

CSE: RWB | OTC:RWBYF

ONE COMPANY AT THE VANGUARD OF AMERICA'S GREEN REVOLUTION

THE STRONG
BUY CASE



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ACQUISITIONS

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DOMINATING
US CANNABIS

One of the best ways to profit from America's new 'Green Rush'

AMERICA IS ABOUT TO UNDERGO A GREEN REVOLUTION.

And when it does, it will create a wave of new wealth for smart investors who position themselves now.

But be clear, we're not talking green energy here...

No. We're talking about the huge amount of wealth that is about to be created when cannabis is inevitably legalized across the country.

You see, with President Biden now in the White House and the Democrats in control of both Houses of Congress, the road to cannabis legalization looks smoother than ever.

In fact, Vice-President Kamala Harris is one of the main sponsors of the MORE Act, which not only looks to remove cannabis from the list of controlled substances, but promises *"no incrementalism"* when it comes to legalization.



RedWhite
& Bloom

We're already seeing cannabis stocks rise as a result...

But we are still yet to see the full impact.

When we do, America's new '*green revolution*' could make the one we saw in Canada a few years back—which now contributes \$8.16 billion to Canada's GDP—seem tiny in comparison.

There is, without doubt, a powerful tailwind for many companies in the industry, but there is one specific player that has positioned itself to take advantage like no other.

And right now, despite the fact it could soon become one of the leading brands in legalized cannabis, this firm is still heavily undervalued.

It's called **Red White & Bloom** (CSE: RWB | OTC:RWBYF), and it's the brainchild of one of the most successful entrepreneurs in the cannabis space: chairman and CEO, Brad Rogers.

In this report, you'll discover why this could be Rogers' most profitable venture yet, and you'll discover how **Red White & Bloom** is already surging forward thanks to the strategic acquisitions and deals it's been making over the last two years.

The aim here is as simple as it is bold: to become one of America's top three legal cannabis brands.

And, as you'll see, with a number of potential catalysts on the immediate horizon, achieving that aim is not only possible, but it could happen sooner than you might think.

Indeed, one thing is for sure, this story is playing out as we speak, and the opportunity to get in on **Red White & Bloom** at such a considerable discount won't be around for long.

The Brad Rogers effect

THE LEGAL CANNABIS INDUSTRY MAY STILL BE RELATIVELY YOUNG, BUT THERE ARE A HANDFUL OF NAMES THAT ARE ALREADY GATHERING LEGENDARY STATUS.

Brad Rogers, the chairman and CEO of **Red White & Bloom**, is without doubt one of them.

Indeed, before you even consider the immense headway the company has already made into three key US states, the super smart acquisitions and deals it has made, and the obvious gap in value when you compare the company to its peers...

Rogers' credentials alone make this an extremely exciting opportunity.

You see, as the co-founder of Mettrum Health, Rogers previously helped to build one of the first commercially-scaled production facilities for medicinal cannabis.

It was an achievement that eventually led Mettrum to be sold to cannabis giant Canopy Growth for a massive \$430 million.

That's a big deal on any day. But, at the time, it was the largest-ever acquisition in the cannabis market.

Still, for Rogers it was only what he expected. He is well-known for having led numerous companies from pre-licensing to public listing in the lifestyle and healthcare space.

And he has a proven track record of attracting funding both publicly and privately.

In fact, after his time at Mettrum, he went on to serve as the president of CannTrust. Anyone who already has some interest in the cannabis space will recognize CannTrust as one of the leading cannabis producers in Canada.

And what happened while Rogers was on board?

Well, during his time as president, CannTrust's share price rose by a massive 450%.

As you can see, there is clear precedent here...

When Rogers is involved, the fortunes of the company tend to improve—and often quite dramatically. You could call it '*the Rogers Effect*'.

And now, as chairman and CEO of **Red White & Bloom**, it looks like we could be about to witness *'the Rogers Effect'* on a whole new scale.

In fact, as Rogers himself points out:

“After two years of painstaking work by our talented team, we now get to enjoy the fruits of our labour. Many deals, judiciously purchased and diligently structured are all now coming together...to create the most exciting times in the history of the company.”

