

# Cohen Grassroots Research, Inc.

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Telephone: 415.454.6985

July 23, 2015



**FUTUREWORLD**  
CORPORATION

Symbol	FWDG
Exchange	OTC PINK
Current Price	\$0.0009
52 Week High/ Low	\$0.038/\$0.0006
Average Volume (30 days)	28,370,200
Shares Outstanding (in mn)	860.64
Current Market Cap (in \$ mn)	\$0.77
Float (as a % of shares out.)	31.38%

Source: Yahoo! Finance



Cohen Price Index Target

**\$0.0078**

Please Read Disclaimer on Page 48

## INVESTMENT THESIS

FutureWorld Corp. (**OTC Pink: FWDG**), incorporated in Delaware, is building a portfolio of companies that will provide advanced solutions for the cannabis industry globally. The Company's business model aims at identifying and acquiring technologies and businesses that have disruptive potential. FWDG's current portfolio consists of subsidiaries such as CB Scientific, HempTech, URVape, NutraCann, Bioceutical Sciences, DispenseTek, MedTest, and FutureLand Corp. Neither FutureWorld nor any of its subsidiaries are involved in the production, distribution or sale of marijuana. The Company's portfolio of disruptive technologies is brilliant, unique and powerful. One such technology includes consumer a Cannabidiol Testing Kit & Consumer Tetrahydrocannabinol Testing Kit respectively which can become exciting cannabis industry game changers.

With combined experience of more than seventy years, the Company's management unlocks the vast potential to provide high and consistent returns to their shareholders. The Company provides guidance on strategies to navigate the fast growing cannabis industry in addition to managerial, infrastructural and financial support to its subsidiaries. As the subsidiaries follow the growth plan, FWDG continuously monitors their progress and decides on either listing, selling or spinning off its affiliates. FWDG generates value for its investors through the expert management of its unique business model and portfolio of disruptive innovations.

The wave of legalization of the medical and recreational use of marijuana is driving the high growth rates in the marijuana industry. The medical marijuana industry is expected to be worth \$10.8 billion in the next five years. Ancillary industry supporting the marijuana industry has grown as well especially the industrial hemp industry that is expected to be worth \$500 million as per Congressional Research conducted in 2015. FWDG is poised to take advantage of these growth numbers with its portfolio of subsidiaries.

Our conservative estimates forecast revenues to grow from \$0.7 million in FYE March 31, 2015 to approximately \$52.6 million by FYE 2021. Based on these projections and provided that the Company raise \$5.0 million in capital (over the next 12-16 months), the Cohen Target Price is 764.1% higher than the current price.



## SALES AND MARGINS ANALYSIS

all figures in \$ million; unless otherwise mentioned	2014	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F	2021 F
Revenues	-	0.7	7.3	21.8	29.4	38.2	47.8	52.6
% growth		NM	1000.0%	200.0%	35.0%	30.0%	25.0%	10.0%
EBITDA	(0.1)	(0.6)	3.9	14.4	20.3	26.9	34.1	38.0
EBIT Margin	NM	-95.2%	53.6%	66.1%	68.9%	70.3%	71.4%	72.4%
Net Profit	(0.2)	(1.1)	2.1	10.9	8.9	11.7	14.9	16.1
Net Profit Margin	NM	-171.9%	28.4%	50.0%	30.4%	30.7%	31.1%	30.5%
Earnings Per Share - Diluted	(0.00)	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00
Free Cash Flow to Firm	(1.2)	(0.4)	(4.7)	1.8	4.4	7.2	11.1	15.1

## THE COHEN PRICE TARGET™ SUMMARY

The Cohen Price Target is calculated by equal weighting of three different valuation methodologies. We use an industry average PE, an industry average price/capital employed (P/CE), and the fundamentally driven Cohen DCF.

<b>Price-to-Earnings (P/E)</b>		<b>in \$</b>
Earnings Per Share 2016 Forecast	0.00	
Expected P/E Ratio	20.00	
Discount Rate	0.84	
<b>Price based on P/E Ratio</b>		<b>0.009</b>
<b>Price-to-Capital Employed (P/CE)</b>		<b>in \$</b>
Capital Employed	0.00	
Long term P/CE Ratio	6.00	
Discount Rate	0.84	
<b>Price based on P/CE Ratio</b>		<b>0.007</b>
<b>Cohen Discounted Cash Flow Model</b>		<b>in \$</b>
<b>Cohen DCF Value - Base Case</b>		<b>0.014</b>
<b>Cohen Performance Index</b>		<b>in \$</b>
Cohen Price Performance Index Value	83.0%	
Current Stock Price	0.0009	
<b>Price based on Cohen Performance Index</b>		<b>0.002</b>
<b>Cohen Price Index Target</b>		<b>0.0078</b>
Current Price		0.0009
<b>Upside/ (Downside) Potential</b>		<b>764.1%</b>



## EXECUTIVE SUMMARY

- FutureWorld (OTC Pink: FWDG) is a diversified industrial hemp and medical cannabis company. The Company's business model focuses on identifying, acquiring, developing and finally commercializing hemp and cannabis products, services and technologies.
- FWDG intends to acquire products, technologies or companies that hold the promise of disruptive innovation and can generate a high return based on sound business strategies and processes. The Company's subsidiaries include – NutraCann Labs, Inc., CB Scientific, Inc., URVape, Inc., HempTech Corp and FutureLand Corp. CB Scientific, Inc., DispenseTek, NutraCann, MedTest, Inc., and Bioceutical Sciences.
- In December 2014, URVape received a trademark for SafeVape (US Trademark SN86462727) and CB Scientific received two provisional patents 62076016 & 62076012 for Consumer Cannabidiol Testing Kit & Consumer Tetrahydrocannabinol Testing Kit respectively. The Company has applied for a total of 9 trademarks and two patents securing its intellectual property.
- The Company's 'picks and shovels' business model is geared towards generating maximum returns for its shareholders. The Company identifies potential targets and conducts stringent due diligence. Only when the results of the due diligence satisfy, the requisite criterion allows the Company proceed with the acquisition.
- The due diligence involves marking target companies on their revenue potential, effectiveness, usefulness and time to market. The Company targets are preferred to be mature enough to provide a potential exit within a period of one to three years.
- FutureWorld provides administrative, personnel and monetary support to the subsidiaries. The ongoing support ensures that the subsidiaries are on-track to achieve the milestones set to become independent and generate healthy returns.
- For the medical cannabis and industrial hemp products and services, the Company has identified customers and will target them through internet sales, cooperatives, affiliate sales, wellness stores, collectives, master distributors and retail chain stores.
- The Company has spun off one subsidiary entirely viz FutureLand Corp.
- FWDG has recently incubated Bioceutical Sciences, a professionally run production, formulation and analytics lab entering the research and production lab space in the cannabis market.
- With over seventy years of combined experience, management of FWDG has done an exceptional job in establishing a structure for the Company to succeed. Conducting necessary due diligence and driving new acquisitions are intended to continue to generate returns for the investors of the Company.
- The medical marijuana market was valued at \$2.7 billion in 2014 and is expected to grow to \$10.8 billion in the next five years. The industrial hemp market in 2014 is expected to be worth \$500 million despite the ban on growing industrial hemp in the country. Developing unique and path breaking products and services in such an industry will enable the Company to position itself to take advantage of the growth.
- **Key Risks: The subsidiaries will require guidance, capital and support until they generate stable cash flows.** The Company will need access to sufficient capital to continue further investment and support its subsidiaries. Competition is fierce in the cannabis industry. The subsidiaries might not generate exceptional returns that can result in fluctuating market performance. The Company recently changed accounting firms.



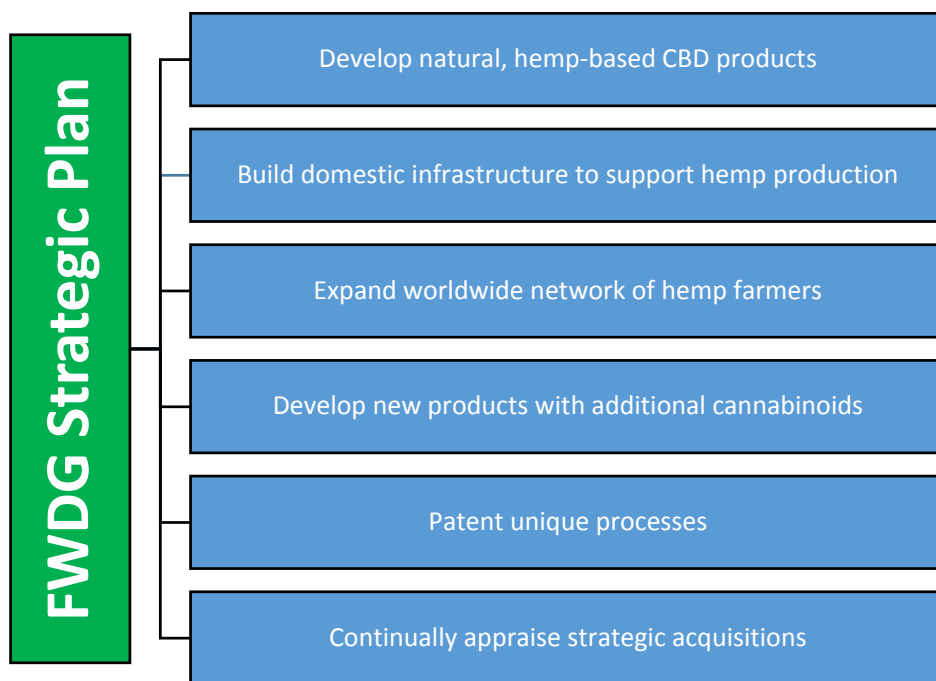
### Financial Forecasts and Valuation

- Based on our current forecasts, the Company will need to raise at least \$5.0 million in equity capital in the near to intermediate term. Provided the Company raises the required capital, we forecast the Company's revenues from operations to increase from \$0.7 million in FYE-2015 to over \$52.6 million in FYE-2021.
- We believe our financial forecasts are very conservative. The Company's portfolio of technologies and products have potential for much higher revenues. Further, the spin-offs of various subsidiaries will further add significant value for FWDG. As a matter of example, the spin-off FutureLand alone can increase FWDG's net asset by \$40 million to \$50 million.
- If the Company is able to raise significant amount of debt and equity capital (close to \$50 million) for investment, capital expenditure and working capital, and considering the tremendous growth opportunity in the Cannabis industry, FWDG may be able to achieve revenue growth rates of close 100% year on year over the next five years.
- However, it is too early to forecast that. Hence, we have modeled conservative estimates, which in our view can be achieved based on the current performance and progress of the Company. Nevertheless, we may revisit our financial forecasts regarding significant positive developments.
- The Cohen Price Index Target is calculated using 2015 Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE), Cohen Discounted Cash Flow (DCF) method and Cohen Price Performance Index. The P/E and P/CE are based on market multiples and representative of the broader industry in which the Company operates. The Cohen Price Performance Index is a representative of the post coverage performance of all stocks covered by us. The last component in calculating the Cohen Price Index Target is the value derived using the long-term DCF valuation approach.
- Based on an average of these methods, FWDG common stock is valued at \$0.0078 per share, 764.1% higher than the current stock price of \$0.0009 per share.
- Note: the price target mentioned above is based on our conservative forecasts. The Company's adjusted stock price has fallen substantially with the rest of the cannabis industry in the past 12-months. Given the conservative nature of forecasts coupled with expected increase in revenues, the share premium may be considerably higher than the current estimates.

## ABOUT FUTUREWORLD, CORP.

FutureWorld (FWDG), a Delaware corporation, is a leading provider of advanced technologies and solutions to the global cannabis industry. FutureWorld, together with its subsidiaries, focuses on the identification, acquisition, development, and commercialization of cannabis related products and services, such as industrial Hemp. FutureWorld, through its subsidiaries, provides personal and professional THC and CBD test kits, pharmaceutical grade CBD oil solutions, SafeVape vaporizers, smart sensor technology, communication network, surveillance security, data analysis for smart cultivation and consultation for the industrial hemp and legal medicinal cannabis. Our wireless agricultural smart sensor networks offer precision to the agriculture, irrigation systems, and greenhouses for the global cannabis and hemp industry. FutureWorld and its subsidiaries do not grow, distribute or sell marijuana. As the only Cannabis Technology Accelerator, FutureWorld will incubate and fund leading technologies, products, and services for Cannabis industry (Industrial Hemp) for foreseeable future; bringing value to its core and its shareholders.

**Figure 1: Strategic plan for the Company**



Source: Cohen Research

The medical marijuana industry, with its strong growth rate, has seen some firms trying to enter the market. Mergers and acquisitions are one of the favored methods of entering the industry for companies that have missed the initial growth spurt in the industry. FWDG has also identified assets as a manner of capitalizing on the industry growth. The Company has developed strong criterion to sift through its potential targets. The Company focusses on targets that are capable of providing ‘Disruptive Innovation’. The term signifies an alternative that is more profitable or efficient than the existing solutions. We believe the Company’s focus on disruptive innovations will help drive returns for investors.

FutureWorld has built a strong portfolio of companies that provide solutions to numerous problems within the cannabis industry. Its business model intends to capitalize on the growing cannabis industry by providing ancillary



products. The business model is similar to the ‘picks and shovels’ industry that prospered during the Gold Rush. Each of the Company’s divisions will either develop new products or provide alternatives to existing products.

Figure 2: FutureWorld Divisions

<p><b>CB Scientific, Inc.</b></p> <ul style="list-style-type: none"> <li>• Process CBD oil</li> <li>• Retail CBD Oil based nutritional supplements, vapable, wellness and personal care products</li> <li>• Personal Analytics - CBD &amp; THC Detection Kits</li> </ul>	<p><b>URVape, Inc.</b></p> <ul style="list-style-type: none"> <li>• SafeVape™ product line</li> <li>• Vaporizer pen and refill</li> <li>• Oil vaporizer and dry herb variants</li> </ul>	<p><b>NutraCann Labs</b></p> <ul style="list-style-type: none"> <li>• Unique blends and formulated CBD Oil</li> <li>• Sold as brand 'Essence'</li> </ul>
<p><b>DispenseTek</b></p> <ul style="list-style-type: none"> <li>• CaNNaBoX™ - prepackaged cannabis dispenser</li> <li>• CannaPKG, Inc. - provide packaging for cannabis industry edibles to oil cartridges, vaporizers to plant buds</li> <li>• Contract with American Green to use Zazz Dispensary machine</li> </ul>	<p><b>Bioceutical Sciences</b></p> <ul style="list-style-type: none"> <li>• Develop hemp based CBD oil and CBD oil based products</li> <li>• Undertakes research on CBD oil testing and analytics</li> <li>• Currently owns and operates a state of the art laboratory intends to earn the ISO/IEC 17025:9001 and CGMP certifications</li> </ul>	<p><b>FutureLand Corp. - 100% Spun-off</b></p> <ul style="list-style-type: none"> <li>• Lessor of land and grow facilities</li> <li>• Provide leading edge technology to global cannabis and hemp markets</li> </ul>
<p><b>HempTech Corp.</b></p> <ul style="list-style-type: none"> <li>• Develop products to control cultivation costs while maximizing yields</li> <li>• CaNNaLyTiX™ - Dashboard controller system to monitor cultivators' infrastructure status</li> <li>• CaNNaTRAK™ - Barcode and RFID tracking system for seed to sale tracking</li> <li>• SPIDer - Security system to prevent threats and malicious attacks</li> <li>• SmartSense - Wireless security and mesh network to monitor multiple environmental factors</li> <li>• SmartGROW - Proprietary organic soils and nutrients for industrial hemp farms and personal use</li> <li>• SmartNergy - Tool to analyse energy usage in real - time and can be integrated with CaNNaLyTiX™</li> </ul>		

Source: Cohen Research

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**NutraCann Labs, Inc.**

Approximately 2000 kilograms of CBD oil worth \$200,000,000 is used in the United States. Based on the legalization of usage of medicinal marijuana, this figure is expected to increase. CanvaVest, Inc. and Medical Marijuana, Inc. are the major suppliers in the US market. Due to the illegal nature of production of CBD oil, NutraCann sources it from Europe which enables the subsidiary to maintain a consistent supply to the market.

