

INVESTOR  
BRAND  
NETWORK

IBN

Sugarmade Inc. (SGMD)

**Sugarmade Inc.**

750 Royal Oaks Dr, Suite 108  
Monrovia, CA. 91016  
(619) 664-4780  
[www.Sugarmade.com](http://www.Sugarmade.com)

**InvestorBrandNetwork (IBN)**

8033 Sunset Blvd.  
Suite 1037  
Los Angeles, CA 90046  
(310) 299-1717  
[www.InvestorBrandNetwork.com](http://www.InvestorBrandNetwork.com)

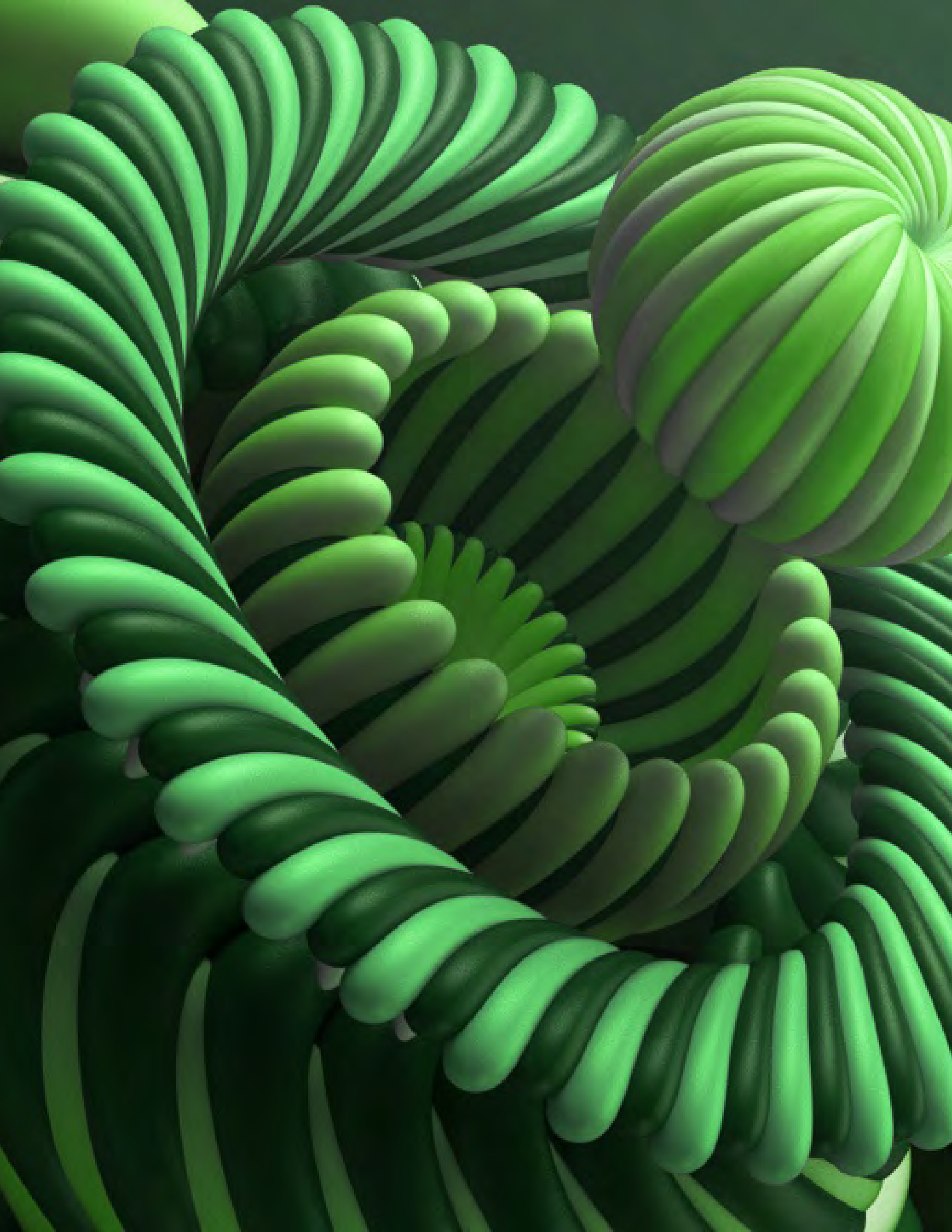
**SUGARMADE™**



**Sugarmade Inc. (OTC: SGMD)** is a product and brand marketing company that is building a synergistic portfolio through investing in operations and technologies with disruptive potential. The company is focused on collaborating with real people in real-time to identify the emerging desires, behaviors and trends poised to unlock new opportunities and pathways for growth. Sugarmade — through nurturing an innovative and compelling relationship between brand, botany and business — seeks to redefine the marketplace and bring undeniable consumer and shareholder value and an intriguing cross-pollination of revenue sources.

