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## 01

## LEGAL DISCLAIMER

The statements contained herein that are not historical facts, are “forward-looking statements”, which can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” or “anticipates,” or the negative thereof or other variations thereon or comparable terminology, whereby discussions of strategy that involve risks and uncertainties are set forth. The reader is cautioned that the forward-looking statements, including discussions of the company’s use of utility tokens, anticipated growth and operating strategies, and expectations concerning market conditions, future operations, margins, revenue, profitability, liquidity and capital resources and other matters contained herein regarding matters that are not historical facts, are only statements that are predictions regarding to the companies utility tokens and performance of the company. No assurance can be given that the future results indicated, whether expressed or implied, will be achieved or that a future strategy may alter the material aspects of what the company is currently anticipating for any potential course of action. While sometimes presented with the company’s projections, these forward-looking statements are based upon a variety of assumptions relating to the business of the company that, although considered reasonable by the company, may not be realized. Because of the number and range of the assumptions underlying the company’s projections and forward-looking statements, many of which are subject to significant uncertainties and contingencies that are beyond the reasonable control of the company, some of the assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date hereof. The forward looking statements contained herein are based on current expectations, and the company assumes no obligation to update this information. Therefore, the actual experience of the company and the results achieved during the period covered by any particular projections or forward-looking statements may differ substantially from those projected. Consequently, the inclusion of the projections, and the purpose and anticipated utilization of its utility tokens, and other forward-looking statements that could affect the company should not be regarded as representations by the company or any other person that these estimates and projections will be realized, and actual results may vary materially. There can be no assurance that any of these expectations will be realized or that any forward-looking statements contained herein will prove to be accurate. Furthermore, any statement related to the company and its issuance of any coin and or token, refer purely to utility tokens of the Company. These utility tokens are not securities, and shall not be considered to be securities. Utility tokens by their very nature are not intended to be circulated for the purpose of an investment that

NEED TO INCLUDE A STATEMENT THAT THIS IS NOT A WHITEPAPER FOR A SECURITY, IT IS STRICTLY LIMITED TO UTILITY TOKENS, EVEN THOUGH IT DISCUSSES THE COMPANY AND ITS GROWTH, ETC. I WILL LOOK FOR SOMETHING FOR THIS.



## 02

# INTRODUCTION

Cannabis, which is also referred to as Marijuana, is one in the same. The Cannabis plant has an estimated 80 -100 Cannabinoids and is estimated to have an additional 300 compounds, which psychoactive highs and medicinal benefits have yet to be fully studied and are not comprehensively known. CBD and THC are both Cannabis and are classified as the same species. According to federal legislation, the only historical difference between CBD and THC is the level of Delta-9 THC found in a specific sample. When a plant or manufactured product, such as vape oil or a tincture possesses more than .3% Delta-9 THC, it automatically becomes classified as a Schedule 1 Substance Under the Federal Controlled Substance Act, irrespective of the many other psychoactive or medicinal cannabinoids and compounds it possesses. When this happens, the product then becomes Federally illegal, meaning it cannot cross state lines, and its sale is strictly limited to be sold through state-licensed entities, commonly known as dispensaries.

Through years of industry knowledge, testing, and partnerships, Canna Sugar has discovered revolutionary and proprietary, propagation, cultivation, and extraction methods that offer psychoactive cannabinoids and compounds found in Federally illegal Cannabis with Delta-9 THC above .3% to be extracted from CBD. By utilizing these state-of-the-art methods, Canna Sugar is able to offer its customers access to truly proprietary formulations. This will be done through a new and revolutionary platform that integrates the intersections of E-Commerce with blockchain technology to anyone, anywhere of legal age, even crossing most lines, avoiding certain federal restriction(s), and laws.

Canna Sugar is looking to become a disruptive market-leading Web3 platform, distributing innovative formulations, and disrupting the stale and outdated Cannabis industry. Through the vertically integrated partnerships that will be formed, Canna Sugar strives to improve customers' lives and meet their demands for superior quality and consistent products. Canna Sugar will not produce or sell federally illegal Cannabis or Marijuana defined by the Controlled Substances Act.

Canna Sugar's intends to offer proprietary formulations that are extracted from Cannabis, but technically classified as CBD under federal guidelines. Canna Sugar intends to launch a product categories that includes tinctures (liquid products), capsules, edibles, vape products and possibly topical products. Planned product categories may include powdered supplements, single-use, beverage, sport, and professional (dedicated health care practitioner products). Canna Sugar intends to distribute its products through its web3 platform built on blockchain technology to select wholesalers, end consumers and eventually through a variety of brick and mortar retailers.

Canna Sugar believes highly in R&D efforts to identify new product opportunities. Canna Sugar believes in scaling its production capacity and sales and marketing infrastructures once demand for its products grows.

When the executive team believes the timing is right to invest in expanded production capacity to address emerging new product opportunities, take control of the supply chain, and proactively fight off competitors, they will use their vast knowledge to do so in the future. Canna Sugar intends to capitalize on the rapidly emerging Cannabis industry by driving customer acquisition and retention. This can lead to the acceleration of massive growth of national and international expansion.



## 03

## WHAT IS BLOCKCHAIN?

The everyday system is a centralized financial system, or CeFi, which has extreme risks like mismanagement, corruption, fraud, and many more. Blockchain technology is a decentralized, distributed ledger that tracks the origin of digital assets. Design can't change the data on a blockchain, making it a potential disruptor in sectors like finance, cybersecurity, and healthcare.

A Google Doc is a good example of understanding blockchain technology. When we create a document and share it with several individuals, instead of being copied or transferred, the document is distributed. This establishes a decentralized distribution network in which everyone has concurrent access to the document. No one is locked out while waiting for another party to make changes, and they log all changes to the document in real-time, making them visible.

## WHY BLOCKCHAIN AND CANNA SUGAR?

The rise of the blockchain is considered one of the hottest topics in today's tech market. It is a digital, decentralized, public ledger used for all cryptocurrency transactions. Once each transaction is completed, it is added to previously completed blocks in the chronological order of when each block was added to the chain, forming a blockchain.

