LEEF Brands Investment Memo

Current Price (as of 05/20)	0.150		**Enterprise Value**	68,356,880
Common Shares	305,353,006		**Q1 2026 EBITDA Run-Rate**	9,600,000
F/D Shares Outstanding (Treasury Method)	337,789,466		**2026 Projected EBITDA**	6,000,000
Current Market Cap	50,668,420		**EV/EBITDA 2026**	11.4
Cash	10,455,972		**2027 Projected EBITDA**	15,200,000
Total Debt*	28,144,432		**EV/EBITDA 2027**	4.5

Figures as of 3/31 with the addition of the second round of the private placement closed on May 11

* This includes ~$16M of Uncertain Tax Position due to 280E. In the Medical Rescheduling order, the Attorney General directed to consider retrospective 280E Tax relief.

LEEF Brands is California's largest cannabis extract manufacturer, producing concentrates like distillate for vapes, live resin and rosin and over 100 different forms of concentrates for leading California brands like Kiva, Heavy Hitters (Mammoth), Wyld, Rove, and Jetty.

Research and due diligence have shown us that there is a pesticide problem in cannabis concentrates in California, and that investors are not aware of the severity of the problem. Further, we believe that there may not be enough of a consistent supply of low-cost cannabis biomass and concentrates that is clean of pesticides for the eventual national US market, for medical cannabinoid products that may get medical reimbursement and for the very strict export market into Europe.

We think that the activation of the Salisbury Canyon Ranch (SCR), a 1,900-acre property in remote northeastern Santa Barbara County in California is a key catalyst for LEEF. The immediate result is lowering LEEF's own cost by up to 80% from purchasing biomass for $25 to $50 a pound and instead producing that biomass itself for $8 per pound. To show how much of a key catalyst this was, LEEF's gross margins doubled upon turning on just 30% of SCR.

We project LEEF's Adj EBITDA to grow from a small loss in 2025 to approximately $15M in 2027. On this alone and without interstate commerce or exports, we believe LEEF could be worth close to $0.40 per share, which could lead to our investment increasing by 200%+ in the next 12-18 months.

But an even more exciting future awaits. Extracts will be the primary method of cannabis consumption in the future, both recreationally (with vapes) and medically. LEEF is building a platform that can produce any cannabinoid input at a cost, quality and scale that is unmatched in cannabis. The company at scale will one day be able to produce over 70 million grams of distillate- enough to supply 60% of California's vape market at a price no one else can match.

Our analysis leads us to the believe that after Federal Reform and with the opportunity of interstate commerce or the ability to export, this microcap company has the chance to be worth more than $1

billion, versus its approximate $70 million enterprise value. In a scenario where the company could supply products to more lucrative national or overseas markets, it is possible that our investment has the potential to increase by 3000%. With medical rescheduling, this scenario was dramatically advanced.

Salisbury Canyon Ranch

Salisbury Canyon Ranch (SCR) is a 1,900-acre property in remote northeastern Santa Barbara County. Despite being only partially activated, SCR has reduced LEEF's biomass cost from ~$20-$50/lb on the open market to under $8/lb, a ~60%-80% reduction. SCR also solves one of the industry's most critical supply chain problems: pesticide contamination. In extracts, impurities are first concentrated, and eventually as the means of consumption is often inhaled directly into the lungs, magnifying the danger manifold. Our research suggests that only 10–20% of California farms can produce reliably clean biomass for distillates.

At full scale, SCR can supply 60% of California's market, generating anywhere from $40M to over $200M depending upon the extraction method. As consumption shifts from flower to vapes, the liability exposure from contaminated inputs becomes existential, particularly in the most litigious country in the world. We believe any large strategic company or investor entering a national or international cannabis market will require exactly this: a vertically integrated, genetics-to-extract platform with a guaranteed clean supply chain. Replicating what LEEF is building would take years, if not decades for finding the right location in a state, California, where local rules are tightening around cannabis and where regulatory clearances are notoriously difficult, not to mention the significant upfront investment cost.