The company's core strategic plan centers around expansion of its end-market access as a central player in the growing California cannabis delivery marketplace while developing its in-house cannabis production capacity to verticalize operations in the space. Sugarmade intends to develop a full farm-to-door vertically integrated cannabis business through a combination of strategic acquisitions and organic growth.





# Farm-to-Door Vision

Sugarmade, an innovator in the dynamic California cannabis sector, is focused on developing a full farm-to-door vertically integrated business model. Already a central player in California's expanding cannabis delivery space, Sugarmade has completed a series of strategic moves to strengthen its positioning across the industry.

As part of this effort, the company has closed multiple strategic acquisitions, including its latest purchase of a Los Angeles property, which has been designated as a new distribution and delivery hub for its NUG Avenue cannabis delivery segment. Sugarmade is also pursuing the acquisition of three non-storefront California cannabis licenses from the Los Angeles Department of Cannabis Regulation, as well as corresponding licenses from the California Bureau of Cannabis Control. Combined, the licenses provide the foundation for the opening of three new NUG Avenue cannabis delivery hubs in the Los Angeles metro area.

Pursuing strategic additions to the company's diversified brand portfolio, the team is building what it believes is one of the most promising vertically integrated cannabis models in the thriving California sector. Sugarmade is setting the stage to improve margins while expanding end-market access, and to grow, refine, produce, distribute, sell, and home-deliver top cannabis products in the world's largest and fastest growing cannabis market. The company's long-term strategic vision is to establish the capacity to control all aspects of production, supply, manufacturing, packaging, distribution and delivery — to become a true "farm-to-door" cannabis company. Organic brand growth, property acquisition, licensing and geographic expansion are all key in achieving this vision, which is expected to provide for better unit economics, margin growth and gains in product quality and customer satisfaction.



## Brand Portfolio

Sugarmade has investments in a number of subsidiaries with active operations across the dynamic California cannabis sector. Its portfolio companies are led by experienced management teams and provide rapid growth and expansion opportunity across the vast market.



### **NUG Avenue —**

Sugarmade owns a 70% stake in NUG Avenue, a cannabis delivery service based in Southern California. The company provides a variety of hand-selected top-shelf products from Stiiizy, Kanha, PlugPlay and more.

### **BudCars —**

Sugarmade is an investor in cannabis delivery service BudCars' first operating location in Sacramento, California. BudCars is an online-shopping experience designed to provide new customers with an easy way to discover and order cannabis products within minutes.

### **Lemon Glow Company Inc.—**

Sugarmade recently completed the acquisition of Lemon Glow Company. The acquisition included all of Lemon Glow's assets, interests, property, and rights, including 640 acres of real estate, 32 of which have already been designated for outdoor cannabis cultivation. The acquisition is considered pivotal in the company's verticalization process because it represents the opportunity for large-scale cultivation. Sugarmade anticipates an estimated potential cultivation yield at the property to be approximately 4,000 pounds of dry trimmed cannabis flower per acre, per year. This represents an annual total of approximately 128,000 pounds, or 64 tons, of dry trimmed cannabis flower.

Sugarmade additionally benefits from the acquisition in terms of team capital, as Lemon Glow executives have stayed on to form the core management team at the cannabis cultivation site. Leveraging more than 30 years of cannabis cultivation experience, the team holds vast experience, established skills and an intricate knowledge of the property and its local grow context. The Lemon Glow acquisition affords Sugarmade a significant capacity to scale as demand for its products and services grows over time. The company is focused on ramping up operations at the property and taking key steps toward delivering on the promise of its vertically integrated farm-to-door vision.



## Market Considerations

The California cannabis industry has continued to record tremendous growth since voters approved legalization of recreational use of the plant in 2016. According to MJBizDaily, California's legal market hit \$4.4 billion in sales in 2020, up from \$2.8 billion in 2019 and \$1.4 billion in 2018.

