

PACIFIC TECHNOLOGIES GROUP, INC

Also Known as Demand Brands, Inc

FINANCIAL STATEMENTS

For the Year Ended December 31, 2021

(Unaudited)

Demand Brands, Inc.
BALANCE SHEETS

ASSETS

	December 31, <u>2021</u>	December 31, <u>2020</u>
Current Assets		
Cash	\$ 24,286	\$ 4,203
Accounts Receivable	<u>-</u>	<u>-</u>
Total Current Assets	<u>24,286</u>	<u>4,203</u>
Fixed Assets		
Capitalized Research & Development	12,500	12,500
Oil & Gas Leases	160,000	160,000
Vehicles and Equipment	<u>14,035</u>	<u>14,035</u>
Total Fixed Assets	186,535	186,535
Other Assets		
Goodwill	<u>-</u>	<u>-</u>
Total Other Assets	<u>-</u>	<u>-</u>
Total Assets	\$ <u>210,821</u>	\$ <u>190,738</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 81,918	\$ 75,500
Accrued Wages	98,750	98,750
Payables to related parties	<u>609,340</u>	<u>440,054</u>
Total Current Liabilities	<u>790,008</u>	<u>614,034</u>
Long Term Liabilities		
Total Liabilities	<u>790,008</u>	<u>614,034</u>
Stockholders' Equity		
Preferred stock, authorized 200,000,000 shares, series A, \$0.0001 par value, 100,000 shares issued and outstanding for all periods	10	10
Preferred stock, authorized 100,000 shares, Series B \$0.0001 par value, 2,135 and 144 shares issued and outstanding, respectively	1	1
Common stock, authorized 2,500,000,000 shares, \$0.0001 par value, 595,124,670 shares issued and outstanding ,	45,395	45,395
Additional paid in capital	(15,656)	(15,656)
Accumulated deficit	<u>(608,937)</u>	<u>(453,316)</u>
Total Stockholders' Equity	<u>(579,187)</u>	<u>(423,566)</u>
Total Liabilities and Stockholders' Equity	\$ <u>210,821</u>	\$ <u>190,738</u>

The accompanying notes are an integral part of these unaudited financial statements.

Demand Brands, Inc.
STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2021	2020
NET REVENUES	\$ -	\$ 5,000
COST OF REVENUES	-	-
GROSS PROFIT	-	5,000
COSTS AND EXPENSES		
Professional services	151,418	4,537
Administrative salaries	2,203	104,000
R&D expense	-	55,763
General and administrative expense	2,000	2,754
Total Operating Expenses	155,621	167,054
(Loss) from continuing operations	(155,621)	(162,054)
Other Income (Expense)		
Interest expense	-	-
Total other income (expenses)	-	-
Net Income (loss) before income taxes	(155,621)	(162,054)
Income taxes	-	-
Net Income (Loss)	\$ (155,621)	\$ (162,054)
Earnings (loss) per share;		
Basic	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding	536,795,672	446,454,320

The accompanying notes are an integral part of these financial statements.

Demand Brands, Inc.
STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2021	2020
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ (155,621)	\$ (162,054)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in accounts receivable	-	5,000
Increase (decrease) in accounts payable	6,418	52,226
Increase (decrease) in accrued wages	-	14,137
Net Cash Used in/by Operating Activities	6,418	(90,691)
Cash Flows from Investing Activities:		
Capitalized research and development	-	-
Net Cash Provided for Investing Activities	-	-
Cash Flows from Financing Activities		
Borrowing from related party	169,286	94,796
Net Cash Provided by Financing Activities	149,286	94,796
Net Increase (Decrease) in Cash	20,083	4,105
Cash at Beginning of Period	4,203	98
Cash at End of Period	\$ 24,286	\$ 4,203
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -
Non-Cash Items:		
Payable acquired through share exchange	\$ -	\$ -
Stock issued in share exchange	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

