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## **Ecogen Labs is the largest Vertically Integrated Manufacturer and Global Supplier of Hemp Derived Specialty Ingredients for Pharma, Food, Wellness, Beverage, Pet, Cosmetics and Tobacco Applications**



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**CEOCFO: Mr. Korybut, what is the vision behind Ecogen Labs?**

**Mr. Korybut:** Ecogen Labs is in the hemp/CBD space. However, we find that limiting, so we do not describe ourselves as a hemp or CBD company. We describe ourselves as the largest vertically integrated manufacturer and supplier of hemp derived specialty ingredients. The reason we do so is because while CBD is very important, we have seen how it has spread organically throughout the world into many different products and it is one of MANY cannabinoids.

Cannabinoids are only one of a number of other compounds and molecules that can be found in the hemp plant. Again, the largest vertically integrated manufacturer and suppliers of hemp derived specialty ingredients. Our vision has become the largest in the world, true vertical integration and has spread to various amazing specialty ingredients that come from the hemp plant throughout different products whether it is pharma, food, wellness, beverage, pet, cosmetics, tobacco, the applications are numerous.

**CEOCFO: Would you walk us through the seed to shelf and the steps along the way?**

**Mr. Korybut:** We consider ourselves the only or one of the very few true vertically integrated companies in this industry. The reason is because although we are very strong processors, and manufacturers, we figured out early-on that being vertical was necessary for quality, quantity, consistency, and supply chain, so we have developed an exceptionally robust genetics business, which is the first step where we developed low-THC, high-CBD, high other cannabinoid strains that have specific terpene profiles. Terpene's can bring value for example, and that is one of the compounds.

This industry hinges upon good genetics because without good genetics there is not good growing, and without good growing there is not the biomass, the main input that needs to be sourced to produce CBD and these other compounds. In genetics specifically, that comes down to see and more specifically to feminize the seed. We have established ourselves as one of the very tough and one of the largest developers, producers and suppliers of high-quality, high-CBD, low-THC, feminized seed for the industry. We have a very robust business selling those to third parties, and farmers, we use them for ourselves as well to ensure the highest quality and quantity.

**CEOCFO: Is it easy to recognize a superior seed and to understand the genetics? Is there somewhat of an art as well as a science in doing so?**

**Mr. Korybut:** If somebody put two batches of seed in the hands of my head geneticist for example, and one was true industrial fiber hemp with none of the pharmacological values, and on the other hand put the very finest CBD type of hemp genetics, my geneticist from looking at it could not be able to tell one from another, nobody can. That is a big issue and one of the issues that we have done so well.

When farmers are looking to source a supply of Feminized seed, they need to know who they are buying from because unfortunately there has been so much and in some cases just outright fraud, where farmers get sold seed that is not Feminized and that seed is high in THC, or its low in CBD and other cannabinoids. It has been a big problem and continues to be a big problem, which is why I believe farmers have flocked towards the most credible companies in the industry of which we are one.

**CEOCFO: *What is next step after seed selection?***

**Mr. Korybut:** The next step is the farming. As the largest hemp manufacturer in the United States we have about 400 acres of farm, and will be adding another 600 to get to 1000 acres for next year. Thereafter, we partner with select farming groups and supply them with our genetics, consulting, processes and our protocols. That is very important, not only the genetics but how it has grown, how it is harvested, how it is dried and stored. That may not sound important to people who are not in the industry, but the drying and storage are materially important. For example, if not done correctly, a hemp plant that had 10% of CBD naturally occurring in it can be damaged such that the biomass produced ultimately for processing would be half of that 10% or less. All of the various steps would be important to having a solid supply chain. Large-scale, high-quality, consistent biomass gives us the output material that we need to be able to produce the output material that we are looking for.

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**CEOCFO: *What is your proprietary extraction technology?***

**Mr. Korybut:** Ecogen built its business around various different parts of proprietary IP (Intellectual Protocol) and trade secrets, while our extraction technology is a very important piece it's the proprietary genetics, proprietary protocols and proprietary equipment that sets EcoGen Labs apart from the rest. We design and fabricate all of our own equipment from extraction all the way through to the final processes. The many processes include extraction, winterization, and multiple stages of distillation and crystallization.

We have proprietary equipment and processes from pesticide removal, because pesticides are always possible as they can drift over from the farm down the road. We created systems to eliminate them 100% of the time. Along with systems to guarantee THC removal, separation of individual cannabinoids, proprietary equipment and processes for the separation and production of terpenes that are able to produce the highest potency naturally produced hemp derived terpenes in the industry. They are the color of a glass of water, so we call them water clear terpenes.

The extraction is the first step and what we have developed we believe for every step of the way is about two years in advance of anything else that is commercially available on the market, not just in terms of scale but in terms of efficiency. It also gives us incredible speed to market at incredible scalability because we divide and actually fabricate from scratch.

