



Webinar | Building Real-Time Visibility, Planning & Reporting Across your Cannabis Organization

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Today's Presenters



Jeremy Sucharski
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Consulting Practice Leader



Bryan Rogers
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Expert, Armanino



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Expert, Armanino



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Vice President
Partnership
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Agenda



Industry Update:

Explore industry trends regarding the use integrated technology for critical business cycles including sources of disruption and innovation

01

Building a Robust Technology Ecosystem

Discuss the business drivers and benefits associated with implementing a modern and integrated technology ecosystem.

02

Practical Steps To Start your Tech Journey:

Discuss steps you can take to begin to formulate and execute a strategy for adoption of a modern tech stack

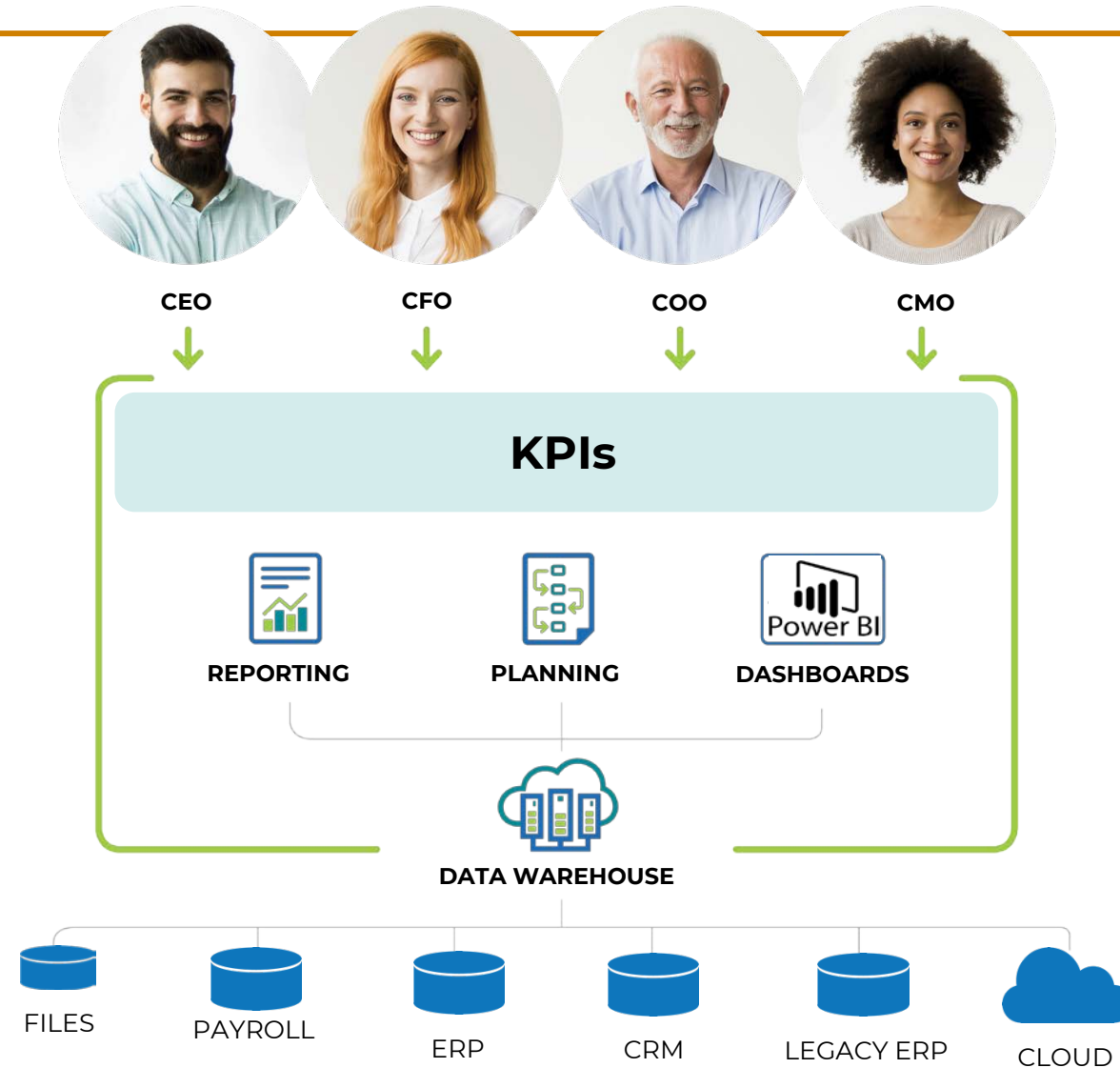
03

Solver Demonstration

See in real time how a tool such as Solver can provide valuable business insights.

04

Solver provides key insights across the organization