Canna Sugar looks forward to using blockchain in its operations because of blockchains security. At Canna Sugar, we respect our customers and we strive to do our best for them. Canna Sugar recognizes the importance of the security of its customers and allows them to be anonymous and undetectable while making any transaction over the Canna Sugar network.



## 04

### WEB3 AND CANNA SUGAR

Web3 developers rarely ever create and deploy web applications that operate on a single server or store data in a single database (usually hosted on and managed by a single cloud provider).

Instead, web3 apps are built on blockchains, decentralized networks of numerous peer-to-peer nodes (servers), or a hybrid of the two. These programs are known as dApps (decentralized apps), and you'll hear that word a lot in the web3 community.

Network participants (developers) are rewarded and compete to deliver the greatest quality services to everyone utilizing the service to establish a stable and secure decentralized network. When it comes to web3, you'll find that cryptocurrency is often mentioned. This is because many of these protocols rely heavily on cryptocurrencies. It offers a monetary incentive (tokens) to anybody who wishes to help create, control, contribute to, or improve one of the projects itself.

These protocols may provide a range of services, such as computation, storage, bandwidth, identification, hosting, and other online services that were formerly supplied by cloud providers. Canna Sugar looks forward to using Web3 technology to transact online. This secure web3 technology system is anticipated to ensure that no information is leaked from the network. It is also anticipated to make sure that every transaction on Canna Sugar is completed securely, safely, and fast.

One thing that makes Canna sugar different from its competitors and existing THC and CBD producers is the use of technology. While many of the competitors and THC and CBD market brands are still using technology from the mid-90, using these older technologies has an extraordinary risk of security for their customers. As mentioned earlier, at Canna Sugar, we respect our customers and will continually attempt to serve them with the best available technology to date with the likes of Blockchain, cryptocurrency, and Web3.



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## **KEY FEATURES OF CANNA SUGAR SECURED DECENTRALIZED BLOCKCHAIN NETWORK**

Some key features of the Canna Sugar token are:

- **Secured and safe:** Canna Sugar token will leverage a distributed peer-to-peer consensus network that cryptographically helps in securing every transaction.
- **Quick transfer:** Instant fund transfer globally will be available with the help of fast block execution unlike traditional remittance, unmatched speed, and payment processors.
- **Decentralized:** Direct transactions among network participants without the presence of a central facilitator are enabled with the help of decentralized technology.
- **Easy to use:** User-friendly interface of Canna Sugar Web3 intended for seamless Real-world use cases.
- **Scalability:** Assures scalability for pacing up with the industry's transaction requirements, thereby facilitating mass adoption of cryptocurrency.



## 06

## CANNA SUGAR'S STORY

In 2013, when David Sheehan conducted his first Cannabis transaction for his new collective in the State of California, it became evident that the primary problem that the Cannabis industry was facing was: how to conduct payments in a secure and safe method for a commodity that was legal in California but illegal at the Federal level. This problem only escalated and grew as David scaled other Cannabis businesses and the Cannabis market exploded across the United States. And as the market grew, so did the complications about how industry participants and customers would conduct transactions.

As anyone could imagine, transacting wholesale bulk purchases and sales of Cannabis, eventually equated to doing million-dollar hand to hand cash transactions. Money counters, safes, armed security, and armored trucks soon became the norm. It was as if legal market participants were being forced to act like criminals, when in fact they were operating state-licensed, legal enterprises, that followed state laws, and filed local, state, and federal taxes.

As transactions grew in size and frequency, David sought out many different types of solutions offered by numerous entities claiming to have the cash dilemma solved. Finally, a small number of credit unions began accepting cash deposit(s) from Cannabis entities but charged astronomical service fees. They claimed it was "the cost to do business", when in fact it was just another attempt for institutional banking to gouge a new industry at a time of vulnerability. Then of course, as the cash dilemma began to normalize, another set of issue(s) with debit cards, credit cards, merchant cards, and gift cards came into play. Yet, the prior problem imposed primarily on Cannabis businesses with the cash dilemma, then became a burden placed on consumers as merchant services requiring back-end compliance software fees were then passed to the end consumer.

As the transactional chaos continued, with intermediaries continuing to gouge businesses and consumers, David and his team didn't stop their true passion for breeding and cultivating new strains and cultivars for consumers as they researched, developed, and discovered propagation and extraction techniques for their proprietary formulations from alternative cannabinoids and compounds that could produce psychoactive highs and offer medicinal benefits. All of which contained less than .3% Delta-9 THC and were not illegal under the Federal Controlled Substances Act.

Canna Sugar has now emerged. We have and continue to develop proprietary formulations of cannabinoids and compounds that offer superior highs and medicinal benefits. We are on the brink of becoming an industry leader with our proprietary formulations. These formulations are derived from Cannabis classified as CBD and contain less than .3% Delta-9 THC.

By offering our CBD-derived, proprietary formulations, we will become a market leader by offering our clients the ability to purchase our products through an E-Commerce platform, through secure, blockchain technology, to legal customers of legal age, to non-restrictive regions throughout the world.





## 07

# EVOLUTION

Over the next decade, Canna Sugar intends to evolve from the development of a few proprietary formulations to a market leader in the production and distribution of innovative disruptive products in the Cannabis industry. Through the vertically integrated relationships that exist, partnerships will be formed. Canna Sugar will strive to improve customers' lives and meet demands for superior and consistent quality products.

Set out below are the key events and milestones which will influence the general development of Canna Sugar's business:

- Canna Sugar looks to introduce an expanded product line to include everyday health and wellness products, in addition to its original high potency product, to serve a more diverse customer base.
- Canna Sugar looks to the development of new cultivating and harvesting techniques and technology to provide improved efficiency, reducing its cost of production through vertical integration.
- Canna Sugar intends to introduce its first capsule product line. Canna Sugar intends to then launch a new line of products for animal and canine use.
- Canna Sugar plans to expand its operations to include product storage, distribution, and fulfillment facilities.
- Canna Sugar intends to launch its first topical product line.