**Figure 3: NutraCann Labs Products**



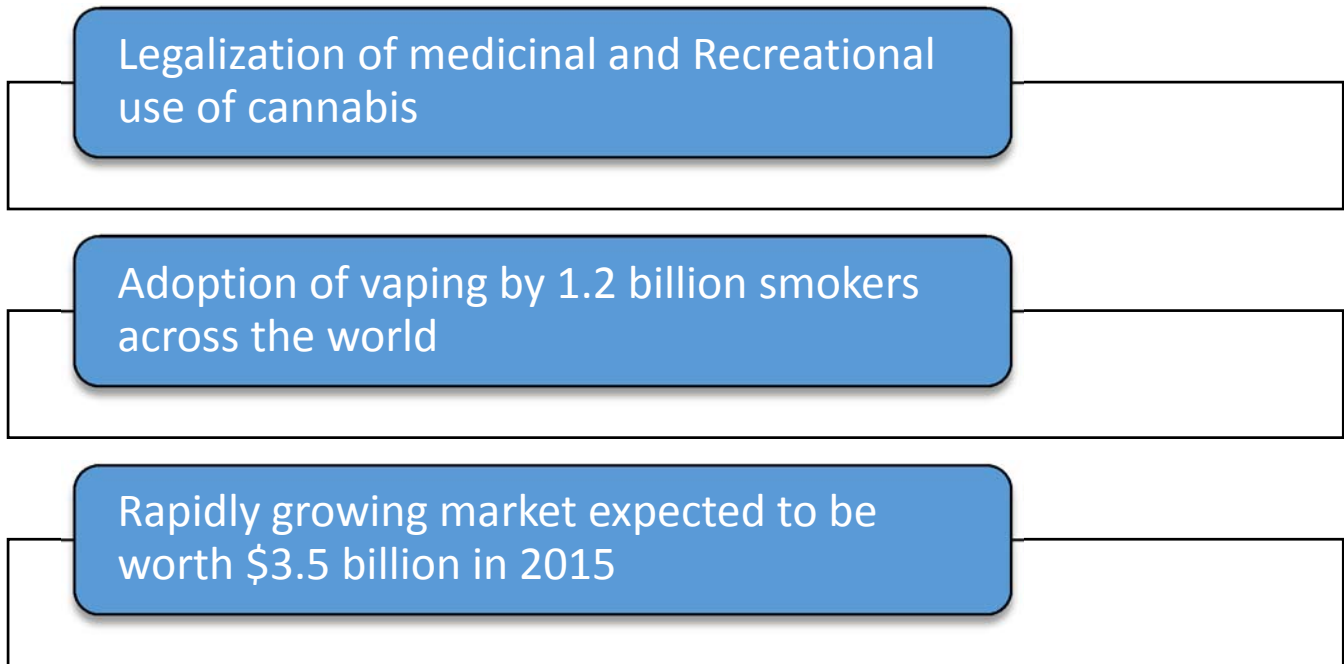
Source: Cohen Research and Company material

The global nutraceutical market is expected to be worth \$200 billion in 2015 whereas the US nutraceutical market will be worth \$42 billion. NutraCann intends to take advantage of this massive opportunity by driving sales through its online presence ensuring easy access to the customer. CBD nutritional supplements, wellness and personal products and vappable CBD oils will be marketed via ads, social media, search engine optimization and videos. The subsidiary will also cross market URVape vaporizers.

**URVAPE, Inc.**

As an alternative to cigarette smoking, vaping enables the user to inhale tobacco, marijuana and other non-tobacco based liquids using a personal vaporizer. The retail vaping industry is expected to be worth \$3.5 billion in 2015 from \$1.7 billion in 2013. The Company has studied the market and products, identified problems and dedicated itself to providing products that are free of harmful release when heated during vaping under the URVape™ brand of vaporizer pens sold with a charger and refills. The Company is in consultation with an expert microbiologist and is developing two patented devices under a non-disclosure/ non- compete clause with an international vaping products manufacturer.

Figure 4: Growth drivers for the vaping industry

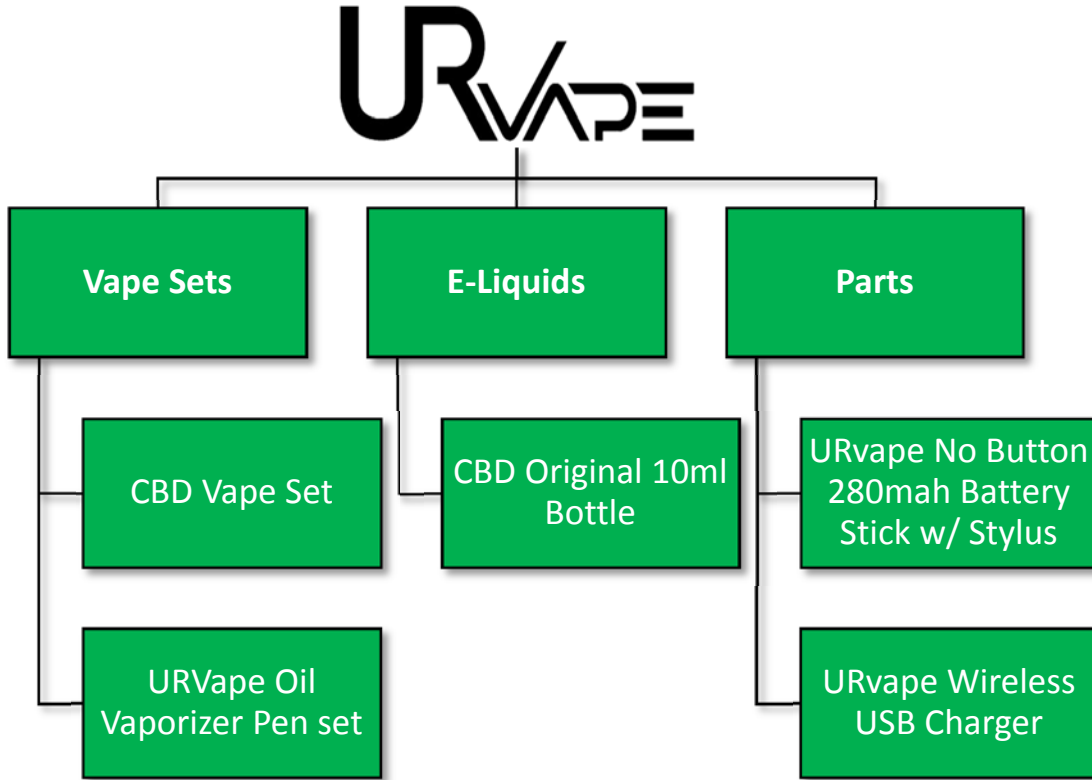


Source: Cohen Research

The Company is testing new products, packaging, and new flavored e-liquids. Future plans for the URVape brand also include the building of a laboratory with a ‘clean room’ for production. Including patents, the Company has trademarked ‘SafeVape’ to describe technologies used in the production of devices and e-liquids.



Figure 5: URVape Products

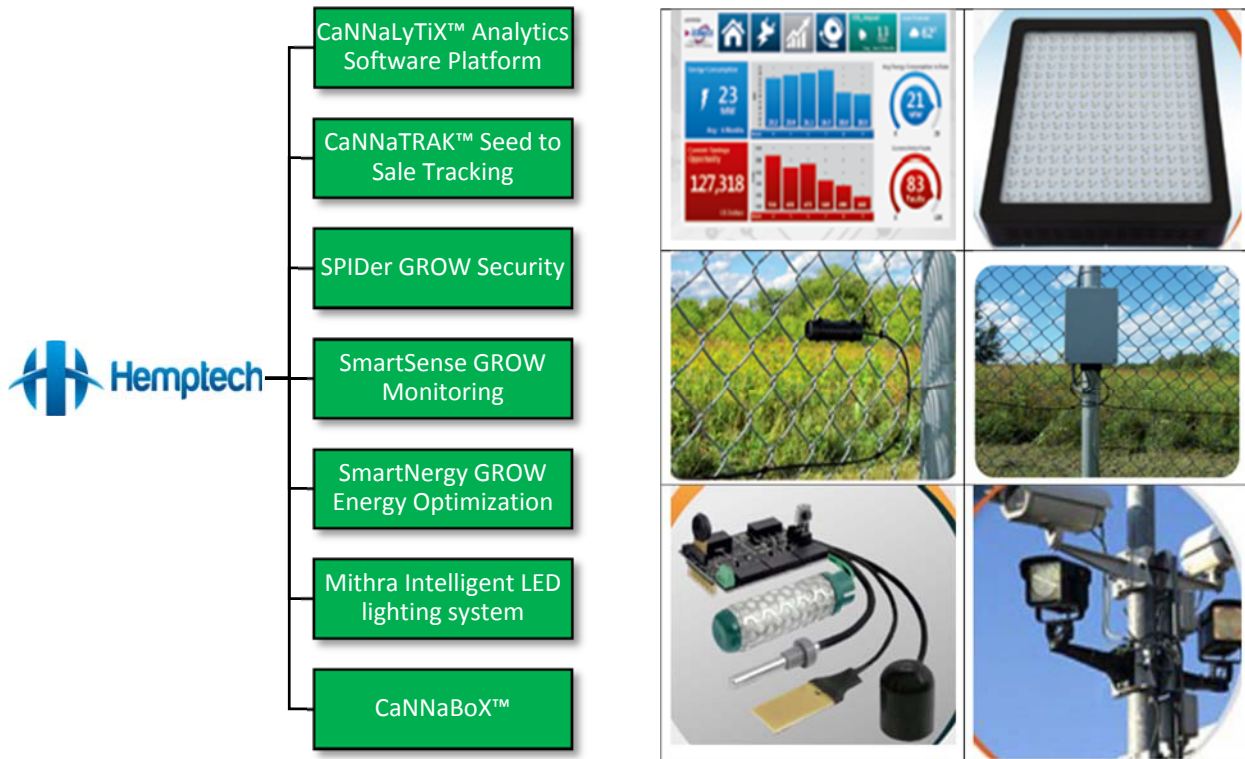


Source: Cohen Research and Company material

## HempTech Corp:

HempTech Corp. is a technology company providing tools to cultivators to collect and analyze data related to horticulture. The Company specifically caters to reducing costs and increasing yields in the industrial hemp and medical cannabis markets.

Figure 6: HempTech Products



Source: Cohen Research

CaNNaLyTiX™ Analytics Software Platform enables real-time and historical data analysis specifically for the cannabis industry. An inherent ability to combine with additional infrastructures such as SmartNergy and SmartSense allows the user to track the growth cycle and provide precise and detailed data points for automated repetition.

CaNNaTRAK™ Seed to Sale Tracking system uses the latest in barcode and RFID tracking systems to ensure compliance with the requirements of Hemp and Cannabis laws. It enables monitoring of governance licensing, seed sourcing, cultivation and sales of medicinal and recreational marijuana. The Asset Tracking Management Software is made up of multiple modules capable of functioning independently. The modular system enables a user to build the tracking system from ground up.

SPIDer (Secure Perimeter Intrusion Detection Network) GROW Security is a 3 level intrusion detection system designed against threats and malicious attacks. The first level is an electronically charged coaxial cable that alerts based on the physical movement of the movement in which it is constructed. The second level of security is a monitoring system connected via a cellular network to identify unauthorized entry. The third level is a multi-level detection system using the first two layers in combination to prevent serious damage to the property. The security system is targeted at fulfilling the needs of the cannabis and hemp industries.

The SmartSense Grow Monitoring system offers wireless security and smart sensor mesh network for precision agriculture, irrigation systems, and greenhouses for the hemp industry. Multiple sensors measure Leaf Wetness, Atmospheric Pressure, Solar Radiation, Air Temperature / Humidity, Soil Temperature / Moisture and Ultraviolet Radiation providing upload to a cloud system for further analysis. The SmartSense grow system will benefit large and medium size grow facilities by adding effective monitoring of the complete cultivation zone.

Smartenergy Grow Energy Optimization is an integrated tool with CaNNaLyTiX to visualize energy consumption in real time and historically. When viewed as a complete operation, the electricity usage of the grow facility can be monitored and modulated effectively to reduce high energy costs.

The Mithra Intelligent LED lighting system is a CaNNaLyTiX plug and play compatible LED lighting system used for indoor plant growth. With longer life spans and low power consumptions, this system, even without the CaNNaLyTiX management software, provides a substantial reduction in lighting costs to the grow facility.

CaNNaBox™ is a dispensing machine designed to provide securely prepackaged amounts of marijuana based on state laws and regulations. The machine benefits consumers that do not require consultation and operates based on age, identity and prescription verification of a medical marijuana patient.

The Company has entered into an additional market by developing innovative, sustainable and organic fertilizers, pesticides and soil additives targeting the hemp and cannabis communities. The Company owns the infrastructure to create special formulations required to satisfy varied growing conditions. The Company will start a new company and is looking for a joint venture partner with an agricultural expert.

Figure 7: Strategic Partnerships



### Infrax Systems

- Innovatinos expert in Smart Grid Energy products, Wireless communications and Security technologies
- Unified solution to implement and manage Advanced Metering Infrastructure



### Colorado Flower Company

- Applied for a Tier one recreational license (3600 plant maximum)
- Entered into a 5 year land and green house lease and operational agreement with Hemptech



### CBScientific

- Apply for licensure and open labs in multiple states.
- Find solutions to develop safest and purest medical cannabis and derivatives

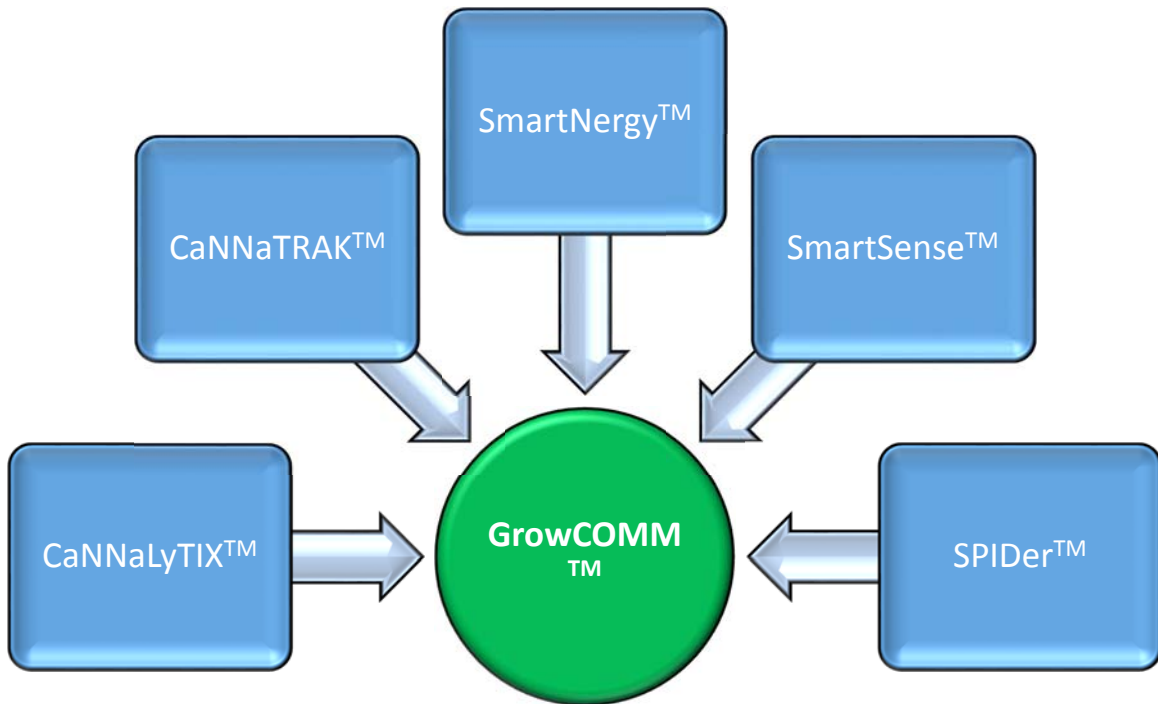
Source: Cohen Research

Hemptech provides complete turnkey solutions (GrowCOMM) for greenhouse and open-air grows in markets that have \$50 million in sales. Currently, only 16 such markets have opened but some small markets have the potential to scale up in the next two to three years. GrowCOMM combines seed to sale asset management systems,

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environmental monitoring, and control; plant grow management and security in a single solution. The existing number of growers in 50 states in the US is 2000. Based on the explosive growth expected in the industry, we expect this number to reach 48,000 growers in the next few years. Based on simple calculations, Hemptech has a ready market of \$4.5 million available. This number can potentially reach \$560 million in the next few years.