DEMAND BRANDS, INC
STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred A Stock		Preferred B Stock		Preferred D Stock		Common Stock		Additional Paid-in	Retained	Total Stockholders
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance December 31, 2019	100,000	10	3,144	1	-	-	431,454,320	43,145	(13,406)	(291,262)	(261,512)
Cancelled of Preferred Stock	-	-	(1,000)	-	-	-	-	-	-	-	-
Conversion of Preferred Stock	-	-	(9)	-	-	-	22,500,000	2,250	(2,250)	-	-
Net Loss for year ended December 31, 2019	-	-	-	-	-	-	-	-	-	(162,054)	(162,054)
Balance, December 31, 2020	100,000	10	2,135	1	-	-	453,954,320	45,395	(15,656)	(453,316)	(423,566)
Conversion of Preferred Stock	-	-	-	-	-	-	100,000,000	-	-	-	-
Issuance of new Common Stock	-	-	-	-	-	-	66,170,350	434,000	-	-	434,000
Issuance of new Preferred Stock	100,000	-	-	-	1,000	-	-	-	-	-	-
Cancelled of Preferred Stock	(100,000)	-	(10)	-	(1,000)	-	-	-	-	-	-
Cancelled of Common Stock	-	-	-	-	-	-	(25,000,000)	(434,000)	-	-	(434,000)
Net loss for year ended December 31, 2021	-	-	-	-	-	-	-	-	-	(155,621)	(155,621)
Balance, December 31, 2021	100,000	10	2,125	1	-	-	595,124,670	45,395	(15,656)	(608,937)	(579,187)

The accompanying notes are an integral part of these financial statements.

Demand Brands, Inc.
Notes to Unaudited Financial Statement
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NOTE 1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The Company

Pacific Technologies Group, Inc., also known as Demand Brands, Inc. (the "Company") was incorporated on March 8, 2005, under the laws of the State of Washington. The Company identifies, develops, and acquires business in emerging sectors. Formerly, the Company was in the oil and gas exploration business but spun out those assets at the end of 2020. The Company transformed itself into a vertically integrated Cannabis US Based organization in the 2nd quarter of 2021 via the acquisition of Viride Research Fund, LLC. Due to the reasons described in prior filings the transaction was deemed null and void and subsequently all the shares issued were rescinded. In the 1st quarter of 2022, the Company announced it had completed the acquisition of CF3 SPV I, LLC, ("CF3") which included existing cultivation indoor facilities, an Agricultural Technology intellectual property for both nutrients and mold defense, and national brand management including a best in class Standard Operating Procedure, ("SOP") implementation business. The Company transacted via issuance of a new Series E preferred share class valued between \$250m to \$550m based on a final third party valuation report the Company is in process of. As part of the transaction, a new management and board were brought in. They collectively have decades of experience in the industry from prominent well known industry names. The acquisitions include the following:

Cultivation and Processing

The acquisition provides the Company with a portfolio of 11 managed licenses in California with access to 236,000 SF of cultivation space and 41,500 lbs. of cannabis cultivation and processing. CF3 has established cultivation facilities on the Central Coast of California and distribution contracts throughout the state. The acquisition provides a footprint for the Company to expand to 111,000 lbs. of cannabis cultivation and processing by 2026.

Management Consulting and Brand Management

CF3 offers well-known lifestyle brands strategic advice and consulting services to enter the cannabis sector to leverage their brand equity to capture additional revenue. The Company plans to build a footprint across the continent by offering consulting services to small and medium cannabis enterprises. "In today's fragmented market supply chain, disruption and quality maintenance are the most daunting challenges," said Andrew Colehower. "Therefore, our consulting services focus on optimizing supply chain and operations to institutionalize our client's businesses. Our SOPs and technologies enable our clients to improve efficiencies, reduce G&A cost, enhance crop yield control quality standards and increase margins by offering a higher quality product."

Microbial Agricultural Technology and Genetics

The acquisition has provided the Company with licensing, manufacturing, and distribution rights to patented microbial ag-tech solutions and rights to an exclusive genetics library. The microbial technologies have enabled specialty growers to enhance greater crop yields by 30% and THC levels up to 35%. The

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exclusive genetics library paired with microbial technologies, allow the Company to produce AA and AAA grade cannabis.