## 08

## HIGHLIGHTS

- **CANNA SUGAR WILL BECOME A LEADER IN A RAPIDLY GROWING SEGMENT**

In the U.S., the segment is expected to grow rapidly from \$174 million in 2016 to \$1.6 billion in 2021, representing a CAGR of 55% over the period. After the leading two brands in the industry, no other brand in the category had more than a 2% share of sales and 93% of brands registered less than \$1 million in sales or less than 100 distribution points, or both[1]. With Canna Sugar's planned growth strategies, Canna Sugar aspires to be a global brand and market leader in the Cannabis-derived CBD supplements space.

- **ESTABLISHING A TRUSTED BRAND**

Canna Sugar believes that it will become one of the most recognized brands in the THC and CBD supplements segment. Media outlets that will potentially reference Canna Sugar's brand include CNN, CBS, the New York Times, and Forbes. This recognition will be driven by what Canna Sugar believes is the highest quality products in the industry derived only from farms throughout the United States.

Canna Sugar will strive to lead the industry in quality, safety, consistency, and social responsibility to support thousands of lives daily through the use of Canna Sugar products.



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# HIGHLIGHTS

- **POSITIVE INDUSTRY TRENDS SUPPORT CONTINUED GROWTH**

Canna Sugar looks to compete in the fast-growing THC and CBD supplements market. In the United States, the market is expected to grow from \$174 million in 2016 to \$1.6 billion in 2021 and the executive team believes expansion internationally is expected to have similar growth rates.

The U.S. supplements industry was estimated at \$41 billion in 2016 and is expected to grow to over \$70 billion by 2022. Canna Sugar looks to operate in the Cannabis supplement(s) category of this market, a fast-growing segment with an estimated compound annual growth rate through 2021 of 55%<sup>[2]</sup>. With an estimated market size of \$1.6 billion by 2021 for the hemp-derived CBD supplements category, and the wider industry continues to demonstrate steady growth, there is strong research support for Canna Sugar to have a stellar growth trajectory.

Similarly, as consumers gravitate towards products with ingredients they trust and can easily understand, Canna Sugar is looking to be well-positioned to capitalize on these consumer trends, due to a commitment it will have to quality throughout the supply chain as well as cleaner product formulations that are intended to maximize understanding and acceptance of Canna Sugar's products in the future.

- **CONTINUED INNOVATION TO EXPAND**

Canna Sugar understands that R&D, innovation, and new product development are key to growing and maintaining a market-leading product portfolio. Canna Sugar's planned future products are expected to cover a wide array of botanical wellness products that provide customers with everyday health and wellness solutions they can trust. Future products are intended to include tinctures, capsules, powdered supplements, single-use products, topical products, beverages, sport, and professional (dedicated health care practitioner products).



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## HIGHLIGHTS

- **PRODUCTION PLATFORMS**

Canna Sugar looks to conduct extensive R&D to demonstrate that it will be able to scale its United States cultivation operations significantly without sacrificing quality and consistency. Future expansion will focus on infrastructure to diversify seed supply and further mechanization of harvest operations.

- **STRONG FINANCIAL PERFORMANCE**

Canna Sugar believes that its future high-quality products, brand-building awareness programs, expected consumer loyalty, efficient supply chain, and prudent business and financial management will contribute to strong and consistent financial performance.

- **Experienced Executive Team to Lead Growth**

Canna Sugar intends to leverage the entrepreneurial leadership of its founder and the professional experience of its executive team, affiliates, and consultants, which are deeply committed to Canna Sugar's vision, mission, and social values. Canna Sugar intends to work in a collaborative manner that creates a dynamic professional environment. Cann Sugar strives to perfect a healthy cross-section of extensive experience in distribution, cultivation, sales, blockchain technology, finance, customer service, marketing, business development, acquisitions, capital markets, and market analysis, all of which are key to Canna Sugar's future success.



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## GROWTH STRATEGY

The following are the principal strategies Canna Sugar looks to employ to drive profitable growth and cash flow generation:

### • BUILDING BRAND AWARENESS

The Executive team believes the Canna Sugar brands will be among the strongest in the CBD, hemp, and Cannabis industries. Looking to build brand recognition by several factors including

- (i) media events with Canna Sugar;
- (ii) email, social media, and blogs;
- (iii) use of subject matter experts;
- (iv) legislative participation; and
- (v) public speaking engagements at key industry events.

In addition to these active outlets to build brand awareness, Canna Sugar plans to support word-of-mouth endorsements and testimonials from its customers who will be advocates for its brands and products.

### • GROWTH FROM THE PRODUCTS THROUGH MARKETING INITIATIVES

Canna Sugar's marketing mix is planning to be optimized to connect with more consumers and guide them through the buying process. A collaborative, integrated effort with content and public relations teams will get underway to optimize search engine results and leverage social media and display advertising platforms. Canna Sugar looks to segment and analyzes customer data to enhance the customers' experience to convert browsers into buyers and drive repeat purchases. In the future, Canna Sugar is also looking to target major food and mass-market accounts as additional distribution platforms. These accounts are expected to enable Canna Sugar to gain broader distribution, open new consumer segments, and drive growth through increased awareness, consideration, and purchase.



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## GROWTH STRATEGY

- **INTRODUCTION OF NEW, DIFFERENTIATED BOTANICAL PRODUCTS**

Through research, Canna Sugar looks to prioritize several new primary and secondary product categories, including tinctures, capsules, powders, sports performance products, topical/cosmetic products, infused beverages, and pet products. Canna Sugar expects that not all of its future products will contain cannabis, but the focus will remain on botanical-based wellness products.