Figure 8: GrowCOMM system

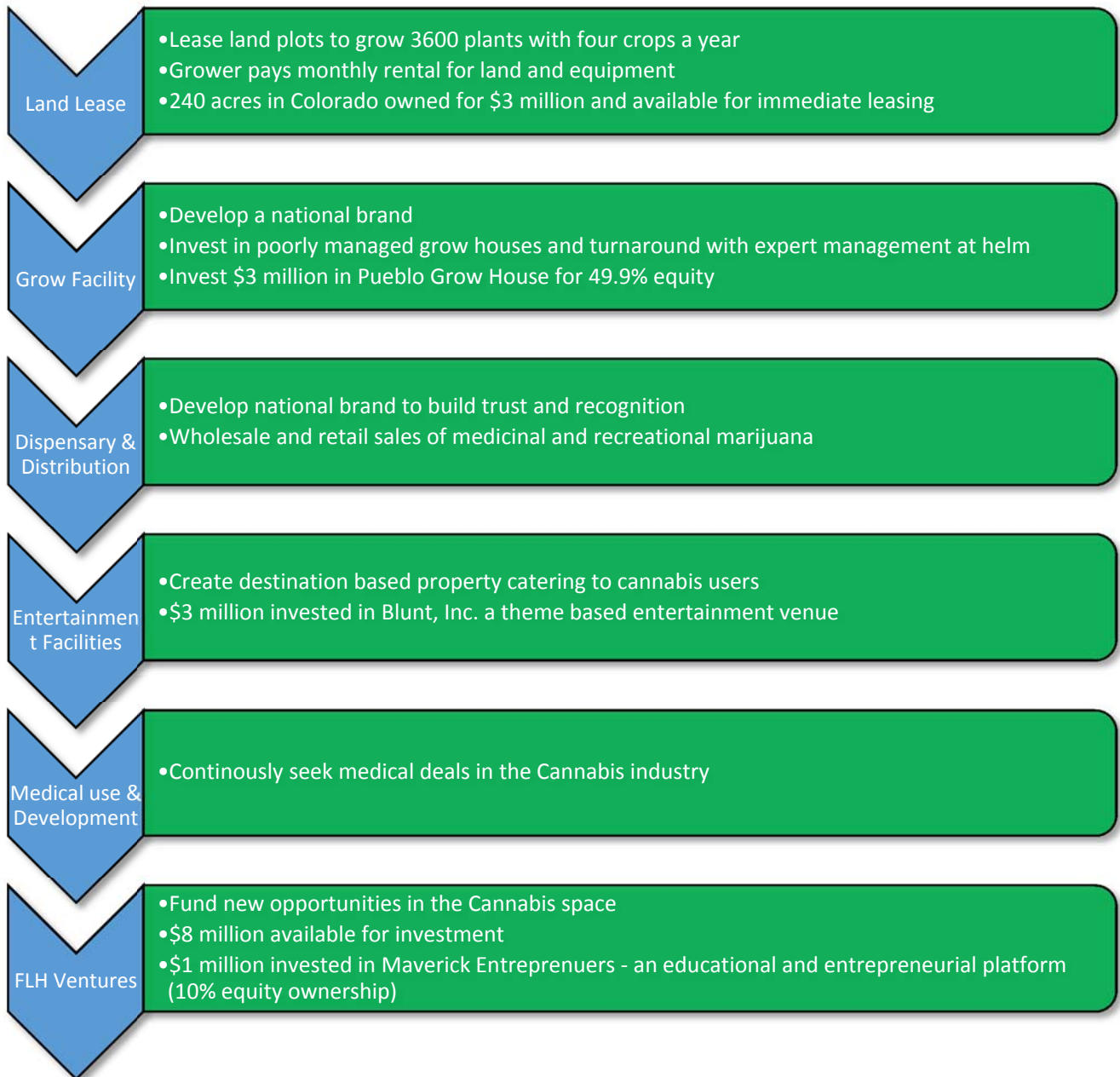


Source: Cohen Research

**Future Land Holdings, Inc.:**

FutureLand Corp. is a cannabis and hemp land leasing company. Future Land Holdings, Inc. (FLH) is a newly formed subsidiary that is 51% owned by FutureLand Corp. FLH has already allotted 37 acres to Colorado Flower Company and 5 acres to La Vita for grow purposes. FLH is the holding company for six business silos that are looking for opportunities to capitalize on the growing global cannabis market. Each silo will have land attached for operations, and most acquisitions will involve more than a single business unit.

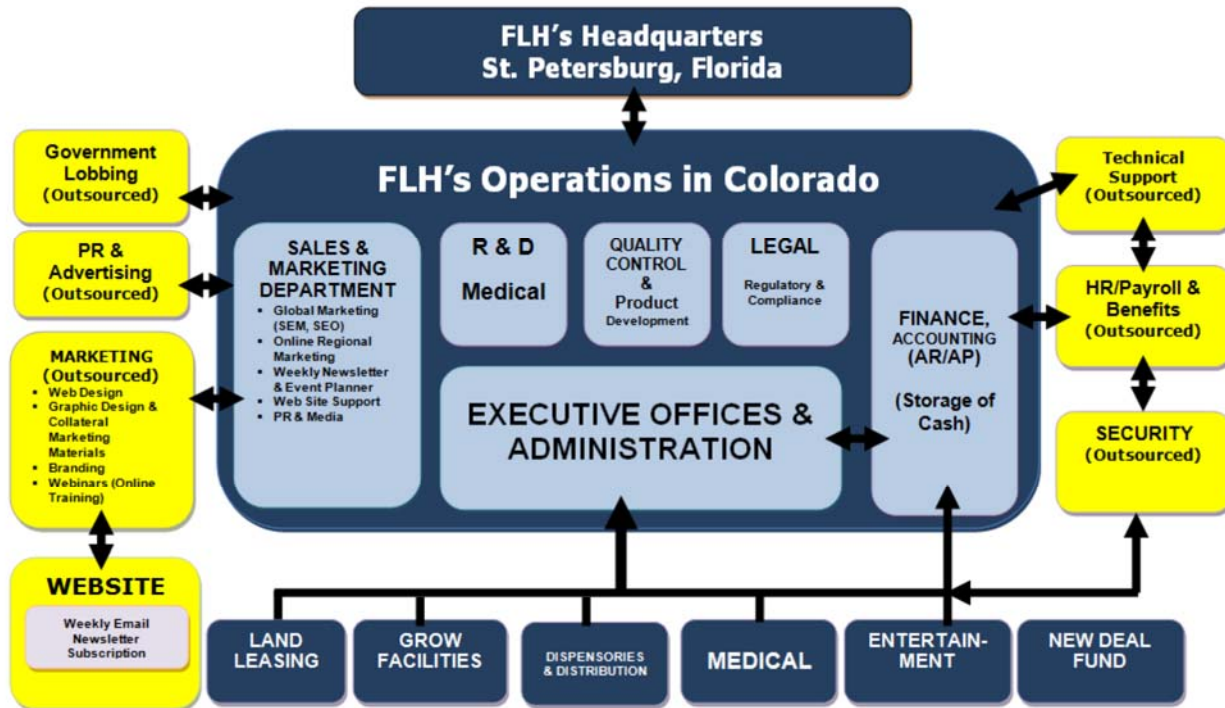
**Figure 9: Future Land Holdings, Inc. business silos**



Source: Cohen Research

To ensure smooth and efficient operational management, each silo will have segregation at the management level. An Executive Vice President (EVP) reports to the CEO and COO of FLH. EVPs gain a seat on each of their subsidiary companies and represents the subsidiary on any business enterprise invested in the silo. FLH intends to be compliant with all rules and regulations and conducts annual audits and impromptu checks to ensure there is no mismanagement. Sales and Marketing for each of the silos have been outsourced to enable management to focus on the core functions. However, the land lease, dispensaries and grow facilities will have a common national brand due to their integrated business plans. Key channels for marketing include online social networks, e.g. Facebook, Twitter, LinkedIn, FLH website, global marketing through SEO, SEM weekly newsletters, event planners, and PR.

Figure 10: FLH's Operation workflow



Source: Company material

Companies within the cannabis industry are focused on gaining ownership of grow facilities or establishing dispensaries. These companies might have the first mover advantage in a growing market. However, as single entity investing in both grow facilities and dispensaries, a single, national brand will allow FLH to gain the 2<sup>nd</sup> position in a crowded and scattered market. The focus of the Company is to develop an end to end business model that can cater to the complete chain from land leasing to owning and operating grow facilities, dispensing and entertainment.

## **Biocetical Sciences:**

Biocetical Sciences is a wholly owned subsidiary of FWDG. It is an avant-garde laboratory looking to establish itself as the premier cannabis research and production lab in the United States. The subsidiary is currently in the process of earning the ISO/IEC 17025:9001 and CGMP certifications. The subsidiary designs, manufactures, processes and develops hemp-based CBD oil, testing and analytics methodologies, processed hemp-based CBD oil and other oil formulations such as Vapes, tinctures, pills, edibles, and capsules. Bioceutical is also developing unique products for URVape and CB Scientific. While requisite due diligence is conducted by companies before acquiring a company, there continue to be risks involved in integrating and growing the acquired company. Management understands the risks and has clearly defined its roles and the benefits it intends to provide to its acquired companies.

**Figure 11: FWDG's role after acquisitions**



Source: Cohen Research



FutureWorld has created higher valuations for its subsidiaries with registered intellectual properties. The Company has filed trademark applications for its various brands, marks and logos. The list of registered intellectual properties includes - CaNNaBox, URVape, CaNNaTRAK, CannaBIT, HempTechRx, CaNNaLyTiX, DispenseTek, ejoint, URCig, and SmartVape. As the Company continues to acquire new targets, it periodically reviews the list of IP portfolios and adds to it. The Company has plans to file patent protection for additional products and methods in their business. It has applied for patents for Consumer Tetrahydrocannabinol (THC) Testing Kit (Application No. 62076012) and Consumer Cannabidiol (CBD) Testing Kit (Application No. 62076016). The Company has also opened a laboratory facility in Denver, Colorado. The laboratory specializes in process development and product testing.





## COHEN GROWTH DRIVERS AND FINANCIAL FORECASTS

**Figure 12: Cohen Growth Driver Analysis - Base Case**

<b>Annual Revenues, Margins, Assets, Turns</b>								
all figures in \$ million; unless otherwise mentioned								
	2014	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F	2021 F
Net Revenue	-	0.7	7.3	21.8	29.4	38.2	47.8	52.6
Operating Margin	NM	-112.2%	43.2%	58.1%	59.5%	60.5%	61.4%	61.4%
Net Margin	NM	-171.9%	28.4%	50.0%	30.4%	30.7%	31.1%	30.5%
EPS - Diluted	(0.00)	(0.00)	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	(0.1)	(0.6)	3.9	14.4	20.3	26.9	34.1	38.0
Free Cash Flow	(1.2)	(0.4)	(4.7)	1.8	4.4	7.2	11.1	15.1
Cash and Equivalents	0.0	0.1	0.1	1.9	6.2	13.5	24.6	39.6
Working Capital	(1.1)	(1.8)	2.4	8.2	10.5	13.8	17.3	19.0
Total Debt	0.3	-	-	-	-	-	-	-
Total Assets	0.0	0.7	6.2	17.2	27.0	39.1	54.3	70.6
DSO	NM	237.3	91.3	91.3	91.3	91.3	91.3	91.3
<b>Percentage Change in Annual Revenues, Margins, Assets, Turns</b>								
	2014	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F	2021 F
Revenues	NM	NM	1000.0%	200.0%	35.0%	30.0%	25.0%	10.0%
Operating Margin	NM	NM	-138.5%	34.5%	2.5%	1.6%	1.5%	0.0%
Net Margin	NM	NM	-117%	76.1%	-39.3%	1.0%	1.5%	-1.9%
EPS - Diluted	NM	586%	-122%	428.4%	-18.1%	31.3%	26.9%	7.9%
EBITDA	NM	343%	-719%	270.3%	40.7%	32.7%	26.8%	11.5%
Free Cash Flow	NM	-71%	1236%	-138.6%	139.4%	66.0%	53.3%	35.9%
Cash	NM	4793%	-43%	3281.1%	232.3%	116.0%	82.3%	61.4%
Working Capital	NM	60%	-234%	247.5%	28.4%	30.9%	25.8%	10.0%
Total Debt	NM	-100%	NM	NM	NM	NM	NM	NM
Total Assets	NM	35888%	761%	178%	57%	45%	39%	30%
DSO	NM	NM	-62%	0.0%	0.0%	0.0%	0.0%	0.0%

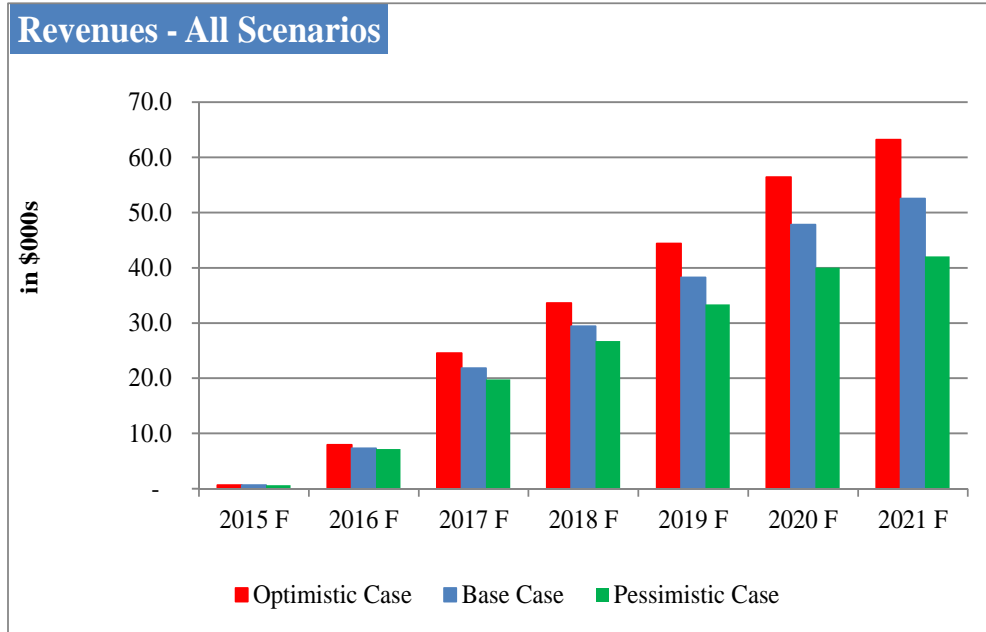
Source: Cohen Research

The Cohen Growth Drivers Model is an intelligent roadmap used by many securities analysts to analyze the forecasted growth of a given Company. The Company, as explained in the previous section, is likely to generate revenue from its multiple subsidiaries – NutraCann Labs, Inc., CB Scientific, Inc., URVape, Inc., HempTech Corp and FutureLand Corp. CB Scientific, Inc, DispenseTek, MedTest, Inc., Bioceutical Sciences and FutureFinance. During the current fiscal year ending March 31, 2016, FutureWorld’s URVape and CB Scientific subsidiaries are expected to generate significant revenue growth. In the following year, in addition to revenue growth by sale of vaporizers and test kits, HempTech Corp and FutureLand will be key contributors to revenue growth from \$7.3 million in FY-2015 to \$21.8 million in FY-2016. Thereafter, other businesses like CBD Oil will contribute to revenues while the existing businesses continue to grow.