Wholesale and Retail Distribution

CF3 is in the process of transitioning to a Farm-Direct model to distribute 35,000 lbs. of product this year and next through the Company's trading desk.

Development Stage

The Company is in a development stage. During the initial period of operations, the Company is negotiating and exploring manufacturing, distribution, financing, and licensing agreements and developing products. Once sufficient products are developed and produced, and distribution channels confirmed, and certain funding goals are achieved the Company will enter its full operating stage. The Company plans to be in full operating stage by the 3rd quarter 2022.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"). In the opinion of management, all adjustments necessary for the financial statements to be not misleading have been reflected herein as the data has been presented to present management.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash Equivalents

The Company considers marketable securities, bank certificates of deposit and other readily liquid instruments as cash equivalents. Securities, if held, are valued at market price as of the end of the accounting period.

Property and Equipment

The Company owns certain equipment related to its business and the capital assets are being depreciated over their estimated useful lives using the straight-line method of depreciation on an annualized basis.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts

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payable and accrued interest. The carrying amount of these financial instruments approximates fair value given prevailing market rates or a reasonable estimate of market value unless otherwise disclosed in these financial statements. The Company has hired Stanton Park Advisors to conduct a third party valuation of the acquired CF3 business interests and enterprise value.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We evaluate deferred tax assets to determine whether it is more likely than not that they will be realized.

Basic and Diluted Income (Loss) Per Share

Basic earnings (loss) per common share is computed by dividing net income or (loss) available to common stockholders by the weighted average number of common shares outstanding and are calculated to a maximum of .00000 percent. Diluted earnings per common share is computed similar to basic earnings per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. On December 31, 2021 the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation and the Company's earnings and loss per share are only calculated and published on an annual basis.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the results of its operations, financial position, or cash flows.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment on December 31, 2021, consisted of office equipment and the former facilities more fully described in the extended sub-notes below.

NOTE 3: STOCKHOLDERS' EQUITY

The Company has authorized six (6) classifications of stock with six (6) designations. The classes are Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock. In the 2nd quarter the Company designated a new class of Series D Convertible Preferred stock. Due to the rescission of the 2nd quarter transaction, the Series D shares were cancelled. The Company issued a Series E Preferred Stock in the 1st quarter of 2022.

The Company has 1,000,000,000 authorized shares and had 595,124,670 fully diluted, issued, and outstanding shares as of December 31, 2021, for all categories of stock.

The Company as of December 31, 2021, had 100,000 shares of Series A Preferred Stock authorized of which 100,000 are issued and outstanding. The Series A Stock is not convertible to Common Stock, but it does entitle the holder to super voting rights representing 80% voting control of the Company.

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The Company as of December 31, 2021, had 2,000 shares of Series B Preferred Stock authorized and 77 issued and outstanding. During the period 20 shares of Series B were converted into common stock. The Series B Preferred Stock, except for shares held and/or issued in connection with certain prior agreements, was re-designated in March 2020 and is convertible into Common Stock on a basis of 1 preferred share to 500 Common shares and is non-dilutive as to stock splits.

The Company as of December 31, 2021, has no shares of Series C Preferred Stock issued and outstanding and this share class has been cancelled.

The Company as of December 31, 2021, had 5,000,000 shares of Series E Preferred Stock authorized and none issued and outstanding.

NOTE 4: COMMITMENTS AND CONTINGENCIES

The Company formerly owned and leased real property as more fully described in the notes to the Financial Statements described herein.

NOTE 5: CONCENTRATION OF CREDIT RISK FOR CASH HELD AT FINANCIAL INSTITUTIONS

The Company maintains an outside cash account. There were no amounts in excess of insured limits at the bank as of December 31, 2021. Accounts at banking institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

NOTE 6: SUBSEQUENT EVENTS

In October 2021, the Company entered into a binding agreement with a fund for a future investment of \$5,000,000 into the Company subject to the Company completing an acceptable audit and S-1 registration statement and a successful up-listing to one of several electronic trading exchanges. Proposed terms were announced by the company in October 2021.

