

OPPORTUNITY HIGHLIGHTS

DESCRIPTION

Flowhub's mission is to provide a world class Seed-to-Sale Solution that sets the standard for supply chain visibility, regulatory compliance, and effortless inventory and operations management within the cannabis industry.

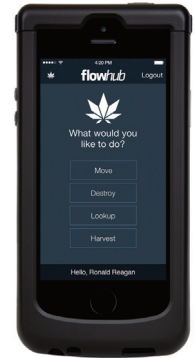
Flowhub will be providing a web based, Seed-to-Sale Solution integrated through three product lines; a service providing inventory management solutions for grow operations, a Point-of-Sale Solution for cannabis retailers, and a solution for Manufacturers of Infused Products.

INDUSTRY OVERVIEW

- Colorado
 - 1,250 grow licenses
 - 918 dispensaries
- Oregon
 - 368 dispensaries
- Washington
 - 334 dispensaries
 - 625 producers

FINANCING

- Funding to Date: \$675k
 - \$500k Seed Round - \$2 million valuation
 - \$175k Bridge to Series A – 15% discount to Series A
- Capital Raise: \$3,000,000 max
- Phyto Partners Investment: \$300,000
- Pre-money Valuation: \$17.5 million
- Investment Instrument: Class A Preferred Shares
- Board Representation: None



INVESTMENT THESIS

After reviewing the seed to sale software vertical for over 8 months, our analyst concluded that Flowhub has the best software. After demoing, analyzing, and asking for feedback on the top 20 seed to sale companies not once did Phyto Partner's hear a satisfied customer. The problem was each software solution was either taken from another industry or built upon past software. Flowhub started from scratch and was made by growers, for growers. The software is so simple that any person could use their system without any help needed. The company's software has been validated by Native Roots, one of the largest dispensary chain in the nation. Before Native Roots switched over to Flowhub they were using MJ Freeway, the largest and first seed to sale solution. Native Roots had many issues with the software but for a long time no other solution existed. Once Flowhub built out their system, they approached Native Roots and they instantly switched over to Flowhub. This anecdote can be expanded to numerous other grow operations and dispensaries that Phyto has spoken to. Everyone dislikes their seed to sale software solution, until they try Flowhub. With seed to sale tracking being mandated by the state, 2,168 (1,250 grow licenses + 918 dispensary licenses) Colorado cannabis businesses have to use seed to sale software (other states are mandating seed to sale software as well). With everyone fed up with their existing software, converting customers to use Flowhub will be easy as their software is not only easy to use but also the only software that is able to be synced up to the state's API. This makes Flowhub the most compliant software in the state of Colorado and eventually the entire country as they expand.

COMPETITION

- BioTrackTHC
- MJ Freeway

UNIQUE STRENGTHS OF THE COMPANY

- Massroot's, the leading cannabis social media platform with over 725,000 users and over 1,000 dispensaries made a strategic investment in Flowhub to be their exclusive seed to sale solution for dispensaries on Massroot's platform
- Flowhub has a strategic partnership with Native Roots, the largest dispensary chain in Colorado to implement their complete seed to sale solution in all grow operations and dispensary retail outlets
- The company has a multitude of other strategic alliances with Baker (a portfolio company), Jane (co-founder of Jane is on Phyto Partner's board of advisors), VapeXhale, Greenrush, and Tradiv (a portfolio company)
- The suite of software was developed by growers, for growers... The incumbents did an excellent job pushing for seed to sale regulation, however, Flowhub has not only made the easiest to use but also the most efficient in the cannabis industry in regards to reporting, tracking, and compliance

FLOWHUB'S REVENUE PROJECTIONS

Fiscal Year	2016E	2017E	2018E
Revenue	\$2.2 mil	\$8.6 mil	\$15.1 mil
EBITDA	\$139k	\$3.8 mil	\$7.8 mil



MANAGEMENT TEAM RESUMES

Kyle Sherman, Manager of the Board, Flowhub – Co-Founder & CEO

Kyle Sherman is the co-founder and CEO of Flowhub, LLC, serving on the Board of Managers and executive staff. A legalization advocate and entrepreneur, Kyle is finding unique ways to mesh technology and cannabis while driving legalization forward in the United States. He continually defines the company's vision, strategy, and growth as the Company innovates the way canna-businesses manage their compliance and supply chain. His goal is to make compliance simple, keep government transparent, and keep product off the black market. This inherent motivation keeps Kyle and the Flowhub team passionate about compliance, eliminating inefficiencies, and introducing the cannabis industry to the 21st century.

Chase Wiseman, Manager of the Board, Flowhub – Co-Founder & CFO

Chase Wiseman has a degree in Business Management Entrepreneurship from DePaul University, Chicago. During his education at DePaul, he worked with the Legatum Group, an international investment group based in Dubai that invests capital in the industries and ideas that drive global prosperity.

In 2012, Chase took on a role at EcoPlanet Bamboo Group, the largest bamboo plantation company in the world working as corporate controller. His responsibilities included overview of budgets for global operations, oversight of cash management activities, financial and operational data analytics and forecasting, and developing business expansion strategies. In late 2014, Chase got a call from his long time friend Kyle Sherman with a unique opportunity in cannabis. Chase quickly move to Colorado to aid in building the idea into a real business.

Keli Wells – COO

Keli Wells thrives at solving the problems that cause inefficiency in generating profit, expanding operations and automating solutions. This passion has driven over a decade of proven results leading talented teams of analytics and operations managers for The Walt Disney Company. Keli most recently directed the redesign of Disney Cruise Line's air travel and collateral programs and their expansion to new international markets and products, while generating over \$32M annual revenue. Keli holds a Bachelor of Science degree in Industrial Engineering from Lehigh University and is an active member of Women Grow.

For more information regarding the company can be found at www.flowhub.co.