- **INTERNATIONAL EXPANSION**

Canna Sugar believes that global distribution is paramount to its future growth, with focuses on the European Union, South America, and Asia. To achieve this international reach, Canna Sugar is planning to either partner with distributors and/or manufacturers in these international locations or create its own foreign licensed subsidiaries to transact business in these regions. Canna Sugar projections will be constantly weighing the trade-off of each option against the impact on sales volume opportunities and profitability ratios in its decision-making process. Expansion into additional jurisdictions is anticipated to occur in compliance with applicable regulatory requirements in such jurisdictions and the cost and complexity of such compliance may form part of the strategic evaluation process for any proposed expansion. The Company anticipates that it will make final decisions as to its proposed international expansion once its regulatory review of potential jurisdictions is complete.



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## GROWTH STRATEGY

- **IMPROVED DISTRIBUTION**

Future distribution channels are planned to include national retailers (including grocers and drug chains), vitamin and supplement retailers, and natural food stores. Canna Sugar believes it will have thousands of distribution points.

- **ACQUISITION OF STRATEGIC COMPANIES**

Canna Sugar intends on leveraging global relationships and a network of industry participants and advisors to actively source and identify acquisition opportunities. Canna Sugar expects to selectively pursue compelling acquisitions that leverage and complement Canna Sugar's strengths in blockchain technology, sales, marketing, new product development, quality, production, and distribution.



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## **BUSINESS OBJECTIVES AND STRATEGY**

Canna Sugar is looking to become a disruptive market-leading Web3 platform distributing innovative formulations, and disrupting the stale and outdated Cannabis industry. Through the vertically integrated partnerships that will be formed, Canna Sugar strives to improve customers' lives and meet their demands for superior quality and consistent products. Canna Sugar plans to sell formulations from CBD. It does not intend on producing or selling medicinal or recreational marijuana that is illegal under the Federal Controlled Substances Act.

Canna Sugar's goals as a subset of its business objectives and strategy include:

- Helping over one million families restore hope and control in their lives by the end of 2023;
- To become a global industry leader in research and innovation including changing perceptions of CBD and THC products; and
- Deliver the most consistent and trusted products that improve customers' experience(s) and quality of life.

The above statements capture the essence of Canna Sugar's future business strategy and the pioneering vision of its founder(s). Canna Sugar strives to realize significant growth by expanding into the health and wellness sector while capitalizing on Canna Sugar's unique differentiators to create sustainable value.

Lastly, following Canna Sugar's social responsibility goals, upon Canna Sugar's growth, it looks to support several non-profit organizations that utilize its products or that further consumer education, advocacy, and research in the THC and CBD market places.





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## INDUSTRY OVERVIEW

Historically, the health and wellness benefits of hemp-based products focused on protein and nutritional oil content. Hemp seeds are known to provide both protein and valuable omega fatty acids. However, beginning with the publication of United States Patent No. 6,630,507 (cannabinoids as antioxidants and neuro-protectants) issued to the United States Department of Health and Human Services on October 7, 2003, consumer interest surrounding the health and wellness benefits of cannabinoids grew significantly. This interest continued until the passage of the 2014 Farm Bill, after which consumers were able to purchase CBD with greater ease.

CBD and Hemp extracts contain an assortment of naturally-occurring substances, including phytocannabinoids, terpenes, flavonoids, and other minor but valuable hemp compounds. Canna Sugar believes the presence of various phytocannabinoids, terpenes, and flavonoids work synergistically to heighten the effects of the products, making them superior to single-compound CBD isolates. This assortment of hemp compounds is the basis for the theory known as the "entourage effect" as introduced by Israeli chemists, Shimon Ben-Shabat and Raphael Mechoulam, in 1998.

While complete scientific corroboration for the uses of CBD is still in its infancy, industry reports suggest consumers are using CBD for various applications including assistance with sleep, daily stress, anxiety, pain relief, cognitive function, and immune health, among other applications.

In addition to the industry and consumer reported uses of CBD, significant research is currently being conducted on the use of CBD as it relates to the following, among other topics:

•Epilepsy • Post-Traumatic Stress Disorder • Cancer • Autism • Neuroprotection • Anti-Inflammatory Effects • Anti-Tumor Effects • Anti-Psychotic Effects



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## INDUSTRY OVERVIEW

### • THE UNITED STATES SUPPLEMENTS INDUSTRY MARKET SIZE

In the United States, dietary supplements are generally defined under the DSHEA as products that are intended to supplement the diet and contain any of the following dietary ingredients:

- (i) a vitamin;
- (ii) a mineral;
- (iii) a herb or other botanical (excluding tobacco);
- (iv) an amino acid; or
- (v) a concentrate, metabolite, constituent, extract, or combination of any of the above. According to the Nutrition Business Journal, the United States Supplements Industry was estimated at \$41 billion in 2016 with 6.6% growth over 2015 and is estimated to reach over \$70 billion by 2022.

Canna Sugar believes that consumers are increasingly searching for products made with high quality, simple ingredients, a trend that is visible in the growth of health food stores like Whole Foods, as well as large CPG brands developing cleaner product lines without unnecessary additives. Nielsen notes that “this purchase behavior confirms the notion that consumers will gravitate toward products with ingredients they trust and can easily understand”. Canna Sugar will be well-positioned to capitalize on these consumer trends due to its commitment to quality throughout the supply chain as well as its clean product formulations that are intended to maximize consumer understanding and acceptance of Canna Sugar’s products. Canna Sugar believes that informed consumers are looking for alternatives to pharmaceutical-based remedies for health and wellness. Canna Sugar believes that, in recent years, consumers have expanded their interest in supplements, self-care, and homeopathic health.



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## INDUSTRY OVERVIEW

### • THE HEMP-DERIVED CBD SUPPLEMENTS SECTOR

The hemp-derived CBD supplements sector was first created by Section 7606 of the 2014 Farm Bill when it was signed into law on February 7, 2014. The 2014 Farm Bill delegated the authorization to cultivate Industrial Hemp to the individual states of the United States. Since 2014, the total acreage of hemp grown in the United States has increased to over 23,000 acres with an estimated 55% of that cultivation dedicated to hemp used in the production of CBD extracts.

