

FLURXTECH

REIMAGINING CANNABIS AND HEMP TESTING TECHNOLOGY

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Current State of the Cannabis/Hemp Testing Market

Under current regulations, companies are required to perform compliancy tests for every crop that is going to go through to sale. If cultivators want to bring testing in house, equipment can cost up to \$750,000, and even then, they are reliant on third party validation through labs

The Issue With Laboratories

1. Cost between \$75 to \$300 per test.

CompleTest™ costs \$45 USD (at most).

2. Product waste up to 45 grams per test.

CompleTest™ requires 0.10 gm of product per test.

4. Thousands of growers, few certified labs.

CompleTest™ removes 3rd party timeline reliance.

6. Inconsistent results reporting format is confusing.

Simple and concise reporting format to remove confusion.

3. No standardized testing practices.

CompleTest™ needs no standardization.

5. Preferential treatment of certain growers.

In house testing means testing on your own time.

7. Cross lab variability = unreliable testing.

Validate 3rd party results with accuracy and repeatability.

8. Testing results can take up to 3 weeks.

Testing takes a maximum of 30 minutes.



Our Solution



- ✓ CompleTest™ is a **portable, accurate, repeatable, user friendly, cost effective, and fast** method for cannabis, hemp and contaminant testing.
- ✓ Allows producers to gather **product data** more efficiently, optimizing crop yield and potency (Croptimization). Allows for early detection of contaminants for crop recycling.
- ✓ **Diverse applications** include **plant testing, biomarking** and **personal testing**.



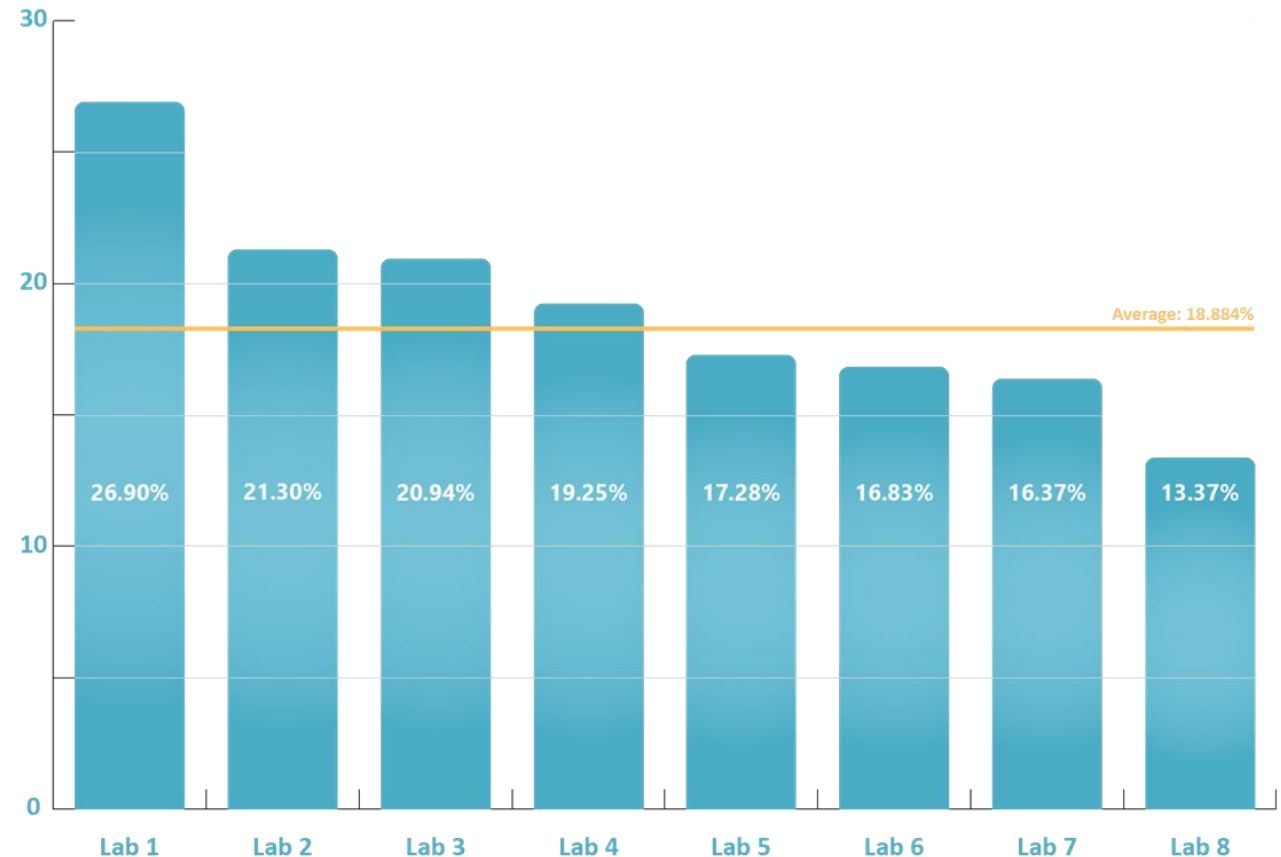
Know your Product - Shedding Light on Cross Lab Variability