In addition to our Base Case forecasts, we have prepared financial forecasts under two additional scenarios, the optimistic (aggressive top-line growth) and pessimistic case. The exhibit below shows our revenues and earnings assumptions under all three forecasted scenarios.

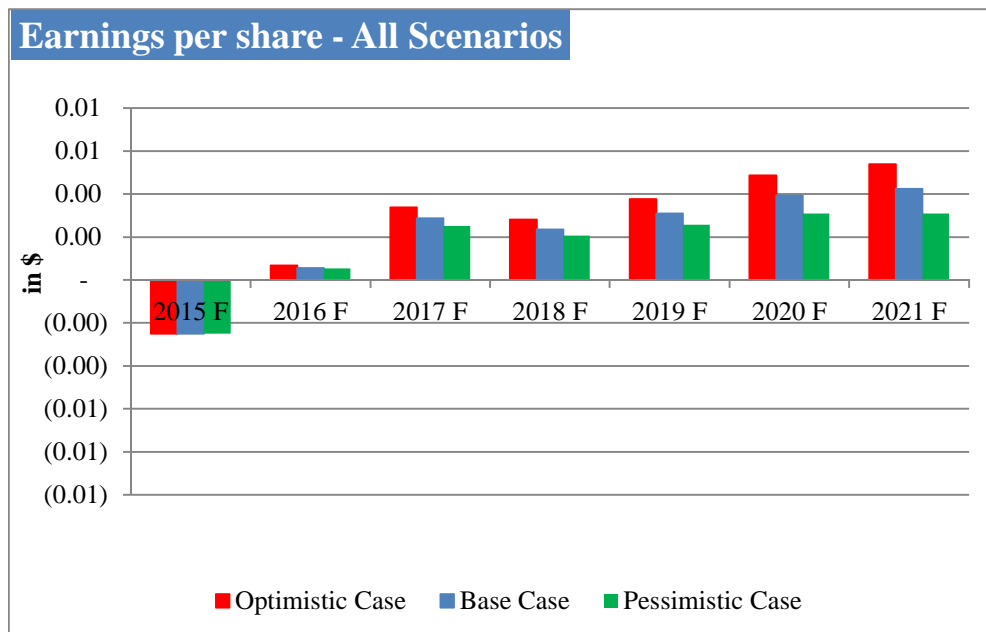


Figure 13: Revenue Forecasts – All Scenarios



Source: Cohen Research

Figure 14: Earnings Forecasts – All Scenarios

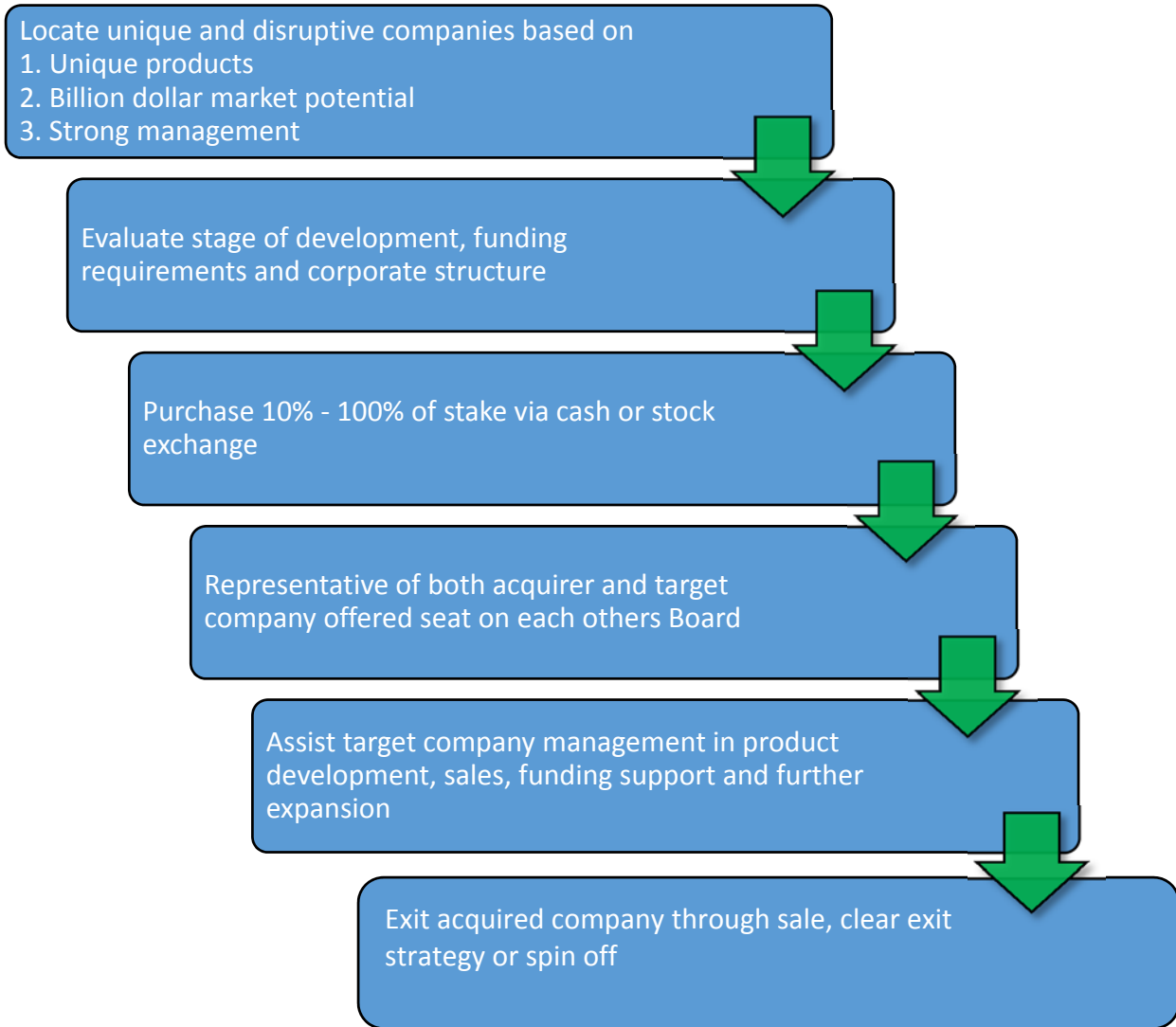


Source: Cohen Research

## COMPANY BUSINESS MODEL

As the cannabis industry continues to grow at breakneck speed, FutureWorld intends to service the needs of the industry by becoming a unique and diversified ‘picks and shovels’ company through the acquisition of a minority or majority stake in small and medium sized companies. The targets for acquisition will be disrupting the status quo of cannabis products and services globally. However, it is crucial for the Company to outline the process to ensure the right mix of firms can be added to the portfolio.

**Figure 15: FWDG's acquisition strategy**

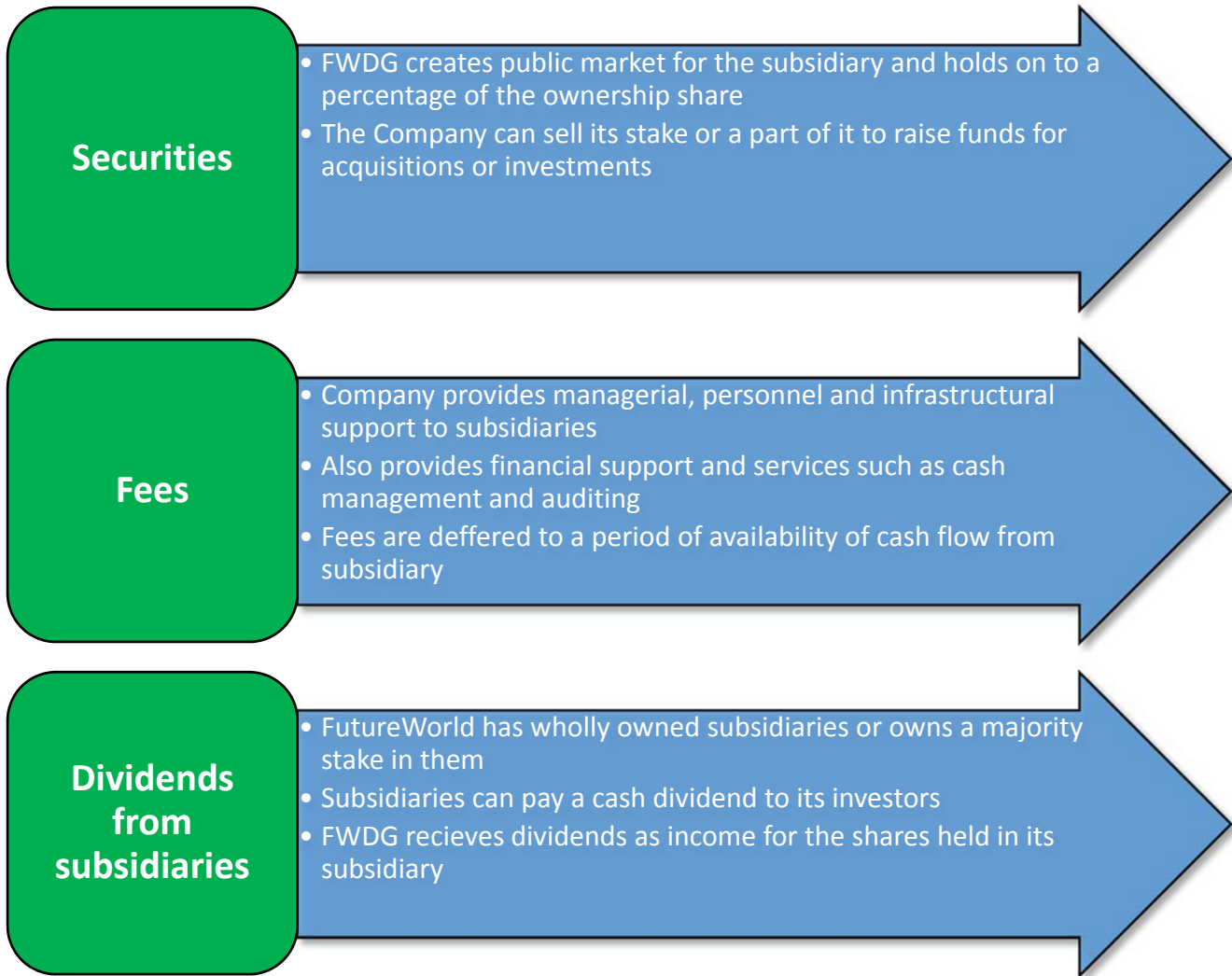


Source: Cohen Research

The acquisition strategy described above has enabled the Company to build a strong portfolio. FWDG is continuously on the lookout for technologies, products, companies or ideas that can disrupt the norm and generate exceptional returns within a timeframe of 1 – 3 years. With managerial, financial and infrastructural support, these

investments can develop further. As the acquired company enters a reasonably measured pattern of growth, FWDG decides on whether the business should be sold off in the public markets, maintain it as a wholly owned subsidiary or sell it to another firm.

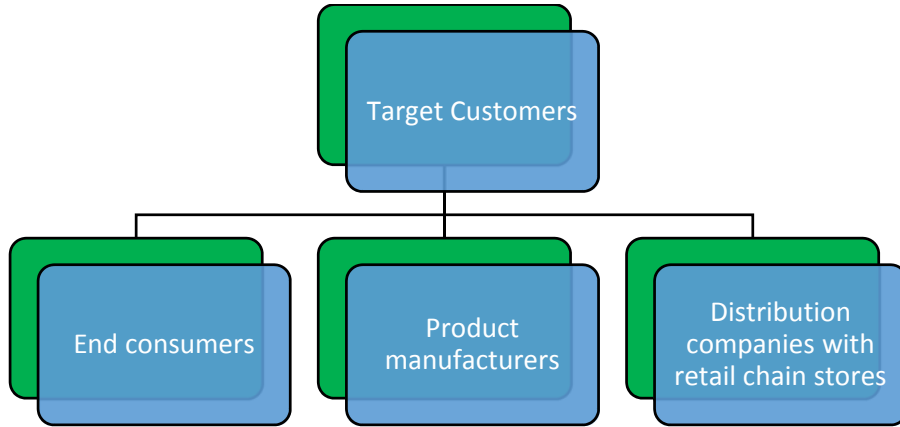
Figure 16: Sources of revenue for FWDG



Source: Cohen Research

The Company has researched the use of cannabis and hemp across multiple markets in the US, EU, Africa and Latin America. Both cannabis and hemp have been utilized in some ways, but are now replaced with alternatives. Once the ‘Go Green’ movement takes off, it is likely that hemp and cannabis will see an increase in use. We can expect the industry to cater to the demand for environmentally friendly products by integrating hemp and cannabis in their products. The Company intends to deliver new and innovative products that will be profitable, easy to use and generate the maximum positive benefit to the environment.

