

Welcome to
CANDESCENT



CALIFORNIA

CALIFORNIA

CALIFORNIA

CALIFORNIA

CALIFORNIA

COMPANY SNAPSHOT

A VERTICALLY INTEGRATED CANNABIS BRAND



- One of the industry's most recognized and highly regarded cannabis brands
- California's #1-selling, flower brand¹
- Pioneer of a consumer-centric approach, classifying cannabis products by desired outcome (Calm, Cruise, Create, Connect, Charge) versus the confusing array of strain names (OG Kush, Sour Diesel, Gorilla Glue, etc.)

CATEGORY	DETAILS
Industry	Commercial Cannabis
Markets	United States (CA, NY, MA), Canada
Company Status	Private
CA License Hold	18, cultivation, nursery, processing, manufacturing, distribution, non-storefront retail and events
Business Model	Premium CPG
Brands	Cannabuccant, goodbriars
Products	Flower, Pre-rolls, Concentrates, Infusedibles
CEO	Adrian Smith
Distribution Footprint	>90% penetration in CA
Revenue CAGR	700% through 2019
2018 Revenue	\$15.4M
Current Revenue Run Rate	\$17.1M
Previous Equity Capital Raised	\$21.6M
Growth Drivers	New products, brands, and markets
2019 Projected Revenue	\$25.1M
2020 Projected Revenue	\$35.0M

Source: ¹WBI research report on Flower brands in 2017 and the Flower brand with sales over \$11 million in 2018

DISCLOSURE

This summary contains forward-looking statements and information relating to Fire Management, LLC (SBI's Candidate) (the "Company" or "Candidate") that are based on the beliefs and assumptions made by the company's management. When used in this document, the words "anticipate", "believe", "estimate", and "expect" and similar expressions, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. The Company does not intend to update these forward-looking statements. No assurance can be given that the Company's actual performance will come close to such forward-looking statements or that the Company will ultimately be profitable.

SECURITIES LAWS

This Presentation is for informational purposes and does not constitute an offer or a solicitation of an offer to purchase the securities referred to herein. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended. Candidate expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained herein, (ii) any error, omission, or inaccuracy in any such information, or (iii) any action resulting therefrom.

KEY INVESTMENT HIGHLIGHTS

- 1 Cannabis is the fastest growing industry on the planet** – Countries and states are legalizing at an accelerating rate, while consumers are rapidly adopting cannabis for health, wellness and relaxation
- 2 The leading luxury cannabis brand** – California's #1-selling luxury flower¹, growing at a 700% CAGR while maintaining a 150% premium² in the most competitive cannabis market in the world
- 3 A Vertically Integrated CPG Company** – Cannadescend operates its brands from seed-to-retail, including 75K sq ft (6,970 m) of cultivation, processing, manufacturing and distribution with another 53K sq ft (4,925 m) set for delivery in 2019
- 4 Diversified Revenue Streams** – Multiple revenue streams spread across a growing portfolio of market-leading brands, products and price points
- 5 World-Class Management Team** – The strongest brand operators in cannabis, led by founder/CEO Adrian Sedlin, a Harvard MBA with 5 previous exits
- 6 Actionable Growth Opportunities** – The company will leverage its platform in California, ultra-premium, flower to add facilities, extend its products, establish new brands, and expand to new states



Source: *WDR includes only the three brands with retail price above \$10/gram. ¹Cannadescend's own wholesale price versus Cannabis Branded's average wholesale price.

HOW YOU WIN THE CANNABIS RACE

CANNDESCENT'S STRATEGIC BEACHHEAD



THE COMPANY THAT SECURES CALIFORNIA PREMIUM FLOWER CAN LEVERAGE THE PLATFORM TO DOMINATE THE U.S. CANNABIS INDUSTRY, LAUNCHING NEW PRODUCTS, BRANDS, GEOGRAPHIES AND DISTRIBUTION CHANNELS OVER TIME

WHERE WE STARTED

CONSUMER PAIN POINTS

Today's market materially underserves the "Starbucks" consumer

WHAT THE MARKET DELIVERS

MEDIOCRE PRODUCTS. Prohibition scared off talent and capital, creating a cottage industry of subpar offerings

INCONSISTENT EXPERIENCES. Providers using very different genetics and techniques market products under the same name

CONFUSION AND INTIMIDATION. Market overwhelms consumers with 6,000 strain names and overly technical information about cannabinoids, terpenes, CBD, CBG, THCa, THCv, and flavonoids...

