

**PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA
AND AFFILIATE**

COMBINED FINANCIAL STATEMENTS

December 31, 2020 and 2019



C O N T E N T S

	<u>P A G E</u>
Independent Auditor's Report-----	1-3
Financial Statements:	
Combined Balance Sheets -----	4
Combined Statements of Operations -----	5
Combined Statements of Changes in Members' Equity -----	6
Combined Statements of Cash Flows -----	7
Notes to Combined Financial Statements-----	8-21
Supplementary Information:	
Combining Balance Sheet-----	22
Combining Statement of Operations -----	23



March 26, 2021

To the Board of Managers
Plants of Ruskin GPS, LLC
dba AltMed Florida and Affiliate
Apollo Beach, Florida

Independent Auditor's Report

Report on the Audit of the Combined Financial Statements

We have audited the accompanying combined financial statements of Plants of Ruskin GPS, LLC dba AltMed Florida and Affiliate (the Company), which comprise the combined balance sheets as of December 31, 2020 and 2019, and the related combined statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the combined financial statements in the United States of America, together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with those requirements, respectively.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. We design audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override on internal control.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation structure, and content of the combined financial statements, including disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial positions of Plants of Ruskin GPS, LLC dba AltMed Florida and Affiliate as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter – Cannabis Laws

As discussed in Note N to the combined financial statements, the Company operates in the cannabis industry which is legal in the State of Florida but illegal under United States federal law. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary information included on pages 22 and 23 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Hill, Barth & King LLC

Certified Public Accountants

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

COMBINED BALANCE SHEETS

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 13,577,457	\$ 4,985,739
Accounts receivable	80,145	452,828
Inventory	60,059,873	21,840,006
Biological assets	37,482,540	9,497,863
Other current assets	1,285,983	744,969
TOTAL CURRENT ASSETS	<u>112,485,998</u>	<u>37,521,405</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	73,500,411	39,163,734
<u>DEPOSITS</u>	891,614	530,883
	<u>\$ 186,878,023</u>	<u>\$ 77,216,022</u>
 <u>LIABILITIES AND MEMBERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 15,982,661	\$ 5,625,092
Current portion of lease liabilities	963,050	452,597
Current portion of long-term debt	209,889	75,931
TOTAL CURRENT LIABILITIES	<u>17,155,600</u>	<u>6,153,620</u>
 <u>LONG-TERM LIABILITIES</u>		
Lease liabilities	15,233,451	8,414,741
Notes payable - related parties	3,670,000	2,500,000
Long-term debt	732,414	307,565
TOTAL LIABILITIES	<u>36,791,465</u>	<u>17,375,926</u>
 <u>MEMBERS' EQUITY</u>	 <u>150,086,558</u>	 <u>59,840,096</u>
	<u>\$ 186,878,023</u>	<u>\$ 77,216,022</u>

See accompanying notes to combined financial statements

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

COMBINED STATEMENTS OF OPERATIONS

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>OPERATING INCOME</u>		
Sales	\$ 105,660,570	\$ 39,371,007
Cost of sales	<u>26,382,474</u>	<u>13,049,798</u>
GROSS PROFIT BEFORE BIOLOGICAL ASSET ADJUSTMENT	<u>79,278,096</u>	<u>26,321,209</u>
<u>NET EFFECT OF CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS</u>	<u>63,015,173</u>	12,110,222
<u>OPERATING EXPENSES</u>		
Advertising	981,872	607,327
Amortization	0	343,393
Contract labor and consulting	633,799	456,152
Depreciation	5,779,218	2,099,581
Insurance	2,173,843	958,231
Payroll - officers	340,000	321,875
Payroll - other	20,587,619	7,736,222
Other operating expenses	11,791,409	5,908,837
Less direct costs allocated to inventory and cost of sales	<u>(17,572,018)</u>	<u>(9,788,609)</u>
TOTAL OPERATING EXPENSES	<u>24,715,742</u>	<u>8,643,009</u>
INCOME FROM OPERATIONS	<u>117,577,527</u>	<u>29,788,422</u>
<u>OTHER INCOME (EXPENSES)</u>		
ATM commissions	109,017	35,869
Interest expense	(1,423,038)	(335,121)
Other expense	<u>(17,044)</u>	<u>(9,838)</u>
	<u>(1,331,065)</u>	<u>(309,090)</u>
NET INCOME	<u>\$ 116,246,462</u>	<u>\$ 29,479,332</u>