Complete Insight... Faster, Better Decisions

Company

- Established for 20+ years
- Locations in 15+ countries
- Over 140 employees
- Over 100 partners
- Serves 3,000+ customers

Key Benefits

- Single cloud portal and database
- Rapid configuration with Templates
- Quick time to value

Solver Apps

- Process automation
- KPIs and Alerts
- Dashboards
- Reporting & Consolidation
- Budgeting & Forecasting
- Intelligent Data Warehouse
- Data source connectors

Armanino Overview



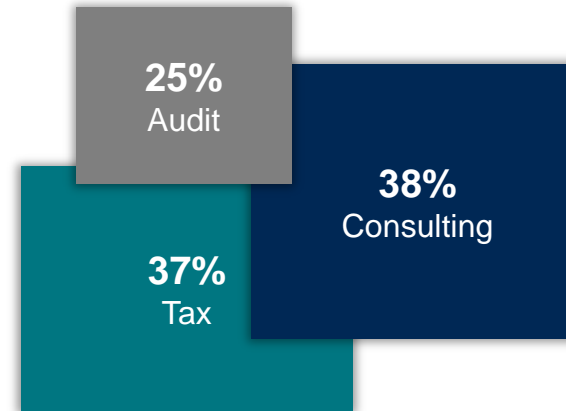
CORE PURPOSE

To be the **most innovative** and **entrepreneurial** firm that makes a **positive impact** on the lives of our **clients**, our **people** and our **communities**.



SNAPSHOT

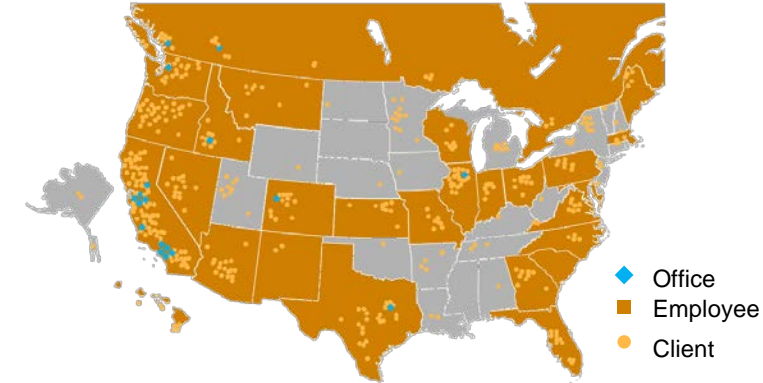
- 1,400+ Employees
- Team Members in 26 States
- 20th Largest CPA & Consulting Firm in the Nation
- Largest California-Based CPA & Consulting Firm



Affiliate Companies



LOCATIONS



- | | |
|-----------------------|-----------------------|
| ■ San Ramon, CA | ■ San Luis Obispo, CA |
| ■ San Jose, CA | ■ Naperville, IL |
| ■ San Francisco, CA | ■ Dallas, TX |
| ■ Folsom, CA | ■ Seattle, WA |
| ■ Los Angeles, CA (2) | ■ Boise, ID |
| ■ Irvine, CA | ■ Denver, CO |
| ■ El Segundo, CA | ■ Vancouver, Canada |
| ■ Woodland Hills, CA | |