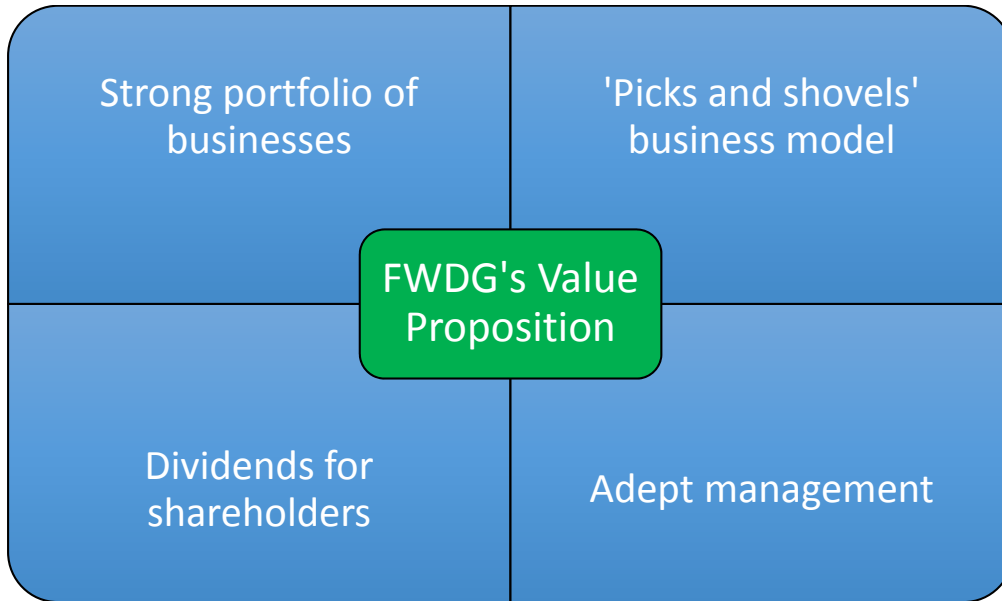
Figure 17: FWDG Target customers



. Source: Cohen Research

# VALUE PROPOSITION

Figure 18: FWDG Value Proposition

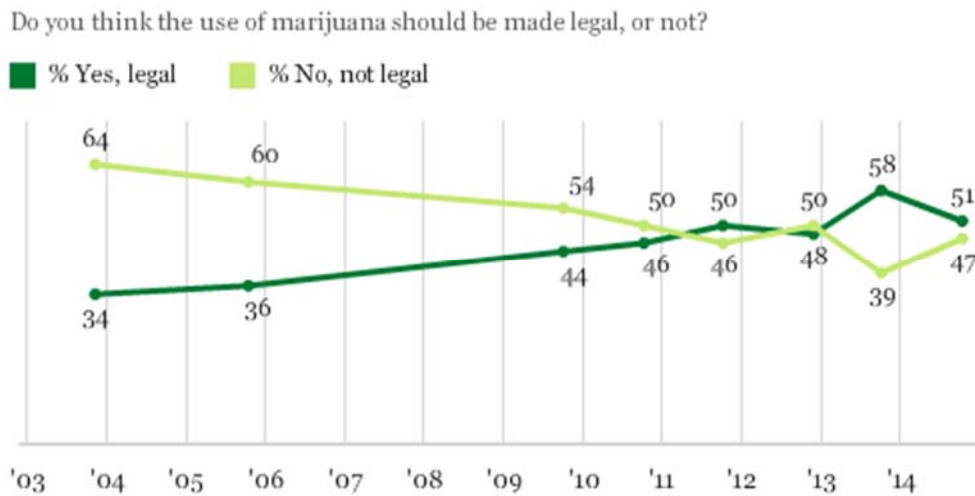


Source: Cohen Research

## INDUSTRY OVERVIEW

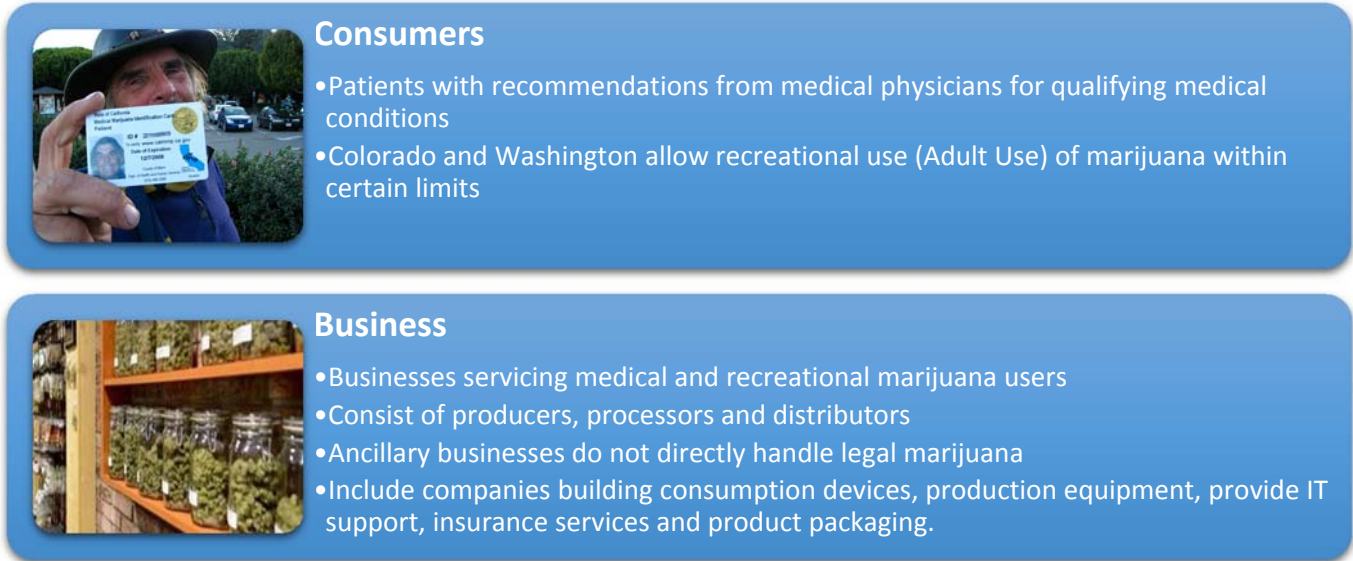
The medical use of marijuana is slowly becoming acceptable in the United States. This position reflects the growing vote for the legalization of medical marijuana. Legalizing the recreational use of marijuana is also starting to gain with Washington and Colorado becoming the first states to legalize the use of marijuana for recreational purposes. Oregon and Alaska have also passed laws to legalize marijuana. The shifting support is visible from the Gallup polls showing a 58% majority in October 2013 supporting legalization compared to only 50% in 2012 and just 12% supporting legalization in 1969. Despite the support falling in 2014, legalization of the use of marijuana for medical and recreational purposes has gained wide acceptance in the United States. The results of the latest Quinnipiac University poll conducted on July 28<sup>th</sup>, 2014 are unanimously supportive of the use of medical marijuana in Florida with 88% support.

**Figure 19: Support for legalizing the use of marijuana in 2014**



Source: Gallup Polls

Figure 20: Constituents of the legal marijuana market

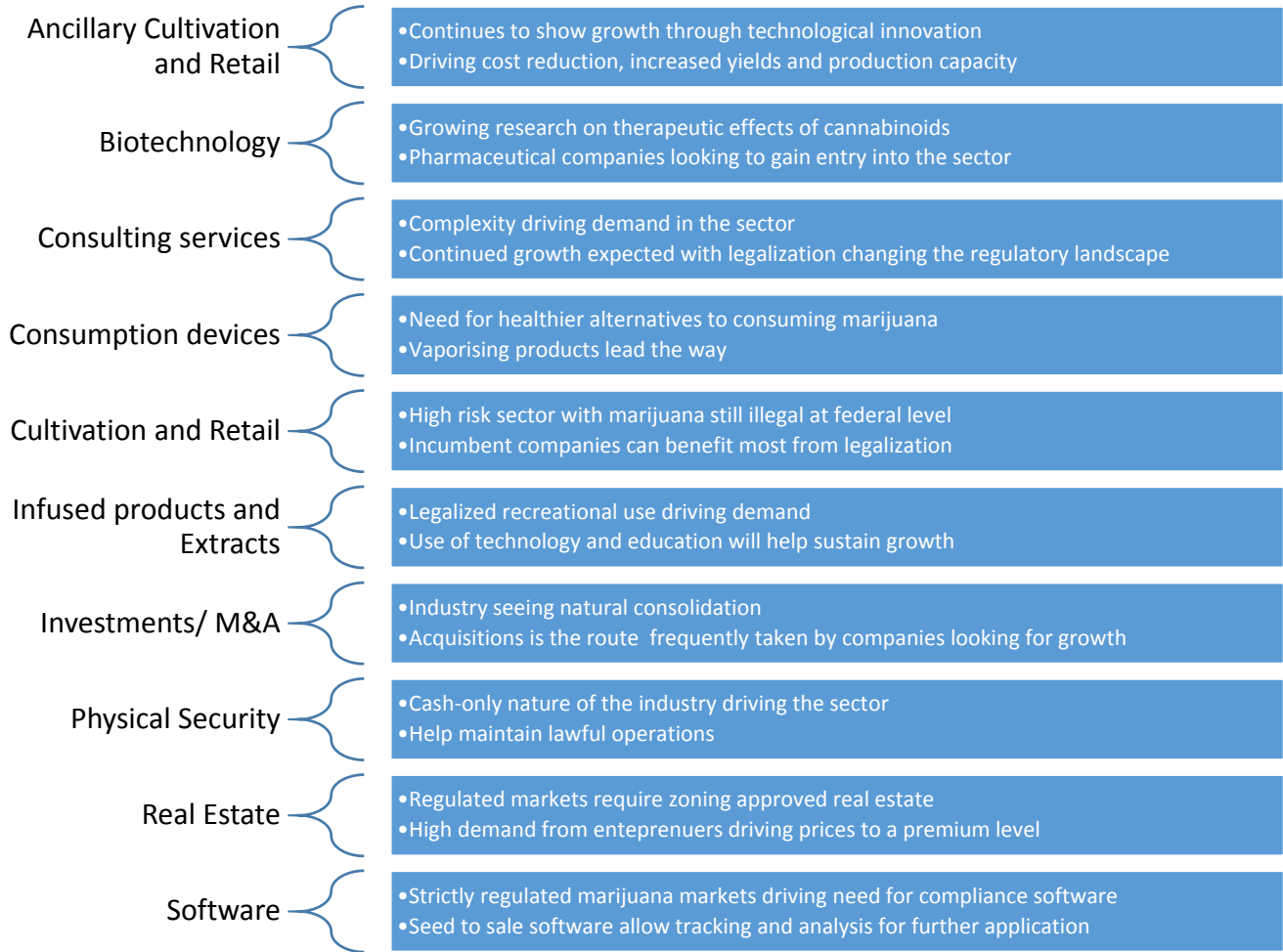


Source: Cohen Research

Marijuana is considered to be the third most popular recreational option after alcohol and tobacco. It is believed that at least 40% percent of the American population has consumed marijuana for either medicinal or recreational purposes. Despite such widespread use of marijuana in the USA, it is still a federal crime to possess marijuana. To that end, billions of dollars are spent to prevent marijuana possession and use. However, nearly half of the US population believes marijuana should be legalized in the US. Moreover, a greater number, almost 70% of the people surveyed think that doctors should be allowed to prescribe marijuana to reduce pain. On the other hand, only 34% of the people surveyed are now in favor of enforcing federal laws in marijuana possession and use cases. It seems to be only a matter of time when the federal government will reflect the changing the perception of its population on legalizing marijuana. The illegal status of marijuana has pushed entrepreneurs to develop auxiliary business models. This has originated multiple types of firms under the broad gamut capable of driving investor returns.



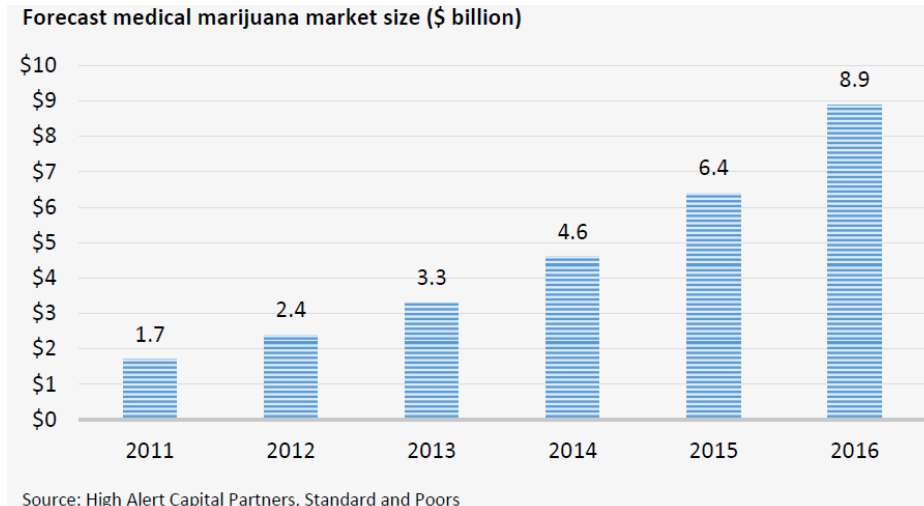
**Figure 21: Classification of firms in the marijuana sector**



Source: Cohen Research

The marijuana business has undergone tremendous changes. It has opened up due to state wise regulations being passed in favor of the marijuana industry. The ArcView research report on the state of the legal marijuana market expected the industry to be worth \$2.7 billion in 2014. The size of the industry grew by 74% to \$2.7 billion in 2014. The quantum of combined retail and wholesale sales of legal marijuana have made it the fastest growing industry in the United States. The five-year expectation of the industry pegs the industry size at \$10.8 billion.

**Figure 22: Medical marijuana market size forecast in \$ billion**



Source: High Alert Capital Partners, Standard and Poor's

At the federal level, marijuana continues to remain a Schedule I drug under the US Drug Enforcement Act. Hence, physicians can only recommend its use and not prescribe it. The outlook for the legalization of marijuana use for medical and recreational purposes is improving with a growing number voting in favor. As of April 2015, 23 states and DC have legalized the use of marijuana in some form while four states (Colorado and Washington D.C. in 2010 and Oregon and Alaska in 2014) have legalized the use of marijuana.

Hemp, the plant from which marijuana is obtained, has a federal ban on industrial growth. Hemp is proven to have negligible THC levels and is widely used for a variety of consumer products across the US. Based on data from Congressional Research service, the estimate of the total market for retail for hemp is at over \$500 million in the USA. Hemp is currently widely used in the production of paper, fabrics, insulation material, etc. The federal ban on growing industrial hemp forces the companies involved to import raw hemp and thus damage the economy.

However, the negative perception with the use of hemp is slowly changing and is slowly gaining momentum. A unified stand was taken by businesses, farmers, activist and green consumers is changing the tide for the use of hemp. These groups are driving to change the definition of 'marijuana' to exclude industrial hemp. Once industrial hemp is removed from the purview of federal legislation, enacting new laws regarding growing and use of industrial hemp can lead to the creation of jobs as well as bring about additional environmental and economic benefits.

The outlook for medical marijuana growth and the industry in general has been positive. The industry is expected to reach a high level in the next five years. With growing acceptance among medical professionals and improving standards of products sold, it is likely that medicinal use of marijuana will continue to grow. The unique nature of the industry makes it susceptible to changes in the disposable income. Age of the user is also one of the major contributors to the demand. As the number of US adults aged fifty years and above rises, we expect the demand for



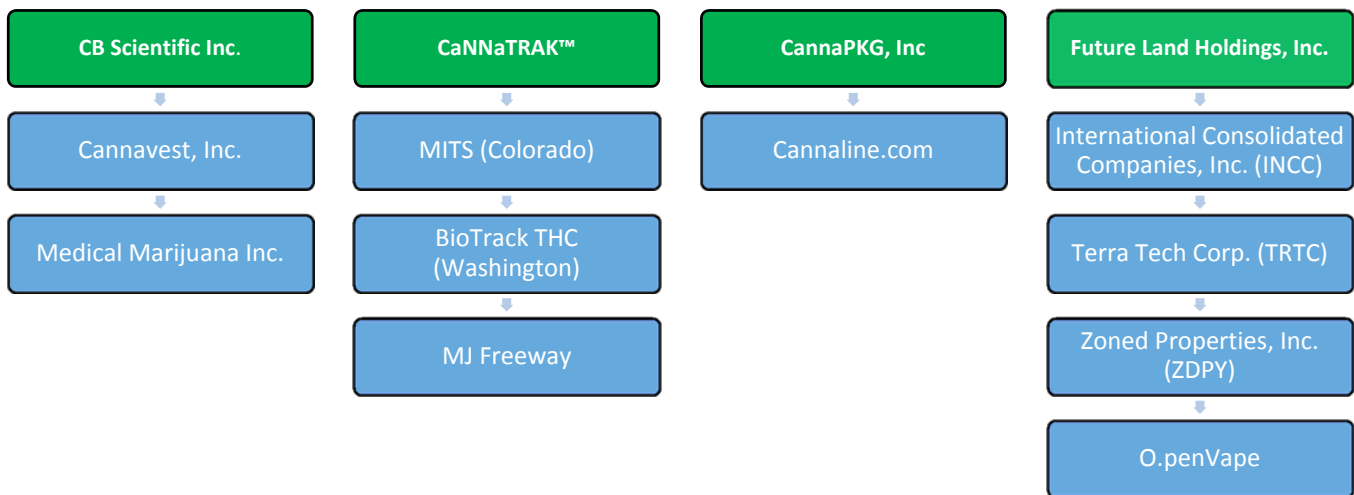
alternative methods of medicines to increase along with an increase in income spent on alternative medicines. IBIS world forecasts the industry to grow at an annualized rate of 23.3% in the next five years to \$6.1 billion.

# COMPARATIVE ANALYSIS

The marijuana and the industrial hemp markets have substantial potential. The tremendous growth in the marijuana industry has been compared with the Gold Rush. Similar to the Gold Rush, there are some ancillary businesses that have experienced substantial growth. While the needs of the cannabis industry are quite similar to any other growing industry, the supply of services has been low due to the problem of legalization since marijuana is still considered a Schedule I drug. This has reduced the number of traditional players in the market keeping the market wide open for new entrants. While on paper, Grow and Dispensaries may offer high rates of returns, they are exposed to legal risks. Ancillary companies, on the other hand, are growing quickly since they are not subject to the same threat of closure or prosecution. In reality, it is difficult to make money in the grow industry.

For each of its subsidiaries, FWDG faces competitors from a different segment of the ancillary industry. While the number of competitors is high, we believe there is substantial room for growth in the subsidiaries. As an acquirer with a strong portfolio of disruptive companies, FutureWorld can continue to look for new opportunities to purchase product lines, CBD oil sources and technologies and assets from other firms.

**Figure 23: Products and Companies competing with FWDG**



Source: Cohen Research

**Risks factors:**

**Ability to execute business plan:** FutureWorld’s subsidiaries, despite their high disruptive innovations, face risks from market conditions, operational effectiveness and managerial decisions. Inability to execute the envisioned business plan can result in a loss for the shareholders.

**Substantial capital requirement:** FWDG requires access to substantial capital to provide its subsidiaries with the requisite infrastructure and financial support. Without the expected capital, the Company’s subsidiaries might see a longer gestation period and lower returns for its investors.



