



Divine Development Group Financial Highlights/Milestones | 7-21-22

Background

From 2016-2019 Divine Development Group spent approx. \$3M securing its Conditional Use Permit and Land Use Entitlements. Funds required for a multitude of submissions and preliminary drawings, before Richmond's Planning Commission unanimously approved PowerPlant Park's 18.8 project site. Since 2019 PowerPlant Park has sold 18 Tier 2 mixed-light greenhouses for \$500,000 each. The greenhouse purchase include the structure and contents, Divine owns the land underneath the buildings through exclusive purchase contract with Doommias Enterprises in 2019. From 2017-2020 Doommias invested \$1.5M and purchased 3 Greenhouses. On June 1st the Nana's invested an additional \$2M, purchasing 4 more greenhouses in a future Phase. The additional funds were used to purchase the first 10 of 18 Greenhouses sold in Phase I. State-of-the-art enhanced Tier 2 mixed-light indoor buildings from [Nexus/Prospiant](#), the premier builder in the US.

In total, considering Divine's sales and investment total cash equity to date is over \$14.7M. This includes deposits on purchase contracts for the land under all three Phases, construction costs, equipment deposits, purchase of Nexus buildings and preliminary/construction drawings needed to secure our CUP/Land Use Entitlements. Divine has approx. \$1M cash on hand. Divine will lease LED lighting from [Fohse](#), post-harvest processing from [GreenBroz](#), and manufacturing from [Root Sciences](#). Medical grade equipment painstakingly sourced over the past several years.

The stabilized value of Phase I land is over \$100M, (MAI Appraisal by Property Sciences). Stabilization defined as all Greenhouses sold, structural pads leased, Certificate of Occupancy, and 22 state licenses issued/active. Similar turnkey indoor or Tier 2 mixed light space with same operational conditions, (in SF Bay Area) sells for \$1,000-\$1,200 per sq. ft., (that's if you can find it). Phase I of PowerPlant Park has approx. 70,000 sq. ft. which accounts for approx. \$80M of the stabilized value. Divine Development has been approved for up to \$10M line of credit from a prominent cannabis lender, (rate under 8%). This rate because of the cash equity in the project and about half the going rate for most projects, (prior to construction). PowerPlant Park is now 58 weeks into Phase I construction.

Certificate of Occupancy for Phase I is expected 4-23, with the Park's first harvest of over 6,000 lbs. by late May 2023. The wholesale crop value of the 1st harvest is over \$6M, the retail value over \$20M. The Park is currently negotiating to presell its first harvest (possibly second) to prominent California brands that have retail operations but no cultivation. Under these pre-sold contracts PowerPlant Park would receive a 50% deposit once flowers begin their veg-cycle in our nursery operations, (expected Jan 2023) and 50% upon harvest.

Financial Highlights

- To date PowerPlant Park has sold 18 greenhouses for \$500K each, Phase I is sold out
- There are 7 Units available in Phase I-A and 17 Units available in Phase II. If PowerPlant Park decides to sell these 24 Units in Phase I-A & II, (at \$600K) it would generate an additional \$14.4M in greenhouse payments
- PowerPlant Park has recently purchased the land under Phase I-A, 2.2 acres of waterfront property on San Francisco Bay
- 12 Units have been sold by our cannabis brokers, website link, [WeCann- Premier Listing—PowerPlant Park](#)
- Once WeCann pre-screens leads, (including proof of funds) they initiate a zoom presentation. Next if there is interest the prospect is given an in-person presentation, (by developer) at our Point Richmond offices and site visit, after which 80% of buyers have purchased
- The 18 Units sold thus far have produced over \$6.9M in greenhouse payments, \$3.7M due over the next 6 months
- Balance due to complete Phase I construction is approximately \$2.9M
- Thus far Divine has spent over \$8M of the development of PowerPlant Park. Including Nexus Tier 2 mixed-light greenhouses, equipment, subcontractors and design/build team, (over 40 professionals)
- Divine has \$800K cash on hand
- Divine has virtually no operational debt
- Investment before Divine started construction was sourced from principals' family and couple of early angel investors

PowerPlant Park enters a vast and lucrative California market, facing historically low levels of premium flower. Inventory of turnkey space extremely hard to find, (especially in the San Francisco Bay Area). Thus far the company has over \$13M of cash equity (over 5 years). Funds required to complete requisite plan sets, environmental studies, regulatory compliance and various submissions to the City's planning department and state agencies. A significant part of investment spent on a team of over 40 renowned local-area consultants, engineers, and architects. Phase I is now 58 weeks into construction, grand opening scheduled for 4-20-23.