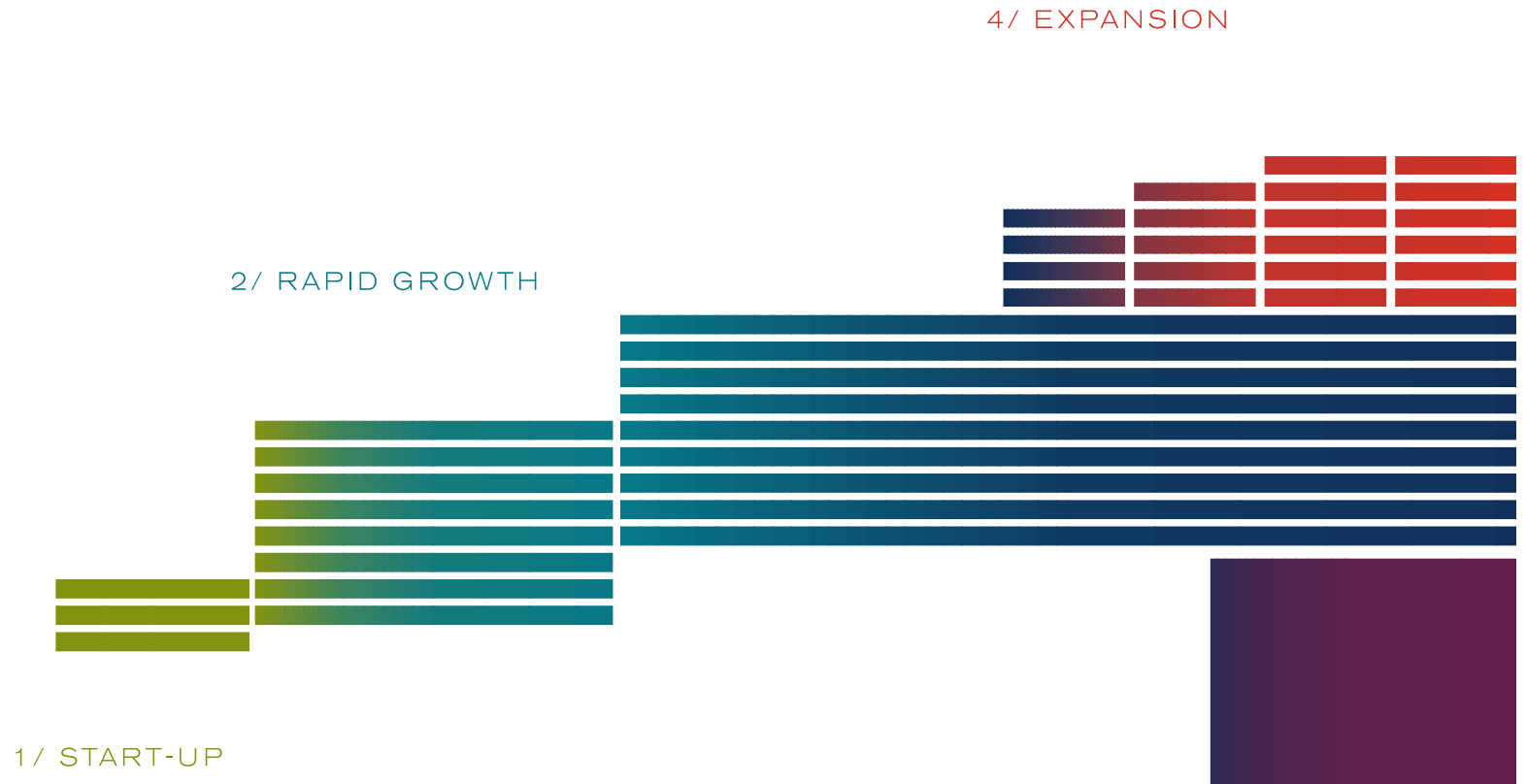
RECOGNITION & AWARDS



Helping Companies at Every Stage of their Life Cycle

The life cycle of a company can be said to have five broad stages, each with its own set of challenges and opportunities.

Armanino has Audit, Tax & Consulting experts to assist at every stage.