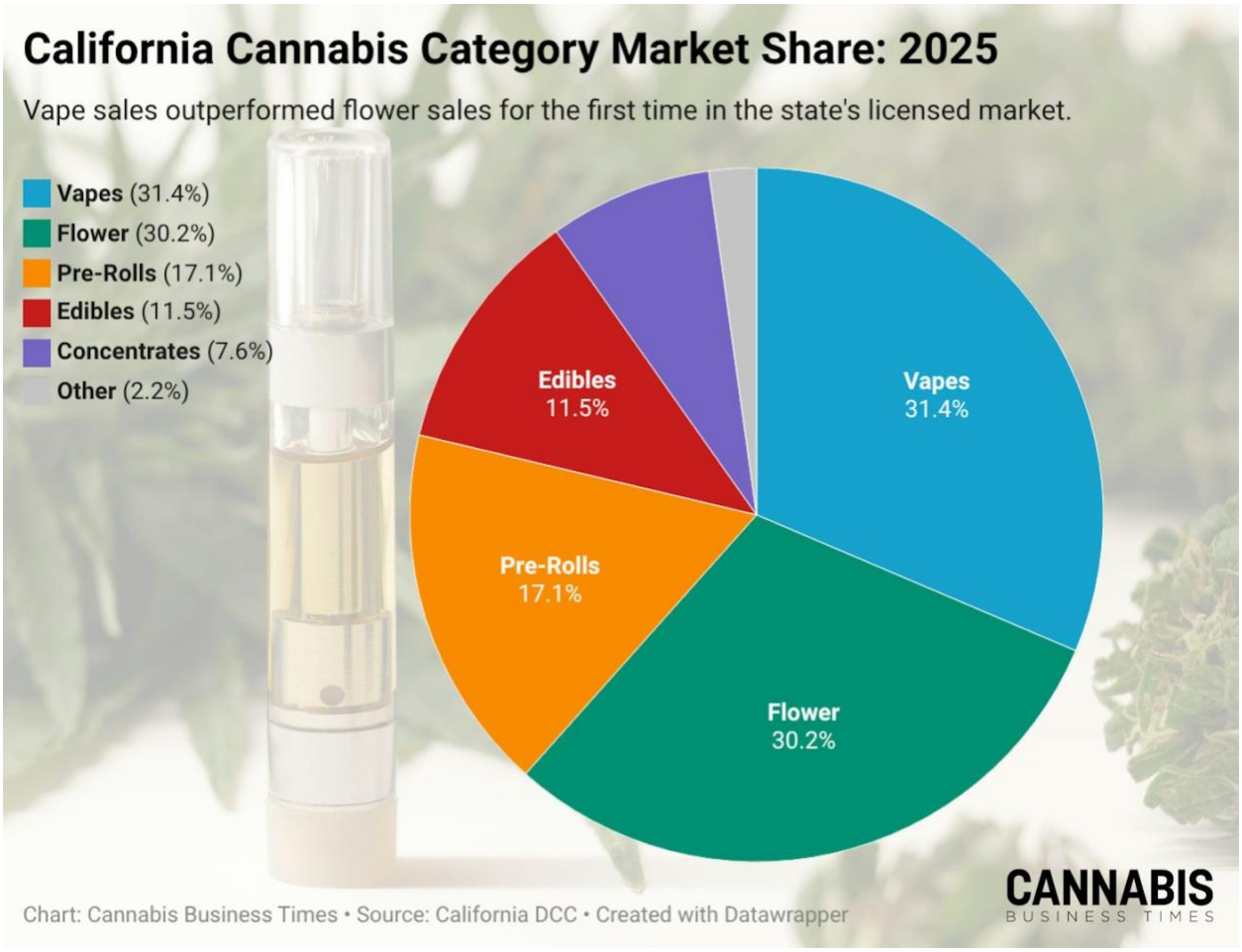
Aerial View of Salisbury Canyon Ranch

Cannabis Extracts : A Structural Shift in Demand

Broadly, cannabis is consumed in two ways- smoking the flower or the bud, or ingesting/smoking different extracts made from the flower. The data clearly shows that extracts are the future of cannabis consumption.

