



Financial Modeling

DISCLAIMER: Financial models are like fingerprints – each unique to the situation and business itself. For the sake of time, only general questions will be answered about financial modeling. Thank you for your understanding!



Why is having an accurate financial model is so crucial?

- Builds a dashboard for your company – Allocation and Strategies
- Checks the viability of your business model and plan
- EXIT STRATEGY: Measures value creation for stakeholders and potential investors AND your peace of mind!

Different audiences mean different questions and explanations of the model.

Business Owners	Investors	Regulators
<u>Stability:</u> How much capital will it take to open my business(es)?, How long until my business(es) become profitable?, What will my biggest expenses be?	<u>Profitability:</u> When will your business make a profit?, How will the funds be managed pre/post licensure?, When can I expect to see a return on my investment?	<u>Sustainability:</u> How long will you be able to maintain operations without profits?, Have you taken into account potential hiccups in the process and can you cover all OpEx/CapEx if those hiccups happen?

Crucial pieces of a cannabis financial model:
