

Board paper: capital approval request, with independent review

Independent project, CapEx and OpEx due diligence of a licensed medical cannabis facility expansion: a two-tier indoor block and a hybrid greenhouse.

MODELLED ILLUSTRATION, NOT A CLIENT ENGAGEMENT.

Addressee: the Board of Directors. Reliance by any other party only by a signed reliance letter.

DATA COMPLETENESS: B. No tier-by-tier yield history: the existing rooms are single-layer; yield sensitivities widened

INDEPENDENT REVIEWER'S VERDICT BOX (INDEPENDENT REVIEW)

Board paper: capital approval request, with independent review. Modelled.

Recommendation: *defer pending evidence*

Not approved as submitted (O3).

Management asks 26 800 000 EUR for a two-tier indoor block and a greenhouse. As filed: first GMP-released harvest month 36, not 16; conditioned, 2 600 000 EUR below the 12% hurdle. Bring back before award:

- Indoor bid tested against a second bid or should-cost.
 - Tier yields from a rack trial; an indoor price floor signed.
 - Licence path pre-consulted; no planting before the grant.
- Written grid offer; transformer, switchgear and generator slots held.
 - Delay damages tied to rooms ready for planting.
 - Greenhouse only on signed 5-year offtake at 1.75 EUR per gram or more.

EVIDENCE DUE IN	FIRST RELEASED HARVEST	ONE WEEK LATE COSTS
24 weeks, rack trial last	Month 36 as filed; 30 conditioned	118 000 EUR, indoor wing

Funding need 53 000 000 EUR at P90 over both tranches, not 26 800 000 EUR: 31 000 000 EUR now for Facility A and the shared works, 22 000 000 EUR at the greenhouse gate. NPV lost if unconditioned: 15 400 000 to 21 200 000 EUR, the NPV at the 9% WACC lost by approving as submitted, from the P50 without greenhouse offtake to the P90 with it.

The case converts to "approve with conditions" at a signed indoor price floor of 3.09 EUR per gram, or rack-trial tier yields of 560 g per m2, or a conditioned P50 cost of 27 700 000 EUR, each with a written grid offer dating energisation by month 15 (section 10). Deferral delays the permit-bound indoor construction start in 81% of runs, by 3.1 weeks at P50; the P50 first release stays at month 30.

Modelled illustration, not a client engagement. Contract findings are commercial risk findings, for confirmation by your counsel. Evidence index: 168 documents, 24 assumptions.

Prepared for the Board of Directors of a licensed medical cannabis producer (the producer). Part A is management's paper, prepared by the COO as project sponsor, with the CFO. Part B is the independent review, prepared by APTA Advisory. Date of paper: 2026-09-29.

How to read this paper. Each section is tagged "Management" or "Independent review". Amounts are in EUR, nominal and pre-tax; the 12% hurdle and the 9% WACC are pre-tax nominal rates. Months count from approval; a release at 30.1 months counts as month 31. P50 is the median of 10 000 paired model runs. P90 of a cost or a date is not exceeded in 90% of runs; P90 of an NPV, IRR or DSCR is exceeded in 90% of runs. Every figure about the producer and its expansion is modelled; public reference figures carry a source label and year.

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PART A. MANAGEMENT

Prepared by the COO as project sponsor, with the CFO. Addressee: the Board of Directors.

1. COVER SHEET (MANAGEMENT, WITH THE INDEPENDENT REVIEWER'S VERDICT BOX)

Modelled illustration, not a client engagement. The verdict box is tagged Independent review.

Item	Entry
Decision requested	Approve capital expenditure to expand both production systems at the existing licensed site, and authorise contract award to Contractor A (Facility A, design-build) and to Builder C (Facility B, greenhouse)
Amount	26 800 000 EUR: Facility A 13 500 000 EUR; Facility B 10 100 000 EUR; shared works 3 200 000 EUR, contingency included
Options	O0 do nothing; O0D defer 12 months; O1 indoor only; O2 greenhouse only; O3 both facilities now; O4 both facilities, conditioned and phased (added at the independent reviewer's request)
Management's recommendation	O3: build both facilities now
Management's case	first GMP-released harvest in month 16 (indoor) and month 18 (greenhouse); NPV at the board's 12% hurdle 53 000 000 EUR (a return on management's inputs, not a funding figure); IRR 43.6%
Date	2026-09-29
Author and sponsor	the COO, with the CFO
Addressee	the Board of Directors
Independent reviewer	APTA Advisory (Part B)

Addressee: the Board of Directors. Reliance by any other party only by a signed reliance letter.

The independent reviewer's verdict box is on page 1.

2. RESOLUTION FOR THE MINUTES (MANAGEMENT)

Management's proposed wording, as submitted:

"RESOLVED that the board (a) approves capital expenditure of 26 800 000 EUR for Facility A, a two-tier indoor block with a GMP post-harvest extension, for Facility B, a hybrid greenhouse, and for the shared works; (b) authorises the COO to award the design-build contract for Facility A to Contractor A and the greenhouse contract for Facility B to Builder C, on the terms offered; (c) authorises the CFO to accept the bank's term loan for 60% of the capital cost, repayable from month 24 over 8 years; and (d) notes a first GMP-released harvest in month 16 for Facility A and in month 18 for Facility B."

The independent reviewer's recommended wording is in section 10.

3. INVESTMENT OVERVIEW (MANAGEMENT)

The producer. A licensed medical cannabis producer with an EU-GMP certificate for its existing post-harvest area (drying onwards); its single-layer indoor rooms and greenhouse, on one owned site, work to GACP Rev. 1 (good agricultural and collection practice). It sells EU-GMP dried flower, in bulk and as finished product, to importers. The board comprises the founding family, one investor director and one independent director; the producer has a bank facility.

The proposal. Facility A, a new indoor two-tier (multilayer) block with a GMP post-harvest extension; Facility B, a new hybrid greenhouse adjoining the existing one. Shared works: a grid connection upgrade, site works, design and owner's costs, and commissioning and qualification.

Item	Facility A, indoor two-tier block	Facility B, hybrid greenhouse
Area	3 600 m2 gross, single storey, 7.5 m clear height	10 000 m2 of tempered diffuse glass
Flowering	8 rooms of 150 m2 with mobile two-tier racking; 70% of floor per tier: 1 680 m2 of canopy, every tier licensed canopy	6 cleanable, insect-screened compartments of 1 400 m2; rolling benches on 75%: 6 300 m2 of canopy
Post-harvest	GMP extension of 650 m2 with drying, QC laboratory and vault	processed in Facility A's extension
Climate and light	one air handler per room with dehumidification; LED per tier at about 900 µmol/m2/s	semi-closed, with mechanical dehumidification and heat recovery, odour filtration, blackout screens and supplemental LED
Output at maturity, management	1 680 m2 x 570 g x 5.2 harvests: about 4 980 kg a year	6 300 m2 x 310 g x 4.3 harvests: about 8 400 kg a year

Contractors and financing. Facility A: Contractor A, turnkey design-build, one offer of 13 500 000 EUR. Facility B: Builder C, selected from three offers, 10 100 000 EUR. Financing: a term loan for 60% of the capital cost at 6.5%, interest capitalised until the first payment, repayment from month 24 over 8 years; 40% equity; DSCR covenant 1.30x.

Uses	EUR	Sources	EUR (derived)
Facility A	13 500 000	Term loan, 60%	16 080 000
Facility B	10 100 000	Equity, 40%	10 720 000
Shared works, including contingency of 800 000 EUR	3 200 000		
Total capital request	26 800 000	Total	26 800 000

Pre-operating costs (120 000 and 100 000 EUR a month for 3 months) are funded from operations.

4. STRATEGIC NEED AND OPTIONS

(MANAGEMENT)

Need. Offtakers 1 and 2 have signed supply agreements for 60% of the planned indoor output for 3 years at a floor of 2.20 EUR per gram. The existing rooms cannot supply that volume. Doing nothing leaves the agreements unmet and the fixed overheads carried by the current volume.

Why two systems at one site. Indoor rooms produce the higher-priced product under a fully controlled climate; the greenhouse produces volume at a lower cost per gram. One site shares the grid connection, the GMP post-harvest area, the quality team and the licence.

Why a hybrid greenhouse. A passive light-deprivation greenhouse costs less, but its blackout screens cut the crop off from the roof vents when humidity and Botrytis risk peak, and venting works against odour filtration. EU guidance applies indoor-style controls and records to greenhouses where applicable (EMA GACP Rev. 1, 2025).