BRAD ROGERS
CEO OF RED WHITE & BLOOM

As you'll see, the deals Rogers refers to do indeed make this an exciting time for the company.

Once again, it looks like another opportunity to follow the cannabis visionary to new heights.

Immediate market reach

As we've already mentioned, **Red White & Bloom** has been working hard behind the scenes to lay the foundations for what could be phenomenal growth over the coming months and years.

But there are two particular deals that prove just how strategically savvy the team behind the company really is. Indeed, these deals promise to be extremely significant in helping Rogers achieve his goal of turning the company into one of America's biggest legal cannabis companies.



The first is the acquisition of premium retail brand **Platinum Vape**, which is already selling products into in a number of key states.



The second is a branding agreement with **High Times**, America's most well-established and widely recognized cannabis brand.

Let's consider the acquisition of **Platinum Vape** first...





Platinum is an existing business with an already successful line of cannabis products, including vape cartridges, chocolates and pre-rolled cigarettes.

What's most crucial, is that the firm is already selling products in over 750 retailers across the US.

Indeed, this enables **Red White & Bloom** to strengthen its own position in all three of the core states it's identified as its priority: Illinois, Florida and Michigan.

But the acquisition has also given the company an immediate reach into California and Oklahoma. Plus, Platinum Vape has just received regulatory approval to sell into Arizona too.

We'll look at the state-by-state approach **Red White & Bloom** is taking in the next section. But before we do, it's also worth pointing out that just recently Platinum Vape teamed up with the

delivery-as-a-service platform, Budee, too. This will enable it to deliver cannabis products directly to the homes of 92% of people in California.

All of this, of course, means revenue. And lots of it.

In fact, we can tell you the figures are looking extremely good. As of November 2020, Platinum Vape's run rate was around \$90 million a year.

That's pretty strong.

But then consider that in January this year, Platinum's sales in just one week exceeded \$2.8 million.

In fact, **Red White & Bloom** will soon put out its first quarterly figures to include a full period of sales from Platinum Vape.

Given the impact Platinum is clearly making on the US cannabis market, the revenues it will post are poised to be much higher than the \$6.1 million recorded in the three months to 30 September 2020.

Moving forward, the positive impact is only likely to escalate, too, as Platinum expands into new markets such as Arizona.

But the Platinum acquisition isn't the only area where **Red White & Bloom** is gaining traction.