COUNTERCULTURE PARADOX. Incredible health and wellness product marketed as the misbegotten offspring of Cypress Hill & Dank Dynasty

OPACITY. Cloaked providers without brands rob consumers of recourse

TOXICITY. 40% of products still fail testing in 2018

WHAT CONSUMERS WANT

EXCEPTIONAL PRODUCTS

CONSISTENT, REPEATABLE OUTCOMES

SIMPLIFICATION AND CURATION

ASPIRATIONAL MESSAGING

TRUST AND TRANSPARENCY

PURE AND NATURAL

WHAT WE BUILT

A VERTICALLY-INTEGRATED CONSUMER PACKAGED GOODS COMPANY

CULTIVATION



- 3 licensed facilities
- 67,000 sq ft
8,225 sq m
- Indoor and light-dep greenhouses
- 18,000 lbs/year capacity
- Several new states under contract

PROCESSING



- 1 licensed facility
- 4,000 sq ft
372 sq m
- Partially automated
- 12,000 lbs/year capacity
- New ~15,000 sq ft (~1,400 sq m) facility online 1Q20

MANUFACTURING



- 1 licensed facility
- 2,000 sq ft
186 sq m
- Cold CO2 extraction, ultra-clear distillation
- 18,000 lbs/year capacity
- New ~10,000 sq ft (~930 sq m) facility online 2Q20

DISTRIBUTION



- 2 licensed facilities
- 2,000 sq ft
186 sq m
- 12 trucks and 250+ accounts
- 500 deliveries/month
- New ~10,000 sq ft (~930 sq m) facility online 1Q20

BRANDS

good

CANNESCENT

- 2 top 15 brands
- 50 SKUs
- Luxury and premium segments
- >80% account penetration¹
- Entering new product categories

Source: ¹New Canoe's internal California shipments report

HOW WE BUILT IT

SOLUTION

INSIGHT

Combine best practices from CPG, Big Ag and luxury goods sectors to build an elegant brand

TACTIC

- SUPERIOR PRODUCTS
- SCALABLE
- SUSTAINABLE
- STATS & DATA
- SIMPLE
- SOPHISTICATED
- SEXY
- STRONG

PERFORMANCE



OUTCOMES



WHAT THE NUMBERS SAY

KEY PERFORMANCE INDICATORS

ACCOUNTS SIGNED



GRAMS SOLD



REVENUE



CANNIDESCENT

- ... commands a 2.4x market price when compared to average CA spot price
- ... has a 700% CAGR through 2019 and is currently at a \$37.1 million revenue run-rate
- ... maintained its position as the #1 top shelf flower brand (10 consecutive quarters)
- ... achieved record sales in 2Q19, with August 2019 closing at \$3.1 million

WHERE WE'RE GOING

ROADMAP AND STRATEGY

2018

MORE PRODUCTS

Pre-roll
Grass

MORE BRANDS

Good Brands (not present)

MORE STATES

New Cal

MORE CHANNELS

3rd Party Retail
Distributor

2019

MORE PRODUCTS

Vapes
Concentrates
Edibles

MORE BRANDS

Volcanic (not present)

MORE STATES

+2

MORE CHANNELS

eCommerce
Wholesale

2020

MORE PRODUCTS

Beauty
Topicals
CBD

MORE BRANDS

Go Juice
Women's/Beauty
Cannibis (not)