Cannabis Services



Audit

- ✓ Audit Procedures
- ✓ Financial Statement Audits
- ✓ Reviews and Compilations



Tax

- ✓ Corporate Tax Outsourcing
- ✓ Individual Tax Planning
- ✓ International Tax Services



Consulting

- ✓ Business Application
- ✓ Business Outsourcing Services
- ✓ CFO Advisory
- ✓ Technology / Cloud Solutions
- ✓ Strategy and Transformation



Risk Assurance and Advisory

- ✓ Cybersecurity
- ✓ Internal Audit
- ✓ Compliance

Cannabis Industry Trends



- Cannabis sales continue at record levels in many states



- Stagnant M&A market driven by oversupply



- Entire Supply Chain deemed essential business
- Shifted business models to allow for delivery and pick up

2021 Industry Outlook

- **Sales**
 - *US Cannabis sales expected to reach \$35B*
- **Impact of Elections**
 - *5 states have cannabis-related legislation on ballot today.*
- **Investor Pressure**
 - *Public Cannabis entities continue to face aggressive expectations from investors causing dip/slide in stock prices*
- **Refocusing on Fundamentals**
 - *Larger Cannabis companies expected to jettison non core businesses to focus on core business and key metrics.*



Cannabis Industry Immutable Truths



Sales

Sales will continue to increase at record levels.



Legalization

Legalization will continue to expand by state, nationally and internationally



Product

The number of products available on the market will expand exponentially.



Customers

- Diversity of customers will continue to grow.
- Spending habits will continue to vary significantly



Taxation

Taxation at state and local level will continue to burden the cannabis industry

Common Thread



People



Process



Technology

Building a Robust Technology Ecosystem



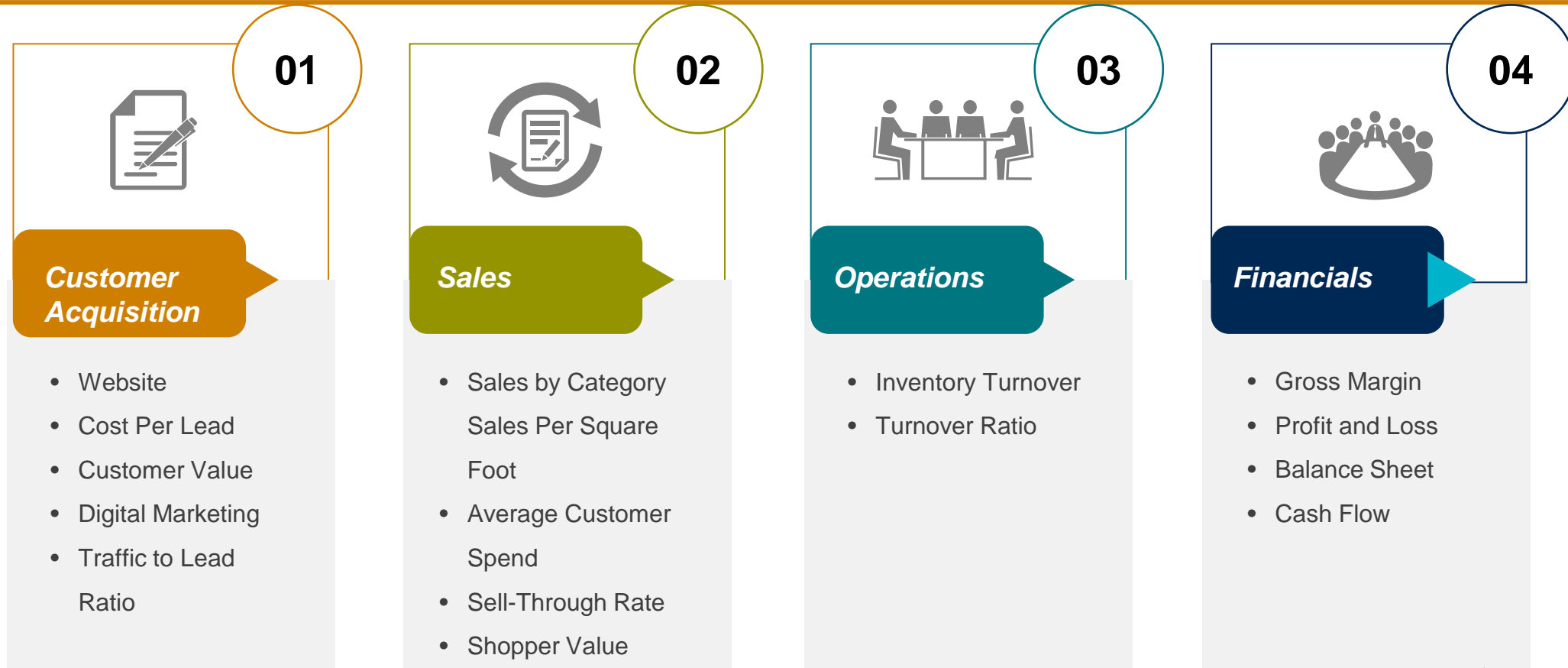
A robust technology ecosystem allows management to operate and measure critical performance indicators associated with their business.