Option	Scope	Management's position
O0 Do nothing	the existing site runs as today; the benchmark for every option (incremental NPV zero)	rejected: supply agreements unmet
O0D Defer 12 months	the same scope from month 12; CapEx escalated 3%; one more year of price decline	rejected: the market moves on
O1 Indoor only	Facility A and the shared works sized for it	rejected: forgoes greenhouse volume
O2 Greenhouse only	Facility B with its own post-harvest extension and shared works sized for it	rejected: forgoes the higher-priced product
O3 Both facilities now	Facility A, Facility B and the shared works, awarded in month 1	recommended
O4 Both, conditioned and phased	Facility A and the shared works under conditions, awarded at the evidence return; Facility B gated to month 12	added by the independent reviewer; appraised in Part B

5. MARKET, OFFTAKE AND PRICE (MANAGEMENT)

Supply agreements. Offtakers 1 and 2: 60% of the planned indoor output for 3 years at a floor of 2.20 EUR per gram. Management also holds letters of intent for greenhouse volume; none is binding and no greenhouse offtake is signed at the date of this paper.

Management's price assumption. 2.60 EUR per gram indoor and 1.40 EUR per gram greenhouse, ex-works, flat, all output sold, inside importer-level ranges of 1.75 to 3.75 and 0.75 to 1.75 EUR per gram (trade press, 2025 to 2026).

6. BUSINESS CASE (MANAGEMENT)

Management's values for the inputs that move the case most. All 24 logged assumptions, with the reviewed values, ranges and sources, are in data annex D1.

#	Assumption	Management's value
A02	Indoor yield per m2 of canopy per harvest, dried flower at release	570 g, both tiers
A03, A08	Harvests per year	indoor 5.2; greenhouse 4.3
A04	Ramp to mature output	year 1 80%, then 100%
A05, A09	Energy	indoor 1 300 kWh per kg; greenhouse 320 kWh of electricity and 450 kWh of heat per kg
A06, A10	Non-energy cash OpEx per gram	indoor 0.62 EUR; greenhouse 0.42 EUR
A08	Greenhouse yield	310 g per m2 of canopy per harvest
A11, A12	Prices, ex-works, flat	indoor 2.60 EUR per gram; greenhouse 1.40 EUR per gram
A13, A24	Sell-through and offtake	100%, all output sold
A18	CapEx	26 800 000 EUR, point estimate
A19	Schedule	deterministic: first GMP-released harvest in month 16 and month 18
A20	Operational loss events	none
A21	Hurdle	12%

Derived: indoor 2.96 kg per m2 of canopy a year, greenhouse 1.33 kg; OpEx per gram at nameplate 0.828 EUR indoor and 0.491 EUR greenhouse.

7. FINANCIAL APPRAISAL AND EFFECT ON THE GROUP (MANAGEMENT)

Management's case for O3, incremental to O0, on management's inputs: no working capital, no loss events, costs per gram on management's own output, pre-operating costs for 3 months before release, payments as offered.

Measure	Management's case
NPV at the 9% WACC	66 700 000 EUR
NPV at the board's 12% hurdle	53 000 000 EUR
IRR	43.6%
Simple payback	month 41
Discounted payback at WACC	month 46

Annual cash flows, management's case (EUR, nominal, by year from approval; rounded to 100 000 EUR)

Year	Revenue	Operating costs	Pre-operating	CapEx	Net cash flow	Cumulative
1	0	0	0	26 100 000	-26 100 000	-26 100 000
2	11 600 000	4 600 000	700 000	700 000	5 500 000	-20 500 000
3	22 700 000	8 400 000	0	0	14 200 000	-6 300 000
4	24 700 000	8 800 000	0	0	15 900 000	9 600 000
5	24 700 000	9 000 000	0	0	15 700 000	25 300 000
12	24 700 000	10 400 000	0	0	20 700 000, with residual value of 6 400 000	136 100 000

Effect on the group. On management's case the expansion adds EBITDA of about 6 300 000 EUR in year 2, 14 200 000 EUR in year 3 and 15 900 000 EUR in year 4. The term loan adds 16 080 000 EUR of debt at approval (60% of the request; derived), against which the owners fund 10 720 000 EUR. Depreciation, tax and headroom under the existing facility follow with the annual budget and the bank's consent (section 8).

Management's conclusion: the expansion returns well above the board's hurdle, pays back within four years and uses a financing structure the bank has offered.

8. PROGRAMME, PEOPLE AND APPROVALS (MANAGEMENT)

Milestone	Facility A (indoor)	Facility B (greenhouse)
Board approval and contract award	months 0 and 1	months 0 and 1
Construction	months 1 to 11	months 2 to 12
Planting	at mechanical completion, month 11	at mechanical completion, month 12
First harvest	month 15	not stated
First GMP-released harvest	month 16	month 18

The schedule assumes the grid is applied for after award and energised by completion, the licence amendment arrives in parallel with construction, commissioning and qualification sit inside construction, and no validation batches or inspection precede release.

People. The qualified person and quality team extend to both facilities; the new QC laboratory tests about 13 400 kg a year at management's yields; staff are hired 3 months before each release.

Approvals needed. The licence amendment; the change to the manufacturing authorisation and the GMP certificate; building and planning consents; the grid offer; the bank's credit approval and consent under the existing facility; shareholders where the articles require it.

9. BUDGET, PROCUREMENT AND MANAGEMENT'S KEY RISKS (MANAGEMENT)

Budget. Facility A 13 500 000 EUR, Facility B 10 100 000 EUR and shared works 3 200 000 EUR, by line in data annex D4.

Contingency. 800 000 EUR, about 3% of the base cost, presented with a point estimate as a firm budget.

Procurement route. Facility A: turnkey design-build by Contractor A, one offer of 13 500 000 EUR on a performance specification; Contractor A offers vendor-arranged equipment finance alongside the build. Facility B: three offers, from Builder B (9 400 000 EUR), Builder C (10 100 000 EUR) and Builder D (11 300 000 EUR); management selected Builder C on price, references and programme.

Terms offered. Contractor A: 30% on signature, 60% monthly on progress, 10% at practical completion. Builder C: 30% on order, 50% on delivery of structure and equipment, 20% on completion. Delay damages of 0.25% of the contract price a week, capped at 2.5%, tied to practical completion. Contract findings are commercial risk findings, for confirmation by your counsel.

Management's key risks and mitigations

Risk (management's view)	Mitigation (management's view)
Market price falls	supply agreements for 60% of indoor output at a floor of 2.20 EUR per gram
Construction delay	turnkey contractor; delay damages in the contract
Licence timing	amendment applied for in parallel with construction
Energy price	LED lighting, heat recovery and energy screens

PART B. INDEPENDENT REVIEW

Prepared by APTA Advisory, independent reviewer. Addressee: the Board of Directors. Format: independent review, pre-investment, before contract award. Scope: project due diligence (schedule, critical path, readiness, contractor capability, long-lead items, grid connection, commissioning, qualification and GMP readiness, licence amendment) and CapEx and OpEx due diligence (estimate class, bid normalisation, should-cost, OpEx per gram and the baseline of comparison), ending in an implementation strategy and a KPI dashboard.

Management's response to the review (modelled): management accepts that O3 is not approved as submitted, adopts O4 as the basis of its return, and will bring back the six items by week 24. It holds its 570 g per m² tier yield until the rack trial is weighed.

10. VERDICT, TRIGGER AND RECOMMENDED RESOLUTION (INDEPENDENT REVIEW)

Verdict: defer pending evidence, on option O4. **Trigger:** "critical evidence missing; the decision cannot be supported yet." Conditioned and phased, and awarded at the evidence return, the case misses the 12% hurdle at P50 (NPV -2 645 000 EUR; 68% of runs below zero; P90 -10 300 000 EUR; IRR 10.2% at P50; NPV at the 9% WACC 2 200 000 EUR at P50). The inputs that decide it, the indoor price and the tier yield, can be evidenced before award but cannot be closed by a condition.

Not approved as submitted. Reviewed, O3 has an NPV at the hurdle of -19 000 000 EUR at P50 (P90 -26 900 000 EUR; IRR 1.6%).

