

Net Present Value Base Case Study #3

	5 Year Financial Valuation					
	2018	2019	2020	2021	2022	2023
Cultivation Revenue	\$0	\$1,070,680	\$1,086,800	\$1,090,752	\$1,220,856	\$1,327,872
Extraction Revenue		\$372,154	\$709,463	\$928,752	\$1,205,508	\$1,744,404
Startup Cost	\$608,553	\$0	\$0	\$0	\$0	\$0
Power	\$0	\$26,598	\$28,472	\$28,472	\$32,218	\$35,964
Water	\$0	\$639	\$639	\$684	\$639	\$723
Labor	\$0	\$49,325	\$49,325	\$52,798	\$49,325	\$55,815
Fertilizer	\$0	\$4,292	\$4,292	\$4,594	\$4,292	\$4,856
Rent	\$0	\$114,317	\$114,317	\$117,404	\$117,404	\$117,404
Salaries	\$0	\$195,000	\$399,750	\$409,744	\$422,036	\$432,587
Taxes	\$0	\$216,425.0	\$269,439.5	\$302,925.5	\$363,954.6	\$460,841.5
Net Income	-\$608,553	\$836,238	\$930,030	\$1,102,883	\$1,436,497	\$1,964,087

NPV	\$1,362,924	Investor Yearly Return		Investor Project ROI	206%
WACC	35%		\$250,789		

WACC Sensitivity Analysis

- Same scenario as case study #2 except WACC is now 35%
- Valuation drops \$1.8M due to 22% point change in WACC