Integration of systems for unified and consolidated reporting will be critical as a business grows and scales.

Resulting Output is Robust, Actionable Data

- Sales
- Operations
- Financial
- Compliance

Getting Actionable Data



Foundational Elements

Seed to Sale ERP COA Dimensions Data Strategy FP&A Solution BI / Dashboarding Artificial Intelligence

Company FP&A Challenges

Small Businesses

(\$5-\$10 million)

- Inadequate talent
- Undefined processes
- Long time to close & report
- Issues with understanding cash flow
- Confidence in financial data

Medium Businesses

(\$10 million- \$1 billion)

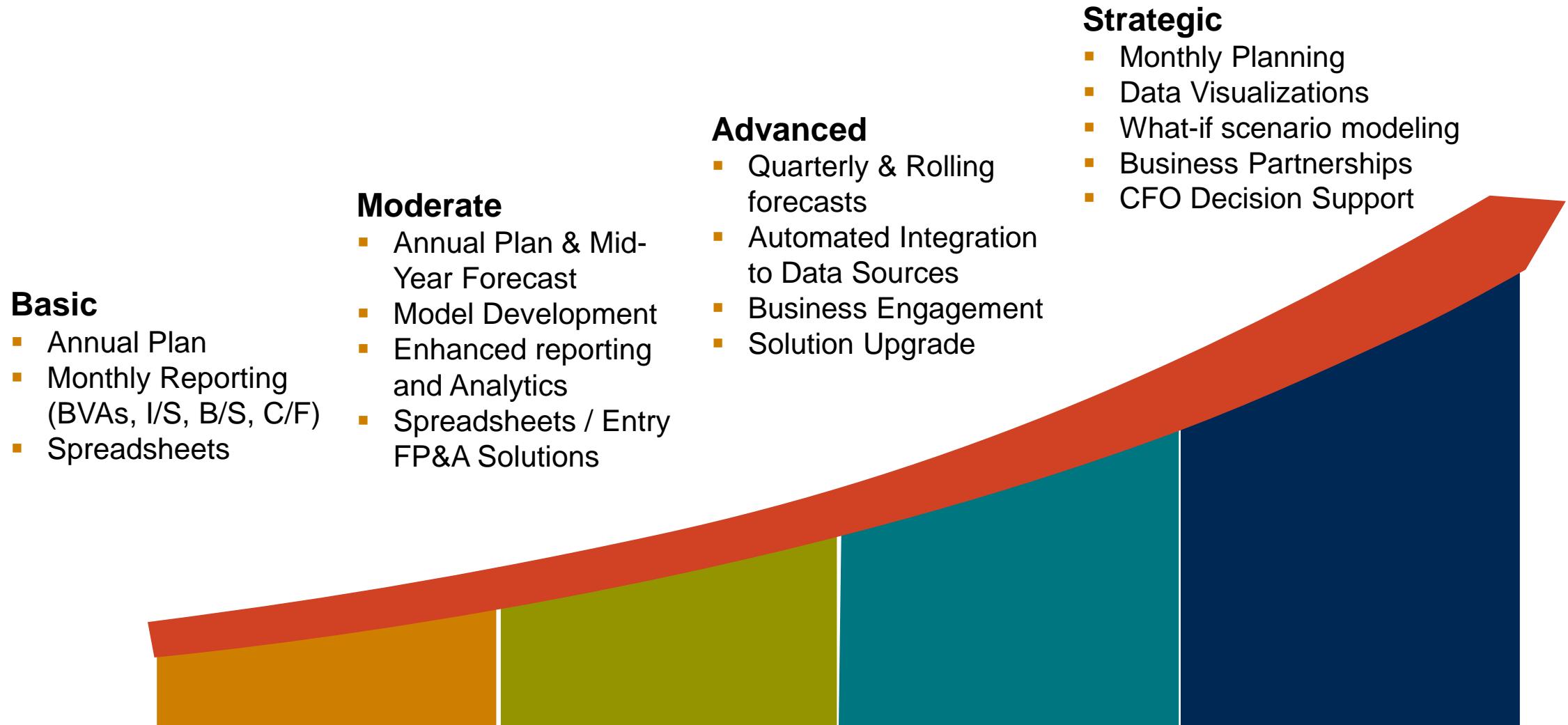
- Forecasting errors
- Unexpected Expenses
- Affording Quality Staff
- Inability to Assess Options
- Lack of technology