The seven tests

Test	RAG	Finding	Closed by
Commercially sound	■ Amber	turnkey price 6.4% above should-cost after normalisation; 4 050 000 EUR paid on signature before site work; delay damages capped at 337 500 EUR, tied to practical completion; 735 000 EUR of exclusions unpriced	C1, C5
Competitively sourced	■ Amber	one indoor design-build offer; three greenhouse offers on three scopes; the selected greenhouse offer is not the lowest after normalisation	C1
Technically fit	■ Amber	HVACD sized for one tier at lights-on, no in-rack airflow or CFD; greenhouse dehumidification sized for daytime venting, not blackout hours; post-harvest sized for the average harvest; no seasonal qualification plan	C1, C3, C5
Contractually protected	■ Amber	no climate, dehumidification or blackout guarantees; delay damages not tied to rooms ready for planting; no security or parent guarantee; vendor finance bundled with the build	C5
Financially credible	■ Red; conditioned, Red until evidenced	as filed: planting at completion (release month 16; reviewed month 36); unevidenced yields; flat prices in a falling market; 3% contingency on a Class 4 to 5 estimate; no P90 funding; repayment before release; NPV at the hurdle -19 000 000 EUR. Conditioned: -2 645 000 EUR; price and tier yield decide it, neither closable by a condition	the evidence return (C2)
Compliant	■ Amber	licence amendment not pre-consulted, filed at completion; planting before the grant; GMP from harvest and GACP Rev. 1 not in the URS; odour and external plant consents open	C3, C4
Resilient	■ Amber	one air handler per room, no N+1 dehumidification, no backup power (now priced at 260 000 EUR, ordered at approval under C4); one grid feed; one post-harvest line	C1, C4

Why this verdict and not another

- Not approve with conditions today: a condition closes an Amber; "Financially credible" is Red until the price and yield are evidenced. Awarded at month 3 with every condition in place, O4 would still sit at -2 600 000 EUR at P50.
- Not renegotiate or re-tender: terms and the market test are closable before award (C1, C5), and the thresholds below have not fired.
- Not decline: the deciding evidence can be obtained within 24 weeks, and one conversion threshold, the tier yield, lies inside the model's own evidence range.

The return, stated plainly

- Conditioned: IRR 10.2% at P50 and 4.8% at P90.
- Under the defensible modelling choices the review lenses named (energy fixed share, the energy range, the energy base, the electricity price band), the conditioned P50 at the hurdle lies between -3 800 000 EUR and -2 300 000 EUR.
- The indoor base of 2.50 EUR per gram is the top of the 2025 GMP flower range of 2.00 to 2.50 EUR per gram (trade press, 2025). At the middle of that range, 2.25 EUR per gram, the O4 P50 is -5 800 000 EUR. At the peer-reviewed light-yield line, 300 g per m2, it is -14 900 000 EUR. With a year-1 ramp of 45% it is -4 800 000 EUR.
- These O4 figures assume the greenhouse offtake is signed at the gate price of 1.75 EUR per gram on 70% of output for five years. If it is not, the P50 at the hurdle is -3 100 000 EUR (indoor only, conditioned, with grid and design sunk). At the gate price the greenhouse adds 12 000 EUR at the median of the paired differences: an option exercised at gate B, not value banked today.

What converts the verdict to "approve with conditions"

C1 to C5 closed and any one of the following, each the level at which the conditioned case clears the 12% hurdle at P50 with the other inputs at base (Monte Carlo median of the paired runs, rounded to the safe side):

Evidence	Threshold	Today	Reachable inside the model's own evidence range
Signed indoor price floor on the contracted 60% of indoor output for three years	at least 3.09 EUR per gram	2.20 EUR per gram	no: above the top of the price range (2.75)
Rack-trial tier yields, average per harvest	at least 560 g per m2 (upper tier 590, lower 530)	reviewed 510; management 570	yes
Normalised bids bringing the conditioned P50 cost down	27 700 000 EUR or below	31 000 000 EUR (a fall of 10.5%)	no: below the low end of the cost range

Each alone needs the written grid offer to date energisation by month 15; no firm grid month alone clears the hurdle (at a firm month 11 the O4 median is -2 700 000 EUR). Together, a price floor of 2.50 EUR per gram needs tier yields of 545 g per m2.

What would make it "decline" or change it otherwise

- Decline both if, by week 24 (the return), neither the price floor, the tier yield nor the cost evidence reaches its threshold.
- Decline Facility B (the greenhouse) if no offtake for at least 70% of its output for five years at or above 1.75 EUR per gram is signed by month 12.
- Renegotiate if Contractor A's normalised price leaves the conditioned P50 cost above 27 700 000 EUR (about 31 900 000 EUR at today's offer, derived), or if it refuses delay damages tied to its part of the ready-for-planting milestone.
- Re-tender if exclusions exceed 10% of Contractor A's price (today 5.4%) or no credible second bidder exists. With the review's design-basis changes the gap is 14.8%; the two are kept apart because design changes are the owner's requirements, not the bidder's omissions.
- Defer again if the written grid offer dates energisation after month 15, or if the minuted inspection approach rules out an inspection at OQ.

Deferral and construction time. Deferral costs little construction time, not none. Award at week 24 (the planned return) delays the permit-bound indoor construction start in 81% of runs, by 3.1 weeks at P50 and 6.9 weeks at P90. Against an award at month 3, the median NPV at the hurdle is 54 000 EUR lower and the P50 first release is month 30 in both cases. The rack trial sets the return after the permit-bound start in most runs; only a return by week 16 would cost almost no construction time, and the trial cannot be weighed that early. Design, permits, the grid application, the slots, the generator order and the trial go ahead during the deferral.

Recommended resolution for the minutes

"The board (a) does not approve the proposal as submitted (O3); (b) defers award and directs management to return by week 24 with the six items of section 18: C1 to C5 closed and evidence of a signed indoor price floor of at least 3.09 EUR per gram on the contracted 60% of indoor output for three years (today 2.20); or rack-trial tier yields averaging at least 560 g per m2 per harvest (upper tier 590, lower 530; reviewed 510, management 570); or normalised bids that bring the

conditioned P50 cost to 27 700 000 EUR or below (today 31 000 000 EUR, a fall of 10.5%), and a written grid offer dating energisation by month 15; (c) authorises now, at risk, design to design freeze, the permit and grid applications, the transformer and switchgear production slots, the generator order and the rack trial; (d) on that evidence, confirmed in writing by the independent reviewer, may approve with conditions Facility A and the shared works up to 19 000 000 EUR at P50 with a board-held reserve to 22 800 000 EUR (the Class 4 lower bound until Facility A reaches Class 3), released by the board only, within a tranche 1 funding plan of 31 000 000 EUR, and authorises the CFO to negotiate the term loan on the recommended profile, not as offered; (e) approves Facility B in principle, its funds (22 000 000 EUR) released only at gate B under C6."

Contract findings are commercial risk findings, for confirmation by your counsel.

11. REVIEWED FINANCIAL APPRAISAL (INDEPENDENT REVIEW)

Method. One monthly cash-flow engine for every option over 144 months, incremental to O0. Deterministic figures use P50 inputs and dates; Monte Carlo figures come from 10 000 paired runs (seed 20260929) that sample schedule and economics together, with each plan's discrete risk events (data annex D2). NPVs are rounded to 100 000 EUR, except the O4 P50 at the hurdle (1 000 EUR step).

Options appraised (NPV at the 12% hurdle, incremental to O0; the full table with WACC and payback is in data annex D3)

Option	CapEx P50 (EUR)	Deterministic	P50 of runs	P90 of runs	Runs below zero	IRR, deterministic
O0 Do nothing	0	0	0	0	benchmark	n/a
O0D Defer 12 months	33 700 000	-15 400 000	-19 800 000	-26 500 000	100%	2.4%
O1 Indoor only, as submitted	18 700 000	-4 700 000	-8 100 000	-13 000 000	99%	7.7%
O1C Indoor only, conditioned	17 400 000	800 000	-2 700 000	-7 800 000	74%	12.9%
O2 Greenhouse only	16 400 000	-11 100 000	-13 300 000	-17 600 000	100%	-1.0%
O3 Both now, management inputs	26 800 000 (point)	53 000 000	n/a	n/a	n/a	43.6%
O3 Both now, reviewed	32 800 000	-13 800 000	-19 000 000	-26 900 000	over 99%	4.7%
O4 Both, conditioned and phased	31 000 000	2 900 000	-2 645 000	-10 300 000	68%	13.9%

Reading. A 12-month deferral (O0D) sells the same scope into one more year of price decline. The greenhouse alone (O2) never reaches the WACC. O4 is O1C plus a gated option on the greenhouse. The deterministic O4 sits above its Monte Carlo P50 because the ranges are skewed to the downside and discrete events occur in some runs.