Cannabis concentrates are produced by extracting cannabinoids (THC, CBD) and terpenes from raw plant material (biomass) through various processes, yielding oils and other formulations in a range of textures and potencies. These concentrates serve as the primary input for vape cartridges, edibles, beverages, and infused pre-rolls, or are consumed directly in the form of hash, etc.

The market is shifting decisively from flower to extracts - primarily vapes. In July 2025, vape products overtook flower as California's top-selling product category for the first time, with similar trends emerging in other states. This is not a temporary blip. Gen Z consumers now spend roughly 2x as much on vapes as on flower- a structural generational shift in consumption. The reason is simple: flower requires grinding, rolling, and produces mess and odor. Vapes offer total discretion and convenience that flower cannot match. The younger generation is voting unambiguously with their wallets.



The medical properties of cannabis are increasingly gaining prominence- with nearly 50 countries globally having medical program. Several countries such as Canada and Germany offer insurance re-imbursement. On April 23rd, the US also rescheduled medical cannabis, and is set to launch full Medicare coverage for full-spectrum CBD in 2027 after a pilot in 2026. Extracts make far more sense for medical purposes- precise dosing, consistent potency, batch-level traceability, and pharma-compatible administration formats.

Extracts are the future of cannabis consumption and sourcing them requires extensive long-term planning. It can take up to six months from planting to harvesting to extraction to testing before brands get the final product. This is an enormous challenge in a volatile industry plagued by wild pricing fluctuations and an immature, fragmented supply chain populated by distressed and sometimes unscrupulous operators.

LEEF stands apart as California's largest, most sophisticated and reliable extract provider. It operates the three major extraction methodologies at scale: ethanol (distillate, broad-spectrum oils), hydrocarbon (live resin, sugar, budder, shatter, liquid live resin), and solventless (cold cure, fresh press, edible grade, and vape-ready rosin). For California brands, LEEF is a trusted operator with an unbeatable array of clean products that it can charge a premium on. Indeed, in January 2026, it was actively turning away up to $1M of sales per month due to lack of working capital. Such is the strength of their customer relationships that in 2025, after years of requests, LEEF entered New York to service their California customers- including Kiva, Heavy Hitters, Rove and Pax.

In an industry fighting for every cent, extraction is a usually low-margin business despite its critical role. Most of the cost comes from the primary cannabis input, biomass for ethanol extraction, and fresh-frozen flower for hydrocarbon and solventless processes. This is precisely where the acquisition of Salisbury Canyon Ranch delivered an immediate financial transformation.

Where LEEF was paying at least $20/lb for biomass on the open market, SCR reduced that cost by approximately 60%. Below is a breakdown of the unit economics for producing vapes for biomass sourced from SCR versus externally. Not that Pricing numbers are for Q4-25 and while there has been considerable price compression- the numbers still demonstrate the massive increase in profitability that the market hasn't priced in.

Product	Margins With External Biomass	Margins With Biomass from SCR
Distillate Oil (Ethanol)	**23%**	**56%**
Live Resin (Hydrocarbon)	**25%**	**80%**
Vape Ready Rosin (Solventless)	**55%**	**78%**

These economics were validated in 2025 when gross margins more than doubled- from 19% in the first half to 41% in the second half. But it was in Q1-2026 results that the true earnings power was displayed, when despite massive price compression, LEEF reported 49% Gross Margins compared to 22% in Q1-2025. In the conference call, the company mentioned that pricing for Ethanol (~50% of revenue) was down 32% y-o-y.

How does SCR achieve such dramatic cost advantages? Traditional cannabis cultivation is optimized for producing large, big buds, which requires expensive pots, specialized soil, controlled environments, and a small army of workers for bucking and trimming. It is a labor-intensive, high-cost model.

