

Hemp Oil Production and Margin Analysis - U.S.

Current Market Size Metrics

	Year	2020	2021	2022	2023	2024
	Mkt Share 2018 Base*	0.50%	0.75%	0.85%	0.90%	1.00%
REVENUE						
Total CBD Sales		\$4,435,000	\$8,315,625	\$12,251,688	\$22,053,038	\$49,006,750
Per Gram Retail		\$55	45	35	20	15
Total Grams		80,636	184,792	350,048	1,102,652	3,267,117
Total Pounds		178	407	772	2,431	7,203
By-Products		\$665,250	\$1,247,344	\$1,837,753	\$3,307,956	\$7,351,013
TOTAL REVENUE		\$5,100,250	9,562,969	14,089,441	25,360,993	56,357,763
Cost of Goods Sold Per Year						
Hemp Cost Per lb.		\$600	700	800	900	1000
Hemp Biomass lbs		\$106,662	\$244,433	\$463,027	\$1,458,534	\$4,321,583
Less Processing Yield	3%	-\$3,200	-\$7,333	-\$13,891	-\$43,756	-\$129,647
Labor Personnel/Day		2	4	6	10	16
Cost Per Year 24/365	\$25.00	\$438,000	\$876,000	\$1,314,000	\$2,190,000	\$3,504,000
Power/gram	\$0.04	\$3,225	\$7,392	\$14,002	\$44,106	\$130,685
Chemicals	6%	\$266,100	\$498,938	\$735,101	\$1,323,182	\$2,940,405
Packaging & Support	\$1	\$80,636	184,792	350,048	1,102,652	3,267,117
Sub Total Processing		\$784,764	1,559,792	2,399,267	4,616,194	9,712,575
Internet Advertising		\$250,000	450,000	750,000	1,250,000	2,000,000
Wholesale Market Dev.		\$90,000	120,000	140,000	150,000	160,000
Sub Total Promotion		\$340,000	570,000	890,000	1,400,000	2,160,000
Equipment R&D		\$150,000	285,000	340,000	580,000	770,000
G&A		\$280,000	420,000	560,000	740,000	940,000
TOTAL COSTS		\$1,661,426	5,209,017	7,941,560	14,810,923	29,776,733
TOTAL MARGIN @ EBITDA		\$3,438,824	4,353,952	6,147,881	10,550,071	26,581,030
		67.42%	45.53%	43.63%	41.60%	47.16%

* Percentage based on base number, volume in 2018. However, according to those reading the tea leaves, they expect by 2024 a \$20b market