Management-to-reviewed bridge (NPV at the 12% hurdle, O3)

Step	NPV at the hurdle (EUR)	Change (EUR)
Management case	53 000 000	
Schedule: network P50 dates, months 35 and 36, not 16 and 18	35 900 000	-17 100 000
Yield per harvest: 510 and 280 g per m2, not 570 and 310	29 900 000	-6 000 000
Harvests: 5.0 and 4.0 a year, not 5.2 and 4.3	27 100 000	-2 800 000
Ramp: 55% then 85%, not 80% then 100%	22 300 000	-4 800 000
Price: falling path from 2.50 and 1.25 EUR per gram with floors, not 2.60 and 1.40 flat	8 400 000	-13 800 000
OpEx: energy, tariffs, non-energy costs and escalation	1 600 000	-6 800 000
CapEx: reviewed P50 by line, not 26 800 000 EUR	-3 200 000	-4 800 000
Sustaining CapEx: 1.5% of facility CapEx a year	-5 000 000	-1 800 000
Pre-operating costs: each month of slip adds a month	-11 100 000	-6 100 000

Step	NPV at the hurdle (EUR)	Change (EUR)
Other: loss events and working capital	-13 800 000	-2 800 000
Skewed ranges and discrete events (Monte Carlo P50)	-19 000 000	-5 200 000

The two largest steps are schedule and price. Management's case releases the first batch before the regulatory sequence can complete, and it sells at a flat price into a market where one exporter's average price into the main import market fell 26% in 11 months, in its own currency (trade press citing customs data, 2026).

P50 and P90, as submitted against conditioned and phased

Measure	O3 as submitted, reviewed	O4 conditioned and phased
NPV at the 12% hurdle, P50 / P90	-19 000 000 / -26 900 000 EUR	-2 645 000 / -10 300 000 EUR
NPV at the 9% WACC, P50 / P90	-15 600 000 / -25 000 000 EUR	2 200 000 / -6 800 000 EUR
IRR, P50 / P90	1.6% / -3.9%	10.2% / 4.8%
Total cost, P50 / P90	32 800 000 / 36 700 000 EUR	31 000 000 / 34 600 000 EUR
First GMP-released harvest, indoor, P50 / P90	month 36 / month 41	month 30 / month 34
First GMP-released harvest, greenhouse, P50 / P90	month 37 / month 43	month 38 / month 42 (gated)
Runs with a funding stall	49%	1%
Runs in which the supply agreements lapse or reprice	51%	4%

What moves O4. On the tornado (data annex D3) the greenhouse price, the hurdle rate and harvests per year lead (swings 8 100 000, 6 700 000 and 5 900 000 EUR). Price is a market variable no condition closes; signed floors manage it (A24, C2, C6).

Switching values on O4 (data annex D3): a first-year indoor price of 2.70 EUR per gram, CapEx 10.42% lower, a first release 3.30 months earlier or yields 4.82% higher each bring the median to zero; the greenhouse gate price of 1.75 EUR per gram is where the greenhouse stops subtracting value. At the supply-agreement floor of 2.20 EUR per gram as the first-year indoor price, the O4 median is -6 300 000 EUR.

The standard stresses are in data annex D3: a 20% fall in yield or a 25% fall in price each takes O4 below the hurdle by more than 8 000 000 EUR, and the peer-reviewed yield line takes it to -10 500 000 EUR (deterministic).

Price. The reviewed indoor path starts at 2.50 EUR per gram and falls 5% a year for two years, in calendar time, so a later release sells into a lower price; 60% of indoor output keeps its floor of 2.20 EUR per gram for 3 years (data annex D2). Management benchmarks ex-works prices against importer-level ranges, but an ex-works price sits at or below the importer level: freight, the importer's margin and testing come off.

Yield. Yield is the case's largest unevidenced input: the existing rooms are single-layer. The reviewed 510 g rests on commercial racked-room evidence (a consultant view and a trade survey of growers, racked or not; data annex D1), not on the peer-reviewed light-yield line, which implies about 300 g per m², oven-dry, for one research cultivar (Rodriguez-Morrison et al., 2021). The rack trial measures it before award.

12. PROGRAMME READINESS (INDEPENDENT REVIEW)

Finding. Management's plan plants at mechanical completion. In a licensed facility the first GMP-released harvest follows a regulatory sequence that starts at design (pre-consultation, DQ) but can only finish after construction: energisation, commissioning, IQ and OQ, the licence amendment, a crop grown after the grant, drying, validation batches and release. As filed, the indoor wing releases in month 36 at P50, not month 16.

First GMP-released harvest, months from approval

Facility and case	Management	Network only, P50 / P90	With discrete events, P50 / P90 (the basis of the economics and the cover)
Facility A (indoor), as submitted	16	35 / 37	36 / 41

Facility and case	Management	Network only, P50 / P90	With discrete events, P50 / P90 (the basis of the economics and the cover)
Facility B (greenhouse), as submitted	18	36 / 39	37 / 43
Facility A (indoor), as conditioned	16	29 / 31	30 / 34
Facility B (greenhouse), conditioned and gated (O4)	18	36 / 38	38 / 42
Facility B (greenhouse), conditioned, built now	18	28 / 30	n/a

The discrete events are the plan's own risks, including a failed validation batch (20% of runs per facility, one more crop cycle) and, conditioned, an inspection the regulator will not combine with the grant (30% of runs); data annex D2 lists them. The gated greenhouse opens later by the board's choice, not by slippage.

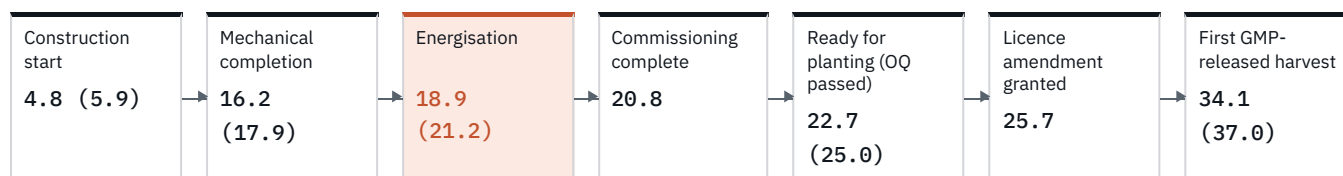
Critical path. As submitted, energisation is critical in 91% of indoor runs and 99% of greenhouse runs, and the building permit drives the construction start. As conditioned, energisation is critical in 8% of indoor runs, and the award at the return drives the start in 81% of runs (data annex D5).

As submitted, the grid application waits for award and no production slot is held: energisation lands at month 18.9 at P50 (P90 21.2), after mechanical completion. As conditioned, the application is filed at approval and the slots are held: energisation at month 14.4 at P50 (P90 16.3). A schedule built from most likely durations is late at the median by construction: for the indoor wing as submitted the most likely path is 29.75 months and the network P50 34.1 (data annex D5).

EXHIBIT 1

Milestones at P50 (P90), months from approval, network only

FACILITY A AS SUBMITTED



FACILITY A AS CONDITIONED



Facility A (indoor). Commissioning starts after the later of mechanical completion and energisation. Source: data annex D5.

Reported late openings. Seven regulated sites we traced ran about 7 to 15 months behind their announced date, each measured at the milestone it reported (completion, first harvest or GMP certificate; trade press, filings; derived); sites that never opened, and sites that opened on time, are not counted, so this is a set of reported cases, not a base rate.

Management's month 16 plus that range gives months 23 to 31. The as-filed P50, month 36 with the plan's own risks, is 5 months later than the latest reported case. As conditioned, month 30 is in the upper half of the range; that rests on the producer's certified quality system and an extension, and is tested by the conditions, not by the cases (data annex D6).