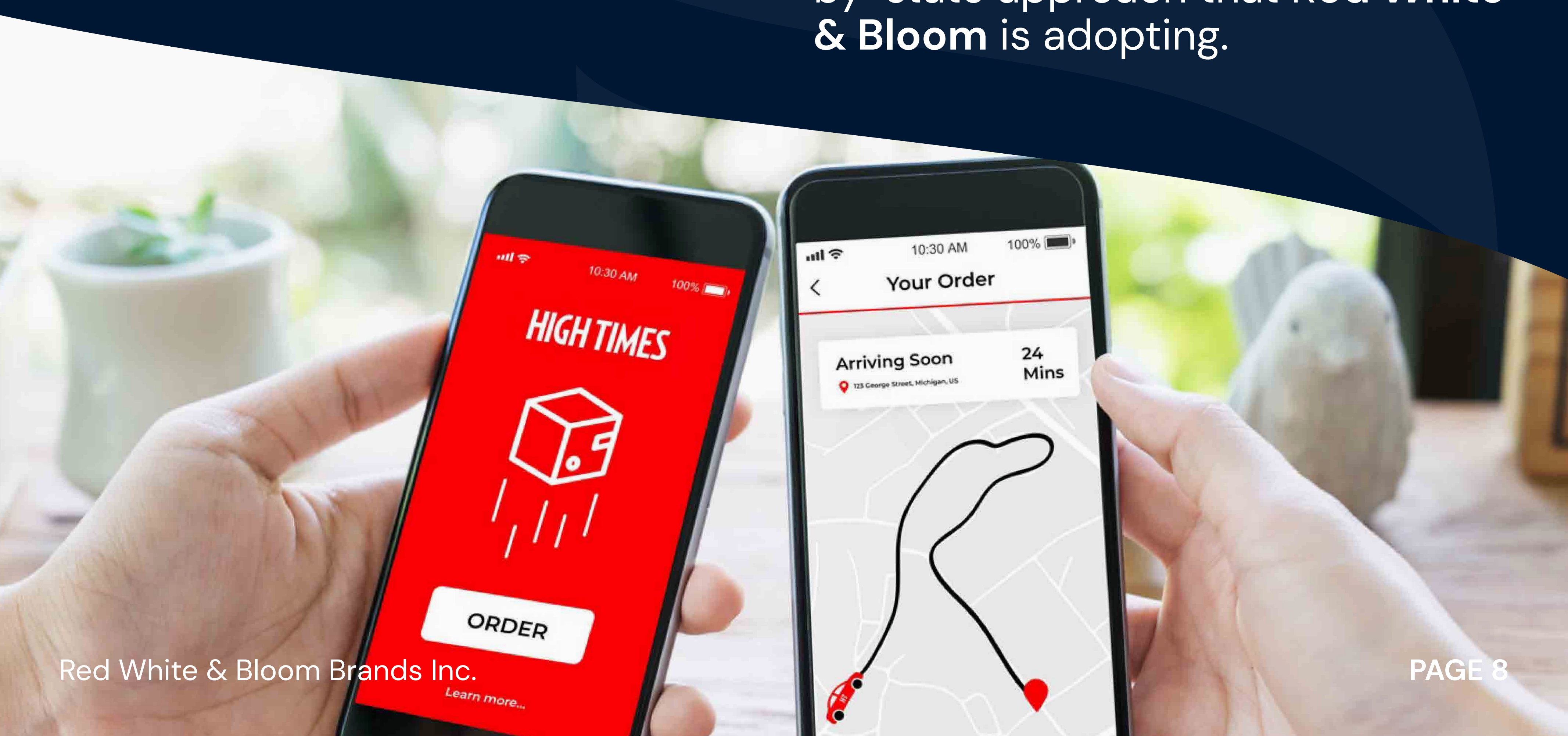
As mentioned, the company has signed what could be another transformative deal with the iconic US brand, High Times.

High Times is perhaps the world's most recognizable cannabis voice, having been around in the industry for more than forty-five years. Unlike so many new starters, High Times has real history. That's impossible to recreate.

And it represents another super-smart move. You see, it means **Red White & Bloom** can leverage the recognizable and trusted brand to reach a much wider audience than much of its competition could ever hope to.

In fact, it has already seen it working in practice. RWB sub-licensed these High Times rights last June to a licensed entity in Michigan to get started while it is awaiting its own regulatory approvals. In December 2020, the first exclusive line of High Times-branded cannabis products in Michigan was rolled out and it sold out in hours. It's just a small taster of the scale to come.

Indeed, both the acquisition of Platinum Vape and the branding agreement with High Times play perfectly into a strategic, state-by-state approach that **Red White & Bloom** is adopting.



Dominating the US cannabis industry, one state at a time

When it comes to operating across more than one state, there are two approaches cannabis companies tend to take.

Some strive to collect licenses in as many states as possible. And sure, it's a good way to maximize geographic exposure. But it also raises the risk of being spread too thin.

Other companies dedicate their time and attention—and their financial resources—to a much smaller footprint.

These firms are obviously less omni-present on a national level. But they are much more likely to be able to build a leading market share in the key states they do focus on.

And it's another reason the company represents such an exciting investment opportunity right now.

You see, with Platinum Vape under its control and the rights to license High Times products and dispensaries secured...

The company is rolling out into three of the fastest-growing states in a US market booming like never before.

This is exactly what Red White & Bloom is doing.



Capturing the Illinois cannabis boom

The first of **Red White & Bloom's** three core states is Illinois.

Recreational cannabis was only legalized in this market a year ago. But demand among its 12.63 million population is so strong that it is now generating yearly sales of US\$1.3 billion.

Meanwhile, because large licenses are limited, with just 21 permits controlled by only 14 companies across the entire jurisdiction...

Illinois has higher wholesale flower prices and per dispensary sales than anywhere else in the US.

The state boasts perfect supply/demand economics for any enterprising cannabis company. And this is why **Red White & Bloom** has expanded into the region aggressively by way of two key strategic acquisitions.