Different labs have different protocols and calibration techniques, resulting in different recorded potencies.



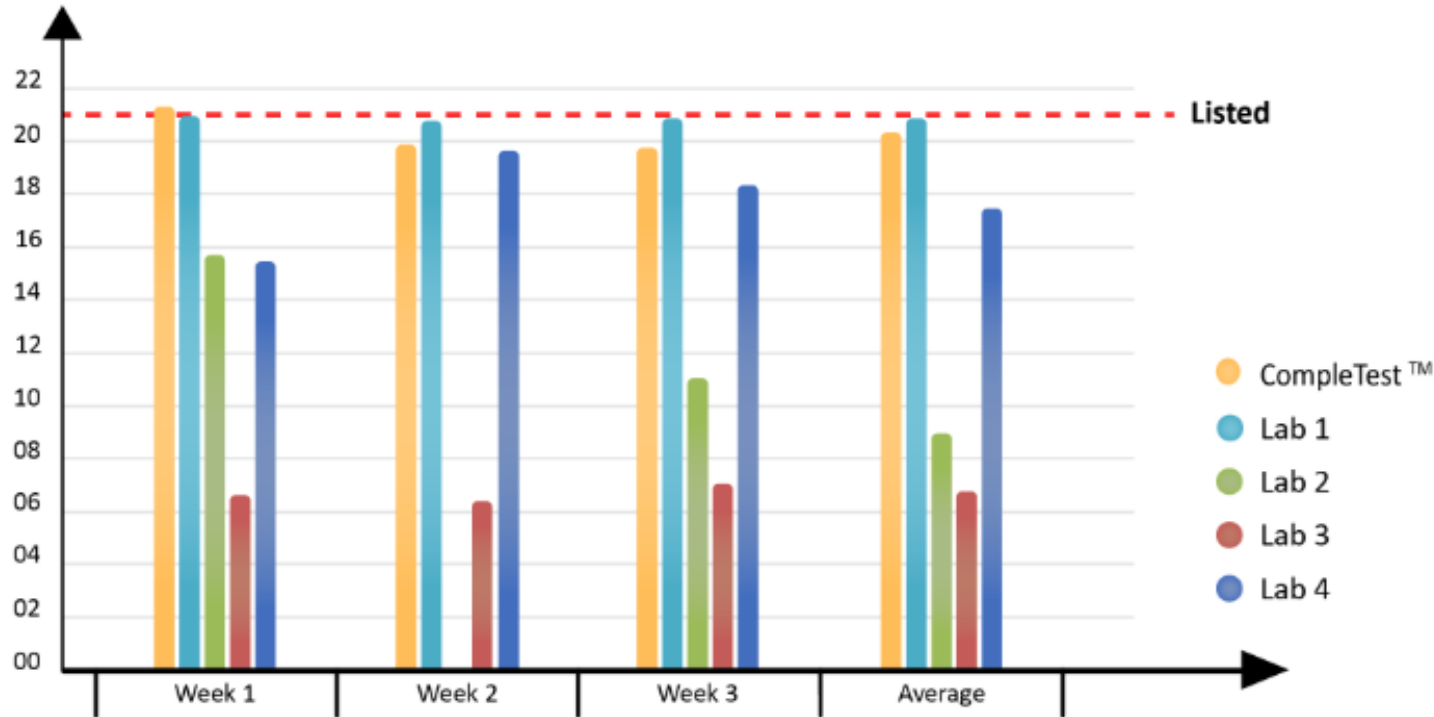
Inaccurate testing can drastically affect the value of the product.



The Washington Cannabis Farmers Council sent the same sample of cannabis to 8 different labs, the results are recorded above.

Validating CompleTest Variance

Sour Kush Analysis (THCA Analysis) - Parent Extract



Week of Analysis

*Costs are based on a rush order.