On November 2, 2021, the Company's former CEO received a formal notice from the Company's Corporate Protector that he was in breach of the VRF Entity Purchase Agreement ("EPA") and was given ten (10) days per the contractual timeframe to cure or risk the EPA being in default and the EPA being declared null and void. The former CEO has failed to cure, and he has been terminated and the EPA has been fully rescinded, and the Company's former CEO has assumed all management responsibilities.

On December 9, 2021, the Company entered into a Letter of Intent ("LOI") with CF3 SPV I, LLC, a holding company, consisting of a portfolio of Cannabis operating companies and intellectual property including Viridi Farms, 8T8 & MBX Research Inc. ("Businesses"), to acquire the Businesses in an all-stock transaction.

The Businesses collectively, currently generating more than \$20,000,000 in annual revenue at their present run rates and they have established cultivation and harvest facilities on the Central Coast of California and distribution contracts throughout the entire state. Some of the brands that the Businesses manage supply line for include High Times, Revelry Herb Co., TruLeaf, Lowell Herb Co., CanEx and GroupoFlor. The Company provided a link to more information on the Businesses: <https://dman.co/>.

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The Company announced subject to concluding its due diligence timely, anticipates formalizing an agreement prior to the end of the year. The LOI pegs the acquisition cost of the Businesses to completing an audit and obtaining third-party valuations for all the rolled-up, consolidated Businesses. The Company announced it expected that Andy Colehower, a senior executive in the wholesale food and beverage sector, to become the new CEO of the Company upon the completed transaction.

The Company announced it had divested itself of the assets it had acquired from Viride Research Fund, LLC and has terminated the services of Ian Dixon as an Officer and Director. The Company had redeemed and returned to its treasury approximately 70 million shares of its common stock due to the divestiture. Peter Erdekian had resumed his acting CEO position. The Company's Common Stock Purchase Agreement with an Institutional Investment Fund, for \$5,000,000 in equity funding, remains in place and on track.

On January 12, 2022, the Company announced it had engaged the leading accounting and advisory firm EisnerAmper <https://www.eisneramper.com> to provide auditing service in connection with its acquisition ("Transaction") of CF3 SPV I, LLC, a holding company, consisting of a portfolio of Cannabis operating companies and intellectual property including Viridi Farms, 8T8 & MBX Research Inc. ("Businesses"). The Company and Advisor Firm EisnerAmper mutually parted from the proposed engagement and the Company hired Stanton Park Advisors, a leading valuation firm, to complete the valuation of the enterprise. The Company also hired a different audit firm, Green GrowthCPAs, expected to complete its work in Q2, 2022.

On March 7, 2022, the Company announced it had completed the acquisition of CF3 SPV I, LLC, ("CF3"), in an all-stock transaction. CF3's unit holders will receive convertible Series E Preferred shares. that will be valued between USD 250 to 550 million, subject to an audit and valuation being prepared by Stanton Park Advisors LLC. CF3 currently generates more than USD 28 million in annual revenue at its current run rate.

The acquisition provides DMAN with multiple cannabis businesses consisting of cultivation and processing, brand management operations, and wholesale and retail distribution, with the capability to forge a footprint across North America to leverage anticipated federal deregulation

"CF3's seed to sale platform allows the Company to capture the entire value chain of the cannabis market," said Andrew Colehower, the incoming Chief Executive Officer of the Company. "CF3's highly efficient cultivation and supply line management paired with its patented microbial solutions allow the Company to create products including flowers, concentrates and distillates with THC content exceeding 30%. We are excited about the value this transaction creates for the Company."

The Company mentioned it would be bringing on management and board members in coming days.

Cultivation and Processing

The acquisition provides the Company with a portfolio of 11 managed licenses in California with access to 236,000 SF of cultivation space and 41,500 lbs. of cannabis cultivation and processing. CF3 has established cultivation facilities on the Central Coast of California and distribution contracts throughout the state. The acquisition provides a footprint for the Company to expand to 111,000 lbs. of cannabis cultivation and processing by 2026.

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Management Consulting and Brand Management

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Microbial Ag-Tech and Genetics

The acquisition has provided the Company with licensing, manufacturing, and distribution rights to patented microbial ag-tech solutions and rights to an exclusive genetics library. The microbial technologies have enabled specialty growers to enhance greater crop yields by 30% and THC levels up to 35%. The exclusive genetics library paired with microbial technologies, allow the Company to produce AA and AAA grade cannabis.