Because LEEF grows exclusively for extraction rather than retail flower, the company strips out most of that labor and overhead. Instead of treating cannabis like a delicate specialty crop, SCR grows it more like an agricultural commodity- think corn, not orchids.

SCR also benefits from one of the best growing environments for cannabis anywhere in the world. The high desert of New Cuyama receives over 300 days of sunlight per year with near-ideal temperatures and humidity- conditions that largely eliminate the mold problems common closer to the coast and in other parts of California.

But the most important value SCR offers is not cost. It is purity.

The Pesticide Crisis

In 2024, an LA Times investigation exposed a widespread contamination crisis in the world's largest and most important cannabis market. **Sixty percent of randomly sampled California cannabis products contained pesticides exceeding safety limits**, including known carcinogens.[1] Some vape cartridges tested positive for more than two dozen pesticide compounds. A follow-up investigation six months later found little had changed. Concerns about pesticide contamination in cannabis concentrates had been raised as early as 2015[2].

The root cause is structural. California is America's agricultural heartland, and its conventional farms have applied heavy volumes of pesticides for decades. This leaves cannabis operations highly vulnerable to "pesticide drift"- winds carrying chemical residues from neighboring farms onto cannabis crops. The problem of pesticide drift is well-established in California and widely documented, including by official state agencies[3]. As far back as 2019, the state officially confirmed that a cannabis harvest had been damaged by pesticide drift from a neighboring vineyard[4].

"There are certain times of the year I'm not going to get samples from certain regions, because those samples will be contaminated pesticides used in conventional agriculture. There's no way to keep that out

[1] https://archive.is/https://www.latimes.com/california/story/2024-06-14/the-dirty-secret-of-californias-legal-weed
[2] Project CBD, "Understanding Dabs: Contamination Concerns of Cannabis Concentrates and Cannabinoid Transfer During the Act of Dabbing," 2015. Available at: https://projectcbd.org/sites/projectcbd/files/downloads/understanding_dabs.pdf
[3] California Department of Pesticide Regulation, "Pesticide Drift," 2024. Available at: https://www.cdpr.ca.gov/wp-content/uploads/2024/08/pesticide_drift.pdf
[4] Noozhawk, "Cannabis Farm Approved; Grower Agrees Not to Sue Vineyard Neighbor Over Pesticide," 2019. Available at: https://www.noozhawk.com/cannabis_farm_approved_grower_agrees_not_sue_vineyard_neighbor_pesticide/

of the air. It's not even a possibility."- Jeff Gray, Owner at SC Labs, one the labs that partnered with the LA Times investigation.

This is an acute problem for cannabis extracts for two reasons:

1. Cannabis for distillate is overwhelmingly grown on large outdoor farms in relatively flat regions dominated by industrial agriculture with few natural wind barriers. Even the most diligent operators can end up with contaminated product due to factors entirely outside their control.

2. Trace contamination on raw flower often passes testing thresholds. But the concentration process that magnifies THC, CBD and other cannabinoids also process magnifies impurities- sometimes up to 10 times the level.

3. It's not just current pesticide use that operators must worry about. When contaminated biomass runs through extraction equipment, the pesticides don't just stay in that batch. They contaminate the machine itself. The next three to five batches that run through the same equipment are exposed to that same pesticide.

In other words, pesticide contamination is like a virus. It's not enough to ensure clean biomass for your products. You need to make sure that your extraction partners exclusively use clean biomass for every one of their clients.

Compounding the problem, cannabis is a powerful bio-accumulator that absorbs impurities and heavy metals from the soil. In fact, it is so effective at this that it was deployed to remediate the land around Chernobyl after the nuclear accident in Ukraine. In California, where now-banned pesticides were used extensively for decades, cannabis grown today may carry a legacy chemical burden from the soil itself, such as Chlordane- a pesticide that was banned in 1988 but has a long half-life.

