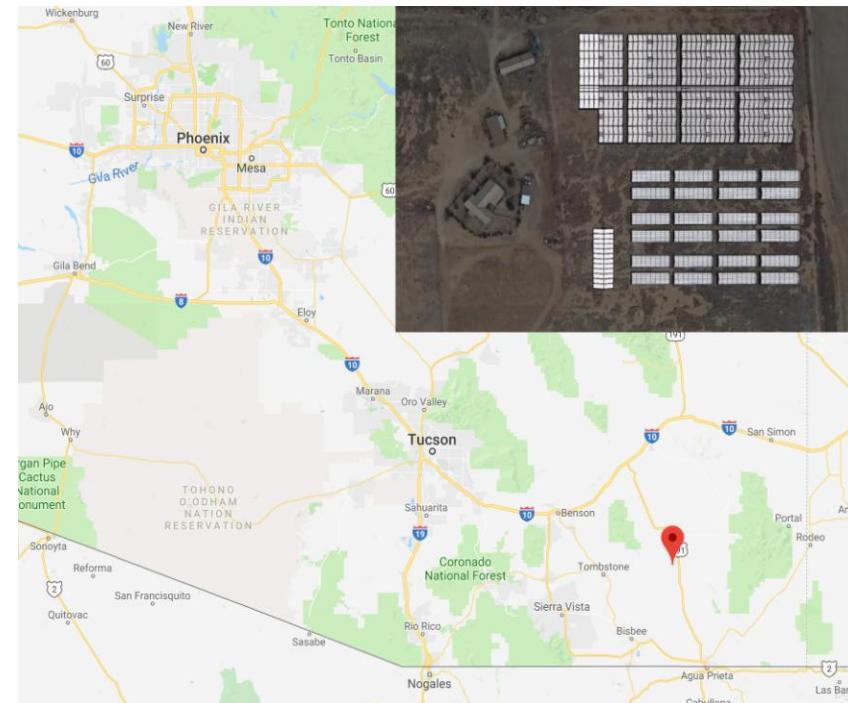
Focusing on top tier operators, high quality medical products, and incorporating medical research with community oriented philanthropy, HoneyBee Pharms represents a unique opportunity for investors to enter the largest emerging market in the nation alongside a group of passionate and well positioned industry veterans.

Facility and Site Specifics

- Pre-Engineered with Building Permits in hand
- Phase 1 includes an extraction and analytics lab, processing warehouse, indoor propagation space, and 30,000SF of greenhouse canopy.
- Phase 2 and 3 expand this canopy to 170,000SF, conservatively estimated to generate \$25M in gross revenue annually.



Location and Climate



- An ideal agricultural site in Elfrida, Arizona, located in Cochise County. 40 acre parcel with irrigation rights permitted for cultivation and processing on 10 acres.
- High elevation, cooler temperatures, with well above average sunlight allows for energy efficient climate control options and year round greenhouse production.
- Nearby state highway and interstate access to Tucson and Phoenix metro areas.

Core Operational Values

HoneyBee Pharms has been established using industry best practices formulated and developed by Canna Consultants. These focus on both operational and philanthropic guidelines to best serve the business as a whole in the long term.

- Expertly assembled staff with University horticultural researchers and large scale producers who will maintain and operate the facility on a daily basis. These operators have experience in highly regulated agricultural and medical cannabis environments.
- A unique and easily distinguished product line built from decades of collecting unique cannabis cultivars throughout the nation and worldwide. Further incorporating the health benefits of honey with the healing properties of cannabis and eventually expanding to on site production of naturally infused propolis and royal jelly.
- Establishing local and statewide support through local advocates which include medical cannabis industry influential members, community leaders, and media contacts.

In addition to expertly guided operations, HoneyBee Pharms will focus on several philanthropic causes. These projects create significant long term potential revenue streams through data collection and also offer a standout feature justifying significant statewide and nationwide exposure. These programs include:

- Spearheading the largest medical cannabis research program to date. Data collection of patient reported outcomes will be organized and retained focusing on seriously debilitating conditions such as cancer, epilepsy, Parkinson's, Alzheimer's, diabetes, multiple sclerosis, and others. Successfully documenting and compiling thousands of patient reported successes, dosages, durations, and other specifics may provide an unaccounted for, significant revenue source into the future through discussions with big pharmaceutical and insurance organizations.
- The final facility size and capacity was designed with scalability in mind, as well as our philanthropic programs. This size facility will allow for significant philanthropic support into medical research and the local community, while still maintaining an extremely profitable business for ownership.
- Local support for the project has been encouraged through the promotion of local school and community related projects. With a core member of HoneyBee Pharms on the local school board, significant contributions are planned to revitalize the financially exhausted local elementary and high school system.