Vendor Name	Lab 1	Lab 2	Lab 3	Lab 4
Cost	\$270	\$300	\$360	\$410

- ✓ The same sample of Sour Kush (THCA of 20.98% listed value) was sent to 4 labs on three separate occasions to determine variability in both testing and timelines.
- ✓ Lab turnaround time for results was between 48 hours and 3 weeks. Variability of both timelines and potency testing have the potential to drastically affect a producer's bottom line.
- ✓ The results show that CompleTest compares most favorably with Lab 1 which operates with Mass Spectrometry equipment, the Gold Standard in accuracy.

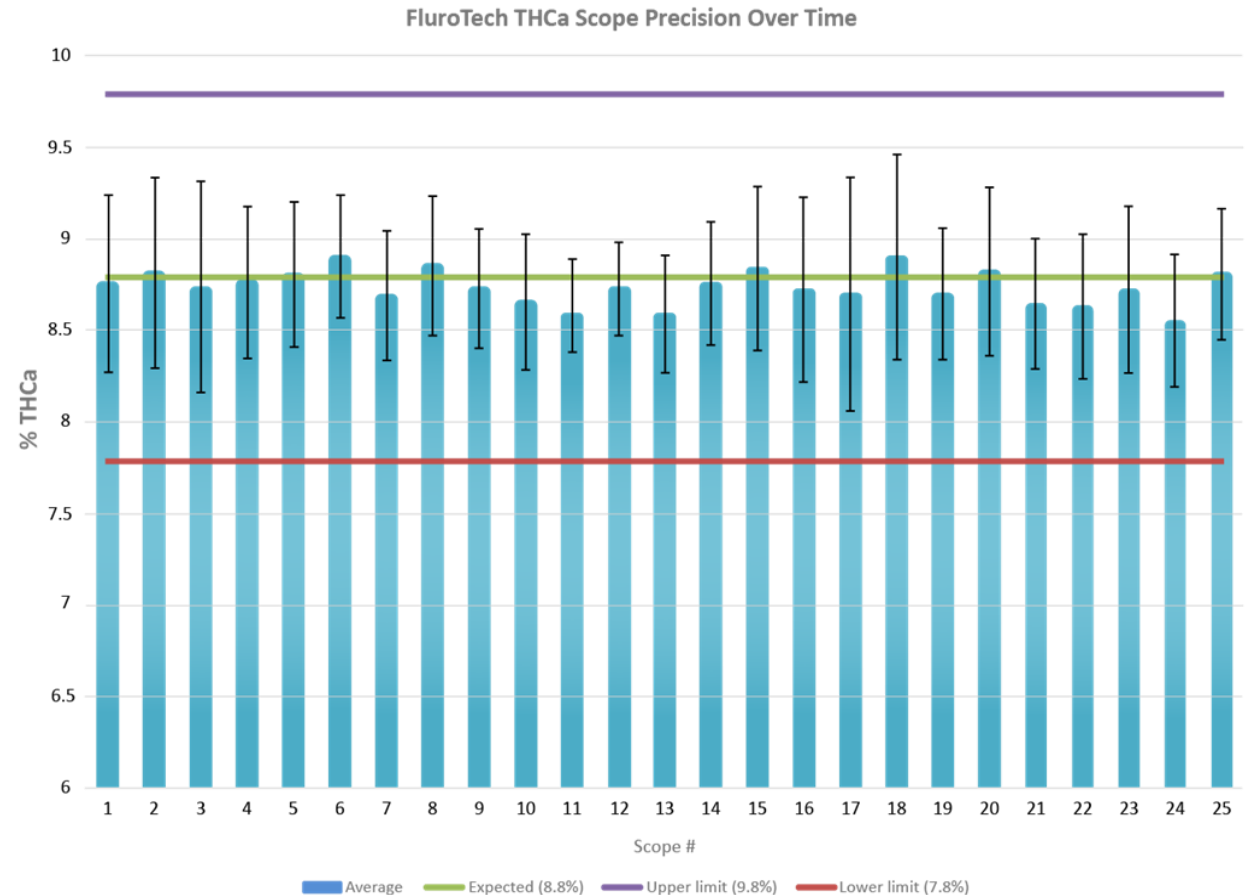
Inspiring Confidence Through Repeatability



