

# CannaSystems Canada Inc.

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📍 Agriculture Toronto, ON, Canada

"From the farm to fork to factory - Industrial hemp supply-chain logistics.

Machines and technology transforming the cannabis sector. "



## Company Summary

We build farm equipment to transform fields of hemp stalk into fibre and core material streams for industrial manufacturing systems. We design, contract manufacture and sell systems for producing hemp materials used in textiles, composites, construction and manufacturing sectors. Emerging hemp sector requires specialized machinery: decorticators to process hemp stalk into valuable fibre and core cellulose. ...essential tech for the market.

## Company

**URL:** <https://cannasystems.ca>

**Founded:** December 2015

**Employees:** 3

## Entrepreneur

**Bruce Ryan**

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## Executive Summary

### Management

Bruce Ryan CEO - 30+ years experience in all aspects of the cannabis industry. Canadian Hemp Trade Alliance co-founder 2003. Ron Larson CFO - 30+ years of experience with PriceWaterhouse, ManuLife and X-Prize/ NASA launch-crew team.

## Round Overview

**Funding Stage:** series\_seed

**Capital Raised:** \$5k

**Capital Seeking:** \$500k

**Pre-Money Valuation:** \$4.5M

**Run Rate:** --

**Net Burn:** --

### Customer Problem

Industrial users need solutions to process stalk from the fields. Decortication (Latin for "to remove the bark from") separates stalk into fibre and core. Modern machines make this KEY task cost-effective, efficient & scalable to create two revenue streams - fibre & core; which are used in an array of consumer & industrial products. Our initial focus is on the base technology-hemp farm equipment, processing machinery & industrial applications.

## Team

**Bruce Ryan** CEO

**Ron Larson** CFO

### Product/Services

Existing bio-fibre manufacturing companies have industrial scale demand. We sell hemp stalk processing systems for production of industrial hemp bio-materials; proven, efficient machinery to process hemp stalk. Five decorticator designs are being developed for sale into the global marketplace. Sales of hemp stalk processing systems produce fibre and core cellulose materials for industrial customers.

## Social

<http://linkedin.com/in/brucewryan/>

### Target Market

Initial market is existing hemp farms. We have 800+ hard sales inquiries worldwide & standing PO's w/ existing hemp farmers. There are 1200+ hemp farms in Canada alone. Farms in Europe, the US and globally are ramping up production year over year. Secondary market: Industrial bio-materials sales prospects with existing manufacturing companies in Canada and the US. Initial target markets are well defined for fibre and core sales.

### Business Model

We design, contract manufacture and sell the equipment needed for production of industrial hemp bio-materials. We contract with existing industrial consumers of bio-materials. We exploit new technologies and patents to create new manufacturing and "green" processes within key markets. IP development

secures our position in the hemp sector. Early movers in this industry are creating companies that will disrupt current long standing industries.

## Customers

Demand for decortication technology from existing hemp farm operations is very strong in the Canadian, US and European markets. We target existing farm operations. Industrial segments include composite manufacturing, hempcrete, fuel pellets, bio-plastics and fibre uses. Immediate customer requirements range from 100 tons up to 40,000 tons per year.

## Sales/Marketing Strategy

Equipment sales: our strategy is to fill orders from existing farm machine sales prospects. Hemp materials: we will contract with existing large industrial consumers of bio-materials. CannaSystems website has acquired thousands of followers and prospects through in-bound marketing. This provides a long term sales channel. We are developing the growing industrial (hemp) supply chain with an integrated circular-economy business model.

## Competitors

Competing hammer mill technology cannot produce required raw materials; they produce very short fibres and turn the core hurd to dust. Currently the stalk (fibre) from hemp seed production is treated as waste. The wholesale value for hemp fibre in Canada is worth an estimated \$500M at the current production rate. Retail products increase this estimated value to >\$1B.

## Competitive Advantage

We are producing proprietary R-2 & E-9 Hemp Decorticator units for the global marketplace. IP from in-house development and acquiring IP from industry innovators completes our advantage. At least four other new designs are being engineered worldwide. Based on our industry experience and research, the R-2 design is scalable machinery for today's commercial hemp farm.

## CannaSystems Canada Inc. Annual Financials

	Year 1	Year 2	Year 3	Year 4
<b>Machines Shipped at Dealer Price</b>	14	90	210	300
<b>Revenue\$</b>	4,800,000	30,300,000	71,800,000	104,400,000
<b>Expenditure\$</b>	3,600,000	20,400,000	48,000,000	70,200,000
<b>Profit (Loss)\$</b>	<b>1,200,000</b>	<b>9,900,000</b>	<b>23,800,000</b>	<b>34,200,000</b>

Profit = EBITDA

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