Milestones to Date

- PowerPlant Park was unanimously granted its CUP and land use entitlements from Richmond's Planning Commission on April 20th, 2020. The approval process spanned over 36 months, working closely with City and State officials
- PowerPlant Park began construction in November 2020, (interrupted due to Richmond's Covid's moratorium on new construction), construction resumed late April of 2021. The Park is now 44 weeks into Phase I construction and are now installing underground utilities, soon foundations poured for Greenhouses
- The Park has filed for 22 State Licenses in November of 2021, now in Final Declaration
- Phase I of PowerPlant Park is sold out. The Tenant mix in Phase I includes 3 Units sold to seasoned craft-growers, 1 local brand and 14 Units sold under the tenant-investor model. Total of 18, representing \$9M in revenues, \$6.9M in greenhouse purchase deposits have been received
- Grand Opening of Phase I is expected by Dec 2022
- The company has funded operations thus far from a combination of its founders, greenhouse purchases and 2 angel investors. \$5,000,000 of investment has come from Doomm, purchase of 7 greenhouses, (investor model), and \$1.5M from 2017-2020, (interest free).
- PowerPlant Park has concluded operations of one-year delivery pilot in Marin & Sonoma counties. The pilot exceeded the sales projections by 40% and achieved number one rating for all metrics on WeedMaps with over 350 5-star reviews
- PowerPlant Park has signed an LOI for a 30-store pilot, where it will install special designed kiosks showcasing only PowerPlant Park brands. The kiosks located in existing prominent storefront locations in northern California
- The Park has developed a "retail garage" storefront model where customers can drive through a pick up their purchase of the freshest product in the state without getting out of the car. Orders sent and paid for through PowerPlant Park's phone app. Customer transactions are completed in 8 seconds. We are proposing 4 locations in Richmond including one on-site.

Project Advantages

PowerPlant Park is the first project of its kind in the State of California. The City of Richmond has issued the Park 44 individual addresses; legal addresses required to secure 22 state licenses for Phase I. Greenhouse ownership at PowerPlant Park eliminates the 2+ year wait and extraordinary expense to acquire requisite city permits and state licenses with no guarantee of regulatory success. Considering the low cost of entry, best-in-class amenities, turnkey ownership opportunities at the Park are without equal.

Through an exclusive agreement with Phinest Cannabis PowerPlant Park will have some of the best genetics in the State, including exclusive strains. Genetic are started in a \$12M 0-GeN tissue culture lab and propagated in a 25,000 sq. ft. indoor flip-ready teening facility. The Park's onsite manufacturing facilities offer the latest hydrocarbon and medical grade cold ethanol extraction. On-site facilities include state-of-the-art post-harvest processing, manufacturing, kitchen, packaging and branding/fulfillment services. The Park's statewide distribution network of wholesale buyers, include presold contracts to California brands for first couple harvests and until retail operations begin in Q-1 2023. These statewide brands that have retail distribution but no cultivation. The Park's seed to shelf retail model will eventually account for 80% of the Park's distribution, including a 50 driver delivery service, (pilot completed), retail kiosks in existing high-profile storefronts and "garage" locations alongside major Bay Area freeways w/billboard support.

Each Tier-2 indoor mixed-light greenhouse has been enhanced to meet the Park's stringent SOP's/QC's. The flower zone includes 1,144 plant-sites producing over 2,000 lbs. of ultra-premium flower annually. Custom arrays designed to be spectrum targeted throughout the bloom cycle to maximize desired effects, including terpene/trichrome production, THC/CBD levels and overall cannabinoid profile. Today's market value for 4,000 sq. ft. of operational/licensed indoor or Tier 2 mixed-light space in the SF Bay Area is \$4-6M, (if one can find it).

The San Francisco Bay Area is home to approximately 7.5 million residents and is ranked the #1 market in California for retail sales and cannabis connoisseurs. PowerPlant Park provides the only true turnkey tenancy/ownership model in the State, an affordable path towards income, a perfect fit for all types of cannabis investors, retail brands, MSOs, and cultivators alike.