First up is the indoor premium hemp facility it has acquired in Granville, Illinois.

With a 3.6 million square foot greenhouse and more than 400 workers at peak season, it's one of the largest in the world. In fact, the only other companies with operations that come anywhere to this scale are Canopy and Aurora—both among the largest cannabis players globally.



Second is the company's recent definitive agreement to acquire a special purpose vehicle called Cannabis Capital Partners, or CCP.

CCP holds the rights to acquire one of the 21 "super licenses" originally issued in Illinois, allowing for 220,000 square feet of cannabis cultivation canopy as well as processing and manufacturing of extract-based products. It also will own a 23,572 square foot active cultivation and manufacturing operation in Illinois, along with the associated inventory.

Both facilities are highly valuable to **Red White & Bloom** in their own right.

At Granville, the firm has already secured distributors, purchase orders and supply agreements in a CBD market on track to be worth some US\$13.4 billion by 2024.

Meanwhile, the facility in Shelbyville has the capacity to generate many millions in cannabis revenues every year.

It all adds up to a bright future.

But Red White & Bloom has an opportunity to heighten the value of its Illinois position even further.

In short, once its deal with CCP completes, it may seek to migrate the vehicle's super license to its Granville facility.

In fact, it has already dedicated an area of the greenhouse to take full advantage of the 220,000 square foot square of THC cultivation this would permit.

Conservative estimates suggest this could generate annual revenues of \$250 million.

Consider the company's current \$350 million market cap and you start to see just how undervalued it really is.



Stealing market share in the Sunshine State

From Illinois we head east to Florida.

And it's interesting to note that the Sunshine State boasts the third-largest legal cannabis revenues of any US jurisdiction. In fact, sales in 2020 totalled more than \$1.2 billion.

However, these sales are limited to just 22 licensed operations, of which just 16 are selling product in Florida itself.

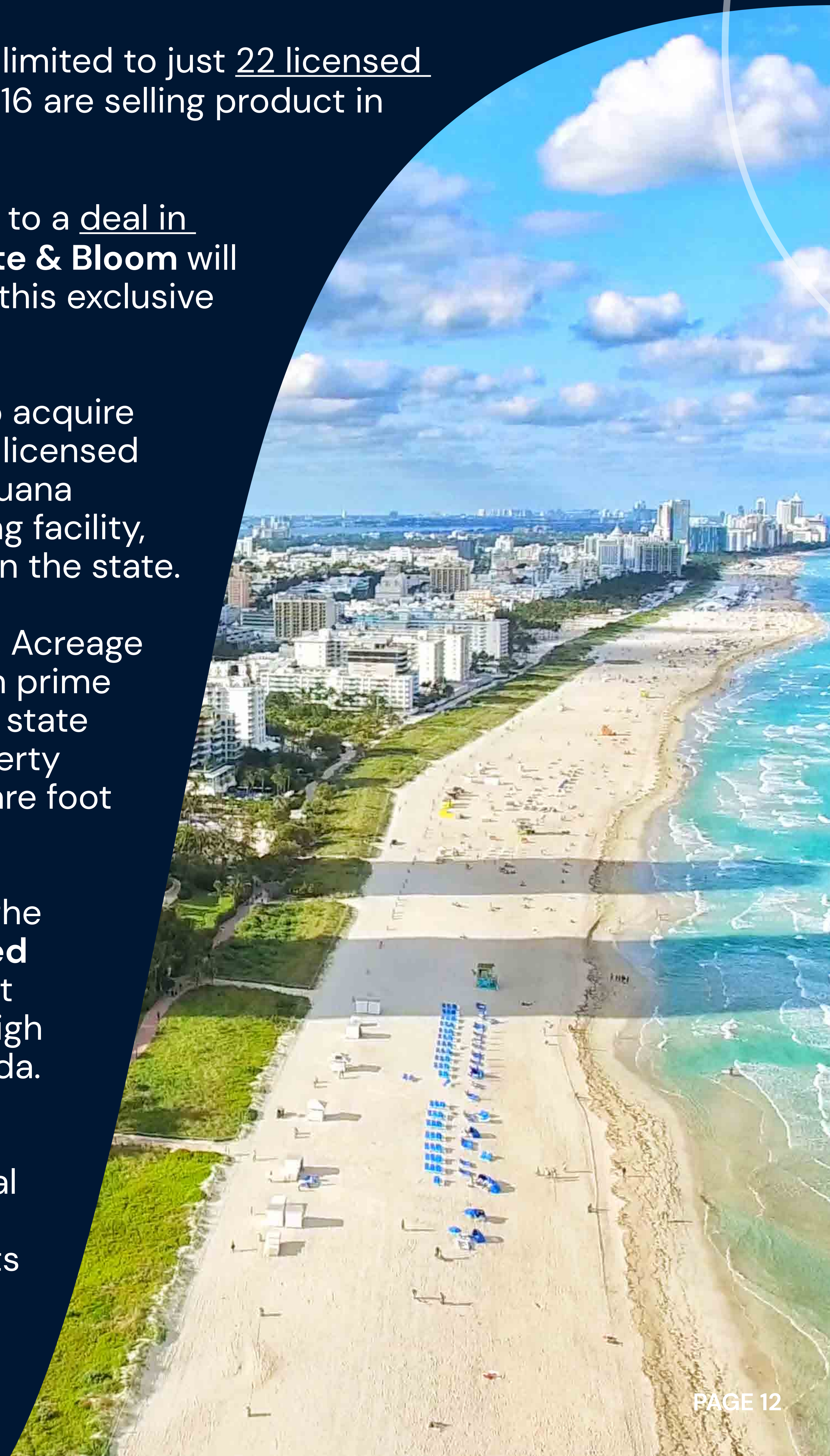
The good news is, thanks to a deal in February 2020, **Red White & Bloom** will soon count itself among this exclusive group of players.

