

FLUR^OTECH



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

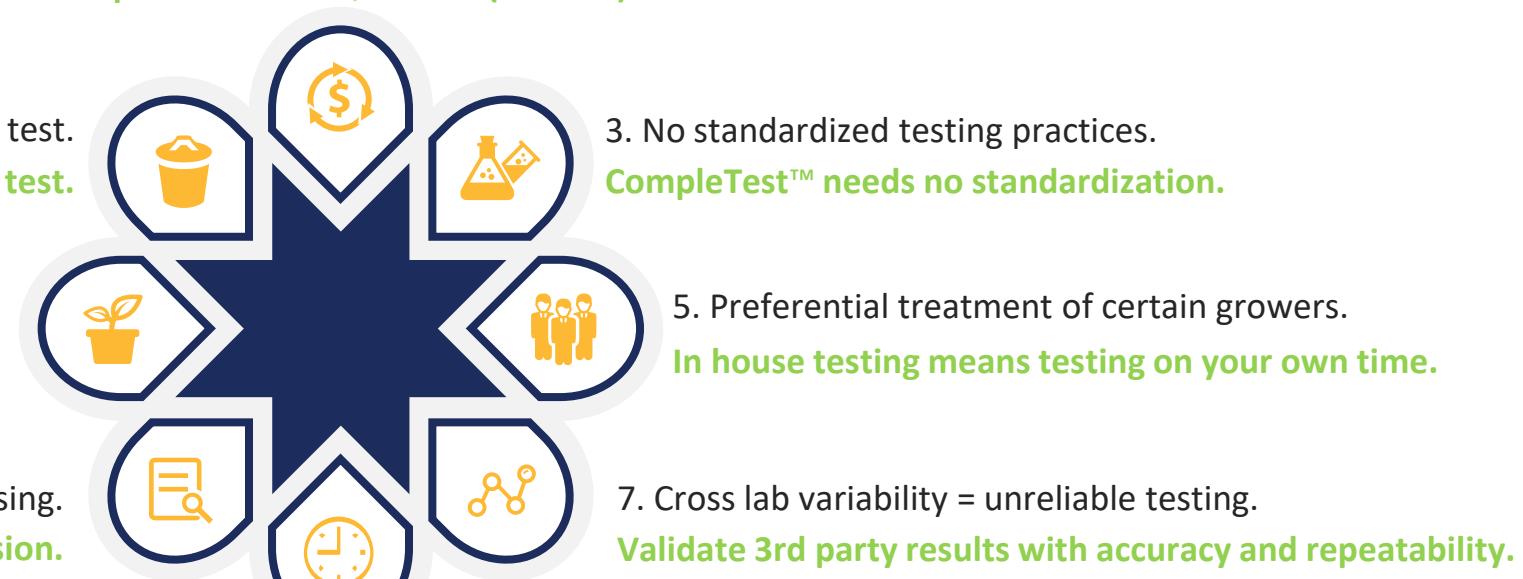
The Issue With Laboratories

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.





- ✓ 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 (Crop optimization). Allows for early detection of contaminants for crop recycling.

- ✓ Diverse applications include **plant testing, biomarking and personal testing**.