While United States-based hemp cultivation is a relatively new industry, there is significant international acreage, especially across the European Union and Canada. As a relatively new industry in the United States, the hemp-derived CBD supplements category is extremely fragmented with more than 200 brands, each capturing insignificant market share in 2016. In 2016, after the leading two brands in the industry, no other brand in the category had more than a 2% share of sales and 92.9% of brands registered less than US\$1 million in sales or less than 100 distribution points, or both.

The vast majority of hemp-derived CBD supplements are sold through five main distribution channels — dispensary and delivery services, online, smoke shops, health food stores, and doctors' offices. According to the Brightfield Group, year-over-year growth projections are expected to peak in all distribution channels in 2018 as several states roll out new recreational and medical markets.

The Executive team believes consumer awareness and acceptance of hemp-derived CBD supplements has increased dramatically since 2010 due to national media attention around the effects of hemp-derived CBD.

The hemp-derived CBD supplements consumer is typically a millennial female with 64% of users identified as female and approximately two-thirds of users under the age of 35. These consumers are also extremely brand loyal with 23% always purchasing the same brand, 29% purchasing the same brand 75% of the time, and another 23% purchasing the same brand 50% of the time.



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## INDUSTRY OVERVIEW

### • THE HEMP-DERIVED CBD SUPPLEMENTS SECTOR

Most of the usage within the category is initiated from friend or family referrals who have used hemp or CBD products in their past. The typical customer journey follows one of several common paths that initiate from either (i) a propensity to use dietary supplements or homeopathic aids to help manage their wellness; or (ii) a dissatisfaction with current health and medical options to manage their wellness. Both paths place a high value on validation of the category through in-depth consumer research and inquiry. This is fulfilled through online research of the category, as well as a testimonial and true usage experiences that allow the consumer to verify if hemp or CBD is appropriate for their current wellness needs. From Canna Sugar's perspective, it will look to place importance on Search Engine Optimization ("SEO") and categorical education on owned web platforms. This platform assists the consumer in learning about the general category, as well as specific points of differentiation for the Canna Sugar products.

Nearly three-quarters of consumers of hemp-derived CBD supplements purchase such products in concentrate form, primarily as tinctures, sublingual oil drops, and oral applicator pens. Initial milligram usage is driven by the perceived impact that the hemp-derived CBD supplement ties to overall health and wellness. As an example, if the consumer perceives that their mild stresses are a hindrance to their everyday performance, they might choose to take either a greater dosage or a higher strength product. Another driver with first-time consumers is the entry price point, with the lower milligram option being less expensive for managing less impactful wellness needs. First-time consumers learning about the category tend to test their way in with lower levels and then increase to meet their desired wellness needs with the minimal strength possible, like usages of typical supplements.



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# PRODUCT OVERVIEW

Canna Sugar looks to offer a mix of products that have been strategically developed to fit with its objective of delivering a full suite of best-in-class products that will meet and exceed its customers' demands for quality and consistency.

Canna Sugar looks to actively explore several new primary and secondary product categories, including oral administration products, a sport line, topical/cosmetic products, infused beverages, and infused pet treats.

The future pipeline intends to look to capitalize on the strong category growth of hemp and CBD market trends. It also provides expanded opportunities to reach new consumers in the health and wellness space. Over the next several years, Canna Sugar intends to grow and strengthen its competitive advantage by developing products that will extend Canna Sugar's trust and expertise into proprietary botanical wellness products. These products will look to have broad health and wellness focus on sleep, mood, stress, sports, and many other applications. Certain products may even be completely cannabinoid-free, depending upon whether they fit within the business, product strategy, and competitive differentiation.

Potential products will be evaluated and developed to expand into new and emerging categories for pet, beauty, beverage, professional (dedicated health care practitioner products), and beyond. To date, no material work has been performed on individual stated goals however, Canna Sugar looks to hire a graduate-level educated food scientist and has engaged consultants to begin the work necessary to achieve the innovation pipeline goals described.

The Company does not intend for all the new pipeline products to be fully launched by the end of 2025.



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# PRODUCT OVERVIEW

### • KEY SUCCESS FACTORS

- Cultivation Experience and Capacity
- Industry-Leading Manufacturing Capability
- Control of Supply Chain
- Rigid Quality Management System
- Proprietary Genetics
- Confidentiality and Proprietary Rights

### • CULTIVATION RESEARCH & DEVELOPMENT

The cultivation of CBD-based Industrial Hemp in the United States is relatively new. As a result, there is limited technology available in the market related to the planting and harvesting of these crops. Canna Sugar looks to take a leadership position in advancing the blockchain technology surrounding all aspects of Industrial THC production. Canna Sugar's R&D efforts will be driven by the increasing demand for products and its desire to create an expanded portfolio of products that serve the customers' needs.

### • PLANTING

Canna Sugar looks to successfully create a blockchain seed protocol, which will provide the scalability and standardization of specific plant genetics. Canna Sugar's future seed protocol will take years to fully understand, optimize and prove valid through Canna Sugar's quality systems. The seeds may be planted by a global positioning satellite-driven tractor and a customized planter for optimal germination and success. With this innovation, Canna Sugar's proprietary Industrial crops can be planted in the same manner as a conventional commercial farming crop.

### • HARVESTING

Harvesting continues to be a significant challenge in the broader Industrial Hemp industry with current practices following the processes of the tobacco industry. Once the plants are harvested from the fields, they are hung upside down in outdoor dry structures. The dried plants are then further processed off the plant stalk for final storage. If processed at the correct moisture content, the shelf life of the harvested plants is proven to remain stable for up to, or potentially greater than, three years. However, this method of drying creates scalability issues and can also cause potency loss in the raw material. With this harvesting process, there are limitations applicable to both available infrastructures and labor in agricultural regions. To mitigate these challenges, Canna Sugar looks to focus its cultivation teams on the development of new, more scalable processes to mechanize harvesting without sacrificing quality.