Two regulatory tracks (the full table with sources is in data annex D8)

Track	Steps	As submitted	As conditioned
Cultivation licence amendment: new rooms, vault security, GACP Rev. 1 controls and records	pre-submission meeting; dossier; inspection where required; grant	filed at OQ end, not pre-consulted; planting before the grant	inspection approach minuted and slot requested; dossier at OQ; combined inspection where the regulator agrees; no planting before the grant

Track	Steps	As submitted	As conditioned
GMP extension of the post-harvest area (drying onwards)	DQ, IQ, OQ (EU GMP Annex 15, 2015); PQ under crop load run with the validation batches; change to the manufacturing authorisation; certificate re-issued by scope (EU guideline on GMP certificates, 2024); release	none planned before release	planned from design; a separate inspection in 30% of runs; release under EU GMP Annex 16 (qualified person, finished product) or Part II (quality unit, bulk active substance)

Grow-room climate verification is GACP good practice and an importer expectation, not an Annex 15 requirement. Growing in unlicensed rooms has led to licence suspension (trade press, 2019). The national route is for confirmation by your qualified person and counsel. Drying the first indoor validation batches in the existing certified post-harvest area under change control, if capacity allows, lifts the O4 P50 at the hurdle to -1 900 000 EUR.

Seasonal qualification of the greenhouse. First-season qualification closed before release; a second-season verification under the protocol, agreed in advance with the regulator where it applies. A second-season PQ before release would add about 6 months to the greenhouse P50 (stated, not simulated).

Grid and long-lead items. Switchgear takes 44 to 72 weeks and a backup generator about 60 weeks (contractor and vendor index, another market, 2026). As submitted, equipment is ordered at the grid offer after award: energisation at month 18.9 at P50. As conditioned, slots are held and the generator ordered at approval: energisation at month 14.4 and the generator ready at month 14.8, before OQ (data annex D5).

The value of one week late. 118 000 EUR a week for the indoor wing as conditioned, cash basis (84 000 EUR at WACC); 100 000 EUR for the gated greenhouse (data annex D8). The recommended delay damages cover 61% of the indoor weekly loss, those offered 29%; the rest stays with the owner, so the schedule items (C3, C4) matter more than the damages. Contract findings are commercial risk findings, for confirmation by your counsel.

13. ESTIMATE CLASS, CONTINGENCY AND BIDS (INDEPENDENT REVIEW)

Estimate maturity: Class 4 to 5, not yet fit for budget authorisation. Management presents a point estimate with 3% contingency as a firm budget, a Class 2 or 3 estimate in form. By definition it supports Class 4 for Facility A (design about 10% to 15% complete, one offer) and the shared works (no grid offer, no C&Q scope), and nearer Class 5 for Facility B (concept design, offers on different scopes). C1 lifts Facility A to Class 3 by the return; C6 lifts Facility B before its gate.

Scope	Class	Reviewed P50 (EUR)	High band (EUR)
Facility A (indoor)	Class 4	16 300 000	19 500 000 to 24 400 000
Facility B (greenhouse)	Class 5	12 000 000	15 500 000 to 23 900 000
Shared works	Class 4	4 000 000	4 800 000 to 6 000 000
Total, reviewed	Class 4 to 5	32 800 000	39 300 000 to 49 100 000
Facility B at gate B (C6 target)	Class 3	11 700 000	12 900 000 to 15 200 000

AACE ranges are the expected spread of actual cost around an estimate with contingency at P50; about 80% of projects fall inside them (AACE 18R-97). The Monte Carlo P90 is only 12.1% above its P50, narrower than the Class 4 high side, because the modelled CapEx range is fixed at -8% to +28% per block. The P50 to P90 reserve (3 700 000 EUR as conditioned) is therefore a lower bound; until Facility A reaches Class 3 the reserve is set at the Class 4 lower bound, 6 200 000 EUR, to 22 800 000 EUR for Facility A and the shared works.

Contingency. As submitted, 800 000 EUR, 3.1% of the base. Reviewed, set at P50 by quantitative risk analysis, not a flat percentage: 2 451 000 EUR (8.1% of the base) and a P50 to P90 reserve of 3 976 000 EUR; as conditioned, 1 651 000 EUR and 3 683 000 EUR.

Budget by block (EUR; lines, reasons and sources in data annex D4)

Block	As submitted	Review adjustment	Reviewed P50	As conditioned P50
Facility A, lines	13 500 000	1 760 000	15 260 000	14 349 000
Facility B, lines	10 100 000	1 150 000	11 250 000	11 240 000

Block	As submitted	Review adjustment	Reviewed P50	As conditioned P50
Shared works, with contingency	3 200 000	3 051 000	6 251 000	5 376 000
Total	26 800 000	5 961 000	32 761 000 (P90 36 737 000)	30 965 000 (P90 34 647 000)

The largest adjustments are HVACD (900 000 EUR), greenhouse odour filtration and compartments (750 000 EUR) and commissioning, qualification and validation (740 000 EUR). As conditioned, Contractor A comes to should-cost (C1).

Bid normalisation, Facility A. Contractor A offers 13 500 000 EUR; exclusions a complete offer must carry add 735 000 EUR (5.4%) and the review's design-basis changes 1 260 000 EUR (9.3%), for a normalised 15 495 000 EUR, 6.4% above the should-cost of 14 569 700 EUR (data annex D4).

Bid normalisation, Facility B. Normalised, Builder B is lowest at 11 165 000 EUR (rated 3 Elevated, thin accounts), Builder C 11 365 000 EUR (+200 000, rated 2 Moderate) and Builder D 11 415 000 EUR (+250 000, complete, 2 months longer, worth 864 000 EUR at the weekly value); the table is in data annex D4. Builder C is not the lowest after normalisation. The greenhouse re-bid at gate B runs on one normalised scope. Contract findings are commercial risk findings, for confirmation by your counsel.

14. TECHNICAL FIT AS ONE SYSTEM (INDEPENDENT REVIEW)

Finding. Each system is sized on its own and fails at an interface: the two-tier climate, the greenhouse in blackout hours, post-harvest capacity and power. The reviewed design basis is priced in O3 and O4 alike; it makes the base case achievable.

Two-tier climate (Facility A). Latent load in grow rooms is often at or above sensible load, and a second tier doubles the transpiring canopy in the same room air. The submitted HVACD is sized for one tier's latent load at lights-on; the dehumidification peak comes at lights-off, when lighting heat falls, the cooling coil stops removing moisture and both tiers keep transpiring (Resource Innovation Institute, 2022). One hour of power loss with a humidity spike can kill a room (operator interview, trade press, 2021); the reviewed case carries one room-cycle of 40 lost a year. Reviewed design basis: latent capacity for both tiers at the lights-off peak, N+1 dehumidification, in-rack airflow, CFD at design, and a 630 kVA backup generator and transfer switch for HVACD, dehumidification, post-harvest climate and controls, priced at 260 000 EUR (modelled), ordered at approval under C4 and tested at OQ.

The greenhouse in blackout hours (Facility B). Botrytis destroys inflorescences rapidly above 70% RH at 17 to 24 °C (Mahmoud et al., 2023), and air circulation around the flowers cut its incidence by 66% to 92% in a greenhouse study (Buir et al., 2025; incidence, not crop loss). Drawn at the start of the dark period, blackout screens cut the crop off from the roof vents when humidity peaks, above all in warm, humid months; the submitted dehumidification is sized for daytime venting. Short-day crops can respond to 1 foot-candle (about 11 lux) or less (university extension guides, 2007 to 2025), so the guarantees name light at canopy below 1 lux in the dark period (a night light-leak test), RH at canopy in blackout hours at or below 70% and air movement around the inflorescences. The 1-lux margin is the review's engineering setting, for confirmation by the head of cultivation and the qualified person.

Post-harvest capacity. At least one inspectorate treats controlled drying as a critical GMP step, so product for that market needs GMP from harvest (regulator guidance reported by trade press, 2026). One post-harvest line serves both facilities, and the submitted design sizes drying and curing for the average, not the peak, harvest. Reviewed: drying and curing sized for the peak harvest of both facilities (300 000 EUR).

Grid, fire protection and lighting. One grid feed carries 2.5 MVA of new demand, a single point of failure. Sprinklers under wide racks and around mobile carriages are excluded from Contractor A's offer. The contract names photon output and efficacy at the tested LM-79 values, because a lighting listing does not verify warranty terms (DesignLights Consortium, 2025). The indoor LED reaches Q90 in about 8.2 years; its replacement sits inside the sustaining CapEx.

Energy per gram. Management's 1 300 kWh per kg at its own yield is about 6 470 000 kWh a year, the same use as the review's 1 500 kWh per kg at the reviewed yield (about 6 430 000 kWh; derived): the difference per kg is yield, not energy use. A bottom-up of the reviewed design gives 1 230 to 1 972 kWh per kg, central 1 486 (data annex D8); the reviewed 1 500 assumes fixtures near 3.0 μmol/J, a C1 scope item. Sub-metering replaces these values (section 19).