See accompanying notes to combined financial statements

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

COMBINED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Years ended December 31, 2020 and 2019

	<u>MEMBERSHIP UNITS</u>	<u>MEMBERS' EQUITY</u>	<u>TOTAL</u>
Balance at January 1, 2019	\$ 23,286,337	\$ 7,818,115	\$ 31,104,452
Adoption of IFRS 16, <i>Leases</i>	0	(43,688)	(43,688)
Distributions paid to members	0	(700,000)	(700,000)
Net income	0	29,479,332	29,479,332
Balance at December 31, 2019	<u>23,286,337</u>	<u>36,553,759</u>	<u>59,840,096</u>
Distributions paid to members	0	(26,000,000)	(26,000,000)
Net income	0	116,246,462	116,246,462
Balance at December 31, 2020	<u>\$ 23,286,337</u>	<u>\$126,800,221</u>	<u>\$150,086,558</u>

See accompanying notes to combined financial statements

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

COMBINED STATEMENTS OF CASH FLOWS

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>RECONCILIATION OF NET INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
Net income	\$ 116,246,462	\$ 29,479,332
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,779,218	2,442,974
Changes in assets and liabilities:		
Decrease in accounts receivable	372,683	39,532
Increase in inventory	(38,219,867)	(10,445,092)
Increase in biological assets	(27,984,677)	(3,244,681)
Increase in other current assets	(541,014)	(486,346)
Increase in deposits	(360,731)	(262,375)
Decrease in accounts payable and accrued expenses	10,944,342	2,778,348
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>66,236,416</u>	<u>20,301,692</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(31,978,675)	(17,562,261)
NET CASH USED IN INVESTING ACTIVITIES	<u>(31,978,675)</u>	<u>(17,562,261)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Member distributions	(26,000,000)	(700,000)
Payments on notes payable - related parties	(2,500,000)	(850,000)
Issuance of notes payable - related parties	3,670,000	0
Payments on long-term debt	(145,005)	(39,317)
Payments on lease liabilities	(691,018)	(247,279)
NET CASH USED IN FINANCING ACTIVITIES	<u>(25,666,023)</u>	<u>(1,836,596)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 8,591,718	 902,835
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	4,985,739	4,082,904
End of year	<u>\$ 13,577,457</u>	<u>\$ 4,985,739</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION</u>		
Cash paid during the year for interest	<u>\$ 1,423,038</u>	<u>\$ 335,121</u>
Acquisition of vehicles in exchange for long-term debt	<u>\$ 703,812</u>	<u>\$ 323,017</u>
Construction costs paid for on account	<u>\$ 586,773</u>	<u>\$ 2,331,071</u>
Additions of right-of-use assets	<u>\$ 8,020,181</u>	<u>\$ 1,772,810</u>

See accompanying notes to combined financial statements

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE A - NATURE OF OPERATIONS

Organization and Nature of Business:

Plants of Ruskin GPS LLC (“GPS”) and RVC 360 LLC (“RVC”), (collectively, the Company) are limited liability companies organized in the United States (“U.S.”) in 2017 and 2015, respectively. GPS owns in whole its subsidiary Plants of Ruskin LLC (“POR”), a limited liability company, located in the State of Florida, that grows, cultivates, extracts, manufactures, and sells medical cannabis products. RVC engages in real estate activities that provide the facilities where Plants of Ruskin LLC operates. The Company does business as AltMed Florida and operates multiple dispensaries throughout the state of Florida.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance:

The combined financial statements of the Company for the years ended December 31, 2020 and 2019, have been prepared in accordance with IAS 1 Presentation of Financial Statements (Revised 2007) as issued by the IASB.

The significant policies that have been applied in the preparation of these combined financial statements are summarized below. These accounting policies have been used throughout all periods presented in the combined financial statements.

Basis of Presentation:

The combined financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Measurement:

The combined financial statements have been prepared on the going concern basis, under the historical cost convention except for biological assets and certain financial instruments, which are measured at fair value.

Functional Currency:

The functional currency of the Company, as determined by management, is the U.S. dollar. These combined financial statements are presented in U.S. dollars.

Basis of Combination:

The accompanying combined financial statements include entities, which are controlled through common control. Control exists when the Company has the power, directly or indirectly, to govern financial and operating policies of an entity and be exposed to variable returns from its activities.

The combined financial statements include the accounts of GPS, its wholly-owned subsidiary POR, and RVC. All significant intercompany balances and transactions were eliminated in combination.