Future Potential Markets

- A legal adult use market in Arizona has been projected to generate over half a billion dollars in revenues annually, according to a non-partisan group the Grand Canyon Institute. These figures were projected in 2015, and since that time, numerous states with existing medical and adult use programs have continuously exceeded their own projections for revenue and industry growth and Arizona is now approaching that figure with their medical market alone.
- With building permits in hand, a local and qualified general contracting firm standing by, and additional contacts throughout the area, HoneyBee Pharms is well positioned to begin construction and operations at a moment's notice and to capitalize on any approaching, critical timelines and future potential markets.

Project Funding and Partnerships

- To date, all expenses including land use permitting, county appearances, building permits, site and facility engineering, entity creation, and associated tax and legal to accomplish such has been provided internally by the core group under the guidance of Canna Consultants, a managing member of HoneyBee Pharms.
- \$7 - \$7.7M is required for the build out and site development of Phase 1 operations, including ongoing operating costs and expenses for one year. Phase 2 and Phase 3 operations and expansions have been priced into the budget, bringing total canopy to over 170,000SF. Detailed expenses, as well as 5 and 10 year financial projections are included in the business plan and complete project documentation.
- An additional \$3-5M may be utilized to establish a vertically integrated operation. A dispensary equity purchase would drastically change current financial projections and increase projected revenues. Alternatively, vertical integration can be achieved following adult use in 2018 or 2020.
- Currently, HoneyBee Pharms is engaging in dialog regarding funding options to facilitate the site build out and ongoing operations, as well as potential lease or sale options for existing operators or those looking to enter the Arizona market.

Financial Projections

Financial Overview					
	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue	\$1,410,000	\$3,977,820	\$3,995,720	\$7,905,530	\$12,095,288
Gross Profit	\$1,351,000	\$3,813,923	\$3,823,525	\$7,549,192	\$11,525,075
Operating Profit	(\$468,000)	\$1,960,383	(\$1,065,245)	\$1,846,305	\$5,709,970
Earning Before Interest & Taxes	(\$468,000)	\$1,960,383	(\$1,065,245)	\$1,846,305	\$5,709,970
Earnings	(\$468,000)	\$1,960,383	(\$1,065,245)	\$1,846,305	\$4,710,725
Gross Profit Percentage	95.8%	95.9%	95.7%	95.5%	95.3%
Operating Profit Percentage	-33.2%	49.3%	-26.7%	23.4%	47.2%
EBIT Percentage	-33.2%	49.3%	-26.7%	23.4%	47.2%
Earnings Percentage	-33.2%	49.3%	-26.7%	23.4%	38.9%
Net Cash Flow	(\$468,000)	\$1,960,383	(\$1,065,245)	\$1,786,305	\$4,710,725
Cash Balance	\$1,020,950	\$2,981,333	\$1,916,087	\$3,702,392	\$8,413,117

Financial Overview					
	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Revenue	\$15,358,929	\$24,408,781	\$24,518,620	\$24,628,954	\$24,739,784
Gross Profit	\$14,649,783	\$23,288,391	\$23,341,511	\$23,392,254	\$23,440,476
Operating Profit	(\$989,917)	\$12,991,271	\$12,840,472	\$12,683,218	\$12,519,284
Earning Before Interest & Taxes	(\$989,917)	\$12,991,271	\$12,840,472	\$12,683,218	\$12,519,284
Earnings	(\$989,917)	\$8,444,326	\$8,346,307	\$8,244,092	\$8,137,535
Gross Profit Percentage	95.4%	95.4%	95.2%	95.0%	94.7%
Operating Profit Percentage	-6.4%	53.2%	52.4%	51.5%	50.6%
EBIT Percentage	-6.4%	53.2%	52.4%	51.5%	50.6%
Earnings Percentage	-6.4%	34.6%	34.0%	33.5%	32.9%
Net Cash Flow	(\$1,059,917)	\$8,444,326	\$8,346,307	\$8,244,092	\$8,137,535
Cash Balance	\$7,353,200	\$15,797,527	\$24,143,834	\$32,387,926	\$40,525,460

Contact and Further Information

For interested parties, please visit our website at www.honeybeepharms.com for more information.

Contact us directly to gain access to the password protected login portal at www.honeybeepharms.com/login-portal/ which provides additional documentation including the full business plan, detailed financials, special use and building permit documentation, and all site and facility engineering.

Please also feel free to contact us with additional questions or for further inquiries. We look forward to bringing a revolutionary cannabis business to the forefront of the industry: By industry veterans, combining decades of knowledge and scientific analysis with unsurpassed passion for the untapped potential of medical cannabis.

HoneyBee Pharms Managing Members

David M. Schweda

President – Canna Consultants

dms@cannaconsultants.com

C. Lucien DeBatty

Sr. Vice President – Canna Consultants

ld@cannaconsultants.com

CANNA CONSULTANTS

55 E. Monroe, Suite 3800
Chicago, IL 60603

info@cannaconsultantsillinois.com

www.cannaconsultants.com

312-212-4233