Contract findings are commercial risk findings, for confirmation by your counsel.

15. CONTRACTOR DUE DILIGENCE (INDEPENDENT REVIEW)

Scale (fixed): 1 Low, standard terms; 2 Moderate, targeted clauses and monitoring; 3 Elevated, guarantees, parent support and milestone payments; 4 High, award only with strong protections and a fallback supplier; 5 Critical, do not award.

Party	Rating	Basis	Action
Contractor A (indoor design-build)	3 Elevated	no delivered EU-GMP multi-tier reference; no parent guarantee offered; vendor-arranged equipment finance bundled with the build (vendor-financed turnkey multi-tier deals have ended in default and litigation: company filings, 2023 to 2024)	advance guarantee, 10% performance security, parent guarantee, step-in, finance separated or declined
Builder B (greenhouse)	3 Elevated	thin accounts; lowest normalised price	guarantees, parent support, milestone payments; not selected without them
Builder C (greenhouse, selected)	2 Moderate	cannabis greenhouse references; no odour scope in its offer	odour scope and blackout-hour dehumidification added
Builder D (greenhouse)	2 Moderate	complete offer; programme 2 months longer	targeted clauses and monitoring

Basis: accounts, credit reports, references, insurance, offers and drawings. The offtakers are tested through the price and offtake items (C2, R16). As offered, 7 080 000 EUR is paid before work or delivery with no security. Contract findings are commercial risk findings, for confirmation by your counsel.

16. CONTRACT RISK AND PROTECTIONS (INDEPENDENT REVIEW)

Contract findings are commercial risk findings, for confirmation by your counsel.

Protection	As offered	Recommended
Delay damages	0.25% of the price a week, cap 2.5% (337 500 EUR), tied to practical completion; 29% of the weekly loss	0.5% a week (about 72 000 EUR for Contractor A), cap 10% (1 435 000 EUR), tied to the contractor's part of the ready-for-planting milestone; 61% of the weekly loss; contract time at the contractor's P80
Performance guarantees	light output only	tier climate at both tiers; dehumidification at the lights-off peak; photon output and efficacy; greenhouse RH, air movement and light below 1 lux in blackout hours
Performance damages	none	capped at 5% (717 000 EUR); fix at the contractor's cost; right to reject below 90% of the dehumidification capacity in the guarantee
Payment and retention	30% on signature or order; 7 080 000 EUR unsecured	10% advance against a guarantee, recovered pro rata; interim payments against certified work net of 5% retention; 10% at the ready-for-planting milestone
Security and finance	none; vendor finance bundled	10% performance security, parent guarantee, step-in; equipment finance separated or declined

The full heat map, with retention, commissioning, defects, price basis and slots, is in data annex D8.

Why the damages attach where they do. They attach to the contractor's part of the event that sets the first harvest: rooms complete, commissioned and through the IQ and OQ protocols approved at design freeze, with the tier climate test passed under simulated full load. Permanent power by the owner's stated grid date, energisation and the regulator's steps stay with the owner; a late grid or a late owner approval extends the date day for day; an owner review period applies to protocols and reports, deemed accepted if missed. At 0.5% a week the damages sit below the indoor weekly loss of 118 000 EUR, so they compensate and do not punish. Contract time at the contractor's P80 (15.5 months from start) sits about 5 weeks after the board's P50 (14.4 months), so about 5 weeks of the dashboard date carry no damages. Under O4 delay damages are payable in 28% of runs, 201 000 EUR at P90: risk transfer, never a cash inflow.

17. RISK REGISTER RANKED IN EUR (INDEPENDENT REVIEW)

Scales. Severity by the mean EUR impact in the runs where the risk costs more than 100 000 EUR (1 below 250 000 EUR; 2 up to 1 000 000 EUR; 3 up to 2 500 000 EUR; 4 up to 5 000 000 EUR; 5 above); R3 on its enterprise impact. Probability by the share of runs in which it costs more than 100 000 EUR (1 below 10%; 2 up to 30%; 3 up to 50%; 4 up to 80%; 5 above). Score 15 or more goes to the board. EUR at the 9% WACC.

Rank	Row and risk	Severity x probability = score	EUR, P50	EUR, P90	Mean impact when material	Owner; closed by
1	R7 Greenhouse built ahead of contracted demand into a falling price	5 x 5 = 25, to the board	7 600 000	10 000 000	7 700 000	CEO; C6
2	R1 First GMP-released harvest later than the case	4 x 5 = 20, to the board	5 000 000	6 100 000	4 500 000	COO with the qualified person; C3
3	R2 Energisation later than mechanical completion: no written offer, no slot	4 x 5 = 20, to the board	2 900 000	4 600 000	3 000 000	COO; C4
4	R4 Tier yield overstated (value at risk in O4)	4 x 4 = 16, to the board	300 000	4 300 000	2 600 000	head of cultivation; C2 measures it
5	R3 Planting before the licence amendment: stock on hold, licence suspended	5 x 3 = 15, to the board	0	2 500 000	2 200 000; the existing licence's revenue also at stake	qualified person and CEO; C3 (standing)
6	R9 Turnkey price above the normalised market; exclusions found after award	3 x 5 = 15, to the board	1 800 000	2 000 000	1 800 000	head of procurement; C1
7	R5 Two-tier climate and power loss (value at risk in O4)	2 x 3 = 6	3 000	1 200 000	800 000	COO; C5, C1
8	R6 Greenhouse humidity and Botrytis in blackout hours (value at risk in O4)	2 x 3 = 6	8 000	1 100 000	700 000	head of cultivation; C5, C6
9	R11 Post-harvest not GMP-ready or too small for the peak harvest	2 x 2 = 4	0	900 000	800 000	qualified person; C3, C1
10	R12 Odour and neighbour enforcement at the greenhouse	2 x 2 = 4	0	700 000	800 000	COO; C4
11	R16 Supply agreements lapse or reprice on late first supply	2 x 3 = 6	0	700 000	500 000	CEO; C2
12	R8 CapEx above budget; funding gap before revenue	2 x 3 = 6	0	500 000	400 000	CFO; C2, C1
13	R10 Contractor failure; vendor-financed default; deposit at risk	2 x 5 = 10	400 000	400 000	600 000	CFO; C1, C5
n/a	R13 Price below the base path	5 x 3 = 15, to the board	stress: price -25% moves NPV at WACC by -14 100 000			CEO and CFO; not closable by a condition; signed floors
n/a	R14 Demand-channel regulation in the main market	4 x 2 = 8	stress: -40% of volume for 12 months, -4 000 000			CEO; not closable

Rank	Row and risk	Severity x probability = score	EUR, P50	EUR, P90	Mean impact when material	Owner; closed by
n/a	R15 Energy price shock	2 x 2 = 4	stress: electricity +50% for 12 months, -500 000			CFO; hedging policy

Seven rows score 15 or more and go to the board: R7, R1, R2, R4, R3, R9 and R13. R3 is severity 5 because a licence suspension stops the existing operation as well; its EUR columns count the expansion NPV only.

How to read the EUR columns. For R1 to R3, R7 to R12 and R16 the figure is the NPV at WACC that O4 loses when that one condition is removed. Together: 17 900 000 EUR at P50 and 21 200 000 EUR at P90 with the greenhouse offtake signed, 15 400 000 EUR at P50 without it: the cover range. For R4 to R6 the figure is the value at risk in O4, which the condition measures or transfers but does not remove.

Contract findings are commercial risk findings, for confirmation by your counsel.

18. ITEMS TO BRING BACK AND CONDITIONS (INDEPENDENT REVIEW)

Six items to bring back before award (evidence due at week 21.6 at P50 and 23.7 at P90, the rack trial last in 80% of runs; then the rebuilt case and the independent reviewer's written confirmation; return and award at week 24)

#	Item	Owner	Due, P50 (P90), weeks
1	Indoor bid tested against a second bid or should-cost; Facility A at Class 3 (C1)	head of procurement with the COO	8.3 (9.8); Class 3 by the return
2	Tier yields from a rack trial; an indoor price floor signed, with the offtakers' written confirmation of the supply date; funding committed (C2)	head of cultivation (trial); CEO (offtakers); CFO (funding)	trial 19.3 (20.8); floor 12.0 (14.2); funding 10.3 (11.8)
3	Licence path pre-consulted; no planting before the grant (C3)	qualified person with the COO	10.5 (12.4), then standing
4	Written grid offer; transformer, switchgear and generator slots held (C4)	COO	15.4 (21.2); slots and generator at approval
5	Delay damages tied to rooms ready for planting, with the rest of the contract terms (C5)	head of procurement with counsel	11.6 (13.3), after C1
6	Greenhouse only on signed 5-year offtake at 1.75 EUR per gram or more (C6)	CEO	offtake status at the return; signed by gate B, month 12

Without the trial, the award conditions (C1, C2, C3, C5) close in 12.1 weeks at P50 and 13.4 weeks at P90, and C1 to C5 in 15.4 and 21.2 weeks. The grid offer arrives after the indoor construction start in 1% of runs, which is why C4 gates the electrical and MV works package, not construction.