**Existing competition:** As the cannabis industry continues to grow, the competition within the industry is expected to increase. The Company will be competing in an overcrowded market for financial, infrastructural, personnel and technological resources to be able to generate consistent returns over a long period

**Market Volatility:** FWDC generates income by listing its subsidiaries on stock exchanges while holding a stake in the subsidiary. However, market conditions can result in weak stock performance and produce low returns for stockholders.

**Accounting Issues:** The Company recently changed accountants due to its previous firm's concerns about the Company being a going concern.



## VALUATION

### THE COHEN PRICE TARGET™ - \$0.0078

The Cohen Price Target™ is a dynamic and logical valuation approach that combines market-based approaches and intrinsic value methodologies. Capital raising and cash are the life blood of any micro-cap/small cap Company. Hence, the Cohen Price Target™ includes four components, 25% equal weighted that together reflect and are based on the Company's ability to raise capital for growth. The four components used in our price index are Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE) (Both Market based valuation approaches), Cohen Discounted Cash Flow (DCF) method (Theoretically an Intrinsic Value based approach) and Cohen Price Performance Index.

Our formula for The Cohen Price Target™ is shown below.

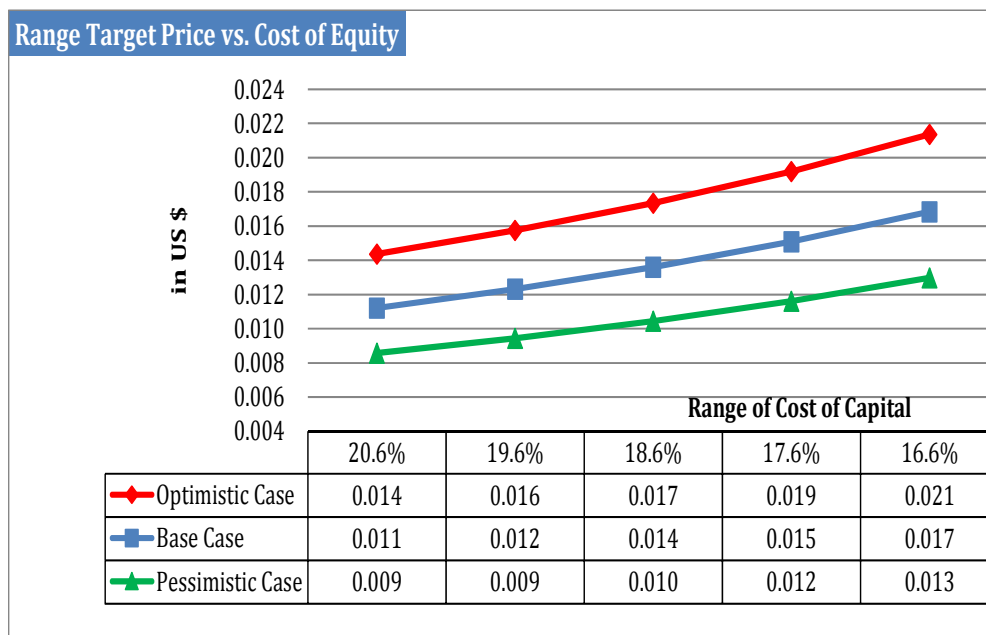
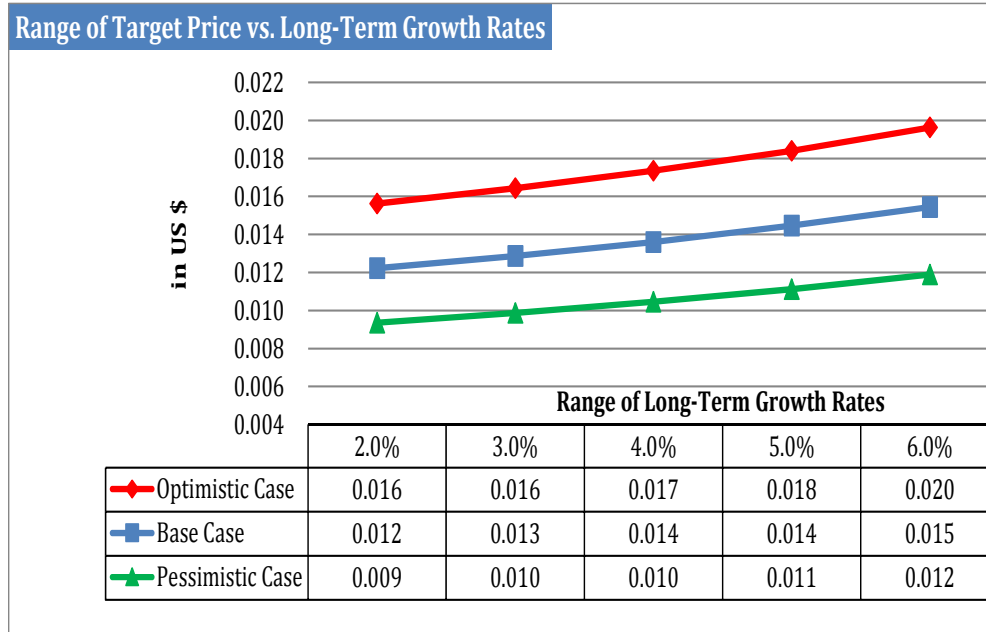
Figure 24 - The Cohen Price Target™ Formula

<b>Price-to-Earnings (P/E)</b>		<b>in \$</b>
Earnings Per Share 2016 Forecast	0.00	
Expected P/E Ratio	20.00	
Discount Rate	0.84	
<b>Price based on P/E Ratio</b>		<b>0.009</b>
<b>Price-to-Capital Employed (P/CE)</b>		<b>in \$</b>
Capital Employed	0.00	
Long term P/CE Ratio	6.00	
Discount Rate	0.84	
<b>Price based on P/CE Ratio</b>		<b>0.007</b>
<b>Cohen Discounted Cash Flow Model</b>		<b>in \$</b>
<b>Cohen DCF Value - Base Case</b>		<b>0.014</b>
<b>Cohen Performance Index</b>		<b>in \$</b>
Cohen Price Performance Index Value	83.0%	
Current Stock Price	0.0009	
<b>Price based on Cohen Performance Index</b>		<b>0.002</b>
<b>Cohen Price Index Target</b>		<b>0.0078</b>
Current Price		0.0009
<b>Upside/ (Downside) Potential</b>		<b>764.1%</b>

Source: Cohen Research



Figure 25 - Cohen Discounted Cash Flow™



Source: Cohen Research



## CONCLUSION

FutureWorld, Corp. is a public company established as a medical cannabis and industrial hemp company. The Company owns a diverse portfolio of companies providing products and services ranging from vaporizers to CBD oil based products and from security options to data analytics tools geared towards the cannabis industry. The Company continually appraises strategic acquisitions, develops unique processes and patents them. It intends to develop CBD based products from hemp and build the infrastructure to grow hemp domestically. On the other hand, the Company is also looking to expand its network of hemp farmers. The Company's 'Picks and Shovels' business model allows it to grow along with the fast growing cannabis sector.

As per the business model, once a subsidiary is mature and settled on its growth path, FWDG either lists it, sells it to another private company or spins - off the subsidiary to generate dividend returns for the investors and cash to reinvest in new and potentially disruptive technologies and products. The sale or spin-off also allows the subsidiary to raise growth capital and improve its valuations and financial health of the company. The business model is dependent on the ability of the Company to scout disruptive innovations across the globe. The experienced management team has cultivated an acquisition strategy to improve its odds of success. Once the target is acquired, the Company provides managerial, operational and financial support in return for the fee.

The medical cannabis and industrial hemp markets are expected to continue their upward trajectory in the near future. The Company's list of products and services enable it to gain a strong foothold in the medical cannabis and industrial hemp sectors. A strong return will continue the flow of capital to invest in future opportunities.

We believe the Company's strong management, strategic partnerships, robust projected revenue streams and growth potential of the medical cannabis and industrial hemp markets makes the stock a potentially valuable investment proposition. FutureWorld, Corp. provides a potential short term and long term investment opportunity for risk-averse investors.

RS/Grass Roots Distribution Research





## MANAGEMENT BIOS

FutureWorld has a strong team that understands the requirements of building a successful strategy and practicing it. The Company has established a strong portfolio and is well positioned to drive forward under their guidance.

### **Sam Talari**

Founder & CEO

Mr. Talari, born and raised as an entrepreneur, found his calling in incubating exciting leading edge technology companies in the private and public sector, with a unique business plan merging the boundaries between a hedge fund and a VC. Mr. Talari has been the Chief Executive Officer of FutureWorld Corp. since November 21, 2005. Mr. Talari served as the Acting Chief Executive Officer at Infracore Systems, Inc. since November 21, 2008 and Chief Operating Officer until October 2009 and served as its Interim President. Mr. Talari founded and manages FutureTech since 2001 and Talari Industries since 2008. He serves as a Director at PowerCon Energy Systems, Inc, and Chairman & CEO of Lockwood Technology. He studied Computer Science and Mathematics at the University of New Hampshire. Mr. Talari holds a Bachelor's Degree in Computer Science, Engineering, and Mathematics from University of Lowell and has a Master's Degree in Finance from Trinity.

### **Cameron Cox**

VP Business Development

Mr. Cox is a business entrepreneur with wide experience and knowledge to draw upon from many different walks of life. A real estate expert and developer, Mr. Cox brings ground level pragmatism to the field of dreams. Consummate venture capitalist and advocate of the oncoming Greenrush, Mr. Cox envisions an untapped American oncoming potential. A U.S. Army Vet, and graduate of Michigan State University with a BA in Communication he also attended Westminster Theological Seminary for a MDIV and University of South Florida, St. Petersburg studying for an MBA.

### **John Verghese**

CEO HempTech

John is a seasoned telecommunication expert with over 24 years of experience in building and operating local and wide area networks. He is well rounded in all the functional areas of the telecom industry from planning, engineering and operations to sales and customer support. John began his career in the US, working for Florida Power Corporation soon after receiving his MSEE from Florida Institute of Technology in Melbourne, Florida. When Progress Telecom was spun off from Florida Power Corporation, he was one of the first employees to move with the new company and run the planning group for the subsidiary. He has managed several significant projects while at Florida Power Corporation and was a key contributor to building the fiber optic network from Tallahassee to Tampa, facilitating the launch of Progress Telecom. Over the eight years at Progress Telecom, John was the chief architect for building the broadband network that extended from Miami to New York, covering multiple cities along the route. With the sale of Progress Telecom to Level (3) communications, John joined Tower Cloud, Inc. as VP of Engineering to plan and build fiber and microwave backhaul communication systems for wireless providers. At Infracore systems, John took on the challenge of developing a smart card for electric residential utility meters. He managed the project using in-house engineers, local and overseas teams. He has a thorough understanding of the need for smart utility grids and the connectivity of devices creating Internet of Things. He is working with the team



to develop products and applications in a variety of areas that need secure communication and controls. In addition to the technical areas, he also helps the senior leadership on contracts, M&A and funding activities. Recently he was asked to head up HempTech Corp as their CEO to develop and implement a variety of products and services for the Grow Industry. His deep technical and business skills, ability to hire and work with talented personnel will help launch HempTech and put the company of the map.

**Terry Gardner**

VP of HempTech

As Vice President of Engineering, Terry is responsible for the Engineering and consulting services to the commercial grow industry. Terry comes to HempTech Corp with over 30 years experience in the utility Telecommunications and Controls industry. After graduating with a BSEE from the University of South Florida in the early 80's, Terry embarked on an eighteen year career with Florida Power Corporation. Here he quickly moved through the engineering levels in telecommunications where he managed large construction projects in excess of \$6 million dollars and pioneered the concept of a utility subsidiary to market telecommunications facilities through fiber optic cable construction on utility transmission lines. Terry left Florida Power Corporation in the late 90's to work with Tampa Electric. Here he became a subject matter expert in distributive control systems and the Smart Grid. Terry's most recent work has been involved with automated control, sensors and security for industrial sites and the indoor agriculture grow industry. His background in building automation, controls systems and sensors, along with his interests in advanced aquarium and hydroponics systems give him a unique background to provide engineered solutions for industrial indoor grow facilities.

**Kevin Defant**

Product Development

Kevin Defant has been doing product development for 5 years and has experience in a wide range of fields from communications to design. He has experience communication's security and implementation over several platforms. Mr. Defant has worked with the Department of Corrections on parolee tracking and monitoring, and with other companies doing secure communications.



## BOARD OF ADVISORS

### **Robert Carr**

Mr. Robert Carr for the past forty years has been successful in law and pharmacy. He has a Bachelor's Degree from Michigan State University, a Master's Degree from Nova University and a Doctorate of Law from Cooley Law School. He is a former police officer, private investigator, college professor, board certified civil trial attorney. Through his work as a business attorney and entrepreneur, he has been a shareholder in wide range of business startups. Rob designed and built the original concept specialty compounding pharmacy, United Prescriptions Services in 2002. He created the concept of tele-medicine for chronic pain management and then expanded the program nationwide. Three years later United specialized in the custom compounding of hydro condone pain capsules for these doctors specializing in pain management. United had 5% of the national manufacturing and sales of these medications. Mr. Carr will be an instrumental figure for the development of Pharmaceuticals and Nutraceuticals sector of the Company.

### **Tommy L. Thompson**

Mr. Tommy L. Thompson is an innovative and accomplished Information Security professional with 15 years of active experience managing complex security dilemmas facing many global industry leading companies and their clients. He is highly experienced in leading business integration and divestiture initiatives while ensuring the achievement of all regulatory compliance and risk assurance objectives. He is an information Security expert with diverse technical prowess, leadership skills and experience that allow for the rapid adaption into new environments and emerging technologies. Mr. Thompson identified significant vulnerabilities in the architecture of DuPont's Process Control Networks (PCN) that regulate safe chemical processing conditions for the creation of DuPont products. This issue resulted in the rapid isolation of critical DuPont PCN's mitigating health and safety concerns due to the ability to bypass physical safety controls. He architected the security architecture framework which defined the new data-center and consolidation requirements necessary for FDC's global 3 year, \$120 million, 23 data-center consolidation initiatives that started in 2007. He also architected PCI, FFIEC, & SOX compliant data-center infrastructure which was designed to support the 5 year growth of the current 33.2 billion annual transaction generating business applications. Mr. Thompson will be a valuable asset in the Company's security and tracking applications for the industry.



## LATEST PRESS RELEASE

### **FutureWorld (FWDG) Included in the MJIC US Reporting Index and Composite Global Index**

#### **FutureWorld Tracked by the Marijuana Index**

Saint Petersburg, FL, July 15, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corporation (FWDG), the leading provider of advanced solutions to the cannabis industry globally, today announced that it has been selected by The Marijuana Index for inclusion in its MJIC US Reporting Index and Composite Global Index.

The Marijuana Index is the leading equity-tracking index featuring public companies involved in the legalized marijuana and hemp sector. The Marijuana Index provides the most robust data set in the legal marijuana industry with a perpetually expanding assemblage of information available to brokers, analysts, investors and media.

"We believe that establishing a presence with the major players in the space is of paramount importance moving forward," said Cameron Cox, VP Business Development of FutureWorld Corp. "Inclusion in The Marijuana Index gives the company added credibility to my mind that we are both active in the sector and intent upon gaining ground as the industry develops."

"The inclusion of FutureWorld Corporation in The Marijuana Index signifies continued progress in the public cannabis markets," said David Friedman, CEO of MJIC Media. "Existing and prospective investors in publicly traded cannabis companies deserve sound information and we plan to provide continued coverage of FutureWorld as a means of further legitimizing the legal cannabis industry."

#### **About FutureWorld Corp.**

FutureWorld ([FWDG](#)), a Delaware corporation, is a leading provider of advanced technologies and solutions to the global cannabis industry. FutureWorld, together with its subsidiaries, focuses on the identification, acquisition, development, and commercialization of cannabis related products and services, such as industrial Hemp. FutureWorld, through its subsidiaries, provides personal and professional THC and CBD test kits, pharmaceutical grade CBD oil solutions, SafeVape vaporizers, smart sensor technology, communication network, surveillance security, data analysis for smart cultivation and consultation for the industrial hemp and legal medicinal cannabis. Our wireless agricultural smart sensor networks offer precision to the agriculture, irrigation systems, and greenhouses for the global cannabis and hemp industry. FutureWorld and its subsidiaries do not grow, distribute or sell marijuana.