You see, the firm plans to acquire Acreage Florida, which is licensed to operate medical marijuana dispensaries, a processing facility, and a cultivation facility in the state.

As well as these licenses, Acreage has eight leased stores in prime locations throughout the state as well as a 15-acre property containing a 113,546 square foot cultivation facility.

All-in, the deal provides the perfect foundation for **Red White & Bloom** to roll out Platinum Vape and the High Times brand across Florida.

It is also an excellent complement to additional states in which the organisation has based its core focus...



But that's not all folks...

As well as its Illinois and Florida positions, **Red White & Bloom** is also the largest MSO investor in Michigan, has a significant footprint in California, and has created a brand strategy that could see it expand across the US further without any additional investment or dilution.

Quite frankly, these could become the most exciting parts of its story.

The firm started funding a local licensed entity in Michigan about two years ago and is now exercising its right to acquire the investee. That deal is fully funded, with **Red White & Bloom** advancing more than \$75 million to the firm to date.

Even before the deal closes, Platinum is the market-leading vape brand in Michigan, flying off the shelves of **Red White & Bloom's** licensed partners.

Red White & Bloom could effectively own Michigan's largest cannabis brands before even beginning to operate in the state. It's not a bad position to be in, given Michigan was America's fastest-growing cannabis market in 2020, with total sales of \$984.6 million.

Beyond that, **Red White & Bloom** has moved quickly to expand revenue and profits in other areas where it currently operates.

In California, where Platinum has become more than just a vape company, winning awards for gummies and chocolate, **Red White & Bloom** recently signed a deal to increase product availability from about 15% of the population to over 90% through delivery services.

