



Sweetlife Flora Biotech

Use of Funds - \$1,000,000

Commercial Houseplant Tissue Culture & Greenhouse Finishing Platform

Purpose of Capital

This \$1.0 million capital raise is dedicated exclusively to the establishment and commissioning of a commercial-scale, vertically integrated houseplant production platform, consisting of:

- a state-of-the-art tissue culture (micropropagation) laboratory, and
- a purpose-built greenhouse finishing and acclimatization operation.

The underlying building and base infrastructure are assumed complete.

No funds are allocated to real estate, renovation, or speculative research.

Summary Allocation of Funds

Category	Allocation (CAD)	% of Total
Tissue Culture Laboratory – Equipment & Fit-Out	\$380,000	38%
Greenhouse Finishing & Environmental Systems	\$260,000	26%
Specialized Staffing & Training (Initial Period)	\$190,000	19%
Commissioning, Validation & Initial Consumables	\$90,000	9%
Working Capital & Contingency	\$80,000	8%
Total	\$1,000,000	100%

Detailed Use of Funds

1. Tissue Culture Laboratory – Equipment & Fit-Out: \$380,000

Capital allocated to establish a commercially capable, contamination-controlled micropropagation lab, optimized for ornamental houseplants.

Includes:

- Laminar flow hoods and sterile workstations
- Autoclave(s) and sterilization systems
- Growth chambers / controlled culture shelving with LED lighting
- Environmental monitoring and control equipment

- Media preparation, storage, and lab support equipment
- Initial lab instrumentation and QA tools

Purpose:

- Enable consistent, repeatable production of uniform, disease-free plantlets
- Support commercial batch sizes rather than research-scale output
- Provide capacity headroom for future scale without immediate re-build

This allocation prioritizes reliability, throughput, and biosecurity over minimal cost.

2. Greenhouse Finishing & Environmental Systems: \$260,000

Capital allocated to convert tissue-cultured plantlets into saleable, finished inventory under tightly controlled conditions.

Includes:

- Greenhouse finishing benches and layout systems
- Environmental controls (temperature, humidity, CO₂, airflow)
- Supplemental lighting optimized for acclimatization and growth
- Irrigation, fertigation, and water management systems
- Integrated pest management (IPM) infrastructure

Purpose:

- Ensure high survival and uniformity during acclimatization
- Shorten finishing timelines
- Maintain consistent quality independent of external climate variability

This component is essential for converting lab output into revenue.

3. Specialized Staffing & Training (Initial Period): \$190,000

Capital allocated to secure appropriately trained personnel during the critical activation phase.

Includes:

- Lead tissue culture technician / lab manager
- Lab assistant(s) / propagation technician(s)
- Greenhouse finishing lead (specialized acclimatization experience)
- Initial onboarding, SOP training, and validation support

Purpose:

- Ensure production quality and yield stability from inception
- Reduce execution risk associated with underqualified staffing

- Establish repeatable SOPs early rather than retrofitting later

This is not general labor. It is capability-critical talent.

4. Commissioning, Validation & Initial Consumables: \$90,000

Capital allocated to ensure the platform is fully operational, validated, and revenue-ready.

Includes:

- Initial culture media, substrates, vessels, and consumables
- Pilot production runs and validation batches
- QA/QC testing and refinement
- Biosecurity protocols and redundancy measures

Purpose:

- De-risk early production cycles
- Establish baseline yield and loss metrics
- Transition smoothly from commissioning to commercial output

This phase bridges installation and first scalable revenue.

5. Working Capital & Contingency: \$80,000

Capital reserved for:

- short-term operating buffer during ramp-up
- supplier timing differences
- minor scope adjustments during commissioning

Purpose:

- Protect execution momentum
- Avoid premature capital constraints
- Preserve operational discipline without overspending

Explicit Exclusions

No funds from this raise are allocated to:

- real estate acquisition or renovation
- speculative or experimental R&D
- non-core retail build-outs or café operations
- unrelated brand or lifestyle initiatives

All capital is directly tied to production capability and revenue activation.

Capital Efficiency Rationale

This \$1.0M allocation is designed to:

- establish a Canada-leading capability, not a minimal prototype
- avoid false economies that increase contamination or restart risk
- support immediate monetization upon commissioning
- create a defensible operational moat through quality and consistency

The result is a production-first asset capable of scaling output, margins, and market relevance over time.

Investor Takeaway

This raise funds infrastructure, systems, and people—not speculation.

It enables Sweetlife Flora Biotech to:

- internalize a critical supply chain step currently absent in Canada;
- reduce reliance on imports; and
- set the reference standard for domestic houseplant production.