

Las Vegas + Cannabis = Opportunity

HEALTHCARE | DRUG MANUFACTURERS - SPECIALTY & GENERIC | CANNABIS



JEFF NIELSON
STOCKHOUSE

Cannabis in Las Vegas? The city has an indigenous population in excess of 2 million and more than 45 million people visit this globally recognized party capital every year.

The state of Nevada is already one of 29 medicinal marijuana jurisdictions in the U.S. However, Nevada is planning to add recreational usage as of July 1, 2017. Las Vegas has a well-earned reputation for thumbing its nose at conventional values and has long been regarded as a rebel state in terms of permitting behavior which is banned in other jurisdictions.

People come to Las Vegas to let their hair down, as captured in the famous advertising slogan coined by former Mayor, Oscar Goodman: “what happens in Vegas stays in Vegas.” Of course with cannabis use (both medicinal and recreational) now rapidly moving into mainstream culture there is very little shock value remaining in bringing “adult use” cannabis to the Las Vegas market.

This simply means that Las Vegas’ 45 million visitors will have even less reservations about dabbling in cannabis use than they have towards some of the city’s ‘spicier’ recre-

ational activities. It doesn’t take a market genius to spot the economic opportunity here.

Now investors are looking for exposure to this new Las Vegas market as it moves to recreational cannabis use, and who is the go-to name going to be? How about the Company which was the first licensed cultivator in the Southern Nevada region? That Company is called (appropriately) **Friday Night Inc.** ([CSE: TGIF](#), [OTCQB: VPGDF](#), [Forum](#)).

Friday Night is the amalgamation of three corporate entities which have just been combined via the RTO process: Alternative Medicine Association LC, Infused Mfg LLC, and QuikFlo Health Inc. (TSX: V.DF) – the shell corporation.


Alternative Medicine Association and Infused Mfg are the jointly operated entities currently engaged in cannabis operations in the Las Vegas area. QuikFlo Health is the corporate shell which has enabled these private companies to go public. With the completion of the qualifying transaction, TGIF now holds a 91% interest in AMA and Infused Mfg.

However, there is also an important additional ingredient in this RTO: bringing in experienced Canadian management with extensive experience in running a large cannabis corporation. That experience comes primarily in the form of President and CEO Brayden Sutton.

Experienced cannabis investors will recognize that name. Sutton served as Executive Vice President for Supreme Pharmaceuticals Inc. (CSE: SL). While there, he played an important role in taking that cannabis company from its start-up with a \$30 million market cap all the way up to a market cap of over \$200 million (CAD).

But TGIF is not another Supreme Pharmaceuticals. In a meeting with Stockhouse Editorial, CEO Sutton pointed out a significant difference between the two cannabis companies. As a pure cultivator start-up, SL did not have any initial revenue base. TGIF begins with a pair of established enterprises.





CORPORATE LEADERSHIP AND DIRECTOR BIOS

BRAYDEN R. SUTTON *President, CEO & Director*
Mr. Brayden Sutton served as the Executive Vice President for Supreme Pharmaceuticals Inc. (S.L.C). Brayden's expertise within the legal cannabis sector has resulted in additional Executive positions, with both public and private companies, at the leading edge of the emerging cannabis industry.

MARK ZOBRIST BA/JD, *Director, FN Pharmaceuticals*
Mr. Mark Zobrist serves as Managing Partner for Alternative Medicine Association, a State licensed marijuana cultivator and producer.

JOHN GOSS, *President & Director, FN Pharmaceuticals*
Mr. John Goss has over 27 years of commercial construction and facility, project management expertise in the Nevada marketplace.

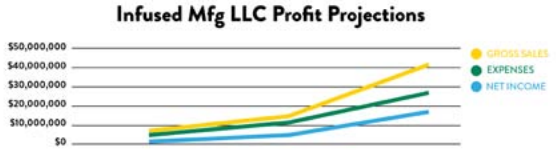
BRIAN KEANE BS, *Director*
Mr. Brian Keane has over 17 years of capital markets, Investing and C-level consulting experience.