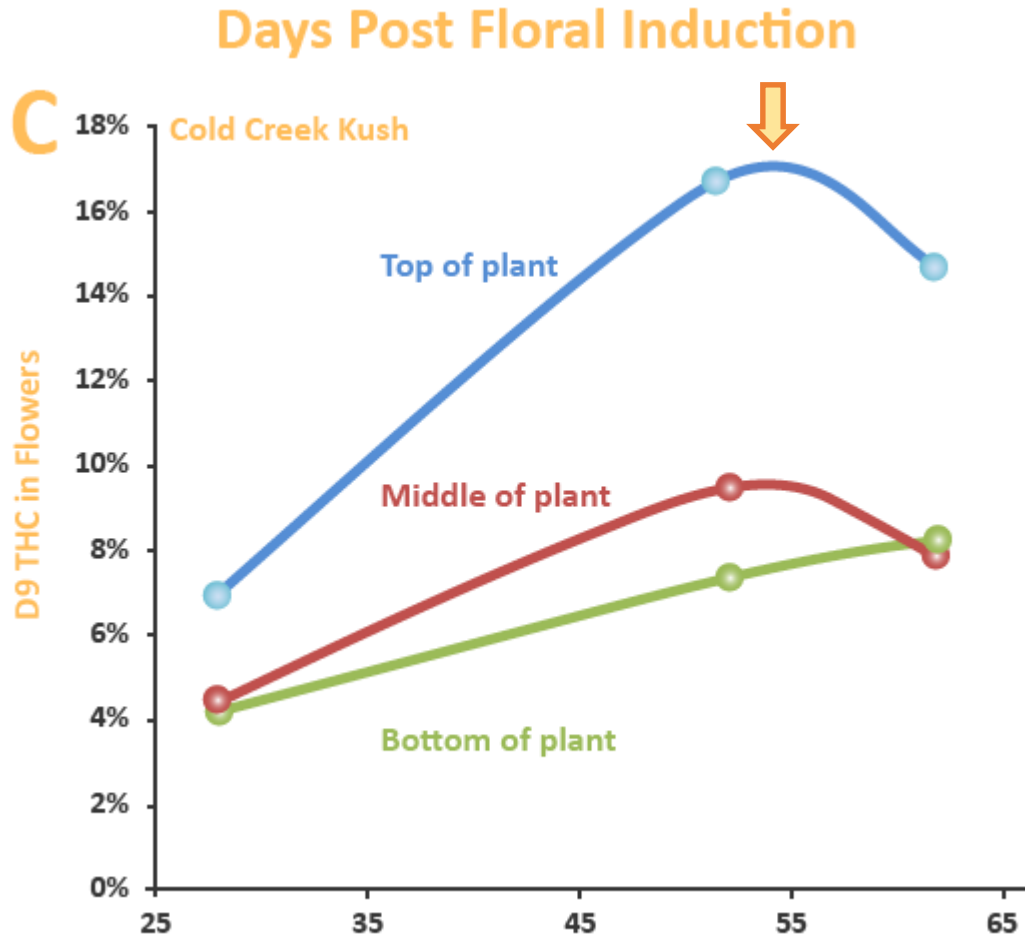
A measurable standard sample was tested employing **25 separate scopes with 7 devices and 3 different operators** illustrates the repeatability of CompleTest™ results. The ability to replicate results provides cultivators the ability to **know their product before they send it to a third party lab.**



Knowing **product strength is critical** for maximizing revenue. A cultivator that knows their product can reduce timelines and **third party issues**, and maximize confidence and **revenue**



What Is Croptimization?



- ✓ CompleTest™ enables continuous testing, which means a plants peak potency period is more easily identified.
- ✓ A 1% increase in THC potency = 8.3 % increase in revenue.
- ✓ Some customers increase revenue by \$1.50/gram through “croptimization”.
- ✓ Harvesting on time allows for rooms to cycle faster and saves growers money.
















Ex: Assuming a wholesale price of \$4/gram, a grow room that produces 25 KG of dry product could increase revenue by approx. \$8,600 per cycle with a 1% THC increase.

Biomarking - The Future of Seed to Sale Tracking



- Biomarkers are easily synthesized molecules that allow for seed to sale tracking of plant material. When used in plant material, they create a unique colorized bar code, the signature of which can be read by a CompleteTest™ device.
- Applied directly to the plant through the water supply and absorbed throughout.
- Biomarkers have potential application in all consumable products that require tracking.
- Due to their makeup, they are extremely hard, if not impossible, to replicate.