Large Enterprise

(Over \$1 billion)

- Decentralized entities and divisions
- Multiple Accounting Systems
- Inaccurate analysis, forecasting and business models
- Ineffective cash management

FP&A Evolution



Armanino FP&A Solutions

Assessing and Reporting Corporate Performance for Strategic and Tactical Decision Making.

- **Budgeting**

- + Cash Management
- + OPEX Optimization
- + Variance Analysis

- **Forecasting**

- + Long Term Financial needs
- + Actual to Forecast Variance

- **Business Modeling**

- + Financial Modeling
- + 13-week Cash Flow Modeling

- **Strategic Planning**

- + Interim & Outsourced Finance Leadership
- + Process Improvement & Documentation
- + Acquisition or Divestiture Strategies

- **Management Reporting**

- + Dashboards & KPI's
- + Board Preparation
- + Gap Analysis

- **Financial Analysis**

- + Product Launches, Marketing ROI, Supply Chain
- + Audit Prep
- + Close Acceleration
- + IPO readiness

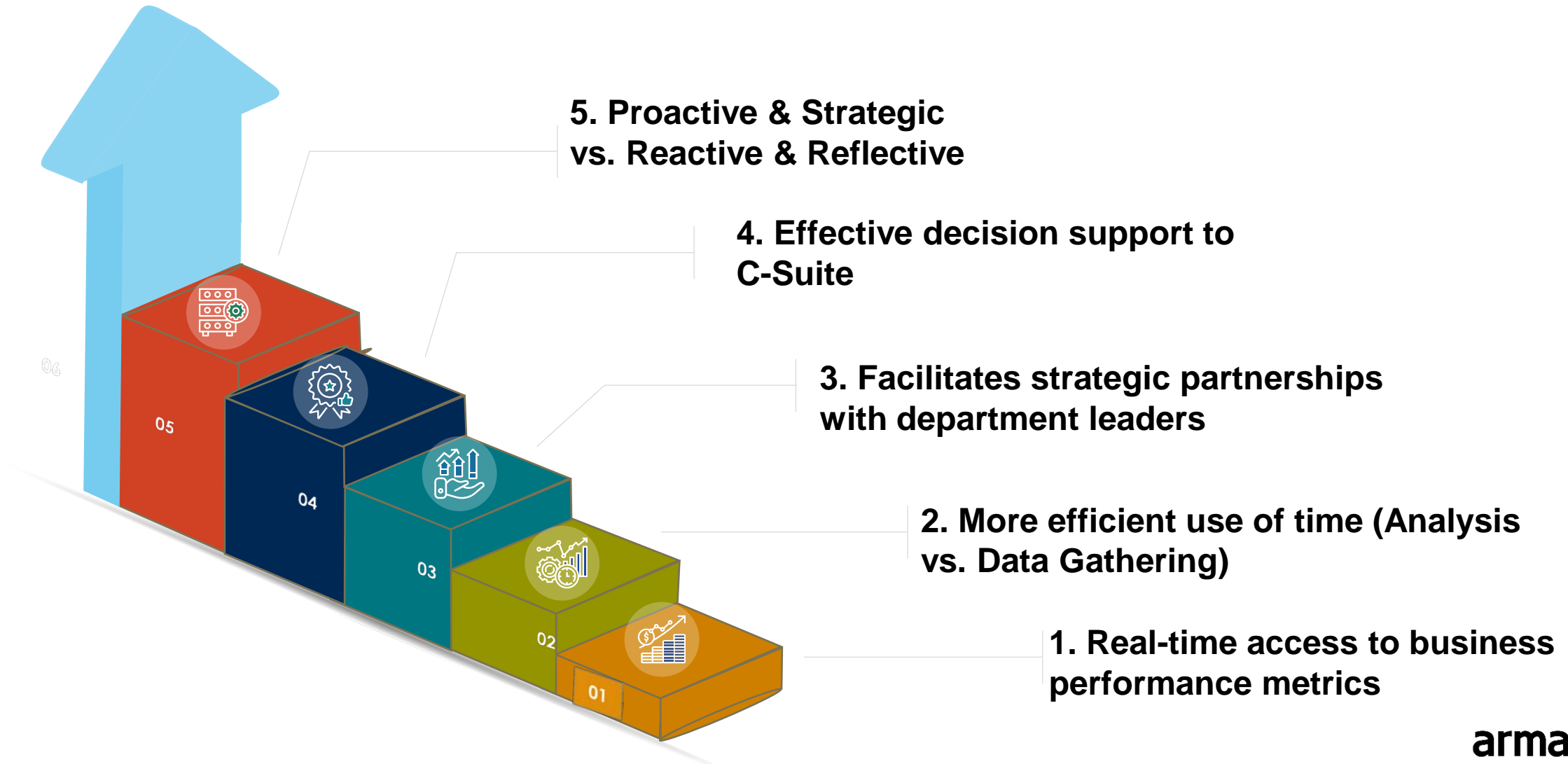
- **Capital Planning**

- + Analysis & Planning