MICHAEL HOPKINSON *Chief Financial Officer*
Mr. Michael Hopkinson is a US Certified Public Accountant (CPA)

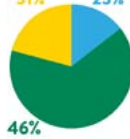


INFUSED MFG PROJECTIONS

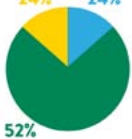
Infused Mfg LLC Profit Projections



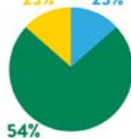
YEAR ONE GROSS SALES \$650,000




YEAR TWO GROSS SALES \$1,750,000



YEAR THREE GROSS SALES \$464.42M





Sutton's right hand in advancing TGIF's corporate strategy is Mark Zobrist. Zobrist is the Managing Partner for Alternative Medicine Association and has been the driving force behind AMA prior to the RTO.

A large cannabis market that is stuffed full of partying visitors on a daily basis. First-mover advantage as the original licensed cultivator and producer in Las Vegas. It's not hard to see why TGIF's management team is extremely enthusiastic about the high-growth opportunity in this high-growth sector.

What is Alternative Medicine Association?

AMA is a state-licensed cultivator that operates a 12,000 square foot facility in Las Vegas, with approximately 10,000 square feet focused on cultivation. It services 15 licensed dispensaries in Clark County (Las Vegas). AMA is perhaps best-known for its premium extracts and oils, along with the "Vegas J's" brand of pre-rolled cannabis - the Las Vegas Original.

In addition to Vegas J's, Alternative Medicine offers a full line of dried cannabis products as well as cannabis edibles and extracts. Sales were already on an upward trajectory when Nevada was a purely medicinal-use jurisdiction, with total revenues of \$1.1 million in 2016. Because of the nature of medicinal use, most of those revenues would have been derived from Las Vegas' 2+ million residents.

AMA PRODUCTION ITEMS:

420 CHEWS (80 MGTHC+ 20MGCBD) & MOONROCKS & VEGAS J'S





AMA SUBSIDIARY PROJECTIONS

ANNUAL PRODUCTION VOLUME

	YEAR ONE	YEAR TWO	YEAR THREE
FLOWERS (LBS)	1,300	8,300	14,300
OILS (GRAMS)	37,886	241,886	688,744

PROJECTION OVERVIEW

	YEAR ONE	YEAR TWO	YEAR THREE
GROSS SALES	\$2,870,400	\$20,302,285	\$44,421,600
Flowers	\$2,340,000	\$16,470,000	\$32,100,000
Oils	\$530,400	\$3,832,285	\$12,321,600
EXPENSES	\$1,980,576	\$14,699,137	\$33,666,241
Overhead	\$229,632	\$1,451,542	\$2,913,139
Cost of Good	\$1,578,720	\$9,439,857	\$22,590,794
Marketing	\$120,000	\$250,000	\$750,000
License, Tax, Fees	\$172,224	\$3,807,737	\$8,162,307
NET INCOME	\$889,824	\$5,603,148	\$10,755,358
PROFIT MARGIN	31.0 %	27.6 %	24.2 %



With legalization of recreational use coming on July 1st, this means the city's 45 million annual visitors will now be added to that potential customer base. Management's projection of future cannabis revenues is enough to put a smile on the face of any investor.

With recreational use commencing halfway into 2017, and with any new market taking time to ramp up, the Company is forecasting relatively modest revenue growth this year. However, in 2018, with "adult use" in Las Vegas in full swing, that revenue potential is expected to grow exponentially.

Not surprisingly, several other major cannabis companies have expressed an interest in moving into this lucrative market. But those cannabis companies who choose to do so will be competing against an established producer with a 2 1/2 year head start (versus most of these competitors).

There is a further important variable in the Las Vegas equation. The state legislature has already announced that **only those entities that already hold a medicinal license in Nevada will be eligible for a license for recreational cultivation and/or sales in that state.**

Further restricting access, the state is not presently awarding any additional licenses for medicinal cannabis. This means that the parameters of this market are currently well-defined.

