



Sweetlife Flora Biotech Division

FINANCIAL PROJECTIONS – POST-RENOVATION STABILIZATION

Construction-to-Term Commercial Mortgage Request

Subject Property: 651 Mountain Road, Moncton, New Brunswick

Purpose of This Document

This document summarizes post-renovation financial performance expectations for Sweetlife Flora Inc. following completion of construction and commencement of stabilized operations.

The projections are intended to support commercial mortgage underwriting, with emphasis on operating income, expense control, and capacity to service long-term debt.

Basis of Projections

Financial projections are prepared on a post-renovation, stabilized basis, reflecting:

- Completion of all planned renovations
- Full occupancy and operation of the facility
- Normalized operating conditions following an initial ramp-up period

Assumptions are conservative and do not rely on speculative growth, market disruption, or unproven revenue sources.

Revenue Assumptions (High-Level)

Projected revenues are derived from the borrower's established monetization channels, including:

- On-site retail sales
- E-commerce sales
- Living wall installations and maintenance
- Wholesale and trade supply

Revenue assumptions reflect:

- Gradual stabilization rather than immediate peak utilization
- Diversified channel contribution
- Conservative pricing and volume expectations

No single revenue channel is assumed to dominate overall performance.

Operating Expense Assumptions

Operating expenses are projected based on:

- Owner-occupied facility costs
- Staffing levels appropriate for stabilized operations
- Utilities, maintenance, and insurance consistent with a modernized commercial building
- Administrative and fulfillment costs tied directly to revenue activity

Capital expenditures related to the renovation are excluded from operating expenses and treated separately as part of the construction financing.

EBITDA & Cash Flow Considerations

At stabilization, the operating model is expected to generate:

- Positive operating income
- Predictable gross margins supported by controlled production
- Operating cash flow sufficient to support debt service

Non-recurring start-up or transition costs are excluded from stabilized performance assumptions.

Debt Service Support

From a credit perspective, the projections are structured to demonstrate:

- Sustainable operating cash flow
- Capacity to service a 5-year fixed commercial mortgage
- Compatibility with 25- or 30-year amortization

Debt service assumptions are aligned with conventional commercial lending standards and do not rely on refinancing events outside the proposed construction-to-term structure.

Sensitivity & Conservatism

Key conservatism measures include:

- Gradual ramp-up to stabilized revenue levels
- No assumption of rapid market expansion
- No reliance on one-time or extraordinary revenue
- Operating margins consistent with specialty retail and light manufacturing benchmarks

Downside scenarios are addressed in the **Risk Register & Mitigation Strategy**.

Relationship to Other Credit Documents

- Market demand assumptions are supported by **Market & Demand Support**
- Revenue composition is detailed in **Revenue Channels & Cash Flow Sources**
- Construction timing and conversion assumptions align with **Construction Timeline & Draw Schedule**

Together, these documents present a cohesive, bank-appropriate financial narrative.

Credit Relevance Summary

The post-renovation financial projections demonstrate a stabilized operating profile characterized by:

- Diversified, recurring revenue
- Controlled operating costs
- Predictable cash flow timing
- Alignment between operations and collateral

This profile supports the borrower's ability to service long-term debt under a conventional commercial mortgage.

Prepared for evaluation by regulated financial institutions in connection with a construction-to-term commercial mortgage facility.