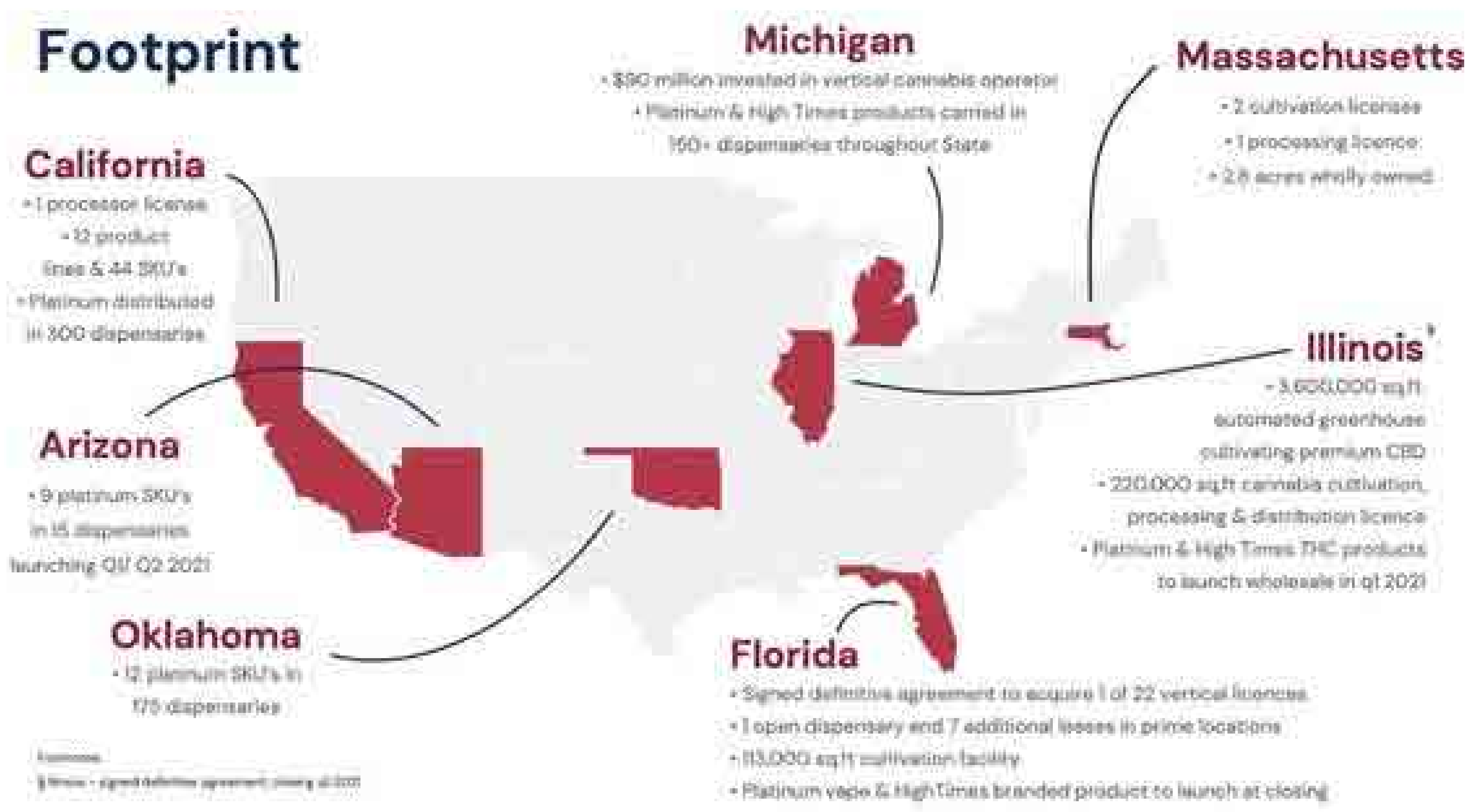
It has also entered Arizona and Oklahoma through licensing deals that require minimal capital and human resources to potentially drive tens of millions of dollars of revenue.

When these boxes are ticked (something **Red White & Bloom** is confident of happening soon, due

to its team’s historic success with very similar deals) the firm should see its most recently reported quarterly revenues increase greatly overnight.

It is at this point that the wider market will really see the huge potential value of **Red White & Bloom’s** strategy.

And when it does, the company’s valuation could be set to soar.



A strong investment case backed by an even stronger tailwind



A rapidly expanding vape brand generating **multi-million-dollar revenues...**



A **licensing deal** with one of America's most distinguished cannabis voices...



A **strong hold** on three of the fastest-growing US cannabis states...

The investment case for **Red White & Bloom** is undeniably strong.

But as you will know only too well, timing is just as important when it comes to finding the right investment.

The good news is that the timing here couldn't be better.

Right now, everything is coming together for **Red White & Bloom** at exactly the same time everything is coming together for US cannabis generally.

As you'll no doubt have seen already, the space has been growing for years.

But, as we pointed out at the very beginning of this report, now that the White House and both House of Congress are under the control of pro-cannabis democrats, it's expected that this growth will accelerate enormously.