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## PRODUCT OVERVIEW

### • MANUFACTURING

Canna Sugar's manufacturing operations look to be centered around the quality of its products and the efficiency of its production. Canna Sugar looks to have a proprietary extraction process and in the future will be developing the next generation of processes and equipment to serve Canna Sugar's expanding production requirements and product offerings.

### • QUALITY MANAGEMENT SYSTEMS

When required by law, Canna Sugar will look to employ cGMP at each stage of its production. cGMP refers to the current Good Manufacturing Practices regulations enforced by the FDA. cGMPs provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities. Adherence to the cGMP regulations assures the identity, strength, quality, purity, and composition of products by requiring that manufacturers adequately control manufacturing operations. This includes establishing strong quality management systems, obtaining appropriate quality raw materials, establishing robust, standard operating procedures, detecting and investigating product quality deviations, and maintaining reliable testing practices. This formal system of controls helps in preventing instances of contamination, deviations, failures, and errors. This assures that products manufactured under cGMP meet quality standards.

To create the highest quality products, Canna Sugar, when applicable, will attempt to closely control every step in the production process, including propagation, cultivation, harvesting, drying, manufacturing, and packaging. Canna Sugar looks to implement robust systems that promote high levels of product quality. Further, Canna Sugar's future products will meet or exceed industry guidelines for contaminants and will be tested both in-house and by major independent third-party laboratories.

Canna Sugar looks to work diligently to perfect and deeply understand quality systems as they apply to Industrial THC products and use the systems and principles to qualify Industrial THC raw materials and extracts grown by or extracted by outside suppliers. This advantage will allow Canna Sugar, if necessary, to globally source hemp and hemp extracts from other suppliers while maintaining the highest products.



## **SALES AND DISTRIBUTION STRATEGY**

Canna Sugar plans to make available its products online through Canna Sugar's web3 platform, select distributors, and brick and mortar retailers at a future date.

Canna Sugar will look to expand its product sales into chiropractic and doctors' offices, gyms, massage therapy offices, salons, animal clinics, and pet stores. Future distribution channels are planned to include national grocery, drug, mass market, pet, and natural/specialty retailers.

Canna Sugar will look to distribute its products within the entire United States and internationally. Retail distribution will evolve from a strategy focused on gaining broad distribution within the natural channel, to focusing on gaining distribution in major food and mass-market accounts.

Canna Sugar's future internal sales team will have a two-pronged approach to building distribution: (i) focus on gaining distributors with access to key strategic verticals in the medical and natural channels; and (ii) contracted broker teams that assist in driving brand representation in larger food accounts. Canna Sugar believes this model is extremely effective in targeting accounts with the right message to build and capitalize on Canna Sugar's brand momentum.

Canna Sugar believes broad brand recognition and pent-up market demand in the adaptogenic supplements category (where CBD is typically positioned) will result in strong brand sales, which helps promote increased category development and new account acquisition. As Canna Sugar develops increasingly sophisticated supply and production capabilities, it will look to target strategic retail accounts that contribute to the broader acceptance of the brand and category. Canna Sugar believes these accounts will enable it to achieve future broader distribution, opening new consumer segments and driving growth by increasing awareness, consideration, and purchase.

Canna Sugar believes it is going to lead the way in the category by opening mass-market channels that have historically been resistant to placing CBD items on their shelves.





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# SALES AND DISTRIBUTION STRATEGY

Canna Sugar looks to utilize e-commerce to reach consumers and guide them through the hemp and CBD buying process. This strategy will hopefully allow access to consumers in the United States and will be instrumental in Canna Sugar's success in growing the product line.

Canna Sugar believes consumers (millennials through baby boomers) will rely heavily on digital research. The key to this approach is the ability to access consumers organically who will be searching the web for "CBD" on Canna Sugar's platform as well as through linking from reliable providers of content and education. Canna Sugar will be concentrating its activities in the digital space through • Search Engine Optimization: • Email: Social: Leveraging the passion of Canna Sugar and its founder through a dynamic platform and branding strategy which will be used to maintain Canna Sugar's relevance among consumers • Referral: Utilizing third party influencers during marketing campaigns to amplify brand and product awareness • Display Advertising:

As public familiarity with hemp-derived CBD wellness products continues to increase, Canna Sugar will look to target several new distribution channels that have significant future expansion potential.

- Broad Consumer Market

- Sports Medicine and Recovery Market — Over the last several years, there has been a significant focus in the National Football League ("NFL") on concussions and their lingering effects. Chronic Traumatic Encephalopathy ("CTE") has been a major topic in the sports world, particularly in the NFL. CTE is a degenerative brain disease common in athletes who have experienced repetitive brain trauma, and many professional athletes currently use Cannabis as a means to mitigate symptoms of CTE. In addition, there is a broad and virtually untapped market for active adult and sports enhancement and recovery products, including topical products.

- Future Drug Development Potential — There is a significant body of scientific evidence found within hundreds of published research papers regarding the potential neuro-protective and neural-generative properties found in cannabinoids. For this reason, the United States government, via the National Institute of Health, has patented cannabinoids as antioxidants and neuro-protectants (United States Patent No. 6630507). Canna Sugar intends to explore research and development opportunities for CBD products through pre-clinical and clinical trials and is currently supporting non-profit organizations to accomplish this goal.



## MARKETING AND PROMOTION

Direct-to-consumer e-commerce sales give an unprecedented opportunity to gain meaningful insight into how to better support the customer based on data including buying habits, purchase frequency, and in many cases, why the product is being used (general wellness, health conditions, etc.).

Canna Sugar looks to work with a prominent advertising agency to solidify brand identity, packaging design, communications, and a significant improvement on the both aesthetic and overall functionality of its platform experience. It will also position Canna Sugar as a leading producer and distributor of CBD natural wellness products.