Our Solution



Know your Product - Shedding Light on Cross Lab Variability



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



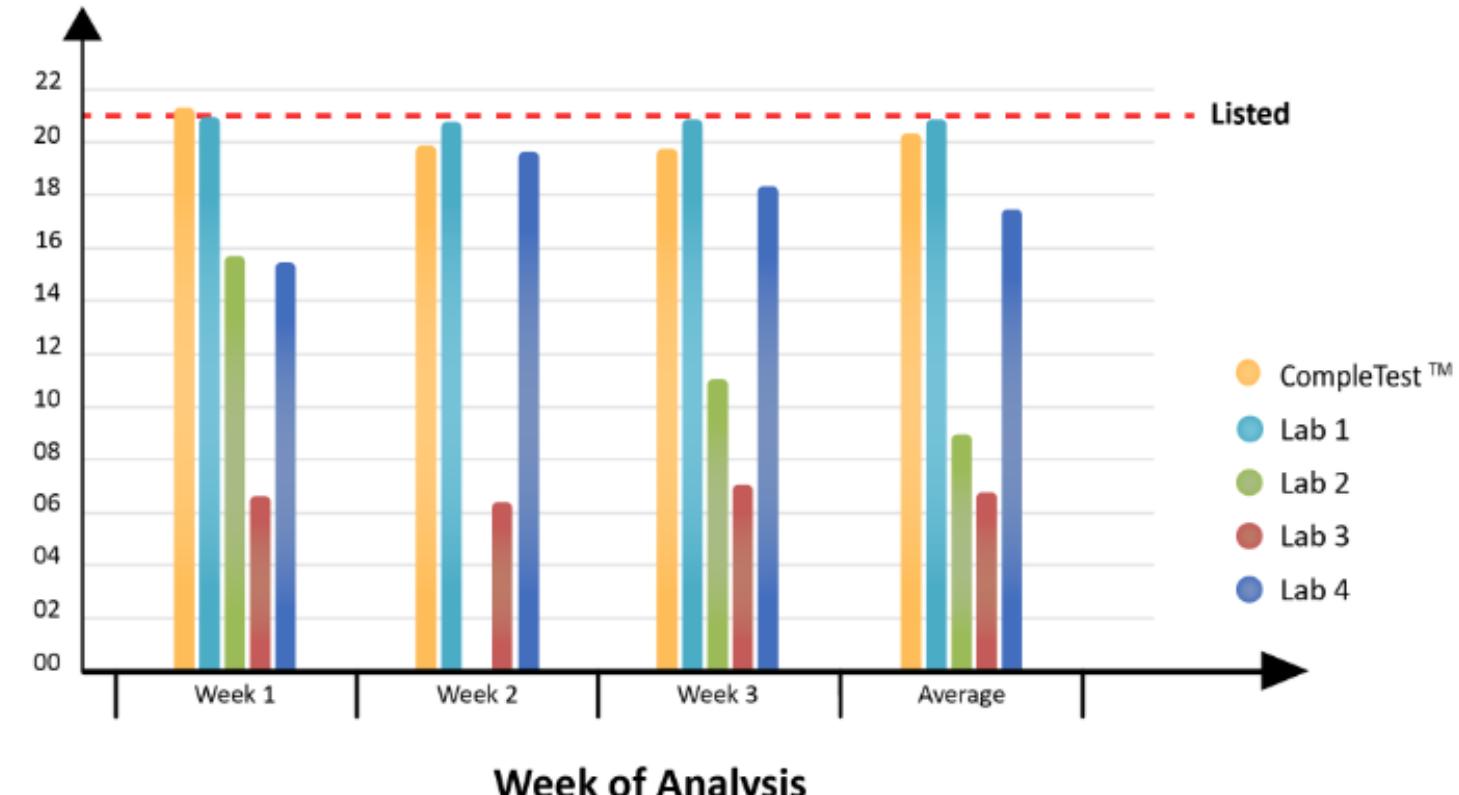
Inaccurate testing can drastically affect the value of the product.



The Washington Cannabis Farmers Council sent the same sample of cannabis to 8 different labs, the results are recorded above. <https://www.scribd.com/document/346597545/Cannabis-Farmers-Council-position-paper-on-potency-testing-and-labeling>

Validating CompleTest Variance

Sour Kush Analysis (THCA Analysis) - Parent Extract



*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.

Source: The data in the graph above is part of FluroTech's internal study finished on July 3, 2019. The main objective of the project was to prove cross laboratory variability, variability of results over time and variability of type of cannabis analyses of commonly used third-party laboratories. In this study 2 strains of cannabis were prepared for testing by 4 different commercial laboratories and CompleTest. Aliquots from the same original sample were send to each laboratory for cannabinoids concentration determination. This procedure was repeated every week, for 3 weeks, in order to determine the variability of results over time. The results provided by the laboratories where then analyzed and the figures prepared by FluroTech.