MORE STATES

+4

MORE CHANNELS

"Let by Cannabis.com"
Flagship Retail

Note: Product and/or channel subject to change

CLM

CLM

CLM

CLM

CLM

HOW IT WILL LOOK

NEW BRANDS AND LINE EXTENSIONS CAN INCREASE SHARE OF SHELF AND TAM BY 2X



Source: B&B Analytics Super Premium offers more than \$20 per 11 g, Premium offers \$10-15 per 11 g, and value offers less than \$10 per 11 g for 10 from retail



NEW BRAND and
PRODUCT GALLERY

Welcome to Stylus®



RECHARGEABLE 4-SETTING, SOFT TOUCH OIL VAPORIZER



MAGNETIC
CARTRIDGE SYSTEM



SOFT TOUCH
DESIGN



2 HEAT
SETTINGS



DUAL LIGHTING
SYSTEM



CAP-PROTECTED
MOUTH PIECE



UNIVERSAL FIT
RECHARGE BATTERY



ULTRA-PREMIUM
OIL CARTRIDGES

Blueberry
Mango
Tiramisu

CLUB
Mango
Tiramisu

5 READY-TO-USE VAPE PENS

SOFT TOUCH, SLEEK DESIGN
ULTRA-PREMIUM OIL WITH NO ADDITIVES
NATURAL TERPENES FOR RICH AROMA AND FLAVOR
200 DRAWS OR 50 EXPERIENCES



CLUB

CLUB

CLUB

CLUB

CLUB

WHO'S ACCOUNTABLE

INSTITUTIONAL QUALITY TEAM



JONATHAN SMITH
Director
of Institutional Quality
MBA, Harvard



ANDREW ANDERSON
Director
of Institutional Quality (MBA)
MBA, Harvard



DALE STINSON
Director of Institutional Quality
PhD
BA, USC



DENNIS FAWCETT
Director of Institutional Quality
PhD
MBA, University of Southern
California; M.S., Sports
MBA, Bentley



JENNIFER TAYLOR-ALLEN
Director of Institutional Quality
PhD
MBA, University of Dallas



SAM ARONSON
Director
of Institutional Quality
MBA, Massachusetts Institute
of Technology



ROBERT ANDERSON
Director of Institutional Quality
PhD
MBA, University of Southern
California; M.S., Bentley



TOM ANDERSON
Director of Institutional Quality
PhD
MBA, Bentley



TOM STURGEON
Director of Institutional Quality
PhD
MBA, Bentley; M.S., Bentley; M.S., Bentley; M.S., Bentley



PAUL BRENNAN
Director of Institutional Quality
PhD
MBA, Bentley; M.S., Bentley; M.S., Bentley

WHY INVEST

RECAP



- A market leader
 - In Cosmetics, the biggest growth market in a generation
 - In California, the world's largest market
 - In Luxury, the highest margin, extendable segment
 - In Fashion, the largest and most strategic platform
 - In Effects, the fastest growing trend
- Consumer-driven company that builds category-killing products and brands
- Proven pricing power
- Diversified across price points, products and brands
- Compelling strategy that leverages existing capabilities and distribution
 - Products
 - Brands
 - Markets
- Entering phase of explosive growth and profitability
- World-class team
- Opportunity to invest in a privately-held market leader



CANNDESCENT™

CALIFORNIA

SERIES C – INVESTOR PRESENTATION

Welcome to
CANDESCENT



2 CALM

CRUISE

CREATE

CONNECT

CHARGE



COMPANY SNAPSHOT

A VERTICALLY INTEGRATED CANNABIS BRAND



- One of the industry's most recognized and highly regarded cannabis brands
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Business Model	Premium CPG
Brands	Cannadescent, goodbrands
Products	Flower, Pre-rolls, Concentrates, Ingestibles
CEO	Adrian Sedlin
Distribution Footprint	>50% penetration in CA
Revenue CAGR	700% through 2018
2018 Revenue	\$10.4M
Current Revenue Run Rate	\$37.1M
Previous Equity Capital Raised	\$31.4M
Growth Drivers	New products, brands, and markets
2019 Projected Revenue	\$30.1M
2020 Projected Revenue	\$85.0M