Cash and Cash Equivalents:

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable:

The Company's revenue consists primarily of retail sales to medical cannabis patients throughout the state of Florida. The Company received a waiver from the state of Florida to also sell extracted oil and flower to other medical cannabis licensees. The potential risk is limited to the amounts recorded in the combined financial statements. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. Uncollectible amounts are charged to operations when determined uncollectible. The Company did not charge any uncollectible amounts to operations in 2020 and 2019.

Advertising:

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2020 and 2019 were \$981,872 and \$607,327, respectively.

Biological Assets:

The Company measures biological assets consisting of medical cannabis plants at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of internally produced work in progress and finished goods inventories after harvest. These costs are then recorded with costs of goods sold in the combined statements of operations in the period when the related product is sold. Unrealized gains or losses arising from changes in fair value less cost to sell during the period are included in the results of operations.

Production costs related to biological assets are expensed. They include the direct cost of seeds and growing materials as well as other indirect costs such as utilities and supplies used in the growing process. Indirect labor for individuals involved in the growing and quality control process is also included, as well as other costs to the extent it is associated with the growing space. Unrealized fair value gains/losses on growth of biological assets are recorded in a separate line on the face of the combined statements of operations.

The Company capitalizes costs incurred after harvest to bring the products to their present location and condition in accordance with IAS 41 Agriculture. The cost of inventories includes fair value less cost to sell at harvest and costs incurred after harvest (such as quality assurance costs, fulfillment costs and packaging costs) to bring the products to their present location and condition.

Income Taxes:

The Company has elected to be taxed as a partnership for U.S. federal and state income tax. Members are taxed on a proportionate share of the Company's taxable income. Therefore, no provision or liability for U.S. federal or state income taxes has been included in the combined financial statements. Any trade or business which is trafficking in a controlled substance under Schedule I or Schedule II of the Controlled Substances Act is prohibited from claiming any deductions or credits against such business's income for the year. Pursuant to Section 280E of the U.S. Internal Revenue Code of 1986 as amended, the only available tax deduction for businesses engaged in the cultivation and production of medical cannabis is a deduction for cost of goods sold.

Pursuant to the Bipartisan Act of 2015, if selected for an audit, the streamlined audit rules for partnerships allows the U.S. IRS to assess and collect taxes at the partnership level. Additional tax assessed would be paid by the partnership at the highest individual or corporate tax rate. As of December 31, 2020 and 2019, the Company maintained no uncertain tax positions nor were interest or penalties recognized during the period under audit.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory:

Inventory of purchased finished goods and packing materials are initially valued at cost and subsequently at the lower of cost or net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value less costs to sell and complete at harvest which becomes the deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that the cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. Products for resale and supplies and consumables are valued at lower of cost or net realizable value. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value.

Leased Assets:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leased Assets (Continued):

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

Property and Equipment:

Property and equipment are recorded at cost, net of depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight-line method over the assets' estimated useful life. Asset classes and their respective useful lives are as follows:

	<u>YEARS</u>
Buildings	39
Leasehold improvements	5-39
Machinery and equipment	5-15
Furniture and fixtures	5-7
Lab equipment	5
Computer equipment	5
Vehicles	5

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in operations in the year the asset is derecognized.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition:

Revenue is recognized by the Company in accordance with IFRS 15, Revenue from Contracts with Customers. Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under IFRS 15, the Company applies the following five (5) steps:

- Identify a customer along with a corresponding contract;
- Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer;
- Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer;
- Allocate the transaction price to the performance obligation(s) in the contract;
- Recognize revenue when or as the Company satisfies the performance obligation(s).

Under IFRS 15, revenues from the sale of cannabis are generally recognized at the point in time when control over the goods have been transferred to the customer. Payment is typically due upon transferring goods to the customer or within a specified time period permitted under the Company's credit policy.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon delivery and acceptance by the customer.

Significant Accounting Judgments, Estimates and Assumptions:

The preparation of the Company's combined financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Collectability of accounts receivable/computing the allowance for doubtful accounts:

The Company estimates the allowance for doubtful accounts based on historical experience and other known factors at the time of sale, which reduces the operating revenue.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Judgments, Estimates and Assumptions (Continued):

Estimated useful lives and depreciation of property and equipment:

Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Estimated useful lives and amortization of intangible assets:

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Inventories:

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans, and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in costs of goods sold.

Biological assets:

Management is required to make estimates in calculating the fair value of biological assets and harvested cannabis inventory. These estimates include a number of assumptions, such as estimating the stages of growth of the cannabis, harvested costs, sales price and expected yields.