Canna Sugar looks to also launch a subscription program. Through its subscription program, Canna Sugar token will utilize a nominal discount structure to encourage enrollment with a similar structure to online “subscribe and save” models. This is expected to deliver upside demand and repeat purchases from existing customers by enabling scheduled monthly reorders and improved continuity in consumption. Consumers will be able to set their frequency for two-week or monthly reorder patterns across the entire product line.

With limitations on mainstream ad placements due to “marijuana” similarities, social media and public relations activities will be a vital part of Canna Sugar’s marketing activities. A public relations firm will also be engaged to facilitate public relations activities and placements, with an emphasis on stories featuring the mission to encourage and support alternative therapies that improve a person’s quality of life. Canna Sugar will be a socially conscious company. The Company will weigh sound business decisions with consideration for how its efforts affect its employees, customers, the environment, and the communities where its employees live and where it does business while maximizing profits and strengthening its brands.

Canna Sugar will look to support nonprofits that it believes can utilize the wellness aspects of its products (i.e. military veterans, children’s hospitals, medical foundations, university research, etc.). Canna Sugar’s executive team believes that any socially-oriented actions it takes will ultimately have a positive impact on the Company, its employees, and its shareholders.



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## **COMPETITION**

Canna Sugar plans to invest significantly in strengthening its brand in the global marketplace and solidifying the brand as "The World's Most Trusted Cannabis". The vertical integration and focus on quality and standardization create an important competitive differentiator for Canna Sugar. Canna Sugar's deep knowledge of cultivation, combined with its scientific and financial resources from its future partners, will allow it to maintain a leading market position amongst its competitors.

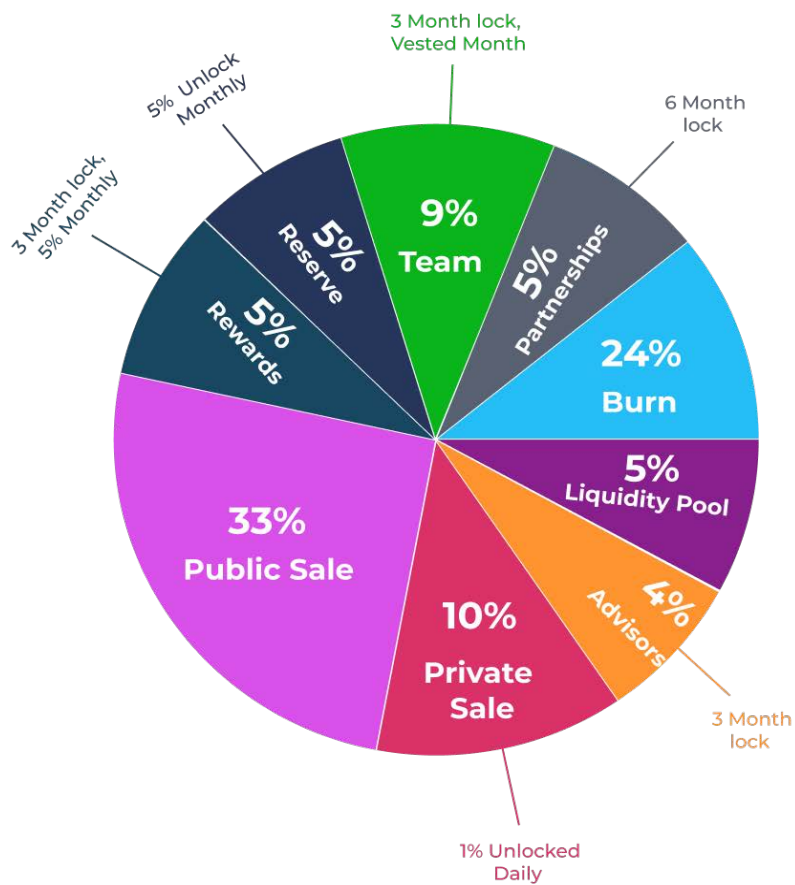
## **INTELLECTUAL PROPERTY**

Canna Sugar's intellectual property and proprietary rights will be important to its business. In efforts to secure, maintain and protect its intellectual and proprietary rights, Canna Sugar will rely on a combination of patent, trademark, trade secret, and other rights in the United States. Canna Sugar will also look to have confidentiality and/or license agreements with certain employees, contractors, and other third parties, which limit access to and use of Canna Sugar's proprietary intellectual property.

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# TOKENOMICS

Total Supply: 21,000,000,000





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## TOKENOMICS



The 5% taxes are applicable to buy, sell, and wallet-to-wallet transfer transactions.

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# ROADMAP

### Q4 2021

- First version of website launched
- Interviews about Canna Sugar
- Executive Team Onboarded
- Proprietary Formulations
- 2022 Business Plan Approved
- Seed sourcing for 2022 cultivation

### Q2 2022

- Cultivation begins with sourced genetics for proprietary formulations
- Cultivation begins with partnered farms with proprietary strains
- Product line expands
- R&D Continues for proprietary formulations

### Q1 2022

- Land acquisition leasing agreements entered for 2022 cultivation
- Partnership cultivation agreements entered into for 2022
- Extraction partnerships entered into for scaling product
- Focus tests and research performed for expanded product line
- Canna Sugar brand push for consumer awareness
- Continue R&D for proprietary formulations

### Q3 2022

- Cultivation management occurs of internal farms
- Cultivation management occurs of partnership farms to ensure consistency

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## ROADMAP

### Q4 2022

- Canna Sugar harvests plant biomass from vertically integrated farm operations
- Partnership farm operations harvest plant biomass
- Drying and curing of plant biomass occurs with Canna Sugar oversight to ensure consistency
- Canna Sugar Processes and trims biomass for the highest utilization of Cannabinoids and Compounds for processing
- Processing of plant biomass for extraction
- Extraction of plant biomass into crude oil
- Manufacturing of plant biomass into distillate and other related
- R&D Continues for proprietary formulations

### Q2 2023

- Cultivation begins with sourced genetics for proprietary formulations
- Cultivation begins with partnered farms with proprietary strains
- Canna Sugar Branding 2.0 is launched
- R&D Continues for proprietary formulations