Source: ¹BDS Analytics data for all flower brands in 2017 and for flower brands with retail price above \$13/gram in 2018

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The leading luxury cannabis brand – California's #1-selling luxury flower¹, growing at a 700% CAGR while maintaining a 150% premium² in the most competitive cannabis market in the world

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A Vertically Integrated CPG Company – CannDESCENT operates its brands from seed-to-retail, including 75K sq ft (6,970 m) of cultivation, processing, manufacturing and distribution with another 53K sq ft (4,925 m) set for delivery in 2019

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Diversified Revenue Streams – Multiple revenue streams spread across a growing portfolio of market-leading brands, products and price points

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World-Class Management Team – The strongest brand operators in cannabis, led by founder/CEO Adrian Sedlin, a Harvard MBA with 5 previous exits

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Actionable Growth Opportunities – The company will leverage its platform in California, ultra-premium, flower to add facilities, extend its products, establish new brands, and expand to new states

Source: ¹BDS Analytics data for flower brands with retail price above \$13/gram; ²CannDESCENT brand wholesale price versus Cannabis Benchmarks' average wholesale price

HOW YOU WIN THE CANNABIS RACE

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THE COMPANY THAT SECURES **CALIFORNIA PREMIUM FLOWER** CAN LEVERAGE THE PLATFORM TO DOMINATE THE U.S. CANNABIS INDUSTRY, LAUNCHING NEW PRODUCTS, BRANDS, GEOGRAPHIES AND DISTRIBUTION CHANNELS OVER TIME

Source: ¹MJ Biz Daily; ²USA Today; ³National Cannabis Industry Association; ⁴BDS Analytics

WHERE WE STARTED

CONSUMER PAIN POINTS

Today's market materially underserves the "Starbucks" consumer

WHAT THE MARKET DELIVERS

MEDIOCRE PRODUCTS. Prohibition scared off talent and capital, creating a cottage industry of subpar offerings

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ASPIRATIONAL MESSAGING

TRUST AND TRANSPARENCY

PURE AND NATURAL

WHAT WE BUILT

A VERTICALLY-INTEGRATED CONSUMER PACKAGED GOODS COMPANY

CULTIVATION



- 3 licensed facilities
- 67,000 sq ft
6,225 sq m
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BRANDS

good
brands
CANNDESCENT

- 2 top 15 brands
- 50 SKUs
- Luxury and premium segments
- >50% account penetration¹
- Entering new product categories

Source: ¹New Cannabis Ventures for California dispensary count

HOW WE BUILT IT

SOLUTION

STRATEGY

Combine best practices from CPG, Big Ag and luxury goods sectors to build an elegant brand.