Competitive Landscape

					
COST	\$\$	\$\$\$	\$\$\$	\$\$	\$
RELIABILITY					
LABOUR CLASS REQUIRED	UNSKILLED	SKILLED	UNSKILLED	SEMI SKILLED	UNSKILLED
TIME REQUIRED					
FLURXTECH COMPETITIVE ADVANTAGE		Requires Dedicated Labour Cross Lab Variability	Mid-infrared technology lacks efficacy	Must be sent back every 1000 tests More moving parts that can break down	Near-infrared is not reliable or repeatable

Phase 1: Q4 2019

Targeting Western Canadian Producers, who require a cost conscious approach to cannabis production.

Potential client base of 50+ Licensed Producers in addition to Micro Cultivators and ancillary facilities.

Begin work with US based hemp cultivators.

Phase 2: Q1 2020

Increase target base to all of Canada, a potential Client base of 200+ Licensed Producers and 400 micro cultivators.

Partnerships created with US based hemp cultivators, testing entities and distributors.

Phase 3: H1 2020

Canadian LP Saturation and transition to the international market.

Thousands of growers and ancillary business opportunities.

Move towards ready testing capability for LP's.



Growth Potential/Roadmap



200+ LP's.

400+ Potential Micro cultivators, + more coming

45+ labs actively testing cannabis.

Edibles, topical and extracts legal: 2020.

8000+ Retail and Medical Growers.

Less regulated than Canadian market.

NA Testing Market predicted to be over \$600 Million By 2021.

Predicted Demand: 600,000 KG of dry flower.

Global cannabis market Predicted to be \$150B by 2025

Testing Market predicted at \$1.5 Billion by 2021

(based off Current CAGR of 11.9%)

Revenue Per Device

1.	CompleTest™ Package Contains THCA /CBDA THC/CBD scopes and lab apparatus package Cost: \$19,000 USD: One Time Sale	Revenue Opportunity: \$19,000 USD Per Unit
2.	Additional CompleTest™ Scopes and Tests Heavy Metals; Pesticides and Mold to be developed Cost: \$4500 USD Per Scope: One Time Sale	Revenue Opportunity: \$4500 USD Per Scope Per CompleTest Unit
3.	Testing Kits 1 Kit Needed Per Potency or Heavy Metal Test Performed Cost: \$45 USD Per Test Kit: Recurring Revenue	Revenue Opportunity: 30-50 Tests Per Month \$16,000 - \$27,000 USD/Annum per Device

Note: THC/CBD and hemp verification tests forecasted to be released spring 2020

Near-Term Catalysts

CATALYSTS	TIMEFRAME
CompleTest™ certification	✓ Q1 2019
Internal validation study	✓ Q2 2019
Completion of first production run of 80 CompleTest™ devices	✓ Q2 2019
Sales commence in Western Canada	✓ Q3 2019
Completion of hemp beta and beginning of hemp sales	✓ Q4 2019
Received Research License	✓ Q4 2019
Commence two external validation studies	✓ Q4 2019
Commence heavy metal Cd beta test	Q1 2020
Commence second production run of CompleTest™ devices	Q1 2020
Commence GMP certification for 2020 completion	Q1 2020
Commence hemp verification beta and regulatory sales	Q1 2020

FluroTech's Corporate Information

SHARE STRUCTURE	TSXV: TEST / OTCQB: FLURF
Closing Price (February 12, 2020)	\$0.14/share
Market Cap (February 12, 2020)	\$7.6M
SHARES OUTSTANDING	54,273,814
Shares Escrowed	8,211,590
Shares Free Trading	46,062,224
Options & Warrants (Avg Exercise Price, \$0.35)	6,319,390
FULLY DILUTED SHARES OUTSTANDING	60,593,204
Working Capital (Sept, 2019)	\$4.0M CAD
Inside Ownership	33% (Basic), 30% (Fd)

The Bright Future

✓ Becoming the gold standard:

- FluroTech's goal is to become the industry standard mobile, in-house analytical cannabis and hemp testing market.

✓ Transitioning from R&D to Commercialization:

- **Direct marketing to LPS, MSOs and Craft growers:**
 - Optimize potency by pinpointing prime time to harvest, phenon hunting, and increase operational efficiencies.
- **Opening Market Channels**
 - Engaging regional and national distributors in the US and Canada.
 - Marketing partnerships with Analytical Labs.
 - Penetrating the regulatory hemp verification market in the US.
 - Joint Venture with strategic partners in R&D for product development.