Impairment of non-financial assets:

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs that would be directly attributable to the disposal of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Reclassifications:

The financial statements for 2019 have been reclassified to conform with the presentation for 2020. Such reclassifications had no effect on net results of operations.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events:

Management evaluated all activity of the Company through March 26, 2021, the date the combined financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the combined financial statements or notes, except as described below.

Subsequent to the year end, the Company has continued construction on the expansion of its cultivation and manufacturing facilities. Total capital expenditures for the expansion of such facilities through year end 2021 is expected to be approximately \$22,000,000. As of the date of this report, the Company has completed construction on the facility and the contract balance has been substantially paid in full.

Subsequent to the year end, the Company opened two more dispensaries in Florida at a total cost of approximately \$1,200,000.

On November 11, 2020, the Company entered into an agreement with Verano Holdings to sell its membership units for total consideration net of fees totaling \$370,881,750 consisting of 8,534,521.2139 Class A shares and 256,035.6344 Class B shares. This transaction was finalized subsequent to the year end.

NOTE C - CONCENTRATIONS

Financial instruments which potentially subject the Company to concentration of credit risks include cash and cash equivalents in financial institutions, which under U.S. federal law, money obtained from activities related to the marijuana industry cannot be federally insured. At December 31, 2020 and 2019, the Company had balances of \$13,577,455 and \$4,985,739, respectively, in uninsured cash and cash equivalents in financial instruments.

The Company had two major suppliers with significant outstanding accounts payable balances of approximately 54% at December 31, 2020. The Company had three major suppliers with significant outstanding accounts payable balances of approximately 53% at December 31, 2019.

NOTE D - INVENTORY

Inventory at December 31, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Raw materials	\$ 1,708,588	\$ 1,631,427
Work-in-process	41,886,652	16,838,539
Finished goods	16,464,633	3,370,040
TOTALS	<u>\$ 60,059,873</u>	<u>\$ 21,840,006</u>

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE E - BIOLOGICAL ASSETS

Biological assets consist of cannabis plants. At December 31, 2020 and 2019, the changes in the carrying value of biological assets are shown below:

	<u>2020</u>	<u>2019</u>
Beginning of year	\$ 9,497,863	\$ 6,253,182
Costs incurred prior to harvest to facilitate biological transformation	25,772,433	3,797,287
Unrealized gain on fair value of biological assets	138,053,682	90,546,925
Transferred to inventory upon harvest	<u>(135,841,438)</u>	<u>(91,099,531)</u>
End of year	<u>\$ 37,482,540</u>	<u>\$ 9,497,863</u>

The Company values its biological assets at the end of each reporting period at fair value less costs to sell. This is determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated price per gram less processing and selling costs. This model also considers the progress in the plant life cycle.

Management has made the following estimates in this valuation model:

- The average number of weeks in the growing cycle is nineteen weeks from propagation to harvest for flower and extract products;
- The average harvest yield of dried flower is 218.85 grams per plant for flower products (95.04 grams - 2019) and 109.97 grams per plant for extracts products (136.09 grams - 2019);
- The average selling price of dried flower is \$6.91 per gram for flower sales (\$11.59 - 2019) and \$15.89 per gram for extract sales (\$20.86 - 2019);
- Processing costs include drying and curing, testing and packaging, post-harvest overhead allocation, and oil extraction costs estimated to be \$1.57 per gram for flower (\$0.97 - 2019) and \$2.18 per gram for extract (\$0.37 - 2019); and
- Selling costs include shipping, order fulfillment, and labelling, estimated to be \$0.22 per gram for flower sales (\$0.18 - 2019) and \$1.30 per gram for extract sales (\$3.64 - 2019).

The estimates of growing cycle, harvest yield, and costs per gram are based on the Company's historical results. The estimate of the selling price per gram is based on the Company's historical sales in addition to the Company's expected sales price going forward.

Management has quantified the sensitivity of the inputs, and determined the following:

- Selling price per gram - an increase or decrease in the selling price for both flower and extract products per gram by 5% would result in an increase or decrease the fair value of biological assets by \$2,157,841 (\$559,437 - 2019).
- Harvest yield per plant – an increase or decrease in the harvest yield per plant of 5% would result in an increase or decrease the fair value of biological assets by \$1,874,127 (\$474,893 - 2019).
- Cost of production per gram – an increase or decrease in the cost of production for both flower and extract per gram by 5% would result in an increase or decrease the fair value of biological assets by \$157,653 (\$11,785 - 2019).