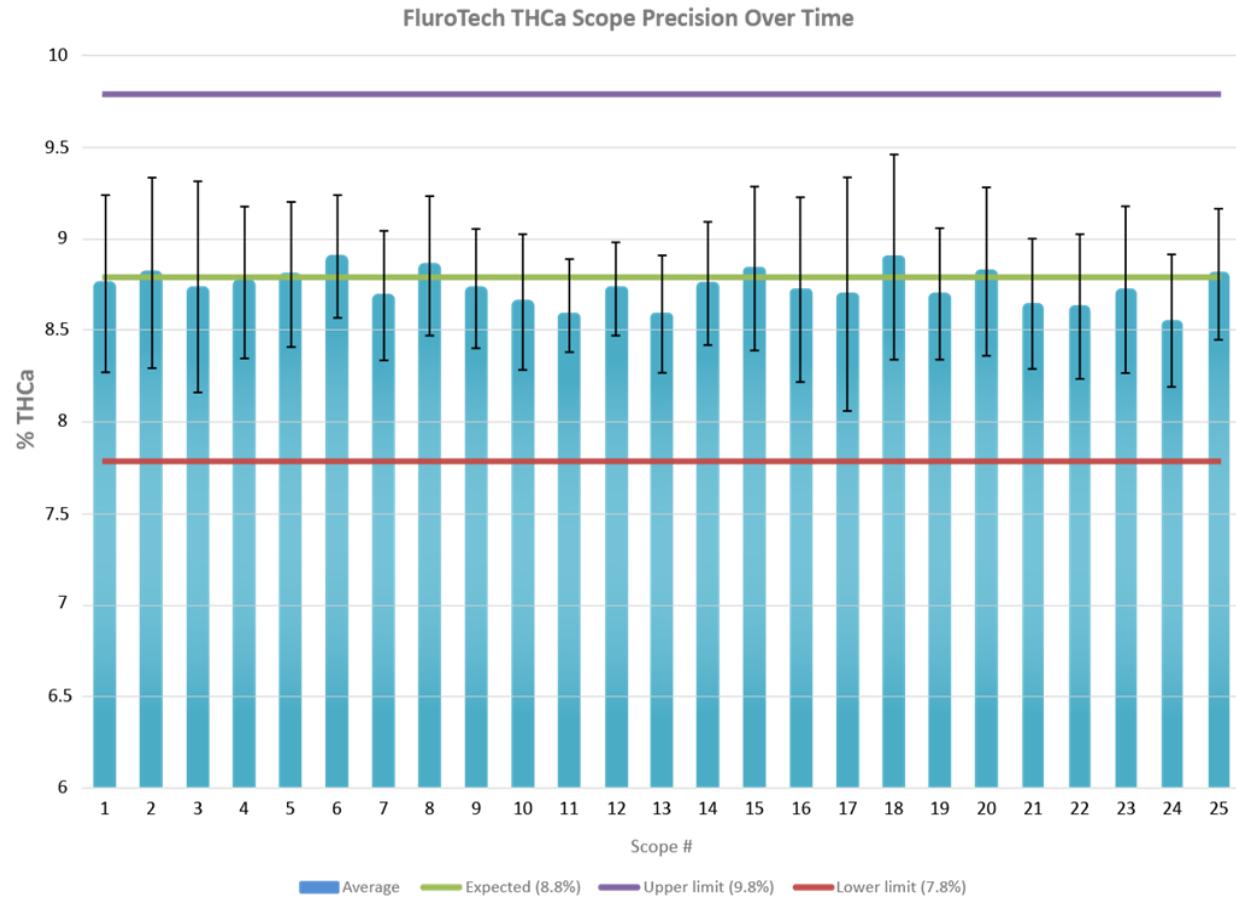
Inspiring Confidence Through Repeatability



