



OTCQB: KSHB

Second Fiscal Quarter 2019 Supplemental
Earnings Deck
April 11th, 2019

Q2 FY19 Highlights

- Record breaking quarter of **\$35.2MM** in revenue, up **240% YoY**
- California revenue up **273% YoY** and **46% QoQ**
- Massachusetts revenue up **788% YoY** and **136% QoQ**
- Energy and Natural Products now **11%** of revenue
- Over last twelve months we've had **20** customers spend more than **\$500K**
- Customers spending more than **\$1MM** over the last twelve months purchased an average of **70 SKUs**
- All of the QoQ revenue growth in FY19 Q2 was **organic**
- Over past **20** quarters, average QoQ revenue growth is **27%**

Revenue Breakout by Rec State, Other US, Canada, and other

Geography	2019 Q2 Revenue	Q2 2019 over Q2 2018 Growth	% 2019 Q2 Revenue	Q2 2019 over Q1 2019 Growth	2019 Q1 Revenue
CA	\$ 20,375,662	273%	58%	46%	\$ 13,909,523
WA	\$ 2,531,570	85%	7%	10%	\$ 2,303,536
OR	\$ 1,780,107	284%	5%	-10%	\$ 1,983,180
CO	\$ 2,334,822	93%	7%	21%	\$ 1,933,231
NV	\$ 1,452,959	149%	4%	33%	\$ 1,091,171
MA	\$ 977,896	788%	3%	136%	\$ 413,701
AK	\$ 129,830	44%	0%	-58%	\$ 306,590
ME	\$ 343,098	797%	1%	33%	\$ 258,773
MI	\$ 449,622	146%	1%	215%	\$ 142,585
Rec States Total	\$ 30,375,566	219%	86%	36%	\$ 22,342,290
Other Medical States	\$ 4,305,483	512%	12%	75%	\$ 2,464,442
Other Countries	\$ 201,518	142%	1%	282%	\$ 52,791
Canada	\$ 293,766	356%	1%	-36%	\$ 460,119
Grand Total	\$ 35,176,332	240%	100%	39%	\$ 25,319,641

	Q2 over Q1 Growth	Year over Year Quarterly Growth
Recreational State Totals	36%	219%
Total Revenue	39%	240%

Revenue by 5 Categories QoQ + YoY

Item Class	2019 Q2 Revenue	% of Revenue	Q2 over Q2 Growth	2018 Q2 Revenue	Q2 over Q1 Growth	2019 Q1 revenue
Packaging and Labeling	\$ 5,122,444	14%	26%	\$ 3,884,094	-5%	\$ 5,515,845
Vape	\$ 24,172,935	69%	383%	\$ 5,000,572	58%	\$ 15,269,703
Energy and Natural Products	\$ 3,912,860	11%	3120%	\$ 121,531	69%	\$ 2,310,266
Papers & Supplies	\$ 1,968,093	6%	66%	\$ 1,187,267	-11%	\$ 2,223,826
Grand Total	\$ 35,176,332		240%	\$ 10,361,398	39%	\$ 25,319,641

SKU Cross-sell Progression (TTM)

Customer Value	# of customers	Avg Rev	Avg SKUs
\$ 10-49k	661	\$ 22,371	13
\$ 50-99k	119	\$ 68,237	20
\$ 100-249k	70	\$ 154,965	24
\$ 250-499k	36	\$ 336,649	30
\$ 500- 999k	10	\$ 757,031	53
\$ 1000k+	10	\$ 2,987,856	70

Customer Size	FY2016	FY2017	FY2018	Last 4 Quarters
\$50-99k	6	29	88	119
\$100k - \$249k	5	13	51	70
\$250k - \$499k	2	7	18	36
\$500k - \$999k	0	5	10	10
\$1000k+	0	0	4	10