### Q4 2023

- Canna Sugar harvests plant biomass from vertically integrated farm operations
- Partnership farm operations harvest plant biomass
- Drying and curing of plant biomass occurs with Canna Sugar oversight to ensure consistency
- Canna Sugar Processes and trims biomass for the highest utilization of Cannabinoids and Compounds for processing
- Processing of plant biomass for extraction
- Extraction of plant biomass into crude oil
- Manufacturing of plant biomass into distillate and other related
- R&D Continues for proprietary formulations

### Q1 2023

- Land acquisition leasing agreements entered for 2023 cultivation
- Partnership cultivation agreements entered into for 2023
- Product line evaluation and repositioning
- New Focus tests and research performed for expanded product lines
- R&D Continues for proprietary formulations

### Q3 2023

- Cultivation management occurs of internal farm operations
- Cultivation management occurs of partnership farms to ensure consistency
- R&D Continues for proprietary formulations



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## TEAM

Canna Sugar looks to pride itself in hiring talented individuals with a complementary mix of professional experience and industry knowledge. Canna Sugar believes it will have an advantage in attracting these employees with its strong reputation as a leader in the sector.

Canna Sugar believes in investing in each of its employees and will devote the necessary resources to ensure all employees are given the proper tools and resources to grow in their respective fields. Canna Sugar also believes in cultivating a collaborative working environment wherein everyone is valued for their contribution to the team and rewarded for their accomplishments.

Canna Sugar has assembled an executive team with significant professional expertise in distribution, cultivation, sales, technology, finance, customer service, marketing, business development, acquisitions, capital markets, and market analysis. Canna Sugar's executive team includes executives with many years of experience in their respective fields.

### CEO/FOUNDER



#### DAVID SHEEHAN

David Sheehan started his career as an attorney in 2006, where he practiced law in Virginia and then North Carolina. Following a series of entrepreneurial activities, in 2013 he found himself ingrained in the CBD/THC world, where he scaled and consulted numerous large scale Greenhouse and Outdoor cultivation projects. As an industry veteran, he has spent a large part of his career dissecting federal and multi-state law while working as a developer. As he has worked through the channels of vertical integration, his businesses have continually been challenged by securely transacting business on an E-Commerce platform, leading his vision to integrate blockchain technology into the innovative and fast-growing CBD marketplace.



**CFO****EMERSON BROWN**

From the start of his high CBD/THC background, Emerson became the Founder and CFO of Brown Holding Group. Brown Holding scaled a 145,000 ft<sup>2</sup> high-tech cultivation greenhouse and distribution facility, holding over 11 licenses in Salinas California.

Emerson started his CBD/THC Career when he entered the California Recreational Market in 2017 acting as CFO for Brown Holding Group. During this time, he oversaw a large-scale commercial cultivation and distribution facility where he actively managed the sales and oversight of all financial transactions. Mr. Brown quickly became frustrated with the inability to transact commercial bulk sales of CBD and THC in a secured, efficient, modern manner, which exposed his business to potential threats. Since scaling and exiting this business, Mr. Brown has further emerged himself in blockchain technology and spent a great deal of his time researching and developing the implementation of blockchain into E-Commerce Platforms. Mr. Brown continues to be an active cryptocurrency trader, a practice of his, dating back to 2012.

## TEAM

### CHIEF OPERATIONS OFFICER



### CHIEF OPERATIONS OFFICER

#### ALYSSA WILKINSON

Alyssa began her detailed work in the CBD/THC over a decade ago in the state of Washington when she opened her first business, Zen Living, launching a vertically integrated medical model. During this venture, she spent the bulk of her time performing R&D across multiple strains and manufactured products, studying consumption rates and bodily reactions for different delivery devices. Unfortunately, during this time, Alyssa was forced to spend a great deal of her time dealing with the difficulties of conducting business without stable banking secure transactional data.

After departing Zen, she moved into the recreational market where she played an integral part in launching Artizen, an industry leader in CBD and THC cultivation and distribution within the State of Washing. To this day, Artizen still holds a significant market share of Washington State's medicinal and recreational wholesale market. In 2017 Alyssa relocated to the booming California Cannabis market where she led Brown Holding, a 150,000 square foot Greenhouse operation, holding 11 licenses as the Director of Development and Compliance. At Brown Holding, while being on the front lines of Development and Compliance, it became evident to Alyssa, that the current state of transacting secure business and sales, was a major impediment to the growth of her Brown Holding. Alyssa continues to reside in Monterey Bay California, where she leads a CBD/THC development company that currently assists some of the largest Multi-State Operators in the Country. Additionally, Alyssa is committed to the integration of blockchain technology into this sector.



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## TEAM

### CHIEF CULTIVATION OFFICER



#### MASSON KING

Mason King's knowledge of CBD and THC spans beyond that of cultivation. Mr. King cultivated operated large-scale sites in Washington, Oregon, California, and Arizona. During this time, Mr. King has applied traditional large-scale agricultural techniques to CBD/THC production to increase production while optimizing workflow efficiencies. Mr. King has worked on all life cycles of the CBD and THC: he is experienced in breeding, tissue culture, and propagation and all flowering techniques within Indoor, Greenhouse, and Outdoor Production. The Canna Sugar team has worked with Mr. King through the bulk of his career and looks forward to his involvement as we rapidly expand our product base through our unique and proprietary strain and product list.

### CHIEF TECHNOLOGY OFFICER



#### QUYET BONOABRA

Quyet is a senior software developer from Vietnam, with over 12 years of advanced software development experience. Quyet has a background in Electrical Engineering with a master's degree from the University of Notre Dame in the United States. Quyet specializes in blockchain technology, smart contracts, dapps, databases, desktop apps, and much more. Quyet has led complete teams of brand designers, UI designers, UX designers, front-end developers, backend developers, database developers, DevOps engineers, etc.



## REFERENCES

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<https://www.newhope.com/market-data-and-analysis/2017-supplement-business-report-new-not-so-normal>