Conditions that then attach to award and fund release (full wording in data annex D8)

#	Condition	Precedes
C1	Second bid or open-book should-cost on one normalised scope; Facility A at Class 3 or a fixed price with capped surcharges; contractor checks	contract award
C2	Case rebuilt on the trial yields and the reviewed price path; signed indoor price floor on the contracted 60%; offtakers confirm that supply by month 34 keeps volume, floor and term; tranche 1 of 31 000 000 EUR committed, tranche 2 of 22 000 000 EUR at gate B; repayment from months 46 and 54, a 6-month reserve, the loan at most 58% of P50 CapEx	contract award and first drawdown
C3	Regulator's inspection approach minuted, slot requested; dossier filed at OQ; GMP from harvest and the microbial-control strategy in the URS; validation and C&Q plans approved by the qualified person; no planting in any new room before the grant (standing)	contract award
C4	Written 2.5 MVA offer: energisation target month 16, no later than month 17 (by month 15 for the conversion); slots and generator at approval; external plant consented by month 5	funds for the electrical and MV works
C5	The contract terms of section 16	contract award

#	Condition	Precedes
C6	Greenhouse funds only on signed offtake for 70% of output for five years at 1.75 EUR per gram or more; design at Class 3; indoor amendment granted or dated; KPI dashboard monthly to the board	greenhouse funds, gate B (month 12)

The 30, 60 and 90 day plan is in data annex D8.

Contract findings are commercial risk findings, for confirmation by your counsel.

19. IMPLEMENTATION STRATEGY AND KPI DASHBOARD (INDEPENDENT REVIEW)

Wave	Window	Content
1	weeks 0 to 24	the evidence; design to DQ; permits and consents; grid slots and the generator ordered
2	months 6 to 17	award at the return; long-lead orders after award; construction; gates G4 (award) and G5 (mechanical completion)
3	months 17 to 30	commissioning to the owner's project requirements; IQ and OQ with the generator's transfer test; combined inspection and grant; PQ run with the validation batches under crop load; first GMP-released harvest (G6, G7)
4	months 30 to 50	ramp; OpEx baseline and M and V; verified savings ledger; greenhouse from gate B (month 12), first release by month 38 (P50)

Project KPIs (monthly to the board until each facility's first GMP-released harvest, then quarterly; the operations KPIs are in data annex D3)

KPI	Target	Owner	Green	Amber	Red
CapEx forecast at completion	at or below the P50 of 31 000 000 EUR	CFO	at or below P50	up to P90 (34 600 000 EUR)	above P90
Contingency left against open risk exposure	1.0 or more	CFO	1.0 or more	0.7 to 1.0	below 0.7
First GMP-released harvest	indoor month 30, greenhouse month 38 (P50); P90 months 34 and 42	COO	at or before P50	between P50 and P90	after P90
Float on the critical path	4 weeks or more	COO	4 or more	1 to 4	0 or less
Long-lead status, generator included	slots and generator at approval	head of procurement	all on plan	one item up to 4 weeks late	later, or no slot
Grid energisation	by month 16	COO	by month 16	by month 17	after month 17
Regulatory milestones and C&Q progress	on plan; 95% of plan	qualified person	on plan	up to 4 weeks late; 85% to 95%	later; below 85%
Validation batches passed	3 of 3 first time	qualified person	3 of 3	one repeat	two or more failures
Conditions and items closed by their due dates	all on time	CEO	all on time	one up to 2 weeks late	more than 2 weeks late

Measurement and verification. IPMVP with a full-season baseline (data annex D8). Expected verified OpEx per gram sold in the second operating year, nominal: indoor 1.19 EUR, greenhouse 0.79 EUR.

Savings quantified, kept apart (never summed without the split)

Type	Amount	Basis
CapEx avoided at P50	1 797 000 EUR	against the reviewed as-submitted P50 (32 800 000 EUR), not against the request; normalisation under C1 1 324 000 EUR of it (data annex D8)

Type	Amount	Basis
OpEx levers identified, not credited	each 100 kWh per kg less indoors 68 500 EUR a year; each 0.01 EUR per kWh on the site contract 93 900 EUR a year; each indoor room-cycle avoided 101 000 EUR of OpEx a year	identified until finance signs them
OpEx protected in the model	0 EUR a year credited	the design basis is priced in O3 and O4 alike and the loss rates are the same in both
Weeks protected, first GMP-released harvest, indoor	27 weeks at P50, 30 weeks at P90	as conditioned against as submitted, with the plan's discrete events (network only: 26 and 30 weeks)

20. LENDER VIEW (INDEPENDENT REVIEW)

Finding as offered. Repayment starts in month 24, before the first GMP-released harvest in every run: CFADS is not positive in the first repayment year in 100% of runs. The sponsor would fund, O3 at P50, 17 100 000 EUR of pre-operating costs, operating deficit and uncovered debt service (21 800 000 EUR at P90); O4 as offered, 7 800 000 EUR (11 300 000 EUR at P90).

Recommended structure (C2): repayment from months 46 and 54, 12 months after the P90 first release; a 6-month reserve; pre-operating costs funded; the greenhouse tranche repaid within its offtake term; the loan at 58% of P50 CapEx, so the minimum DSCR is at least 1.30x at P50 and 1.00x in 90% of runs.

As recommended, the minimum DSCR is 1.76x at P50 and 1.01x at P90; the table by repayment year is in data annex D8. As recommended, the reserve of 2 300 000 EUR is drawn in 75% of runs and exhausted in 2%. Deterministic at P50 inputs and dates the recommended minimum DSCR is 2.06x; at P90 dates and cost with P50 operations, 2.00x (not a downside operating case).

The covenant and the bank's questions. A 1.30x covenant is still breached in 21% of runs. The lender sets the answer: a loan sized for a P90 minimum DSCR of 1.30x would be 44% of P50 CapEx, or a 1.30x lock-up sits beside a lower default test. Before first drawdown the board also answers the bank on the security package and the recovery value of a licensed special-purpose site (cannabis greenhouses have sold for about 6% to 33% of what was spent: trade press, 2020 to 2023); a completion and cost-override undertaking; the owners' capacity to fund 17 758 000 EUR of equity and committed facilities now and 13 802 000 EUR at gate B; and the effect on the existing facility and its covenants.

Funding requirement, sources and uses (O4 as recommended; P90 dates and P90 cost; EUR, rounded to 1 000 EUR)

Uses and sources	Tranche 1: Facility A and shared works, now	Tranche 2: Facility B, at gate B
CapEx at P90	21 506 000	13 513 000
Pre-operating costs, with pre-release energy	1 780 000	1 424 000
12 months of fixed OpEx beyond the P90 first release	3 068 000	2 897 000
Working capital	1 414 000	1 588 000
Capitalised interest	2 162 000	1 351 000
Debt service reserve	1 063 000	1 266 000
Total uses	30 993 000	22 039 000
Term loan principal	11 073 000	6 886 000
Capitalised interest added to the loan	2 162 000	1 351 000
Equity and committed facilities	17 758 000	13 802 000
Total sources	30 993 000	22 039 000

Both tranches: 53 032 000 EUR (balanced); debt 21 473 000 EUR; equity and committed facilities 31 559 000 EUR. This, not 26 800 000 EUR, is what C2 asks the board to commit; tranche 2 only at gate B.

Contract findings are commercial risk findings, for confirmation by your counsel.

21. INDEPENDENCE STATEMENT AND LIMITATIONS (INDEPENDENT REVIEW)

Independence. Conflict check completed 2026-07-06: no relationship with Contractor A, Builders B, C and D, or Offtakers 1 and 2. No supplier, contractor or platform pays APTA Advisory in connection with this review or its outcome. APTA Advisory takes no commission, referral fee, success fee, rebate, reseller or agency income from any supplier, and sells no equipment. This review is on a fixed fee, never contingent on the finding. A second reviewer, not on the engagement, challenged the findings and the evidence. Management checked the paper for facts, not conclusions.

