



# Bespoke.®

Positioned To Take Advantage of  
Consolidation in Colorado and Beyond

May 24, 2022

# Safe Harbor Statement

This presentation and other written or oral statements made from time to time by representatives of Bespoke Extracts, Inc. contain "forward-looking statements". Forward-looking statements reflect the current view about future events. Statements that are not historical in nature, such as our annual revenue forecast, and which may be identified by the use of words like "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be," "future" or the negative of these terms and other words of similar meaning, are forward-looking statements. Such statements include, but are not limited to, statements contained in this presentation relating to our expected sales and financial performance, business, business strategy, expansion, growth, products and services we may offer in the future and the timing of their development, sales and marketing strategy and capital requirements. Forward-looking statements are based on management's current expectations and assumptions regarding our business, the economy and other future conditions and are subject to inherent risks, uncertainties and changes of circumstances that are difficult to predict and may cause actual results to differ materially from those contemplated or expressed. We caution you therefore against relying on any of these forward-looking statements. We caution you therefore against relying on any of these forward-looking

statements. These risks and uncertainties include, but are not limited to, those risk factors discussed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended August 31, 2021 (the "2021 Annual Report"). Any forward-looking statements are qualified in their entirety by reference to the factors discussed in the 2021 Annual Report. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Important factors that could cause actual results to differ materially from those in the forward looking statements include: a continued decline in general economic conditions nationally and internationally; decreased demand for our products and services; market acceptance of our services; the ability to protect our intellectual property rights; impact of any litigation or infringement actions brought against us; competition from other providers and services; risks in product development, inability to raise capital to fund continuing operations; change in government regulation, the ability to complete customer transactions and capital raising transactions.



# Bespoke Extracts, Inc (OTCQB: BSPK)

**Bespoke plans to leverage changing market dynamics to efficiently build a portfolio of licensed cannabis assets**

- Signed First Acquisition in late 2021
- Robust Colorado Potential Acquisition Pipeline – Realistic Modeling and Pricing
- No Long Term Debt

## What's Next:



Immediate revenue through Pre-Rolled Joints and cartridges



Expansion into Edibles



Expansion into Solventless Extraction

**November 2021**

Debt Elimination

WonderLeaf Acquisition

Corporate Clean up  
(Change of Fiscal Year and OTCQB  
Uplisting)

**BSPK**  
TRADED ON  
**OTCQB**

Change of Control and New Management Team

Capital Raise

**May 2022**

# We are Experienced in All Facets of Regulated Cannabis

**Strategy Begins in Colorado, but we have worked on cannabis related projects in each of these markets**



Realistic in our expectations of revenue, margin and cannabis market dynamics

We know that the cannabis business is lumpy- it takes more than spreadsheets to survive in the industry

## RETAIL

The Bespoke team has designed, built and operated dispensaries in **12 states**

## CULTIVATION

The Bespoke team has owned, designed, built and operated cultivation facilities in **10 states**

# MANUFACTURING

The Bespoke team has manufactured millions of units of edibles and concentrates

True to the Flower – We only want to be part of a high-quality team that delivers on the promise of cannabis



# Existing Operators Not Capitalized Well For National Cannabis



## Existing Operators Have Built Their Business Based on High Priced Cannabis

i.e, Anticipated 50% Gross Margin  
Selling Wholesale at \$2,500+ per pound

Given current market price of below \$1,000 per pound in many states, a 50,000 square foot facility is falling far short of projections and is likely not financially viable

*See Canadian market closure of overbuilt cultivation facilities*

## Existing MSOs Already Have Heavy Debt Loads – Regardless of rate decreases and sale leasebacks, capital structures are not built for low-priced cannabis

Not enough gross profit dollars to support operating and interest expenses

## Cost of production must be starting point for a rational market

*US markets are already overbuilt with old technology, similar to Canadian LPs*

## Given absence of US Bankruptcy protection, we anticipate significant consolidation in the US Cannabis markets

Similar to bursting of telecom bubble. Excess capacity purchased with real business metrics have potential for financial success

Similar rebound/consolidation potential

Cannabis market will exist (and thrive), but as a commodity

## We model our business based on a declining price of cannabis and the presumption that ultimately, only brands survive

Cannabis products will follow the wine model; differentiated by brand. Expect 70% of purchases at bulk and no premium prices

Retail stores follow the model of vertical integration and store efficiency to deal with lower gross revenues

Potential to become "a store within a store" or product section (ie. cigarettes)



# Cannabis as a Commodity

Cannabis has left the black market and is now an agricultural commodity;  
Elimination of illegality premium will cause significant price compression.