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE E - BIOLOGICAL ASSETS (CONTINUED)

These inputs are level 3 on the fair value hierarchy, and are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

,As of December 31, 2020 and 2019, the biological assets were on average, 51.1% and 19.2% respectively, for flower products and 51.1% and 19.2%, complete, respectively, for extract products and the estimated fair value less costs to sell of dried flower was \$5.13 and \$10.44 per gram, respectively and the estimated fair value less costs to sell of extracts was \$12.41 and \$16.85 per gram, respectively.

As of December 31, 2020 and 2019, it is expected that the Company's biological assets will ultimately yield approximately 5,533 and 1,034 kilograms, respectively, of dry cannabis for dried flower sales and 2,780 and 1,481 kilograms, respectively, for extract products.

NOTE F - OTHER CURRENT ASSETS

Other current assets at December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Prepaid expenses	\$ 1,245,237	\$ 585,644
Related party receivables	0	156,225
Other receivables	40,746	3,100
TOTALS	<u>\$ 1,285,983</u>	<u>\$ 744,969</u>

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consisted of the following:

	Leasehold improvements	Machinery and equipment	Buildings	Lab equipment	Computer equipment	Land and land improvements	Furniture and fixtures	Construction in progress	Vehicles	Total
<u>COST</u>										
At December 31, 2018	\$ 2,484,026	\$ 2,893,831	\$ 4,095,097	\$ 1,858,490	\$ 525,270	\$ 453,700	\$ 351,342	\$ 317,815	\$ 114,009	\$ 13,093,580
Additions	2,408,246	1,054,245	5,467,308	68,658	903,895	136,153	922,753	8,900,037	360,371	20,221,666
Additions of right-of-use assets	0	0	7,384,334	0	0	0	0	0	0	7,384,334
IFRS 16 Implementation	0	0	1,772,810	0	0	0	0	0	0	1,772,810
At December 31, 2019	4,892,272	3,948,076	18,719,549	1,927,148	1,429,165	589,853	1,274,095	9,217,852	474,380	42,472,390
Additions	0	0	0	0	0	0	0	33,924,482	772,401	34,696,883
Additions of right-of-use assets	0	0	8,020,181	0	0	0	0	0	0	8,020,181
Disposals	0	0	0	(43,000)	0	0	0	0	0	(43,000)
Transfers	6,769,108	8,418,368	9,100,755	169,964	1,993,587	268,395	1,973,129	(31,264,377)	0	(2,571,071)
At December 31, 2020	<u>\$ 11,661,380</u>	<u>\$ 12,366,444</u>	<u>\$ 35,840,485</u>	<u>\$ 2,054,112</u>	<u>\$ 3,422,752</u>	<u>\$ 858,248</u>	<u>\$ 3,247,224</u>	<u>\$ 11,877,957</u>	<u>\$ 1,246,781</u>	<u>\$ 82,575,383</u>
<u>ACCUMULATED DEPRECIATION</u>										
At December 31, 2018	\$ 20,894	\$ 353,746	\$ 328,346	\$ 303,153	\$ 73,035	\$ 5,151	\$ 22,147	\$ 0	\$ 11,072	\$ 1,117,544
Additions	85,925	633,202	295,531	332,450	164,622	16,062	95,534	0	58,382	1,681,708
Additions of right-of-use assets	0	0	423,190	0	0	0	0	0	0	423,190
IFRS 16 Implementation	0	0	86,214	0	0	0	0	0	0	86,214
At December 31, 2019	106,819	986,948	1,133,281	635,603	237,657	21,213	117,681	0	69,454	3,308,656
Additions	327,650	1,149,299	1,284,329	315,317	534,854	23,779	353,200	0	213,965	4,202,393
Additions of right-of-use assets	0	0	1,303,591	0	0	0	0	0	0	1,303,591
Disposals	0	0	0	(13,617)	0	0	0	0	0	(13,617)
Transfers	(81,038)	(1,303)	355,221	0	0	1,069	0	0	0	273,949
At December 31, 2020	<u>\$ 353,431</u>	<u>\$ 2,134,944</u>	<u>\$ 4,076,422</u>	<u>\$ 937,303</u>	<u>\$ 772,511</u>	<u>\$ 46,061</u>	<u>\$ 470,881</u>	<u>\$ 0</u>	<u>\$ 283,419</u>	<u>\$ 9,074,972</u>
<u>NET BOOK VALUE</u>										
At December 31, 2018	\$ 2,463,132	\$ 2,540,085	\$ 3,766,751	\$ 1,555,337	\$ 452,235	\$ 448,549	\$ 329,195	\$ 317,815	\$ 102,937	\$ 11,976,036
At December 31, 2019	\$ 4,785,453	\$ 2,961,128	\$ 17,586,268	\$ 1,291,545	\$ 1,191,508	\$ 568,640	\$ 1,156,414	\$ 9,217,852	\$ 404,926	\$ 39,163,734
At December 31, 2020	<u>\$ 11,307,949</u>	<u>\$ 10,231,500</u>	<u>\$ 31,764,063</u>	<u>\$ 1,116,809</u>	<u>\$ 2,650,241</u>	<u>\$ 812,187</u>	<u>\$ 2,776,343</u>	<u>\$ 11,877,957</u>	<u>\$ 963,362</u>	<u>\$ 73,500,411</u>

Depreciation expense was \$5,779,218 and \$2,099,581 for the years ended December 31, 2020 and 2019, respectively.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE H - INTANGIBLE ASSETS

Intangible assets consist of legal fees and other costs incurred to obtain the medical marijuana license required to operate in the State of Florida. Intangible assets are amortized over the license period of two years. Intangible assets totaled \$1,177,348 and are fully amortized for the years ended December 31, 2020 and 2019.

NOTE I - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Accounts payable - trade	\$ 2,403,997	\$ 2,707,203
Accrued expenses	11,419,349	2,534,935
Payroll liabilities	2,015,500	328,440
Accrued paid time-off	137,030	52,662
Other accrued expenses	6,785	1,852
TOTALS	<u>\$ 15,982,661</u>	<u>\$ 5,625,092</u>

NOTE J - LONG-TERM DEBT

Long-term debt at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Notes payable to Ford Motor Credit, monthly payments totaling \$22,932 including interest ranging from 6.5% to 10.9%, maturing through November 2025, secured by vehicles.	\$ 942,303	\$ 383,496
Notes payable to related parties, totaling \$3,670,000, not including simple annual interest of 10%, maturing through March 2022.	3,670,000	0
TOTAL DEBT	<u>4,612,303</u>	<u>383,496</u>
Less current portion	209,889	75,931
TOTAL LONG-TERM DEBT	<u>\$ 4,402,414</u>	<u>\$ 307,565</u>

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE J - LONG-TERM DEBT (CONTINUED)

Maturities related to this debt are as follows:

2021	\$ 209,889
2022	3,896,936
2023	233,621
2024	203,743
2025	68,115
TOTAL	<u>\$ 4,612,303</u>

NOTE K - MEMBERS' EQUITY

Both GPS and RVC are limited liability companies organized in the State of Florida. Members' liability is limited to their investment in each company. GPS and RVC each have 10,000,000 shares of membership units authorized and 9,999,998 issued and outstanding, totaling 20,000,000 membership units authorized and 19,999,996 issued and outstanding. GPS and RVC each have a single class of membership units. However, as described in Note L, the Company's founders are entitled to a payment and/or debt repayment in the aggregate of \$7,500,000 from the contributed capital before any distributions are payable by the Company to other members.

NOTE L - RELATED PARTY TRANSACTIONS

The Company shares administrative offices and administrative personnel with an entity controlled by a related party. The Company pays a month-to-month rent expense of \$5,000. As of December 31, 2020 and 2019, the related party did not expect repayment of any additional costs incurred.

The operating agreement and subscription agreements of both GPS and RVC state the Company's founders are entitled to a payment and/or debt repayment in the aggregate of \$7,500,000 from the contributed capital before any distributions are payable by the Company to other members. The notes are payable on demand, bear no stated interest rate, and are unsecured. One founder agreed to forego payment in exchange for interest totaling \$21,000 and \$25,500 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020 and 2019, the founder notes payable totaled \$0 and \$2,500,000, respectively. The \$7,500,000 founder note payable was paid in full as of December 31, 2020.