- + Lease Accounting

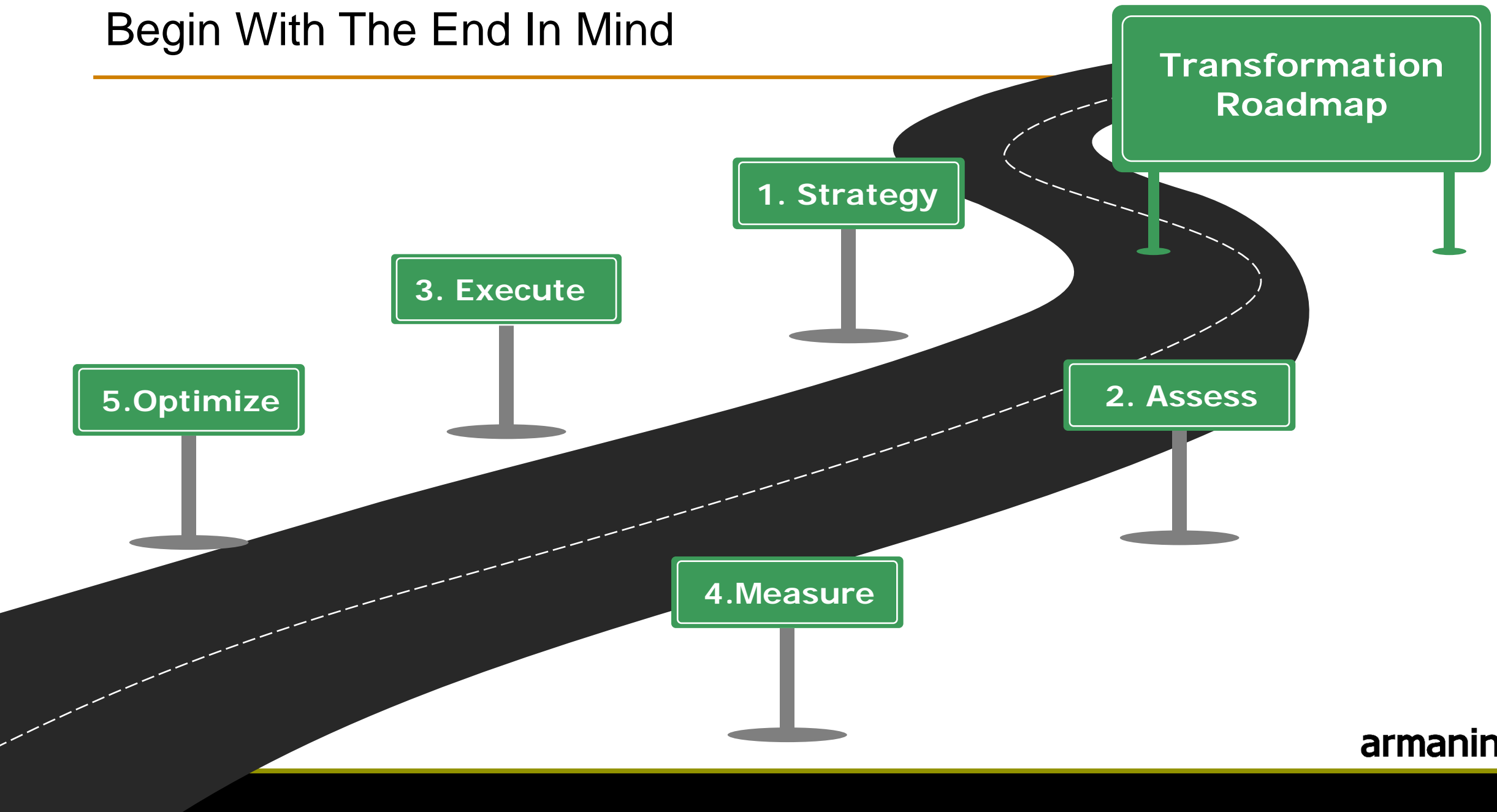
- **Technology Implementation**

- + CPM Solutions

Benefits of Robust FPA Solution



Begin With The End In Mind



It Starts With Your Strategy



A photograph of three glass bottles containing yellow cannabis oil. One bottle is dark brown with a black dropper, while the other two are clear with cork stoppers. Fresh green cannabis leaves are scattered around the bottles on a rustic wooden surface. In the background, there are wooden crates. An orange semi-transparent banner is overlaid across the middle of the image.

Cannabis-specific Demonstration

Bringing it Full Circle - Pitfalls to Avoid

▪ **Don't make bad fast**

- GIGO – Garbage In, Garbage Out
- Don't take excel and put it into a better tool

▪ **Avoid short-term thinking**

- Don't focus only on immediate issues..
.. think strategic
- Grow into solution . . . Phased implementation

▪ **Go beyond your finance team**

Create self-service reporting
Collaborative planning with
department leaders

▪ **Resist a one and done approach**

Build a center of expertise
Evolve your FP&A process over time
Create multiple SMEs for the solution

In Closing

- ✓ Today we have discussed:
 - ✓ Industry trends and projections
 - ✓ Components of a robust and integrated technology ecosystem
 - ✓ Tangible steps you can take to build out your ecosystem
 - ✓ Demonstrated how a system like Solver can address your integrated reporting needs



The background of the slide features a collection of medical bottles and cannabis leaves. On the left, a large amber bottle with a white cap is partially visible. To its right are several smaller bottles, including one with a white dropper and a yellow cap, and another with a black cap. Fresh green cannabis leaves are scattered around the bottles, with one large leaf in the foreground and another on the right side. An orange semi-transparent banner is positioned across the middle of the image, containing the text.

THANK YOU FOR ATTENDING!
Contact Us at Experts@armaninoLLP.com