The industry must evolve and focus on operations from the ground up.

What is the correct business model to handle what is really a Direct-to-Consumer commodity? Manufacturer, Retailer or Full Vertical Integration?

**HERSHEY'S**

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**mc**

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**RITE AID**

FY 2021 (in thousands)	HSY	Margin	SIM	Margin	MKC	Margin	MCD	Margin	RAD	Margin
Revenue	8,971,337	-	8,002,700	-	6,317,900	-	23,222,900	-	24,043,240	-
Operating Income	2,043,722	22.8%	1,386,800	17.3%	1,015,100	16.1%	10,356,000	44.6%	(120,227)	-0.5%
Net Income	1,477,512	16.5%	1,025,000	12.8%	703,000	11.1%	7,545,200	32.5%	-	0.0%

Branded Manufacturer

Vertically integrated Retailer

Stand Alone Retailer



## Vegetables

The five most expensive vegetables that money can buy:

- 1 Hop Shoots \$426/lb
- 2 La Bonnotte Potatoes \$320/lb
- 3 Wasabi Root \$73/lb
- 4 Yamashita Spinach \$13/lb
- 5 Pink Lettuce \$13/lb

# Cannabis Stock Bubble Burst (Again)

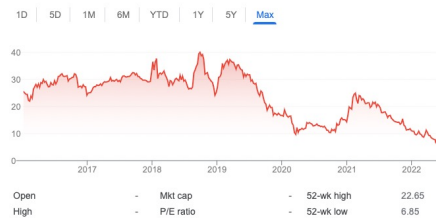
## Leaving a Mess in its Wake

### Cannabis Investing Has Been a Series of Successive Mini-Bubbles

- 2018** – Beginning of Canadian RTOs
- 2019** – Peak in Canadian LP Values
- 2021** – Peak in US MSOS based on belief US legalization/SAFE Banking was close
- 2022** – Sets up for US Consolidation

Market Summary > ETFMG Alternative Harvest ETF

**7.19** USD  
-18.35 (-71.85%) ↓ all time  
May 24, 8:00 PM EDT • Disclaimer



### Current Revenue/Share of Existing MSOs is not meaningful: Does not support long term value

Not enough gross profit dollars to support operating and interest expenses

Adjusted EBITDA does not equal Free Cash Flows

Market Summary > AdvisorShares Pure US Cannabis ETF

**13.83** USD  
-9.94 (-41.82%) ↓ all time  
May 24, 8:00 PM EDT • Disclaimer



### Still No US Institutional Ownership of Industry Participants: ETFs are only meaningful owners

Portfolios Built Using SWAPS

Existing Portfolio Concentration/Overlaps

Custody Issues - Clearing Firms

NASDAQ / NYSE Listings

Market Summary > Cannabis ETF

**4.71** USD  
-18.18 (-79.42%) ↓ all time  
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### East Coast market penetration will coincide with institutional investment

Real operational success will be demanded by financial markets

Successful operators will be rewarded. Hypesters will be pushed out

Current investors will need to rebalance portfolios for future

Many of current companies will disappear – Assets are important, but they will be owned by other companies