Regulatory Failure

The contamination crisis has persisted under the watch of California's Department of Cannabis Control (DCC). The DCC knew about the problem long before the LA Times published its investigation. Private testing labs had filed scores of data-backed complaints over the preceding eight months. The response: a single product recall and confidential orders to remove three additional products. When pressed for transparency, the DCC refused to release safety certificates, declined to disclose what action it had taken on at least 85 contamination complaints, and would not say which tainted products it had pulled.

The state's testing panel - 66 pesticides, unchanged since 2018 - is dangerously incomplete. The LA Times found seven off-list pesticides in legal products, including pymetrozine, a known carcinogen banned in the EU, at more than 60 times the federal threshold for tobacco. Because California doesn't test for it, the product was fully compliant.

Even within the panel, the rules are structurally flawed. Twenty-one "Category 1" pesticides are banned at any "detectable" level - but labs have discretion over what counts as detectable. As Jeff put it: *"You fail it*

if you see it. But I'll give you latitude to tell me how good your eyesight is." Two labs can test the same batch and reach opposite conclusions. Both are technically compliant.

This loophole exists in an ecosystem where labs are financially dependent on the brands they certify. Jeff told us directly: there are large, well-known brands that simply could not work with SC Labs - half or more of their compliance tests would fail.

New regulations will expand the panel to 88 pesticides and eliminate the non-detect loophole by establishing quantified detection thresholds. But many labs lack the instrumentation to comply, and the rules will be phased in over 18 months. When they take effect, some leading brands may find their products consistently failing.

None of this will matter to class action attorneys. When federal reform arrives, they will not care that a product passed the 66-pesticide panel. They will test for the full spectrum. They will not care that a Category 1 pesticide fell below one lab's detection threshold. They will use the most sensitive instruments available. The precedents - asbestos, tobacco, PFAS - are well established. The liability was measured not by what the rules required, but by what the companies knew about the harm their products caused. The companies that survive are the ones that can demonstrate their supply chain was clean from the start.

SCR's Financial Potential

"*Unless you've got a single source, unless that single source is sitting out in the middle of nowhere, it's such a difficult prospect to be able to scale and build a business with consistent supply of clean product"*

Which is why we believe Salisbury Canyon Ranch (SCR) is the most important cannabis farm in America.

Salisbury Canyon Ranch is a 1900-acre farm surrounded by mountains and national forests. Indeed, it is so remote that cellphones stop working 30 minutes before you reach the farm. The farm butts up to the Los Padres National forest with a mountain ranch that stands at over 2k feet of elevation acting as a natural buffer from wind and weather coming from the west.

No neighboring farms. No drift. No legacy soil contamination. 300 days of sunlight. No chance of mold.

LEEF currently has a 180-acre cannabis farming permit, of which 65 acres were operationalized and planted in 2025 - driving the dramatic difference in gross margin. At full scale- SCR can supply 60-80% of California's entire vape market at an unbeatable price[5]. And in the latest earnings call, LEEF indicated that they could expand the farm by over 100 acres. None of this has been modeled below.

Currently, LEEF's product mix in California is optimized for building long-term relationships with the best brands. However, there is significant room for improving the economics by shifting focus to higher-margin SKUs. According to Headset, in Q1-26, California's Vape market (by $) was approximately 46%

[5] Assumes all vapes are distillate at 1 gram. According to the DCC- California sold about 58M grams of vape in 2025, which translates to 128k pounds of distillate. At an 8% yield- that translates to 1.6M pounds of flower- out of which SCR can supply 1.3M pounds or approximately 60%

distillate and live resin each, and 8% rosin- and trending towards the more premium concentrates. However, LEEF's current product mix is 60% distillate and very little rosin. The table below illustrates how dramatically the economics scale when SCR's output is directed toward higher-value extraction methods with the farm fully built out:

Scenario	Revenue	Gross Margin	Gross Profit	End-Product Value
Vape Distillate (Ethanol)	~$40M	~56%	>$20M	>$900M
Live Resin (Hydrocarbon)	~$115M	~80%	>$80M	>$1.3B
Vape Ready Rosin (Solventless)	~$210M	~80%	>$160M	>$1.3B

These numbers are based on California pricing alone. In a national or global market - where pricing is materially higher- the revenue potential multiplies significantly, as we show below.