TACTICS

- SUPERIOR PRODUCTS
- SCALABLE
- SUSTAINABLE
- STATS & DATA
- SIMPLE
- SOPHISTICATED
- SEXY
- STRONG

PROCESS



Cannidescent solar video link, above

OUTCOMES



WHEN THE MARKET VALIDATED OUR STRATEGY

FIRST FULL YEAR RESULTS

2017 CALIFORNIA FLOWER RETAIL SALES VS AVERAGE SELLING PRICE¹



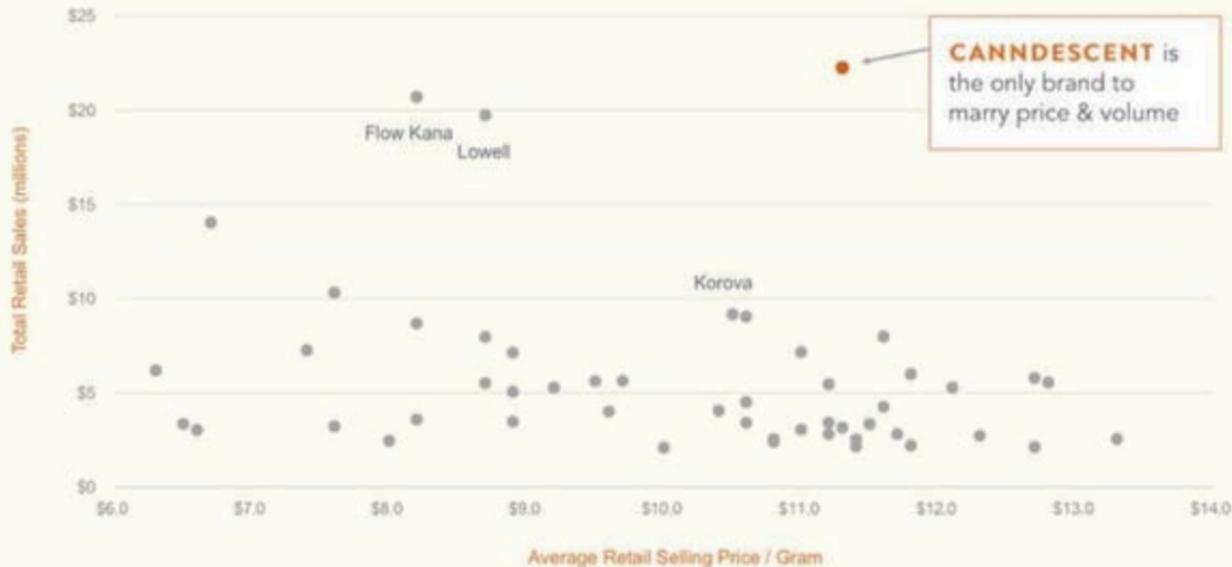
Note: Retail sales includes both flower and pre-roll sales

Source: ¹BDS Analytics data – reflects revenue at point of sale as estimated by BDS

HOW WE MAINTAINED LEADERSHIP

IN A FALLING PRICE MARKET, CANDESCENT HAS INCREASED SALES WHILE MAINTAINING PRICE

2019 CALIFORNIA FLOWER RETAIL SALES VS AVERAGE SELLING PRICE¹

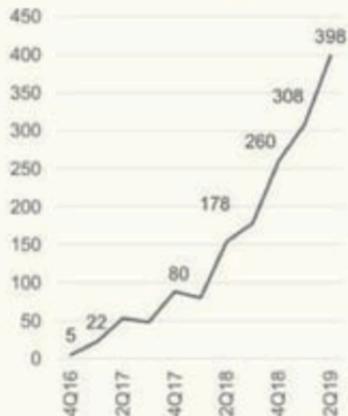


Note: Retail sales includes both flower and pre-roll sales; Price / gram reflects average flower prices; Candescent includes goodflower sales
Source: ¹BDS Analytics data – reflects revenue at point of sale as estimated by BDS

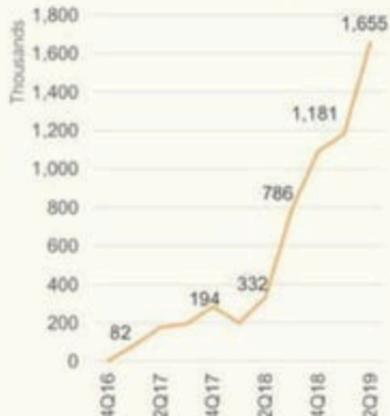
WHAT THE NUMBERS SAY

KEY PERFORMANCE INDICATORS

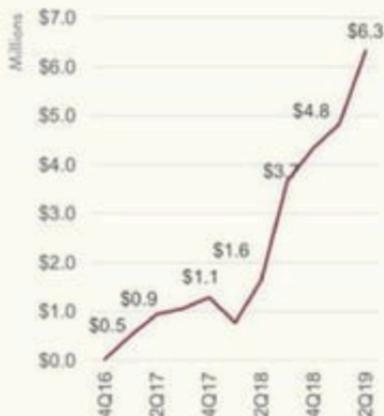
ACCOUNTS SIGNED



GRAMS SOLD



REVENUE



CANNDESCENT

- ...commands a 2.4x market price when compared to average CA spot price
- ...has a 700% CAGR through 2018 and is currently at a \$37.1 million revenue run-rate
- ...maintained its position as the #1 top shelf flower brand (10 consecutive quarters)
- ...achieved record sales in 2Q19, with August 2019 closing at \$3.1 million