## KEY HISTORICAL DEVELOPMENTS

### **FutureWorld (FWDG) Incubates Bioceutical Sciences**

#### **Bioceutical Sciences to Become Leading Cannabis Research and Production Lab**

Saint Petersburg, FL, June 24, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. ([FWDG](#)), a cannabis technology accelerator and a leading provider of advanced technologies and solutions to the global cannabis industry, announced today that it has concluded the incubation of Bioceutical Sciences(TM) after months of vetting and numerous development processes. Bioceutical Sciences(TM) will become the newest addition to its family of companies as a wholly owned subsidiary.

### **FutureWorld (FWDG) Distributes Dividend on FutureLand Corp.**

#### **FWDG Announces Dividend Distribution Date on FutureLand - Increases Dividend Rate by 30% - New Record Date of June 12**

Saint Petersburg, FL, June 11, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a cannabis technology accelerator and a leading provider of advanced technologies and solutions to the global cannabis industry, announced today that it has completed its process with FINRA on the dividend of FutureLand Corp (FUTL). The process allowed us a new "record date" which would be close enough to the "distribution date" to quell any confusion on the part of the investors. Furthermore, FutureWorld will increase the FutureLand dividend rate from 300 shares of FWDG for 1 share of FutureLand to 250 shares of FutureWorld for 1 share of FutureLand. The increase in the dividend rate will more than compensate for the loss of Infrac dividend.

### **FutureWorld (FWDG) HempTech Unveils SPIDer II**

#### **First Ever Microwave Intrusion Detection System**

Saint Petersburg, FL, June 8, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a cannabis technology accelerator and a leading provider of advanced technologies and solutions to the global cannabis industry, announced today that its subsidiary HempTech Corp. introduces the SPIDer II(TM) (Secure Perimeter Intrusion Detection Network) line of products to meet the needs of security and intrusion detection in the indoor and outdoor cannabis grow industry. The SPIDer II(TM) Intrusion Detection network is a multifaceted product family which provides near real-time detection of intruders for either a remote inside facility or large open air agricultural facilities. This technology is derived from the Infrac SPIDer systems family of products.

### **FUTUREWORLD CORP. Files SEC form 8-K, Completion of Acquisition or Disposition of Assets, Financial Statements and Ex**

On February 27, 2015, an ASSETS AND STOCK PURCHASE AGREEMENT was entered (the "Agreement"), by and among FutureWorld Corporation, a Delaware Corporation (referred to by name, "FWDG" or as "Seller"), and Infrac Systems, Inc., a Nevada corporation (referred to as ""Corporation," "IFXY", or "Buyer"). FutureWorld Corp is the one hundred percent (100%) owner of HempTech Corp which is a Delaware wholly owned subsidiary. HempTech is a technology company that provides smart sensors and data analysis technology, RFID tracking systems, communication networking and surveillance security for the agricultural industry.

### **FutureWorld (FWDG) Reports Fourth Quarter 2015 Financial Results Record Revenue, Net Income & Shareholder Equity**



Saint Petersburg, FL, May 12, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a cannabis technology accelerator and a leading provider of advanced technologies and solutions to the global cannabis industry, announced an unaudited financial results for its fourth quarter ended March 31, 2015. The audited numbers for the year end will be available with the filing of the 10K due on June 29th 2015.

**FutureWorld (FWDG) Spins off CB Scientific  
CB Scientific Third of Many to be spun-Off**

Denver, Colorado, May 11, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a cannabis technology accelerator and a leading provider of advanced technologies and solutions to the global cannabis industry, announced today that on May 04, 2015, the Company's board of directors have elected to sell/spin off 100% interest in CB Scientific, Inc for an unspecified price to a publicly traded company through a merger (or reverse merger). The decision was made based on FutureWorld internal business model and CB Scientific's technology and marketing traction within the industry. The Company carries extensive IP portfolios and signed agreements.

**Form 8-K/A for FUTUREWORLD CORP.**

On May 6, 2015, The Company announces that FutureLand Corp has signed a letter of intent for a proposed joint venture with Carl G./Okanagan Indian Band of British Columbia.

The purpose of this Amendment is to make the following corrections;

The Company announces that FutureLand Corp has signed a letter of intent for a proposed joint venture with Carl Gregoire of British Columbia.

**FutureWorld (FWDG) FutureLand Lands Grow Lease Opportunities with Second Sun  
FutureLand finances & Leases Grow Facilities to Licensed Medical Cannabis**

Denver, Colorado, April 27, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a leading provider of advanced technologies and solutions to the global cannabis industry, announces today that its subsidiary, FutureLand Corp, expands its corporate reach in the States of Washington, Oregon, California and Nevada for the purpose of facilitating land leases and building grow facilities in conjunction with its partner Second Sun LLC.

**FutureWorld (FWDG) Sells Subsidiary FutureLand Properties, LLC  
FutureLand Properties Second of Many to be spun-Off**

ST. PETERSBURG, FL, March 24, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a leading provider of advanced technologies and solutions to the global cannabis industry, announced today that on March 10, 2015 Aegea Inc. has purchased one hundred percent (100%) of FutureLand Properties, LLC, a wholly owned subsidiary of FutureWorld Corp for \$120,000,000 in new issued common stock. The final valuation of the surviving company will be verified by a third party accounting firm with the acquisition of the FutureLand assets and corporation. FutureLand's current asset comprise of 240 acres of prime property in southern Colorado and two signed lease agreements for grow facilities on its land.

**FutureWorld (FWDG) Subsidiary CB Scientific Signs Distribution Agreement with UTest  
CB Scientific to make its THC & CBD Test Kits for UTest for Global Distribution**

ST. PETERSBURG, FL, March 16, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a leading provider of advanced technologies and solutions to the global cannabis industry, announced that CB Scientific, a subsidiary of FutureWorld Corp., has reached a definitive distribution agreement with UTest. The agreement makes CB Scientific's "Product of the Year", Personal Analytics THC & CBD Home Test Kits available through UTest. UTest has served the diagnostic needs of North America since 1996. Using instant analysis technologies, their



original focus was to provide diagnostic products for law enforcement, probation and parole officers. UTest now offers a complete line of reliable, do-it-yourself drug testing kits for parents and employers and are used by rehabilitation clinics, drug courts, doctor offices, pre-employment screening and drug testing for theme parks, ski resorts, and oil fields of North America. UTest's current product line dovetails nicely with CB Scientific's THC & CBD Test Kits.

### **FutureWorld (FWDG) Sells Subsidiary HempTech Corp.**

#### **HempTech Corp First of Many to spin-Off**

ST. PETERSBURG, FL, March 3, 2015 (GLOBE NEWSWIRE) -- FutureWorld Corp. (FWDG), a leading provider of advanced technologies and solutions to the global cannabis industry, announced today that on February 27, 2015 Infrac Systems has purchased one hundred percent (100%) of HempTech Corp, a wholly owned subsidiary of FutureWorld Corp for \$60,000,000 in cash and stocks. HempTech Corp is a technology company that provides smart sensors and data analysis technology, Seed-to-Sale tracking systems, communication networking and surveillance security for the cannabis and agricultural industry. Prior to the transaction, FutureWorld had retained an independent third party valuation firm and received the market valuation of \$60,000,000 for HempTech Corp. The valuation report was used as a basis for the agreed upon transaction between FutureWorld and Infrac Systems.

### **Form 8-K for FUTUREWORLD CORP.**

#### **Entry into a Material Definitive Agreement, Financial Statements and Exhibits**

On January 20, 2015, the Company enters into a Commercial Lease Agreement between FutureLand Properties, LLC, a Colorado corporation ("Landlord") and GPS La Vita, Inc. ("Tenant"). FutureLand is the owner of the land LOT 19, PHASE 1, MAJORS RANCH, ACCORDING TO Plat Map No. 343, recorded April 30, 1995 in Pocket 7, Folder 3, Plat Map No. 351, recorded August 26, 1995 at Pocket 7, Folder 3, Plat Map No. 355, recorded September 29, 1995 at Pocket 7, Folder 3, Plat Map No. 392, recorded December 31, 1996 at Reception No. 327236, ACCORDING TO THE RECORDS OF THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO, La Vita Colorado 81011 (hereinafter the "Property"). FutureLand will lease out five (5) acres of the 200 Acres to GPS La Vita, Inc. The Commercial Lease Agreement is for five (5) years and FutureLand shall also grant to the Tenant additional (3) 5-year options to renew this Commercial Lease at Tenant's sole discretion. The Commercial Lease Agreement calls for \$50,000 for leased Acres per month (\$10,000 per Acre per month) for the term of the lease.

The company will be obligated to buy back any and all improvements on the property within 36 months of operations at cost plus cumulative 10% cost of funds per annum. GPS shall have first right of refusal to participate in future grows on the property.

### **Form 8-K for FUTUREWORLD CORP.**

#### **Entry into a Material Definitive Agreement, Financial Statements and Exhibits**

On December 5, 2014, the Company announces the completion of a Commercial Lease Agreement effective 1st day of December, 2014 by and between FutureLand Properties, LLC, a Colorado corporation ("Landlord") and Colorado Flower Company, LTD. ("Tenant"). FutureLand is the owner of land and improvements commonly known as TWP 27 RNG 68 SEC 25: NE4NW4 LESS 3 ACRES FOR RIGHT OF WAY TOTAL ACRES 37, La Vita Colorado 81011 (hereinafter the "Property"). FutureLand will be the owner of a 14,940 square foot greenhouse and any other structures to be constructed/situated on the Property. The greenhouse and land may be collectively referred to hereinafter as the "Leased Premises.". This Commercial Lease Agreement is for five (5) years and FutureLand shall also grant to the Tenant additional three (3) years options to renew this Commercial Lease at Tenant's sole discretion.



### **Form 8-K for FUTUREWORLD CORP.**

FutureWorld announces today that on December 2nd 2014, its subsidiary, URVape, has received trademark application number with United States Patent and Trademark Office for the following product and service; "SafeVape" - U.S. Trademark SN 86462727: SafeVape is an ongoing proprietary technology being developed by URVape team. The Company will be filing patent applications for the process and design on "SafeVape" technology shortly.

The trademark applications were filed after thorough review of the availability of the trademarks. We will continue protecting our intellectual properties by filing patent and trademark applications as our business grows.

The Company also announces today that the United States Patent and Trademark Office (USPTO) has recently granted two U.S. provisional patents to CB Scientific, a subsidiary of the Company, bringing the total of three active patents held by CB Scientific. These new patents, 62076016 & 62076012, cover "Consumer Cannabidiol (CBD) Testing Kit" and "Consumer Tetrahydrocannabinol (THC) Testing Kit".

"The issuance of these two additional patents in 2014 further validates the innovative nature of our platform technology and the proprietary methods we use to produce our products. CB Scientific's patent estate now consists of more than three patents, and we expect additional patent issuances in 2015 for the Company which will further strengthen our broad patent estate," said Sam Talari, CEO of FutureWorld.

### **FutureWorld (FWDG) to Construct Large Cannabis Cultivation Greenhouse for Clients in Colorado**

ST. PETERSBURG, Fla.--(BUSINESS WIRE)-- FutureWorld Corp. (FWDG), announces today that the Company is to finance and build a 3500+ plant cannabis cultivation greenhouse for a client on 237 acres of property being purchased by the Company, through FutureLand properties LLC, and leased back to the client. This large cultivation facility will be potentially one of many on the same piece of real estate.

### **FutureWorld Corp (FWDG) and CB Scientific Trumpet Success**

SAINT PETERSBURG, FL / ACCESSWIRE / September 15, 2014 / FutureWorld Corp (OTC Pink: FWDG) (FWDG): FutureWorld Corp (FWDG), the leading provider of advanced solutions to the Cannabis industry globally, is pleased to announce that its research team at CB Scientific, a wholly owned subsidiary of FWDG, has had a successful launch of "PersonalAnalytics THC and PersonalAnalytics CBD" test kits - the first ever quick and affordable THC & CBD Detection and Potency Kits designed specifically for use by individual consumers. "It's a pocket-sized lab", exclaimed customers at the Cup who were truly taken by the product.

### **FutureWorld (FWDG) CB Scientific to Present "Best New Product" Hopeful, "Personal Analytics"**

SAINT PETERSBURG, FL / ACCESSWIRE / September 2, 2014 / FutureWorld Corp (OTC Pink: FWDG) (FWDG), the leading provider of advanced solutions to the Cannabis industry globally, is pleased to announce that its research team at CB Scientific, a wholly owned subsidiary of FWDG, is set to launch "Personal Analytics" - the first ever Cannabinoid Detection Kits designed specifically for use by individual consumers. Over a year in development, "Personal Analytics" is now in production and set to debut at The HIGH TIMES Cannabis Cup in Everett, WA this weekend (Sept. 6th and 7th, 2014). "The real "Feather in the Cap" would be to win best product at the Cup, but regardless of whether or not this happens, we feel fairly certain that timing and need will drive this product around the globe", said FutureWorld Corp. VP, Cameron Cox.





### **Form 8-K for FUTUREWORLD CORP.**

FutureWorld Corp announces today that the Company is to apply for Provisional Patents with the United States Patent and Trademark Office (USPTO) for its subsidiaries HempTech Corp and CB Scientific (MedTest). The patents will cover process technologies developed by our CB Scientific team of scientists as well as product lines developed by HempTech Corp with underlying IP provided by Infrac Systems (IFXY).

The Company, on behalf of URVape, has also filed with USPTO to trademark ejoint. The Company will also file trademark applications for MedTest products being launched for the Seattle High Times Cannabis Cup on September 6 and 7 2014.

### **FutureWorld Corp (FWDG) Announces Dividend to Shareholders from Spin-Off of URVape, Inc. as a Public Company**

ST. PETERSBURG, United States / ACCESSWIRE / July 24, 2014 / FutureWorld Corp. (FWDG), the leading provider of advanced solutions to the Cannabis industry globally, announces today that its Board of Directors has approved a dividend consisting of 54% of its holdings of the common stock of URVape, Inc. to its shareholders. The record date for determining the holders of FutureWorld's common stock who will receive the dividend will be determined in short order. FutureWorld plans to file a Registration Statement on a Form S1 with the SEC within a few weeks. This registration will outline the anticipated spin-off and distribution to FutureWorld's stockholders. We expect URVape, Inc. to trade under its own symbol on NASDAQ, OTCBB or OTCQB upon effectiveness of the registration statement filed with the Security and Exchange Commission (SEC). After approval, the Company will then establish the recording date for determining who the record holders of Company common stock will be for the purposes of receiving the pro rata "spin-off" distribution (the "Spin-Off") of the Company's interest in URVape.

### **FutureWorld (FWDG) Signs LOI for JV with Liberated Energy, Inc. Cannabis Solutions Kick into Overdrive**

SAINT PETERSBURG, FL / ACCESSWIRE / July 17, 2014 / FutureWorld ([FWDG](#)), the leading provider of advanced solutions to the Cannabis industry globally, with its subsidiary HempTech, announces today that it has signed a LOI to Joint Venture with Liberated Energy, Inc. to integrate CaNNaLyTiX(TM), SmartSense(TM), SmartNergy(TM) with the Guard Lite(TM). The Guard Lite(TM) is a patent-pending light which provides many advantages for home security and/or business protection, in this case, the Cannabis industry. The Guard Lite™ uses wind and solar energy to power its security system, which consists of: High Tech LED Lighting Wi-Fi HD Camera with 2 way audio Infrared and Motion Technology. The Guard Lite™ is self-powered and will use only approximately 10% of its maximum rated wind and solar energy.