National and International Markets

Within the U.S., state lines create a pricing distortion that is almost hard to fathom: while a gram of distillate trades for **under $1 in California**, it fetches **$3.50 in New York** and as much as **$8 in New Jersey**. Prices in international markets are similarly higher.

In the global market, California cannabis commands a brand premium unmatched by any other region. Mexican cartels now smuggle California flower southward, because, according to a counter-narcotics expert, "they produce better weed"[6]. In England, California strains trade at multiples of local product[7]. A Thai company we visited had named itself "Cali Crush." The brand equity is real - and it extends to concentrates even more than flower. California cannabis has recognition like Napa and Bordeaux in the wine industry. Napa produces 4% of the world wine but commands 25-30% of the total wine revenue. Terroir matters and we think that SCR has an amazing terroir.

As one of the world's best places to grow cannabis, combined with an unparalleled cannabis culture, California's dominance is unsurprising. But once national, and especially global markets gain real access to California cannabis, especially concentrates and extracts, the pesticide issue will become even more critical.

The European export market has much higher compliance standards than the U.S. recreational market. Buyers operate under GACP (Good Agriculture Practices) and GMP (Good Manufacturing Practice) frameworks, auditing chain of custody, requiring validated lab methodologies, and in many cases conducting their own confirmatory testing. Testing panels are broader, tolerances are lower, and most critically- any substance not explicitly approved must meet the stringent limit of 0.01 ppm (parts per million).

[6] Around the 25:30 minute mark in the below clip https://www.youtube.com/watch?v=9PIOoJMMptA&t=1481s
[7] https://theface.com/life/whats-the-deal-with-cali-weed-california-weed-prices-dealers-drugs

After April 23rd, there is a reasonable likelihood that medical rescheduling unlocks both interstate commerce and exports. Several practitioners and the Cannabis Regulators Association have argued that once cannabis is a DEA-registered, federally legal substance, state-level prohibitions on importing or exporting cannabis are unlikely to survive Dormant Commerce Clause challenges. Further, the order explicitly directed the DEA to amend the regulations to allow the cannabis export subject to permits.

Both interstate and exports are a matter of when, not if, and the timeline was dramatically advanced. We may even see the first interstate or export shipment within a year!

The upside for LEEF is simply enormous. Below are the numbers- after loading all corporate operative expenses and considering no incremental contribution from any of the other opportunities mentioned below.

	Distillate Only	CA Product Mix*	Interstate (NY)	Export	Interstate (NJ)
Total Production (g)	47,112,000	43,656,712	47,112,000	47,112,000	47,112,000
ASP ($/gram)	$0.93	$1.72	$3.50	$6.50	$8.50
Revenue ($)	$43,814,160	$75,162,197	$164,892,000	$306,228,000	$400,452,000
COGS ($/gram)	$0.36	$0.46	$0.36	$0.36	$0.36
Total COGS ($)	$16,960,320	$20,246,553	$16,960,320	$16,960,320	$16,960,320
Gross Profit ($)	**$26,853,840**	**$54,915,643**	**$147,931,680**	**$289,267,680**	**$383,491,680**
Gross Margin	**61.3%**	**73.1%**	**89.7%**	**94.4%**	**95.8%**
Opex	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Adj EBITDA	$17,853,840	$45,915,643	$138,931,680	$280,267,680	$374,491,680

*CA Product Mix what LEEF's profitability looks like if the company's product mix mirrors exactly what California's current sales mix is- i.e, 46% distillate, 46% rosin and 8% live resin.