Those figures highlight California's status as the world's largest legal cannabis market. With roughly 28 million residents over the age of 21, California is more than twice the combined size of the four states (Arizona, New Jersey, Montana and North Dakota) that legalized cannabis in 2020.

The COVID-19 pandemic was a key driver in the growth of cannabis delivery services throughout the state in 2020. In the 30 days following the March 13, 2020, declaration of a national emergency, one California cannabis delivery firm reported a 60% increase in new delivery customers. Tech companies in cannabis ecommerce were able to dramatically increase their market share as a result of this boom.

A 70% stakeholder in NUG Avenue, a Southern California-based cannabis delivery service, Sugarmade has targeted the LA delivery market as the prime location for expansion of its business. California is the sixth largest economy in the world, and LA County, with over 25% of the state's population, is the most significant driver. The company considers its Lynwood, California, site as optimal for expansion of its delivery presence. Situated along one of the major distribution freeways, the strategic location allows drivers to efficiently reach the more than 15 million consumers that live within a 30-mile radius.

In addition, the company has completed and is in the process of closing strategic acquisitions with a goal to develop a full farm-to-door vertically integrated cannabis business model. Sugarmade considers organic brand growth, property acquisition, licensing and geographic expansion all key factors to achieve this vision to control all aspects of production to delivery of its products.

With a leading and expanding presence in the cannabis delivery marketplace, as well as a strategic focus to build a cutting-edge vertically integrated business model, Sugarmade is positioning for significant opportunity across California — the largest and fastest growing cannabis market in the world.



# Investor Overview

- ✓ Building a vertically integrated business model through expanding end-market access as a central player in the growing California cannabis delivery marketplace while developing in-house cannabis production capacity
- ✓ Focused on becoming a top-tier, farm-to-door leader in the burgeoning California cannabis sector
- ✓ Key cannabis industry investments in NUG Avenue, BudCars and Lemon Glow Company Inc.
- ✓ The Lemon Glow acquisition includes 640 acres of property, 32 of which are already designated for outdoor cannabis cultivation
- ✓ Quickly establishing a brand presence in the Los Angeles cannabis delivery market, a prime location for expansion
- ✓ Pending licenses provide the foundation for the opening of three new cannabis-related commercial operations in California and can be applied to both expansion and verticalization of NUG Avenue operations
- ✓ California's legal market hit \$4.4 billion in sales in 2020, up from \$2.8 billion in 2019





# Leadership Team

## Jimmy Chan

Chief Executive Officer

Jimmy Chan is an experienced executive instrumental in growing multiple business operations with a successful track record and strong expertise in international trade and banking, global manufacturing and importation. Chan also founded CarryOutSupplies.com, a company that revolutionized the custom-printed paper supplies subsector of the quick service restaurant industry. The company merged with Sugarmade in 2014.

## Christopher H. Dieterich

Independent Director

Mr. Dieterich is qualified to serve as a Director by way his extensive legal and business experience. He graduated from Virginia Polytechnic Institute in 1969 (BS Engineering), University of California at Berkeley 1970 (MS Engineering) on full scholarship by Ford Foundation; and the University of California at Los Angeles in 1979 (JD Law/MS Economics), pursuant to grant from Olin Foundation. He operates a law firm that specializes in Securities and Exchange Commission filings and venture capital arrangements, and currently represents 15 reporting public entities. The firm has participated in capital raises for over 50 clients, and hundreds of millions of dollars for those clients. The Board believes Mr. Dieterich will added significant value to not only corporate governance, but also to operational and capital acquisition efficiency.

**INVESTOR  
BRAND  
NETWORK**

**IBN**

**For more information**

InvestorBrandNetwork (IBN)  
8033 Sunset Blvd.  
Suite 1037  
Los Angeles, CA 90046  
(310) 299-1717

[www.investorbrandnetwork.com](http://www.investorbrandnetwork.com)  
[editor@investorbrandnetwork.com](mailto:editor@investorbrandnetwork.com)

Please read our full disclaimer:  
<https://www.investorbrandnetwork.com/disclaimer/>

© 2017-2021 InvestorBrandNetwork (IBN). All rights reserved.

Created September 2020