## THE COHEN PRICE TARGET™

The Cohen Price Target™ is derived using a combination of academic and market-based valuation approaches. The following four equal weighted (25%) components used in calculating our target price, include the assumption of capital raised:

1. The first 25% equal weighted component: is the market multiple based valuation methodology. This method uses the industry average Price-to-Earnings ratio to calculate the potential stock price (and/or price to Book if an asset based Company). We take the average Price-to-Earnings multiple of a given industry. This means that, on an average, stocks in this industry should currently trade at a multiple times their 2011 expected earnings. These earnings are usually only generated by a small Company raising cash to meet its master budget. The index, therefore, reflects capital invested in any micro/small cap Company.
2. The second 25% equal weighted component: Cohen Capital Employed based valuation. Most start-up and micro/small cap companies require significant capital to meet our projections. Our Cohen Price Target™ reflects the Company's ability to raise additional capital. Based on our capital projection and long-term price target from our Cohen DCF™ valuation model, we derive a Price-to-Capital Employed ratio. We then multiply this ratio with our capital employed per share assumption to derive this target price.
3. Our third<sup>1</sup> 25% equal weighted component is our use of the Cohen Price Performance Index™, which calculates the average price increase of all the stocks covered by Grass Roots Research and Distribution Inc. and Cohen Research after their release. Currently, for the period ending July 14, 2013, the Cohen Price Performance Index™ is up by 83.0%, meaning that we expect the stock to follow the same trend and rise by 83.0%. To date, since May 2009, 96.2% of all of our stocks post report release have traded above the price of our initiate coverage report within 20 days. The Index assumes that all of its companies had capital employed in each Company.
4. Our fourth 25% equal weighted component is our Cohen Discounted Cash Flow (DCF) method of valuation. Our Cohen DCF™ valuation includes a complex trademarked formula proprietary to our firm, which includes an assumed long-term sustainable growth rate, cost of capital and assumed capital invested in a given Company. Our DCF price target values a Company today, based on projections of how much future cash will be generated from a given Company. We assume that a Company is worth all of the cash it can make available to investors in the future. It is called 'discounted' cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming a given amount of capital is raised, to calculate the free cash flow we project a Company to generate during our 5 year forecasted time period. If a Company does not raise our estimated cash requirements, it is highly unlikely to reach our forecasts and can go out of business. After using a formula to discount free cash flow, we divide the total forecasted equity of the Company by the shares of stock outstanding to calculate our Cohen DCF™ valuation, or theoretical price per share target. We believe the Cohen DCF™ formula is a more accurate measurement of operating cash than the traditional DCF used by most Wall Street research analysts. A DCF, or 5 year forecasted free cash flow projection, cannot be calculated without forecasting the three statements (IS,BS,CF) for 5 years. We are the only firm in the



investor awareness industry that forecasts all of our companies for 5 years in three assumed cases. We believe this in depth level of securities analysis is a must for all of our companies, and is a foundation of the Cohen Research Method™.

Capital raising and cash are the life blood of any micro-cap/small Company. Our Cohen Price Target™ includes 4 components, 25% equal weighted, that together reflect capital is raised in our client companies. Our components are trademarked and proprietary to our firm, as is the Cohen Performance Index™.

Most micro/small cap companies have difficulty raising sufficient funds to reach our theoretical forecasts; hence there is considerable risk for any investor. While we do not give investment advice, any Company that cannot raise adequate capital to finance its business model is a highly risky investment, short term or long term. Investment awareness campaigns also affect our price targets. Do not rely on our price targets because they are based on academic theory. Do your own research or consult with your investment professional.

### **Price Targets**

Price targets can be heavily influenced by investor awareness campaigns. In general, we observe the more money spent on such campaigns, the greater the probability for short term price increases post report release. Our price targets assume capital raising and forecast 5 year Income Statement, Balance Sheet and Cash Flow statements. In a perfect world, these assumptions may be realized. We do not give investment advice. However, in the practical/real world, it is very difficult for a small Company to reach our theoretical 5 year projections. We are not aware of any research firm that forecasts the three statements (IS, BS, CF) in 3 cases for 5 years. We believe our price targets are unique to the body of knowledge in the field of securities analysis.

### **Note: How we calculate our Price Targets**

We further explain our Cohen DCF, which is an important 25% component of The Cohen Price Target. The Cohen Discounted Cash Flow Analysis (DCF) creates a price target and values a Company today, based on projections of how much future cash will be generated from a Company. Our DCF analysis assumes that a Company is worth all of the cash that it can make available to investors in the future. It is called "discounted" cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming capital is raised, to calculate the free cash flow we expect a Company to generate during our 5 year forecasted time period. After using a formula to discount free cash flow, we divide the total forecasted equity of the Company by the shares of stock outstanding to calculate our Cohen DCF (Discounted Cash Flow) valuation, or theoretical price per share target. We believe our Cohen DCF is a more accurate method of calculating operating cash. We forecast three assumed price targets because companies change during 5 years, Base Case, Optimistic Case, and Pessimistic Case.

### **Note: What is our formula used to calculate our DCF, the Cohen Price Target?**

Some line items include free cash flow to the firm, the weighted average cost of capital, assumption of capital raised and capital spent, and the total enterprise value of the business less its debt, total equity value, total shares outstanding, and our projected price per share. A DCF cannot be academically calculated without projecting the 5 year cash flow statement.

### **Risks of the Cohen Price Target**

Our Price Targets assume capital will be raised in our four components, or 100% of the Cohen Price Target. The majority of micro-cap/small cap companies need capital to reach our 5 year sales and cash flow projections. In the

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academic world, The Gordon Growth Model justifies an analyst's decision to forecast for 5 years. We forecast the three statements for 5 years in 3 cases. However, in the practical/real world, buying a micro-cap stock based on 5 year forecasting is highly risky.

If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the Company executes on its business model. If an investor believes that a given Company cannot raise the necessary capital to reach our projections, then any investment becomes highly risky.

The investor should consider all of the possibilities of any given Company being able to raise capital and execute over 5 years. Few micro to small cap companies are able to raise enough capital and execute over an extended period of time, primarily due to competition, management competence, access to capital and continued execution of their master plan, agenda and budget. Our price targets are academic theory and should not be relied upon. Investors should do their own research and consult with their financial consultants.



## FINANCIAL EXHIBITS

### Income Statement – Base Case

all figures in \$ million	2014	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F	2021 F
<b>Revenues</b>	-	<b>0.66</b>	<b>7.26</b>	<b>21.79</b>	<b>29.41</b>	<b>38.23</b>	<b>47.79</b>	<b>52.57</b>
Total Cost of Goods Sold	-	0.07	2.32	6.97	9.41	12.23	15.29	16.82
<b>Gross Profit</b>	-	<b>0.59</b>	<b>4.94</b>	<b>14.81</b>	<b>20.00</b>	<b>26.00</b>	<b>32.50</b>	<b>35.75</b>
<b>Expenses</b>								
Selling, General and Admin Expenses	0.14	1.33	1.80	2.16	2.49	2.86	3.15	3.46
<b>Total Expenses</b>	<b>0.14</b>	<b>1.33</b>	<b>1.80</b>	<b>2.16</b>	<b>2.49</b>	<b>2.86</b>	<b>3.15</b>	<b>3.46</b>
<b>Operating Profit/ EBITDA</b>	<b>(0.14)</b>	<b>(0.74)</b>	<b>3.14</b>	<b>12.65</b>	<b>17.51</b>	<b>23.14</b>	<b>29.35</b>	<b>32.29</b>
Depreciation and Amortization	-	0.11	0.75	1.75	2.75	3.75	4.75	5.75
<b>Earnings Before Interest and Tax</b>	<b>(0.14)</b>	<b>(0.85)</b>	<b>2.38</b>	<b>10.90</b>	<b>14.76</b>	<b>19.39</b>	<b>24.60</b>	<b>26.54</b>
Interest Expense, Net	0.01	0.28	0.32	-	-	-	-	-
Other Income (Expenses), Net	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>(0.16)</b>	<b>(1.14)</b>	<b>2.06</b>	<b>10.90</b>	<b>14.76</b>	<b>19.39</b>	<b>24.60</b>	<b>26.54</b>
Taxation Expenses (Recovery)	-	-	-	-	5.83	7.66	9.72	10.48
<b>Net Profit/Loss for the period</b>	<b>(0.16)</b>	<b>(1.14)</b>	<b>2.06</b>	<b>10.90</b>	<b>8.93</b>	<b>11.73</b>	<b>14.88</b>	<b>16.05</b>
Shares Outstanding - Basic	429.2	454.4	3,788.5	3,788.5	3,788.5	3,788.5	3,788.5	3,788.5
Shares Outstanding - Diluted	429.2	454.4	3,788.5	3,788.5	3,788.5	3,788.5	3,788.5	3,788.5
EPS - Basic	(0.0004)	(0.0025)	0.0005	0.0029	0.0024	0.0031	0.0039	0.0042
EPS - Diluted	(0.0004)	(0.0025)	0.0005	0.0029	0.0024	0.0031	0.0039	0.0042

**Balance Sheet - Base Case**

<b>all figures in \$ million</b>	<b>2014</b>	<b>2015 F</b>	<b>2016 F</b>	<b>2017 F</b>	<b>2018 F</b>	<b>2019 F</b>	<b>2020 F</b>	<b>2021 F</b>
<b>ASSETS</b>								
Cash and Cash Equivalents	0.00	0.10	0.06	1.88	6.24	13.48	24.57	39.65
Accounts Receivable	-	0.43	1.82	5.45	7.35	9.56	11.95	13.14
Prepays and Other Current Assets	-	-	0.01	0.01	0.01	0.01	0.02	0.02
Inventory	-	0.03	1.16	3.49	4.71	6.12	7.65	8.41
<b>Total Current Assets</b>	<b>0.00</b>	<b>0.56</b>	<b>3.04</b>	<b>10.82</b>	<b>18.31</b>	<b>29.17</b>	<b>44.18</b>	<b>61.22</b>
Property, Plant and Equipment, Gross	-	0.27	3.77	8.77	13.77	18.77	23.77	28.77
Accumulated Depreciation	-	0.11	0.87	2.62	5.37	9.13	13.88	19.64
Property, Plant and Equipment, Net	-	0.16	2.90	6.15	8.40	9.64	9.89	9.13
Investments	-	-	0.25	0.25	0.25	0.25	0.25	0.25
Other Assets	-	0.00	-	-	-	-	-	-
<b>Total Assets</b>	<b>0.00</b>	<b>0.72</b>	<b>6.20</b>	<b>17.22</b>	<b>26.96</b>	<b>39.06</b>	<b>54.32</b>	<b>70.61</b>
<b>LIABILITIES</b>								
Accounts Payable & Liabilities	0.01	0.13	0.18	0.22	0.94	1.22	1.53	1.68
Other Short term Liabilities	1.09	1.33	0.45	0.54	0.62	0.71	0.79	0.86
Current Portion of Debt Instruments	-	0.75	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1.10</b>	<b>2.22</b>	<b>0.63</b>	<b>0.76</b>	<b>1.56</b>	<b>1.94</b>	<b>2.32</b>	<b>2.55</b>
Convertible Notes Payable	0.28	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1.37</b>	<b>2.22</b>	<b>0.63</b>	<b>0.76</b>	<b>1.56</b>	<b>1.94</b>	<b>2.32</b>	<b>2.55</b>
Preferred Stock	-	-	-	-	-	-	-	-
Common Stock	0.04	0.05	0.38	0.38	0.38	0.38	0.38	0.38
Additional Capital	4.65	5.66	10.32	10.32	10.32	10.32	10.32	10.32
Retained Earnings	(6.06)	(7.20)	(5.14)	5.76	14.69	26.42	41.30	57.36
<b>Total Shareholders Equity</b>	<b>(1.37)</b>	<b>(1.50)</b>	<b>5.56</b>	<b>16.46</b>	<b>25.39</b>	<b>37.12</b>	<b>52.00</b>	<b>68.06</b>
<b>Total Liabilities, Shareholders Equity</b>	<b>0.00</b>	<b>0.72</b>	<b>6.20</b>	<b>17.22</b>	<b>26.96</b>	<b>39.06</b>	<b>54.32</b>	<b>70.61</b>

**Cash Flow Statement – Base Case**

<b>all figures in \$ million</b>	<b>2014</b>	<b>2015 F</b>	<b>2016 F</b>	<b>2017 F</b>	<b>2018 F</b>	<b>2019 F</b>	<b>2020 F</b>	<b>2021 F</b>
<b>Operating Activity</b>								
Net Income		(1.14)	2.06	10.90	8.93	11.73	14.88	16.05
<b>Adjustments to Reconcile Cash Flows</b>								
Depreciation and Amortization		0.11	0.75	1.75	2.75	3.75	4.75	5.75
Other Adjustments		-	-	-	-	-	-	-
<b>Changes in operating assets and liabilities:</b>								
Accounts receivable		(0.43)	(1.39)	(3.63)	(1.91)	(2.21)	(2.39)	(1.19)
Deposits		-	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Other assets		(0.03)	(1.13)	(2.32)	(1.22)	(1.41)	(1.53)	(0.76)
Accounts payable		0.13	0.05	0.04	0.72	0.28	0.31	0.15
Accrued liabilities		0.25	(0.88)	0.09	0.08	0.09	0.07	0.08
Other liabilities		0.75	(0.75)	-	-	-	-	-
Change in Working Capital		0.66	(4.11)	(5.83)	(2.32)	(3.24)	(3.54)	(1.73)
<b>Cash Flow from Operating Activities</b>		<b>(0.36)</b>	<b>(1.29)</b>	<b>6.82</b>	<b>9.36</b>	<b>12.24</b>	<b>16.09</b>	<b>20.08</b>
<b>Investing Activity</b>								
Expenditures for property, plant and equipment		(0.27)	(3.50)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)
Other Long-term assets		(0.00)	(0.25)	-	-	-	-	-
<b>Cash Flow from Investing Activities</b>		<b>(0.27)</b>	<b>(3.75)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(5.00)</b>	<b>(5.00)</b>
<b>Financing Activity</b>								
Proceeds from or repayment of debt		(0.28)	-	-	-	-	-	-
Proceeds from issuance of common stock		1.01	5.00	-	-	-	-	-
<b>Cash Flow from Financing Activities</b>		<b>0.73</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Effect of Foreign Exchange</b>								
		-	-	-	-	-	-	-
<b>Net Change in Cash</b>		<b>0.10</b>	<b>(0.04)</b>	<b>1.82</b>	<b>4.36</b>	<b>7.24</b>	<b>11.09</b>	<b>15.08</b>
<b>Opening Cash Balance</b>		<b>0.00</b>	<b>0.10</b>	<b>0.06</b>	<b>1.88</b>	<b>6.24</b>	<b>13.48</b>	<b>24.57</b>
<b>Ending Cash Balance</b>	<b>0.00</b>	<b>0.10</b>	<b>0.06</b>	<b>1.88</b>	<b>6.24</b>	<b>13.48</b>	<b>24.57</b>	<b>39.65</b>



## Disclaimer

### Cohen Grassroots Research, Inc.

#### Short Disclaimer

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Stock prices can be heavily influenced by investor awareness campaigns. In general, we observe the more money spent on such campaigns, the greater the possibility for short term price increases post our initiate coverage documents. We also observe that our target prices may not be met unless client companies have enough cash or are able to raise capital to meet our forecasts.

The Cohen Price Target includes four components. Most reports assume capital will be raised for the majority of our client companies. Most micro-cap/small cap companies need capital to reach our theoretical 5 year projections. The academic world justifies an analyst's decision to forecast the three statements (Income Statement, Balance Sheet and Cash Flow Statements) for 5 years. We normally do so in three cases: Optimistic Case, Base Case and Pessimistic Case. However, in the practical/real world, buying a micro-cap or small cap stock based on 5 year forecasting is highly risky. If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the Company executes on its business model.

At times our price targets may be significantly higher than the current price of a stock. This can happen in theory only if the company's assets, with assumed capital raised, could theoretically create large sales and cash flow volumes over time, especially if the industry is a high growth industry. In the practical world, these price targets may appear to be unrealistic. However, we believe the academics of securities analysis of our calculations support the theory of these assumed price targets.

While we do not give investment advice, the investor should consider the possibilities of a given company being able to raise capital to execute its business model over 5 years. Few micro/small cap companies are able to raise enough capital and execute their master budget over an extended period of time. Our price targets are academic theory only and should not be relied upon. Investors should do their own research and consult with their financial consultants.