# Price of Cannabis Will Continue to Move Lower

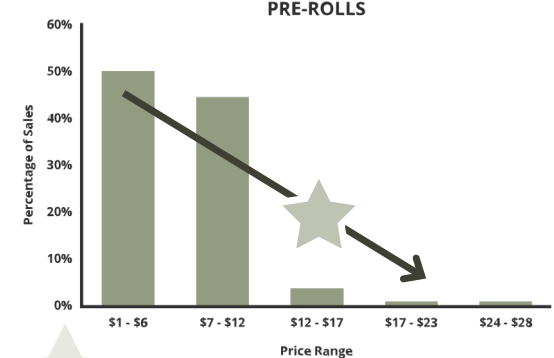
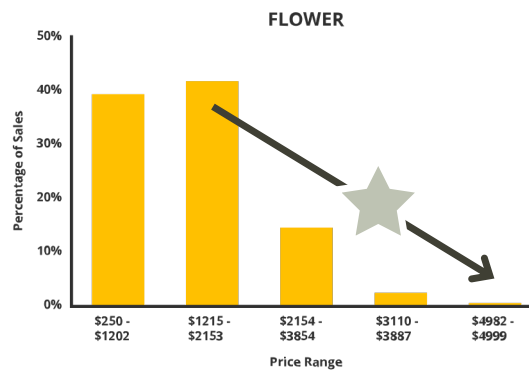
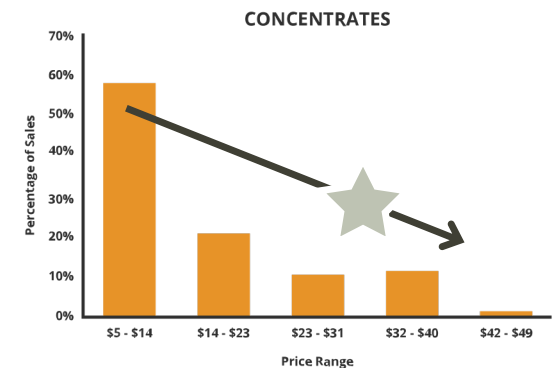
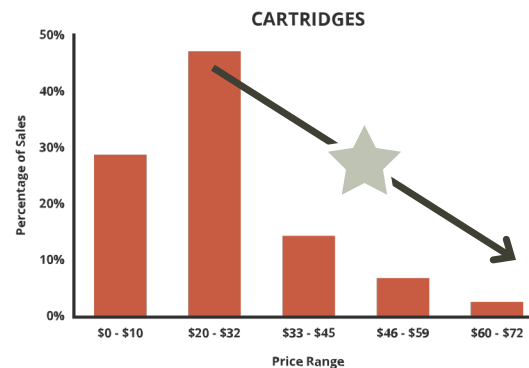
Colorado has become a  
**price driven market**  
*(with the exception of edibles)*



**2nd Cheapest**  
Wholesale Flower in US



**Wholesale rates of  
less than \$1000** per  
pound;  
Likely headed to  
**\$500** per pound



Where we plan to enter the market

# We Are Actively Seeking Acquisitions in Colorado

## Bespoke | Cannabis

### Acquire retail assets at reasonable multiples;

3-5x current cash flow

Find stores with potential to **grow unit sales** in a **declining price environment**

### Utilize wholesale market to drive ROE through retail

Liquid wholesale market and third party brands provide mid-tier product for Company owned retail

### Acquire cultivation licenses

With a target **15% IRR** and full return of capital **within 24 months**

Due to liquid wholesale market for cannabis, **production is not a priority** but we will **opportunistically evaluate highest quality cultivators** for acquisition

We are not chasing cultivation, but it is integral part of strategy

### Build the foundation for a house of brands

There are **no national brands**

Turnkey entry into each regulated market

Through white labeled / copacker model

## Bespoke | CBD

We see CBD as **complementary** to Cannabis

Will explore **rational acquisition** for base of national brand



# The Wonderleaf Acquisition



## What we are buying

A Colorado Marijuana  
Infused Products  
Manufacturing License

100% of the assets of  
Wonderleaf:

Extraction equipment, licensed  
facility, terpene library, SOPs

Leased 2,400 square foot lab  
in Aurora

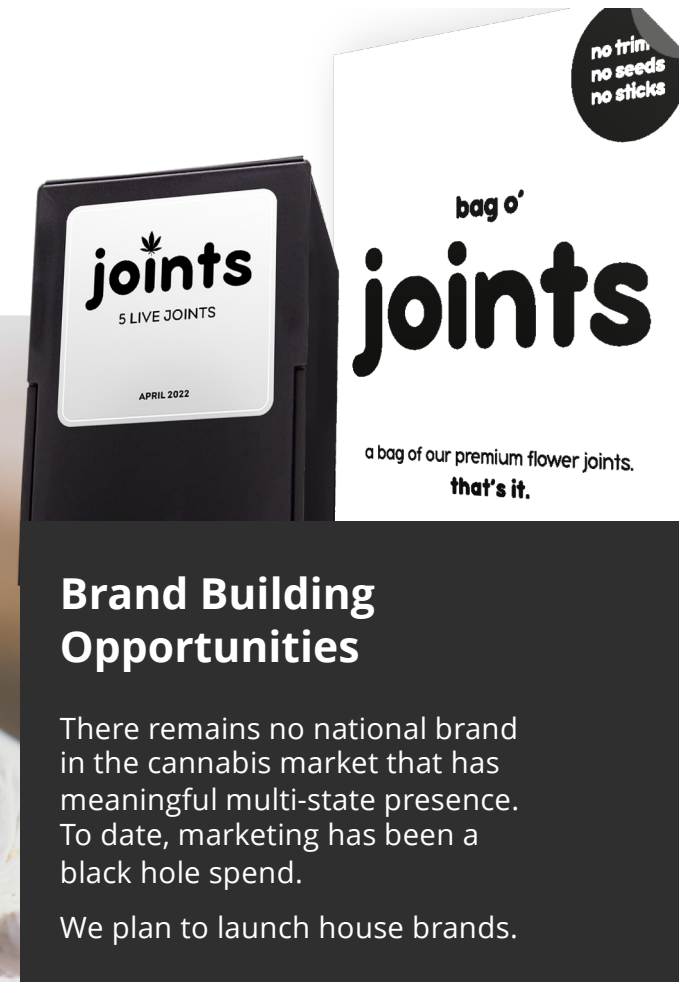


## What we are doing

Historically, Wonderleaf achieved  
peak sales, exclusively through  
CO2 extracted oil— primarily  
sold to two clients

We are using the Wonderleaf  
assets to create a white label  
facility in Denver.

We are able to purchase A+ wholesale  
cannabis and finished oil at competitive  
rates and process it for white label products



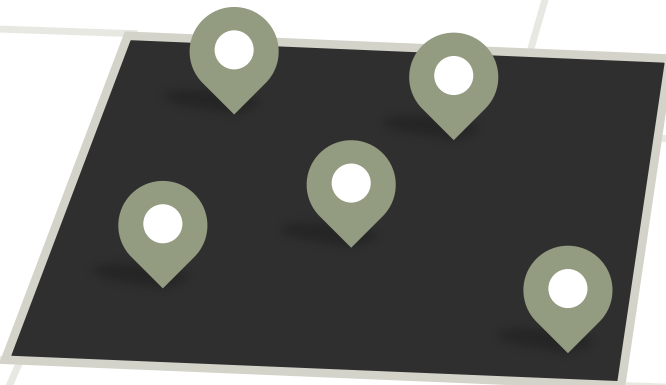
## Brand Building Opportunities

There remains no national brand  
in the cannabis market that has  
meaningful multi-state presence.  
To date, marketing has been a  
black hole spend.

We plan to launch house brands.



# Market Opportunity in Colorado



**655 Retail Dispensaries**  
in Colorado

**175 Retail Dispensaries**  
owned by groups

**350+ Single and Two-Store Owners**  
We can add real value to single store operators  
and provide exit strategy for them



## Production

We are entering the market  
at the **right time and right  
price level**

We **do not need** to purchase  
another extraction license  
in Colorado

Expand through **White Label**



## Cultivation

Colorado Pricing has **crushed** the  
average indoor cultivator over the  
**past 12 months**

Even smart operators couldn't  
anticipate price compression.

Even strong operators are having  
**trouble surviving** at sub \$1,000 per  
pound

We are seeking high quality genetics  
and experienced cultivators

# Experienced Management Team



**Michael Feinsod**  
Chairman and CEO

Michael Feinsod is the Chairman and CEO of Bespoke Extracts, Inc. He is the managing member of Infinity Capital, LLC, an investment management company he founded in 1999. Michael has been an active investor in the regulated cannabis industry since 2014. He was executive chairman and a director of General Cannabis Corp. from 2014 through 2020, and has served as director of several NASDAQ listed companies specializing in financial services.

Previously, Mr. Feinsod was as an investment analyst and portfolio manager at Mark Boyar & Company, Inc. He is admitted to practice law in New York and was as an associate in the Corporate Law Department of Paul, Hastings, Janofsky & Walker LLP. Mr. Feinsod holds a J.D. from Fordham University School of Law and a B.A. from George Washington University.



**Hunter Garth**  
President and Director

Hunter was most recently the vice president of corporate development for General Cannabis Corporation from January 2019 to July 2020, a position in which he was responsible for developing and sourcing M&A activity in the cannabis industry.

Prior to that, he was the managing director of Iron Protection Group, a cannabis-based security company that he founded in 2013 and sold in March 2015 to General Cannabis Corporation. Mr. Garth served in the U.S. Marine Corps from October 2008 to October 2012 in multiple roles, including infantry squad leader and a CAS and MEDEVAC instructor serving under USMC Special Operations Training Group. Mr. Garth attended the University of West Florida.



# Bespoke<sup>©</sup>

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