In Clark County (Las Vegas), there are a total of 60 licensed dispensaries and 88 licensed growers (including AMA). These are the only corporate entities that are eligible to participate in the Las Vegas recreational market when it comes online on July 1st.

To put this into context, Washington State has a total of 1,500 cultivation licenses. Colorado has handed out 6,000 licenses, and that state has only a fraction of the tourist flow that comes to Las Vegas each year.

Two million residents and 45 million annual visitors: 88 licensed growers to service all those potential consumers - and AMA is one of those 88 entities. TGIF's cultivation operations alone would be reason enough for many investors to look to acquire a position. But this is only 1/2 of the Friday Night game plan.

The other half of this business equation is Infused Mfg. This entity reflects an entirely different branch of TGIF's operations.

AMA is a cannabis producer which offers some of the highest THC-content of any marijuana sold in the state (up to 30+%). Conversely, Infused Mfg currently develops, produces, sells and distributes hemp-based topicals, tinctures, and capsules. It currently has its own 5,000

square foot production facility, but with a state-of-the-art expansion scheduled to commence later this month.

The primary active cannabinoid ingredient in marijuana is THC, a psychoactive compound. It is THC which puts the "recreation" in recreational use. In contrast, the dominant active ingredient in hemp-based strains of cannabis is cannabidiol (CBD). CBD is non-psychoactive. However, as with THC, this cannabinoid offers tremendous medicinal and healthcare potential.

The main focus of Infused Mfg to date has been on a line of hemp-based body- and skin-care products. These products are derived from "age old family formulas" which also include adding "pain relieving CBD and THC cannabinoids from marijuana".

On the one hand, this line of healthcare products will not generate the same level of interest from Vegas' millions of annual visitors. On the other hand, the product line of Infused Mfg can be **shipped and marketed nationally (online).** Already, the Company has a broad menu of [products](#).

Management calculates that early penetration of the Infused Mfg line of products will be more gradual than the growth profile for AMA. This is because Infused Mfg won't have the same, immediate boost from the city's huge tourist base (and recreational market).

However, with national marketing access and a nearly limitless potential for new hemp and CBD-based health products, management also views the longer-term growth potential for Infused Mfg as being very robust.

TGIF isn't alone in its bullish projections for future sales of CBD-based



INFUSED MFG DEVELOPS, PRODUCES, SELLS AND DISTRIBUTES HEMP BASED TOPICALS, TINCTURES AND CAPSULES UNDER ITS CANNA HEMP AND CANNA BLENDS TRADEMARKS.

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FRIDAY NIGHT INC. SPECIALTY ALCOHOL PORTFOLIO

BELLISSIMA PROSECCO

THE BRAND
The brand is built upon Chiara Brocchi's identity and means "Most Beautiful" in Italian.

THE PRODUCT
Delicious organic Prosecco from Treviso Italy in three varieties, Brut DOC, Rose and Zero.

MARKET INFORMATION

- In the US, Prosecco sales are growing more than four times as fast as Champagne sales (Niskanen)
- The core Prosecco demographic is made up of young, educated women 25-45.
- Seventy-five percent of all women of drinking age purchased wine in 2019.

BIVI VODKA

THE BRAND
The brand is built upon Christ Palomares's identity, built on 100% pure Sicilian. BIVI means "Vodka" in Italian. If you like great vodka, drink great vodka. BIVI. Brewed by Sicily.

THE PRODUCT
BIVI Sicilian Vodka stands for something. It is a Vodka that gets its flavor from how it is produced where it is made. BIVI Vodka is crafted by Artisans. BIVI is Brewed by hundreds of years of tradition and respect.

MARKET INFORMATION

- The vodka market in the US is forecast to grow at a CAGR of 4.3% during the period 2016-2020 (Research and Markets)
- Over half (55 percent) of US alcohol drinkers agree that craft alcohol brands are of higher quality than big brands (Mintel)
- Three quarters (75 percent) of US Millennials agree craft alcohol brands are higher quality than big brands (Mintel)

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health products. In an [article](#) for Forbes, the publication Hemp Business Journal estimated that sales of such products could rise by as much as 700% between now and 2020, reaching \$2.1 billion in revenue. Delving deeper, the article suggests that \$450 million of that total could come from hemp-based sources alone.