The Company received funding in the aggregate of \$3,670,000 from eight related parties for the build out of the cultivation facility in Apollo Beach. The two-year notes are payable on demand at month 18, bear 10% simple annual interest, interest paid annually.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE M - LEASES

As of December 31, the Company's lease liabilities consisted of the following:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 8,867,338	\$ 1,816,496
Additions	8,020,181	7,298,121
Lease and interest payments, accretion, and accrued interest, net	<u>691,018</u>	<u>247,279</u>
Balance, end of year	<u>16,196,501</u>	8,867,338
Lease liability - current portion	<u>963,050</u>	452,597
Lease liability - noncurrent portion	<u>\$ 15,233,451</u>	<u>\$ 8,414,741</u>

The Company has lease liabilities for leases related to real estate used for dispensaries. The weighted average discount rate for the year ended December 31, 2020 was 8%. Interest expense charged to operations for right-of-use lease liabilities totaled \$990,787 and \$288,021 for the years ended December 31, 2020 and 2019, respectively.

The maturity of the contractual undiscounted lease liabilities at December 31, 2020 is as follows:

2021	\$ 2,224,879
2022	2,321,635
2023	2,399,379
2024	2,475,549
2025	2,527,179
Thereafter	<u>11,725,546</u>
Total undiscounted lease liabilities	23,674,168
Interest on lease liabilities	<u>(7,477,667)</u>
Total present value of minimum lease payments	16,196,501
Lease liability - current portion	<u>963,050</u>
Lease liability - noncurrent	<u>\$ 15,233,451</u>

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

NOTE N - RISKS AND UNCERTAINTIES

Marijuana Remains Illegal under Federal Law:

The Company engages in the medical marijuana business. Marijuana is currently illegal under U.S. federal law. It is a Schedule I controlled substance. Accordingly, in those jurisdictions in which the use of medical marijuana has been legalized at the U.S. state level, its prescription is a violation of federal law. The U.S. Supreme Court has ruled that the U.S. federal government has the right to regulate and criminalize marijuana, even for medical purposes. Therefore, U.S. federal law criminalizing the use of marijuana supersedes U.S. state laws that legalize its use for medicinal purposes. The Obama administration made a policy decision to allow U.S. states to implement these laws and not prosecute anyone operating in accordance with applicable U.S. state law. A change in the U.S. federal position towards enforcement could cripple the industry, rendering the Company unable to operate. Moreover, a change in the U.S. federal position towards enforcement could result in U.S. federal law enforcement seizing the assets of the Company, which would result in a complete loss for the Company. Additionally, the U.S. federal government could extend enforcement of the antidrug laws against people who are assisting the medical marijuana industry, including investors and finance sources.

Banking Difficulties:

As discussed above, the cultivation, sale, and use of marijuana is illegal under U.S. federal law. Therefore, there is a compelling argument that banks cannot accept deposit funds from the medical marijuana business and therefore would not be able to do business with the Company. As such, the Company may have trouble finding a bank willing to accept its business. There can be no assurance that banks in U.S. states currently or in the future will decide to do business with medical marijuana growers or retailers, or that in the absence of U.S. legislation, U.S. state and federal banking regulators will not strictly enforce current prohibitions on banks handling funds generated from an activity that is illegal under U.S. federal law. This may make it difficult for the Company to open accounts, use the service of banks, and otherwise transact business, which in turn may negatively affect the Company.

COVID-19 Pandemic:

On January 30, 2020 the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity.