Growth Beyond the Core: New States, Brand Acquisitions & Himalaya

In the highly immature state-by-state cannabis supply chain, there is tremendous demand across all markets for a sophisticated and reliable extract manufacturer like LEEF. The company is pursuing a multi-pronged growth strategy: expanding geographically into new states, acquiring premium consumer brands that can be scaled on its low-cost platform, and building the sales and distribution infrastructure to support both.

New York served as a perfect test case for geographic expansion. LEEF acquired a Type 1 processing license in June 2025, launched solventless operations within approximately 90 days, and had all its 2025 output pre-committed before the year ended. In the Q3 earnings call, they revealed that New York was generating roughly $500K in monthly sales with margins comparable to California at approximately 50%. The capex required to double or triple capacity is modest, an estimated $500K to $1M. The expansion model is replicable by design- LEEF follows its established brand partners into new markets, essentially entering with built-in demand.

On the brand acquisition side, LEEF has already taken its first concrete step. In April 2026, the company closed the acquisition of Himalaya Vapor, a leading California-based cannabis concentrates brand known

for its premium, full-spectrum cartridges and natural formulations made from sun-grown cannabis. Himalaya has a loyal customer base across Northern California and generated approximately $6.4M in revenue in FY2025. The deal was structured at approximately US$2.5M in total consideration- paid in LEEF shares and warrants- representing less than half the company's 2026 revenue.

The immediate financial benefit is clear: by integrating Himalaya into LEEF's vertically integrated platform and sourcing inputs from Salisbury Canyon Ranch, LEEF expects to materially improve Himalaya's unit economics. Historically, Himalaya operated at approximately breakeven on an EBITDA basis. Under LEEF ownership, with COGS reduced through low-cost SCR inputs, we project Himalaya to generate approximately $1M in EBITDA in its first full year. The acquisition also brings established sales and distribution capabilities that provide future optionality across LEEF's entire product portfolio.

Beyond the immediate margin improvement, Himalaya represents a template for LEEF's broader brand acquisition strategy. Premium cannabis brands with strong consumer loyalty are available at distressed valuations, and LEEF's cost structure turns these acquisitions from unprofitable operations into cash-generating assets. The strategic logic is straightforward: LEEF already produces biomass and extract at the lowest cost in the industry, and moving downstream into branded products captures more of the value chain. A prime example of this playbook in the industry is Papa & Barkley, a company that had once raised $75M during the green rush but was acquired in 2025 by Mammoth Distribution for under $10M where it is now showing exciting growth and profitability.

There is also significant potential to take Himalaya into new states - leveraging LEEF's existing multi-state infrastructure to expand distribution beyond California. LEEF will continue to take a disciplined and selective approach to additional M&A opportunities, focusing on authentic brands with strong customer loyalty that can be scaled efficiently through its vertically integrated platform.

SCR's Value to an Acquirer

We believe that any well-advised strategic entrant to the cannabis market will refuse to accept the liability of sourcing from a supply chain with even a small probability of contamination. In the most litigious country in the world, the legal exposure alone makes this an unacceptable risk.

SCR, combined with LEEF's extraction capabilities, represents a platform that can supply a strategic acquirer with products worth tens of billions in their final form, with zero contamination liability, at an unmatched cost.

It also allows companies to form the kind of agile and scalable supply chain that national brands will rely on. Cannabis is a complex consumer product- brands must offer variety across strains and genetics, each with different growing cycles, yields, potency profiles, and cost structures. A vertically integrated platform like SCR allows brands to plan precisely: specifying the exact strains they want, with known timelines, guaranteed costs, and the ability to build go-to-market strategies around predictable supply. This kind of supply chain visibility is taken for granted in every other consumer industry. In cannabis, it is highly rare- and it is why platforms like LEEF command disproportionate strategic value.

This vertical integration from a guaranteed clean-biomass source is essentially irreplicable. Large-scale cultivation permits in California are scarce, finding a location naturally protected from pesticide drift at this scale is extraordinarily difficult and the buildout process takes years- it took over four years for SCR.