**CEOCFO: *You have an incredible story!***

**Mr. Korybut:** We have never taken a penny of outside money. We grew this business to \$40 million in revenues this last year; those are some awesome earnings. That is excellent and it is an incredible story.

**CEOCFO: *After the extraction, what happens next?***

**Mr. Korybut:** After extraction we have the post extraction processes such as winterization which is the removal of fats and lipids, and then we go to distillation to what we call the volatiles, the chlorophyll. Essentially, every step is a further step in refinement and purification. There are any number of steps and the biggest stage in the middle is distillation and we have 8 different substations of distillation, under that distillation umbrella.

From there we go to crystallization and we do multiple stages of purification. Our CBD isolate for instance, we believe is the finest isolate available in the world, which is in the mid to very high 99%, consistently. From there, we supply a lot of the brands, the co-packing manufacturers; we also produce certain finished products as well and supply our customer base with those finished products, whether they be tincture, softgel caps, gummy bears, etc.

**CEO CFO: *How do the various components of your business break down?***

**Mr. Korybut:** The backbone of our business is our manufacturing and processing, then strongly supporting that is the genetics and growth. We do not intend to compete with our customers; we intend to be supportive of them. The core of our business is the supply of these bulk specialty hemp derived ingredients. Over the last year we have seen high demand for the finished products so we have been moving more of our business towards that and we see that as the highest growth sector.

We just launched our first brand called CannaMeds which we are very excited about however it is not the main focus of our business. Our main focus is B2B specialty ingredients. As we grow our business we are also growing the offering of other ingredients, not just CBD but other isolated cannabinoids such as CBG, CBC, CBN, as well as terpenes and other molecules and compounds within the plant. That is the core of our business with the white label finished product manufacturing, increasing in importance every day.

**CEO CFO: *When customers come to you do you know what they want?***

**Mr. Korybut:** I started in this business over five years ago and I was one of the first. Back then, most conversations were a lack of education. The industry has come a long way since then and we find our customers are much more educated about the different types of products and how they can be used. Where I do find it becomes more interactive is when we get away from the most basic staple product which is the CBD isolate. Some explanation on broad spectrum THC-free CBD generally takes place first, so great variances are extremely material. "Water soluble" is becoming important and as most people know CBD is not water soluble. However, it can be made like water soluble through nanoencapsulation, but even then there are so many variables about how it is done. We even have conversations with beverage manufacturers who need water soluble, on what they are trying to achieve. We have the ability to produce specific types of molecules with a certain nanometer size, certain parameters for different indications. There can be some good back and forth. I will say that most people have a good handle understanding of what most of the products can do.

**CEO CFO: *What do you see on the horizon for Ecogen Labs?***

**Mr. Korybut:** In terms of products, I am seeing and we believe this will continue for all the right reasons, a move towards broad-spectrum products. Until the end of last year, the largest most in-demand product was CBD isolate, which is really 99 plus percent pure CBD only. It is a great product, however, I am seeing the market moving towards broad-spectrum because now the technology exists and is in place to produce it, meaning taking a full-spectrum oil which will be naturally high in THC, and removing the THC while leaving intact the other cannabinoids, molecules and compounds that the consumer wants. That was not possible until recently and it still is very difficult to scale. We are seeing that trend and it is a great trend.

What we are also seeing and doing ourselves is individual cannabinoids being able to be isolated such as CBC, CBN, and CBG. We recently "discovered" a cannabinoid that we had never heard of and we are still playing around with it but without getting to deep into it, it looks like it has some amazing properties for topical and cosmetics in what it can do. We see the trend towards isolated cannabinoids. We have been promoting terpenes for some time now and I think we were ahead of the market. I believe and hope that next year will be the year when the customers in the market begin to understand the benefits of terpenes and begin to appreciate and incorporate them into their products. It is not there yet but I am seeing the dam about to break and it will be an interesting thing to watch. That is the way I would answer that question in terms of products but the way I would answer it in terms of the industry is we all hear every day from our friends that everybody is selling CBD products and to some extent that is correct. I think what people do not realize is it is still just a very small percentage of the population.

Originally this industry started with the cannabis producers beginning to incorporate CBD into their products. From there we had the advent of the CBD dedicated brands and they are still here and some are doing very well, and we see many more spring up. More recently we have seen co-packers coming in to offer finished product and now we have finally started seeing the big brands beginning to incorporate CBD and other hemp derived CBD ingredients into their products, whether it is in the wellness sector, cosmetics sector, or tobacco sector. I think we will know we have reached a great point when someone walks into a department store and goes to the cosmetics department and buys an eye serum and on the front of the label it doesn't even say CBD, it is not even mentioned. The small print on the back where it lists the ingredients, there will be CBD, CBG, hemp extract, etcetera. I believe that this will be so pervasive into many different products such as food, beverages, wellness, pharma, pets, and tobacco. The growth has been exciting and a lot of people are talking about it. We are at the beginning of what this business will become and I believe it will get there more quickly than people can imagine.