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

COMBINING BALANCE SHEET

December 31, 2020

	POR	RVC	GPS	Total Uncombined	IFRS Adjustments	Eliminations	Combined
<u>ASSETS</u>							
<u>CURRENT ASSETS</u>							
Cash and cash equivalents	\$ 13,571,862	\$ 3,015	\$ 2,580	\$ 13,577,457	\$ 0	\$ 0	\$ 13,577,457
Accounts receivable	80,145	0	0	80,145	0	0	80,145
Inventory	13,639,351	0	0	13,639,351	46,420,522	0	60,059,873
Biological assets	0	0	0	0	37,482,540	0	37,482,540
Other current assets	1,285,983	0	0	1,285,983	0	0	1,285,983
TOTAL CURRENT ASSETS	28,577,341	3,015	2,580	28,582,936	83,903,062	0	112,485,998
<u>PROPERTY AND EQUIPMENT, NET</u>	38,665,929	19,470,151	0	58,136,080	15,364,331	0	73,500,411
<u>OTHER ASSETS</u>							
Deposits	852,341	39,273	0	891,614	0	0	891,614
Due from related parties	10,797,556	0	0	10,797,556	0	(10,797,556)	0
TOTAL OTHER ASSETS	11,649,897	39,273	0	11,689,170	0	(10,797,556)	891,614
	<u>\$ 78,893,167</u>	<u>\$ 19,512,439</u>	<u>\$ 2,580</u>	<u>\$ 98,408,186</u>	<u>\$ 99,267,393</u>	<u>\$ (10,797,556)</u>	<u>\$ 186,878,023</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>							
<u>CURRENT LIABILITIES</u>							
Accounts payable and accrued expenses	\$ 5,982,661	\$ 0	\$ 10,000,000	\$ 15,982,661	\$ 0	\$ 0	\$ 15,982,661
Current portion of lease liabilities	0	0	0	0	963,050	0	963,050
Current portion of long-term debt	209,889	0	0	209,889	0	0	209,889
TOTAL CURRENT LIABILITIES	6,192,550	0	10,000,000	16,192,550	963,050	0	17,155,600
<u>LONG-TERM LIABILITIES</u>							
Due to related parties	0	0	4,763,929	4,763,929	0	(4,763,929)	0
Lease liabilities	0	0	0	0	15,233,451	0	15,233,451
Notes payable - related parties	3,670,000	0	0	3,670,000	0	0	3,670,000
Long-term debt	732,414	13,322,059	0	14,054,473	0	(13,322,059)	732,414
TOTAL LIABILITIES	10,594,964	13,322,059	14,763,929	38,680,952	16,196,501	(18,085,988)	36,791,465
<u>MEMBERS' EQUITY</u>							
	68,298,203	6,190,380	(14,761,349)	59,727,234	83,070,892	7,288,432	150,086,558
	<u>\$ 78,893,167</u>	<u>\$ 19,512,439</u>	<u>\$ 2,580</u>	<u>\$ 98,408,186</u>	<u>\$ 99,267,393</u>	<u>\$ (10,797,556)</u>	<u>\$ 186,878,023</u>

PLANTS OF RUSKIN GPS, LLC DBA ALTMED FLORIDA AND AFFILIATE

COMBINING STATEMENT OF OPERATIONS

Year ended December 31, 2020

	<u>POR</u>	<u>RVC</u>	<u>GPS</u>	<u>Total Uncombined</u>	<u>IFRS Adjustments</u>	<u>Eliminations</u>	<u>Combined</u>
<u>OPERATING INCOME</u>							
Sales	\$ 105,660,570	\$ 0	\$ 0	\$ 105,660,570	\$ 0	\$ 0	\$ 105,660,570
Cost of sales	25,886,039	0	0	25,886,039	2,530,651	(2,034,216)	26,382,474
GROSS PROFIT BEFORE BIOLOGICAL ASSET ADJUSTMENT							
	79,774,531	0	0	79,774,531	(2,530,651)	2,034,216	79,278,096
<u>NET EFFECT OF CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS</u>							
	0	0	0	0	63,015,173	0	63,015,173
<u>OPERATING EXPENSES</u>							
Advertising	981,872	0	0	981,872	0	0	981,872
Contract labor and consulting	423,799	210,000	0	633,799	0	0	633,799
Depreciation	2,112,705	2,362,922	0	4,475,627	1,303,591	0	5,779,218
Insurance	2,173,843	0	0	2,173,843	0	0	2,173,843
Payroll - officers	340,000	0	0	340,000	0	0	340,000
Payroll - other	20,587,619	0	0	20,587,619	0	0	20,587,619
Other operating expenses	17,548,545	128,769	763	17,678,077	(1,686,668)	(4,200,000)	11,791,409
Less direct costs allocated to inventory and cost of sales	(21,772,018)	0	0	(21,772,018)	0	4,200,000	(17,572,018)
TOTAL OPERATING EXPENSES							
	22,396,365	2,701,691	763	25,098,819	(383,077)	-	24,715,742
INCOME (LOSS) FROM OPERATIONS							
	57,378,166	(2,701,691)	(763)	54,675,712	60,867,599	2,034,216	117,577,527
<u>OTHER INCOME (EXPENSES)</u>							
Rental income	0	4,200,000	0	4,200,000	0	(4,200,000)	0
ATM commissions	109,017	0	0	109,017	0	0	109,017
Interest expense	(406,389)	(21,000)	0	(427,389)	(995,649)	0	(1,423,038)
Other expense	(17,044)	0	0	(17,044)	0	0	(17,044)
	(314,416)	4,179,000	0	3,864,584	(995,649)	(4,200,000)	(1,331,065)
NET INCOME (LOSS)							
	\$ 57,063,750	\$ 1,477,309	\$ (763)	\$ 58,540,296	\$ 59,871,950	\$ (2,165,784)	\$ 116,246,462