Note: Grams sold reflective of flower sales

WHERE WE'RE GOING

ROADMAP AND STRATEGY



Note: Product and brand roadmaps subject to change

HOW IT WILL LOOK

NEW BRANDS AND LINE EXTENSIONS CAN INCREASE SHARE OF SHELF AND TAM BY 3X

33%
Super Premium
and Luxury



32%
Premium



35%
Value



25%
Vape

40%
Flower

8%
Pre-rolls

15%
Ingestibles

7%
Concentrates

5%
Other

Source: BDS Analytics (Super Premium reflects more than \$47 per 3.5 g, Premium reflects \$35-47 per 3.5 g, and value reflects less than \$35 per 3.5 g for CA flower sales)



NEW BRAND and
PRODUCT GALLERY



Welcome to Stylus®



RECHARGEABLE 4-SETTING, SOFT TOUCH OIL VAPORIZER



ULTRA-PREMIUM
OIL CARTRIDGES

Stylus

ultra-premium
ready-to-use vape pen

CALM

Need a break, slow
down, and feel calm?

200 DRAWS
OR 50 EXPERIENCES

Stylus

ultra-premium
ready-to-use vape pen

CRUISE

Take a break, relax,
and enjoy the ride.

Stylus

ultra-premium
ready-to-use vape pen

CREATE

Relax, unwind, and
let the ideas flow.

Stylus

ultra-premium
ready-to-use vape pen

CONNECT

Take a break, unwind,
and get inspired.

Stylus

ultra-premium
ready-to-use vape pen

CHARGE

Take a break, unwind,
and get inspired.

5 READY-TO-USE VAPE PENS

SOFT TOUCH, SLEEK DESIGN
ULTRA-PREMIUM OIL WITH NO ADDITIVES
NATURAL TERPENES FOR RICH AROMA AND FLAVOR
200 DRAWS OR 50 EXPERIENCES



CALM

CRUISE

CREATE

CONNECT

CHARGE



WHO'S ACCOUNTABLE

INSTITUTIONAL QUALITY TEAM



ADRIAN SEDLIN
CEO
S Exits
MBA, Harvard



MARK VENETTI
CFO
Mattel, XM Satellite Radio, P&G
MBA, Harvard



RICK FISHER
Chief Revenue Officer
J Exits
BA, UCSB



DAVID PARSKY
Chief Real Estate Officer
Colony Capital, Cit, Apollo
MBA, Kellogg



SHELLY TALLAHAS
VP, Product Development
Snapple, MaxMam
MBA, University of Dallas



SAM ARELLANO
CMO
ABC Brand Design, Lumas
El Camino College



KERRY ARNOLD
Chief People Officer
ConAgra, Diamond Foods
BA, Boise State University



DAN MCCLURE
VP, Agonomy
Drizoll's, MedMen
B.A.Sc., Cal Poly



TONY STANTON
VP, Operations
Heinz, ConAgra, Young's Market Co.
BA, Monterey Peninsula College



PHIL REQUIST
VP, Information Systems
Bargain Network, CallsDirect
BA, UCSB

WHY INVEST

RECAP



- A market leader
 - in Cannabis, the biggest growth market in a generation
 - in California, the world's largest market
 - in Luxury, the highest margin, extendable segment
 - in Flower, the largest and most strategic platform
 - in Effects, the fastest growing trend
- Consumer-driven company that builds category-killing products and brands
- Proven pricing power
- Diversified across price points, products and brands
- Compelling strategy that leverages existing capabilities and distribution
 - Products
 - Brands
 - Markets
- Entering phase of explosive growth and profitability
- World-class team
- Opportunity to invest in a privately-held market leader



CANNDESCENT[™]

CALIFORNIA

WWW.CANNDESCENT.COM / @CANNDESCENT

CALM

CRUISE

CREATE

CONNECT

CHARGE