Infused Mfg has helped to design custom extraction equipment for which it is the only license-holder in the State approved for use. In combination with AMA, the two management teams have a combined 50 years of experience as growers and extractors.

Friday Night has a robust cannabis cultivation operation in a state with

a recreational market with explosive growth potential and a tightly-controlled number of cultivation licenses. Friday Night has an established "infused topicals" division in a *different* market that is also projected to explode.

Want more? What else do party-hungry visitors like to do when they go to Vegas (other than gamble)? They like to drink.

To compliment TGIF's premium cannabis products and infused topicals, the Company also has a "specialty alcohol portfolio" of high-end products. Market research has indicated a strong preference among a majority of consumers for craft alcohol brands because of the wide

INFUSED MFG PROJECTIONS

PROJECTION OVERVIEW

	YEAR ONE	YEAR TWO	YEAR THREE
GROSS SALES	\$650,000	\$1,750,000	\$5,000,000
CBD Products	\$300,000	\$900,000	\$2,700,000
THC Products	\$200,000	\$425,000	\$1,150,000
HEMP Products	\$150,000	\$425,000	\$1,150,000
EXPENSES	\$670,000	\$1,300,000	\$3,100,000
Overhead	\$200,000	\$250,000	\$400,000
Cost of Good	\$300,000	\$800,000	\$1,950,000
Marketing	\$120,000	\$250,000	\$750,000
NET INCOME	\$30,000	\$450,000	\$1,900,000
PROFIT MARGIN	4.5%	25.7%	38.0%

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INTRODUCING FRIDAY NIGHT INC. SUBSIDIARY AMA (Alternative Medicine Association) FEATURE SHEET

OUR MARIJUANA FACILITY & GROWING TECHNOLOGY
Las Vegas, Nevada

- 12,000 sq. ft. facility designed for marijuana cultivation and production.
- 5,000 sq. ft. separate CBD infused product company provides medicinal and topical product mix with significant sales.
- Licensed by both the State and local jurisdictions.
- The first marijuana cultivator approved in Southern Nevada.
- Largest growing history of any AMME in Nevada.
- Custom extraction equipment we helped to design.
- Technology improvements for maximum recovery percentages.
- Only AMME in the State approved to use this equipment.

OUR PRODUCT HIGHLIGHTS.

- "Vegas JS" - Famous pre-rolls brand - the Las Vegas Original.
- Hash tag: "#LasVegasOriginal".
- High-demand strains with the highest THC percentages in the State (several over 30%).
- High-quality cannabis extracts for national licensing and distribution.
- The cannabidiol (CBD) market is estimated to grow by 700% by 2020. (Forbes)
- CBD market will grow to \$21 billion by 2020. (Hemp Business Journal)

OUR ADVANTAGEOUS MARKET POSITION

- Highly experienced and nationally regarded management team.
- 50 years experience as growers and extractors.
- Centered in Las Vegas, Nevada with 45 million visitors per year.
- Recreational marijuana use approved by the Nevada voters in 2016.
- Only current licenses, as we are able to apply for recreational licenses.
- Production facility sales of \$13 million in 2016. Projected \$5 million in sales in 2017, \$20 million in sales in 2018, and \$50 million in sales in 2019.

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perception that such brands offer higher quality.

TGIF's business plan is to facilitate the "party" experience for Las Vegas' 10's of millions of annual visitors. TGIF's business plan is also to provide a broad line of infused, topical, hemp-based and cannabinoid-based health products, to enhance both the health and appearance of consumers.

Cannabis in Las Vegas? For many investors, such a cannabis market is a no-brainer. However, the management of TGIF is leaving nothing to chance, backing up this exciting opportunity with a solid business strategy.

FULL DISCLOSURE: Friday Night Inc. is a paid client of Stockhouse Publishing Ltd.



AMA FLOWERS, BUDS, PACKAGING AND PRE-ROLLS