Wholesale and Retail Distribution

CF3 is in the process of transitioning to a Farm-Direct model to distribute 35,000 lbs. of product this year and next through the Company's trading desk.

On March 18, 2022, the Company announced its new incoming management team and four new board members. The new management team found, managed, and operated all businesses acquired by the Company as part of the recent acquisition of CF3 SPVI, LLC ("CF3"), announced on March 7, 2022, and boasts a combined industry experience of over 35 years in cannabis cultivation, processing, distribution, and marketing, dating back to when Proposition 215 legislation was introduced.

The hiring of the management comes at a time when DMAN is aggressively looking to acquire and joint venture with synergistic cannabis companies, especially in anticipation of federal deregulation of cannabis. "We are excited to manage and grow DMAN's operations into a leading cannabis business", said Andrew Colehower, the incoming Chief Executive Officer of the Company, "...our business plan is predicated upon integration, optimization, and innovation. We truly believe in the opportunity for consolidation in the industry and the need to institutionalize the business to optimize supply chain management. The incoming management recently set up a trading desk for wholesale and retail distribution generating \$28Mn in revenue per annum. We plan to do the same for the Company as our first order of business, especially in anticipation of entering into an offtake agreement with a 700,000 SF pharma grade cultivator and grower shortly hereafter that will allow us to scale our distribution business to over 200,000 pounds of AAA grade cannabis in the next 18 to 24 months. Currently, we have 236,000 SF and 11 licenses for cultivation and processing and to grow the cultivation and processing side of our business we are also in conversations to acquire the same 750,000 SF facility which would allow us to integrate that relationship fully vertically under DMAN, expand our footprint to dominate the Southern California market share, fully leverage our access to over 250 retail stores through strategic partners, and institutionalize our operations to use best in class SOPs to produce only the highest-grade quality product. In the interest of optimizing our SOPs and further vertical integration, DMAN has exclusive rights to certain microbial technology patents that we will use to manufacture proprietary plant nutrients and crop protection solutions through a strategic partner. Similarly, we are also in conversations to enter another strategic partnership with a payment solutions technology company to build a POS platform for retail cannabis businesses."

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Mr. Colehower further added, "A Chief Marketing Officer, a Chief Operating Officer and a Chief Agronomist will also join our executive team shortly."

The incoming Chief Financial Officer and the Chief Accounting Officer have spent the last 6 months compiling the financial and accounting records for the Company. "My foremost task as Chief Financial Officer of the Company is to file a Registration Statement with the U.S. Securities and Exchange Commission in Q2 of this year to access greater liquidity for our stakeholders through a U.S. or Canadian national exchange", said Ankur Chhapolika the incoming Chief Financial Officer of the Company.

The following executives have been hired by DMAN:

Andrew Colehower, Chief Executive Officer, a legacy member of the Viridi Farms executive team, started his career at the department of agriculture and environmental sciences at University, UC Davis. Most of his career he has focused on building companies and brands both in the United States and internationally. Some of his notable achievements include setting up a trading desk for World Variety Produce and growing it to an annual revenue of more than \$20M per annum, similarly, he spearheaded the sales and distribution management for United Natural Foods Incorporated where he built and grew a national trading desk to \$60M in top line revenue, and in Dominican Republic he led the sales and marketing team for Caribbean Liquid Sugar and secured product placement with 600 Walmart stores across the nation. Fast forward to 2015, Andrew took his brand management skills to the cannabis space and worked with California industry leaders to craft a plan for success. In 2019, Andrew shifted gears to run the Trading Desk for GrupoFlor, and in under one year, built it to generate 8-figure top line revenues through 20 new partnerships focused on supply line management, supporting local growers, and a 1.5 million+ square feet cultivation in the Salinas Valley.