In fact, [a report by New Frontier Data](#) estimates that, while decriminalizing cannabis may not be a Year 1 priority for the Biden administration, it is likely to complete before the 2022 midterm elections.

In line with this, we are already seeing investors moving into the sector, and companies across the board are beginning to rise.

As they say, a rising tide lifts all boats, and that certainly looks to be the case for **Red White & Bloom**. The stock has more than doubled in value this year, with further growth on the horizon as positive macro conditions continue to prevail.

But where **Red White & Bloom** is unique, is in the significant discount at which it is still trading to its peers.

Just look at the table below...

Large Cap US	Symbol	EV (USD\$ Mill)	Q4 '20 RR (USD\$ Mill)	EV/ Q4 RR (USD\$ Mill)	2021 EBITDA (\$USD)	2021 EBITDA (\$USD)
Curaleaf Holdings Inc.	CSE: CURA	\$10,583.0	\$1,258.4	8.4X	\$514.3	20.6X
Green Thumb Industries Inc.	CSE: GTII	\$5,974.0	\$867.9	6.9x	\$368.0	16.2X
TrulieveCannabis Corp.	CSE: TRUL	\$4,996.0	\$823.7	6.1x	\$462.0	10.8X
Cresco Labs, Inc.	CSE: CL	\$4,980.0	\$854.4	5.8x	\$325.4	15.3X
TerrAscend	CSE: TER	\$2,898.0	\$253.6	11.4x	\$194.5	14.9X
AVERAGE:				7.7x		14.9X
Red White & Bloom (Guidance Mid-Range)		\$288.0	\$178.0	1.6X	\$85	3.4X
Implied RWB Valuation (current PPS: \$0.70)		\$1,639.0		\$3.53		\$3.67

Data from Bloomberg, Echelon Wealth Cannabis Weekly as of 12/04/20; RR= revenue annualized run-rate.

As of 4 December 2020, the enterprise value of this selection of large-cap US multi-state operators was, on average, 14.9 times their forecast 2021 EBITDA.

In contrast, **Red White & Bloom’s** guided EV/Q4 RR figure on the same day was just 1.6X, while it was trading at just 3.4 times forecast 2021 EBITDA.

In layman’s terms, the market is currently placing much less value on **Red White & Bloom’s** future growth than it is to that of the firm’s larger peers.

But this could soon change.



There are a number of critical incoming catalysts for **Red White & Bloom** that could quickly close the disparity.

It could be the closing of its Michigan deal, which would place the leading cannabis operator's revenues onto **Red White & Bloom's** balance sheet...

It could be the closing of its Michigan deal, which would place the leading cannabis operator's revenues onto **Red White & Bloom's** balance sheet...

Or it could be the closing of a cannabis license in Illinois, the migration of that license to the

firm's hemp facility in Illinois, its entry into Florida, or the ongoing rollout of Platinum Vape and High Times products and dispensaries into new jurisdictions...

Whatever the trigger: it's likely to be those shrewd investors who spotted **Red White & Bloom's** potential before everyone else who reap the biggest rewards.

Bottom line is...the time to move on Red White & Bloom is now.

Ten Simple Reasons to add Red White & Bloom to your portfolio today

1

Owner of a rapidly growing cannabis brand, Platinum Vape, which is already seeing a huge amount of revenue growth

2

Able to leverage its acquisitions to enter new jurisdictions such as Arizona, which will add to its revenue potential

3

Focused on a number of key states so that it is able to take a leading position in each market

4

Recently signed deal to enter Florida, the third-largest US cannabis state by sales

5

Owner of one of the world's largest hemp facilities and a cannabis cultivation center in Illinois, which could generate up to \$250 million in annual revenue

6

The leading brand in Michigan and a deal that could help it become the state's largest operator

7

Branding deal with High Times, one of the most respected and influential cannabis brands in North America

8

Led by Brad Rogers, a legal cannabis pioneer with a proven track record of making life-changing returns for investors

9

Perfect macro backdrop, with Democratic President and Senate set to trigger a boom in US cannabis stocks

10

Has a significant discount to US cannabis peers that is on track to be corrected thanks to roster of transformational near-term company news flow

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