The Hemp Opportunity

The 1900-acre SCR farm also carries a 100-acre hemp permit that we have currently valued at zero. Our understanding is that the Hemp Acreage can be expanded and offers enormous optionality in the future.

Hemp-derived CBD and minor cannabinoids operate under a different legal framework than cannabis. They can be sold across state lines, exported internationally without the same barriers cannabis faces, and critically, are set to become eligible for Medicare and Medicaid reimbursement as federal scheduling policy continues to evolve.

We await more details on the CBD opportunity, but the headline numbers are very exciting. There are 67M Medicare beneficiaries nationwide, and as per Charlotte's Web- nearly 20% use CBD for pain, arthritis and other conditions. With a reimbursement of up to $500, this is a multi-billion-dollar market that would benefit immensely from LEEF's ability to provide high-quality, clean full-spectrum CBD at scale at an unbeatable price.

LEEF could also participate from the CBD opportunity with their brand- LEEF Organics. The brand was in an exciting trajectory, finding placements in Nordstrom, Marriott, and other high-profile locations before COVID shifted focus to the remarket, and the CBD market imploded due to a lack of FDA guidance. The company is exploring reviving this brand with various partnerships, including discussions with NBA player Jimmy Butler, an investor in the company.

Finally, the company is also exploring the international CBD market - estimated by some to be worth $1B,along with the growing global market for minor cannabinoids such as CBG and CBN.

Summary

LEEF is on a clear path from unprofitable to ~$15M in Adjusted EBITDA in the near term- a rapid transformation driven by the activation of Salisbury Canyon Ranch and the operating leverage it unlocks across the business.

The core proposition is simple: LEEF delivers high-quality California cannabis extracts- verified clean, at the lowest cost in the market- precisely as the industry shifts from flower to vapes and concentrates. That combination of quality, purity, and price is unmatched, and the tailwind behind it is structural.

For a strategic acquirer, whether tobacco, pharmaceutical, or consumer goods, LEEF offers what no other operator can: high-quality California cannabis at scale, at the lowest cost, with zero contamination liability, and scaled extraction across every major methodology.

Beyond the base case, the optionality is enormous: brand acquisitions, new states, CPG products all drive meaningful revenue and margin expansion. And most importantly, interstate commerce and exports were

both dramatically advanced by rescheduling. These scenarios could drive revenue and profitability to absurd levels and a stock price that may go up more than 50 times!

Appendix

Videos of LEEF's operations

1. YouTube Tour of Extraction Lab: https://www.youtube.com/watch?v=0aQoGxxZuuQ
2. Tour of Salisbury Canyon Ranch (SCR): https://www.youtube.com/watch?v=XpnbVc0IIFU

Pesticide Links

1. The Dirty, Dangerous Secret of California's Legal Weed https://archive.is/https://www.latimes.com/california/story/2024-06-14/the-dirty-secret-of-californias-legal-weed
2. Lab Shopping and Testing Fraud: https://www.homegrown-group.com/blog/coa?utm_source=policy-decoded.beehiiv.com&utm_medium=dailybrief&utm_campaign=policy-decoded&_bhlid=22fcb7c892c8f4c23b529b4226f900f9f63fe0db
3. Pick Your Poison: https://beyondpesticides.org/dailynewsblog/2026/04/pick-your-poison-pesticide-contamination-in-marijuana-reveals-longstanding-gaps-in-fifra/
4. What Happened to the Promise of Clean Weed: https://weedweek.com/industry-news/exclusive-california-promised-clean-weed-what-happened/
5. Worries about Vaping: https://www.sfgate.com/cannabis/article/bay-area-doctor-says-never-use-pot-vapes-19752738.php
6. Worries About Cannabis Vaping: https://www.sfgate.com/cannabis/article/bay-area-doctor-says-never-use-pot-vapes-19752738.php
7. Broken System of Pesticides in California: https://www.sfgate.com/cannabis/article/banned-pesticides-testing-california-cannabis-18678450.php