Ankur Chhapolika, Chief Financial Officer, Ankur Chhapolika, is a Chartered Accountant and Company Secretary by profession. He has held executive management roles with notable companies, including Infosys, Deloitte and QuEST. His experience encompasses sale side advisory, mergers and acquisitions, capital raise, repatriation planning, ETR optimization strategies and PPA. He has been instrumental in advising on more than ten acquisitions spanning across US, UK, Australia, Germany, Romania, Japan and India. He has spearhead accounting and finance operations across a myriad of a capital raise efforts, most notably a capital raise of \$350 Mn by QuEST from Bain Capital, GIC and Advent. Additionally, he has defended and represented tax assessments before tax authorities in USA, Italy, Spain, Japan and India.

Ankit Jain, Chief Accounting Officer, brings 7 years of experience in audit and assurance with Price Waterhouse Cooper, Ernst and Young, and KPMG. He holds experience in providing internal and external audit services in the Financial Services, Real Estate, Healthcare, and Banking industries. He has served as Senior Associate for MUFG Investor Services where he managed compliance and accounting for Blackstone Hedge Fund Services. He has extensive experience in designing and implementing accounting practices and managing the overall finance and accounting operations for mid to large-size companies.

Dawn Loos, Chief Compliance Officer, and Corporate Secretary, a legacy member of the Viridi Farms executive team, brings 20 years of experience in the cannabis and legal sectors. Her cannabis experience dates to the early Prop 215 days. Ms. Loos was instrumental in establishing the compliance and administrative procedures and systems for numerous vertically integrated and single use cannabis facilities. She has secured over 20 state and local licenses in multiple California counties including Mendocino, Santa Cruz, Calaveras, and Monterey. Facilities under her stewardship have been called "models of the industry" by city and state inspectors.

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Deep Singal, Director of Business Development, brings 7 years of combined experience in business development and medical nutrition therapy. He has completed business development projects for various groups, including Kaiser Permanente, DaVita Kidney Care, and The American Heart Association.

On March 23, 2022, the Company announced it had entered a significant Supply Agreement ("Agreement") with Sun Supply LLC.

Sun Supply is the exclusive operating tenant for GHP Holdings LLC, which is developing a 300-acre site in Southern California to build a campus which will comprise of 5.7 million SF of pharma grade greenhouses and production facilities. The first phase consists of 500,000 SF greenhouse which will yield up to 180,000 lbs. of AA and AAA Grade flower, annually.

The Agreement secures 180,000 lbs. annually of Cannabis flower for DMAN to sell through its retail and wholesale distribution channels and is forecasted to increase top line revenues by as much as \$258 million per annum for DMAN. DMAN CEO Andrew Colehower commented, "The DMAN Sun Supply relationship has been in the making for the past 6 months. This represents a partnership with a Multi-State Operator which will allow DMAN to enter the 3.0 Tier of Cannabis, one that consists of large-scale pharma grade GMP certified facilities. Sun Supply LLC will provide us with high volume, premium, consistent, THC rich, pharma grade cannabis. We have already commenced efforts to expand our robust trading desk and enter distribution agreements with top tier brands to sell the Sun Supply cannabis. This is a major addition to the Demand Brands portfolio"

As market demand changes due to the highly anticipated federal deregulation, GHP Holdings plans to expand the campus to an additional 3 million SF of greenhouses and 1 million SF of production facilities for a total of 5.7 million SF. "Since the inception of Sun Supply LLC, our goal has been to team with a best-in-class distribution and vertical integration partner. Today's announcement and contract signing with DMAN fulfills that goal and marks the beginning of a unique and fully integrated cultivation and distribution arrangement. We look forward to a long and prosperous relationship", commented Don Reich, CEO at Sun Supply LLC.

The first phase requires a total capitalization of \$245 million. GHP Holdings LLC and DMAN are in conversations to provide DMAN an option to make a preferred equity investment into the first phase with an option to acquire an interest in the real estate. DMAN is currently in conversations with various capital groups to raise the preferred equity investment. GHP Holdings LLC has invested over \$15 million into the first phase of this project which is now permit ready. GHP Holdings LLC is equipped to expand this facility in tandem with our relationship with Sun Supply and DMAN as market demand grows. GHP Holdings LLC truly believes that the DMAN Sun Supply partnership is a phenomenal undertaking to capitalize on the opportunity for consolidation in the industry and the need to institutionalize the business to optimize supply chain management.

Sun Supply LLC is the exclusive tenant/operator of this special purpose, permit ready large scale cannabis greenhouse development and enterprise. Sun Supply LLC has a highly experienced team with extensive knowledge in cultivation, facilities management, and compliance:

CEO - Don Reich

As CEO of Sun Supply, Mr. Reich will manage a world class team of facility operators, experienced agronomists and experts in all areas of cannabis production. In addition, Mr. Reich's role at Sun Supply LLC will be to ensure compliance with all Federal, State and Local regulations. He has extensive experience in risk management and liability minimization. He will also be involved to ensure that Sun

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Supply's operations are documented and all SOPs are developed and maintained so that operational continuity will be guaranteed in any and all contingencies.

In addition to his experience in Occupational Health and Safety, his Environmental Safety and Industrial Hygiene expertise will greatly benefit Sun Supply's operations. Mr. Reich has 30 years of complex project management experience. He has directly managed the design and development of complex data acquisition and processing systems for numerous state and federal agencies and private entities. His experience in complex data analytics will help ensure that Sun Supply's yields and operational goals are met

Mr. Reich holds 20 United States patents. His inventions include technology for the storage and transportation of radioactive materials, systems for the automatic notification that a 9-1-1 call has occurred, automatic crash notification systems and the analysis and routing of wireless 9-1-1 calls. His degrees include a Bachelor of Science and a Master of Science from The University of Southern California.

VP of Cultivation - Chris Vaos

Christopher Vaos has been involved in the legal cannabis industry since 2009 and has been cultivating cannabis commercially since 2005. Originally born in Athens, Greece but grew up in Miami, Florida; Christopher earned a Bachelor's degree in Electrical Engineering from Florida Atlantic University. In 2009, he built and ran one of the first licensed cultivation facilities in Boulder, Colorado. Since then, he has been working as an industry leading consultant, assisting facilities with design, construction, scaling, plant health, IPM, horticultural, new licensing and applications. Christopher has held various Director and C-suite positions at some of the top brands in the Western US, with over 500,000 square feet of combined canopy experience. Christopher has worked with licensed facilities in Colorado, Washington, California, Oregon, Puerto Rico, Oklahoma, and Florida, working with a data-driven and science-based approach to cultivation with a great track record of success and industry leading cost optimization.

VP of Facilities Management - David Hutchinson

David Hutchinson possesses a well-rounded work history, having obtained VP Operational level experience within one of the largest production facilities in the industrial agriculture sector. Most recently, David has worked as the VP of Operations for Sun Select Produce, a producer with 64-acre facility all under glass, growing hydroponically produced vegetables, utilizing modern, state of the art climate computer control systems. David has deep working knowledge of agricultural systems required for today's automated production and hands on level troubleshooting experience with complex network protocols. David earned a Bachelor's of Science Degree in Biology, BSc., at Nicholls State University.

Director of Cultivation and Compliance - Blake Nilsen

Industry-leading professional with expertise in all facets of cannabis cultivation & distribution, brand positioning, business development, and corporate strategy planning & execution. Possesses unique insights into product development and cultivation derived from extensive and longstanding knowledge of the industry. He has overseen large scale cannabis productions during peak growing seasons while coordinating with cultivation managers to optimize the performance of cultivation and extraction facilities. Blake earned a Bachelor's of Science Degree in Cellular/Molecular Biology, Humboldt State University, Arcata, CA and a Minor in Business, Humboldt State University, Arcata, CA.

Demand Brands, Inc.
Notes to Unaudited Financial Statement
December 31, 2021

Demand Brands, Inc. (OTCPK:DMAN), ("Company" or "DMAN"), is a holding company that invests in and acquires cannabis cultivation, processing, wholesale and retail distribution, and brand management and related businesses. Over the course of 25 years, the Company has refined and perfected seed to sale processes with innovative solutions ranging from cutting-edge patented AgTech technologies to robust business models that optimize the cannabis supply chain to capture value at every stage of the supply chain.