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.**

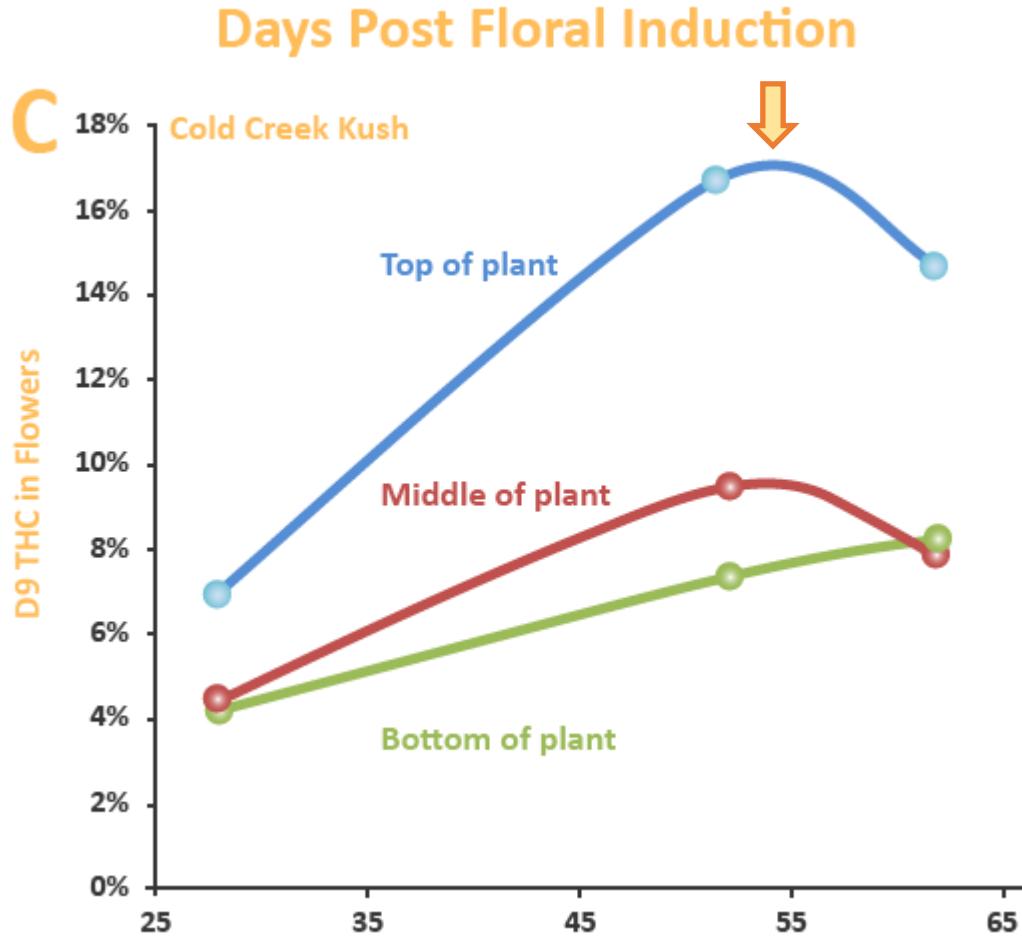


Knowing **product strength is critical** for maximizing revenue. A cultivator that knows their product can **reduce timelines and third party issues, and maximize confidence and revenue**



Source: The data is part of FluroTech's internal study performed on December 2018. The main objective of the study was to determine the variability among 25 THCA scopes (first units produced by FluroTech's engineering team) when measuring the same standard sample, using 7 different devices and 3 different users.

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 CompleTest™ 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

	 CompleTest POWERED BY FLURXTECH	 Lab Testing/HPLC	 Big Sur Scientific Bringing Science to the Art of Control		 GemmaCert®
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

Source: The Company generated the competitive study by testing each piece of equipment and from information from each competitor's website.

Revenue Per Device

1.

CompleTest™ Package

Contains THCA /CBDA THC/CBD scopes and lab apparatus package
Cost: \$15,000 USD: One Time Sale

Revenue Opportunity: \$15,000 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

FluroTech's Corporate Information

SHARE STRUCTURE	TSXV: TEST / OTCQB: FLURF
Closing Price (September 17, 2020)	\$0.30/share
Market Cap (September 17, 2020)	\$16.3M
SHARES OUTSTANDING	54,273,814
Shares Escrowed	5,536,616
Shares Free Trading	48,737,198
Options & Warrants (Avg Exercise Price, \$0.43)	5,958,834
FULLY DILUTED SHARES OUTSTANDING	60,232,748
Working Capital (June 30, 2020)	\$1.57M 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.