Nature of this review. Independent review and due diligence, not an audit opinion; not legal, tax, regulatory or investment advice. Regulatory opinions sit with your qualified person and counsel. We certify nothing: APTA Advisory reviews commissioning and qualification plans and does not perform them, and gives no opinion on GMP status. Contract findings are commercial risk findings, for confirmation by your counsel.

Reliance. Addressee: the Board of Directors. Reliance by any other party only by a signed reliance letter.

Limitations

1. Modelled illustration, not a client engagement. The producer, Contractor A, Builders B, C and D and Offtakers 1 and 2 are modelled; no client, contractor or offtaker is represented. Every figure about the producer and its expansion is modelled; public reference figures are sourced (data annex D7).
2. Data completeness is rated B. The one named gap: no tier-by-tier yield history, because the existing rooms are single-layer; yield sensitivities are widened and the rack trial measures it.
3. The public patterns of data annex D6 inform ranges and probabilities; none is a prediction for this case, and none is named.
4. The probabilities of the discrete risk events (planting before the grant, a funding stall, contractor default, a post-harvest bottleneck, odour enforcement, a failed validation batch, an uncombined inspection, lapsed supply agreements) are review judgement, not data. So are the licence amendment and inspection durations: no source gives one.
5. No condition is credited with an effect on the ramp or on loss rates. The price inputs rest on trade press and practitioner reads (Tier 2 to 4), not on transaction data.
6. The energy bottom-up and the should-cost use modelled values, not vendor prices.
7. The Monte Carlo cost spread is narrower than the Class 4 range, so the P50 to P90 reserve is a lower bound (section 13); the lender view excludes the existing operation.
8. Grid and long-lead durations come from another market; two sources were read from cached copies.
9. The review did not inspect the site, test equipment or witness tests.

APTA Advisory reviews capital and operating decisions in licensed medical cannabis, floriculture and horticulture, from seed to harvest. apta-advisory.com. The first analysis and the proposal are free: send one document to info@apta-advisory.com. Modelled illustration, not a client engagement.

DATA ANNEX

Modelled illustration, not a client engagement. The annex holds the full working behind Part B. Tables marked "landscape" are set on landscape pages.

D1. ASSUMPTION LOG (INDEPENDENT REVIEW; LANDSCAPE)

The 24 logged assumptions. The reviewed base is the P50 of each input; the range gives the ends used in the Monte Carlo (split-triangular around the base unless stated). Status says whether the input is a fact, sourced, inferred or modelled. The tornado rank is the input's rank on O4.

#	Assumption	Unit	Reviewed base	Management	Range	Basis (source, year)	Status	Tornado rank
A01	Indoor flowering canopy	m2	8 rooms x 150 m2; two tiers; 70% of room floor per tier: 1 680 m2	1 680 m2	65% to 73% of floor (1 560 to 1 760 m2)	drawings; every tier counts as licensed canopy (regulator memo, 2026); 18 to 36 in headspace above the top tier (engineering consultant, 2022)	fact (drawings) and regulator text	not in the tornado
A02	Indoor yield per m2 of canopy per harvest, mature, dried flower at release	g per m2 per harvest	upper tier 540, lower tier 480 (average 510)	570 both tiers	410 to 570 (average)	racked rooms about 540 to 860 g per m2 of canopy (engineering consultant, 2022; derived; per-harvest basis assumed); a trade survey of indoor and greenhouse growers found 66% above about 540 g per m2 (trade survey, 2023; racked or not; per harvest or per year not stated); start-ups about 377 g per m2 per harvest, established 538 to 753 (consultant article in trade press, 2022; derived); yield linear with light, about 300 g per m2 at 900 µmol/m2/s on that line (Rodriguez-Morrison et al., 2021; oven-dry, one cultivar; the case's largest unevidenced input, run as a sensitivity); capacity about 20% below nameplate after a cultivar and specification change (company filings, 2018 to 2020); vendor per-tier claims are upside only	inference from sources; the rack trial measures it before award	5 (indoor yield)
A03	Indoor harvests per year	harvests a year	5.0	5.2	4.6 to 5.3	indoor 4 to 6 harvests a year, 5 typical (regulator-commissioned study, 2013); 63-day flowering plus room turnaround	sourced (re-read)	3 (harvests)
A04	Ramp to mature output, both facilities	share of mature output	year 1 55%, year 2 85%, then 100%; the same in every reviewed option	year 1 80%, then 100%	year 1 40% to 70%; year 2 = year 1 + 30 points	first harvest at about 2% of a contracted annual volume (law-firm briefing, 2024); a certified glasshouse at about a quarter of capacity until post-harvest was fixed (trade press, 2026); start-up yields about half of established ones (consultant article in trade press, 2022; derived)	inference from sources	8 (year-1 ramp)
A05	Indoor electricity intensity	kWh per kg	1 500 at the reviewed yield (energy per m2 of canopy held when yield varies)	1 300	1 230 to 1 972 (the bottom-up's low and high sets)	bottom-up of Facility A with the upsized HVACD about 1 490 kWh per kg, range about 1 230 to 1 970 (modelled design values); management's energy per m2 of canopy at the reviewed yield about 1 510 (derived); older HID-lit indoor sites about 1 010 to 2 900 kWh-equivalent of site energy (electricity and fuel) per kg, median about 1 390 (local-government-commissioned engineering report, 2020; derived), not comparable with the LED electricity base used here; LED flowering 80% better grams per unit of electricity than double-ended HPS (industry association benchmark, 2020)	derived and sourced	11 (electricity intensity)
A06	Indoor non-energy cash OpEx per gram at nameplate	EUR per gram	labour 0.35, GMP and quality 0.20, consumables, testing, packaging and other 0.15: 0.70; 60% fixed	0.62	0.62 to 0.85	GMP sites cost more to run (trade press, 2019); EU-GMP readiness a seven-figure cost (vendor, 2026); labour built bottom-up	modelled bottom-up	6 (non-energy OpEx)

#	Assumption	Unit	Reviewed base	Management	Range	Basis (source, year)	Status	Tornado rank
A07	Greenhouse layout and canopy	m2	10 000 m2 gross; 6 x 1 400 m2 compartments; benches on 75%: 6 300 m2	same	benches 70% to 78%	drawings; cleanable compartments and indoor-style controls where applicable (EMA GACP Rev. 1, 2025)	fact (drawings)	not in the tornado
A08	Greenhouse yield and harvests	g per m2 per harvest; harvests a year	280 g; 4.0 harvests	310 g; 4.3 harvests	230 to 320 g; 3.5 to 4.4 harvests	nameplate claims of about 1.3 to 1.55 kg per m2 gross a year not realised (trade press and company releases, 2016 to 2022); a converted greenhouse at about 0.73 kg per m2 gross a year (company release, 2019; derived); fewer harvests in winter (regulator-commissioned study, 2013); Botrytis incidence 1% to 13% per cycle (Buir et al., 2025; incidence, not loss)	sourced and inferred	3 (harvests)
A09	Greenhouse energy	kWh per kg	electricity 420; heat 600	320 and 450	300 to 600; 400 to 900	modelled design basis: about 300 kWh of electricity and 420 kWh of heat per m2 gross a year (derived); mechanical dehumidification with heat recovery added by design; older lit greenhouses used about 30% less energy per m2 of canopy than older indoor sites (local-government-commissioned engineering report, 2020), not comparable with a semi-closed LED design	modelled design basis	11 (electricity intensity)
A10	Greenhouse non-energy cash OpEx per gram	EUR per gram	labour 0.25, GMP and quality 0.15, other 0.10: 0.50; 55% fixed	0.42	0.44 to 0.60	cost per gram about twelve times higher in a low-volume quarter (company filing, 2024)	modelled bottom-up	6 (non-energy OpEx)
A11	Indoor price, ex-works, EU-GMP dried flower, blended bulk and finished	EUR per gram	2.50 in the first operating year, -5% a year for two years, then flat, in calendar time	2.60 flat	first-year 2.00 to 2.75; stress -25% and -30%	importer-level indoor 1.75 to 3.75 EUR per gram and GMP flower 2.00 to 2.50 EUR per gram in Q2 2025, stable to slightly decreasing (trade press, 2025 to 2026; an author's market read): 2.50 is the top of that range, and an ex-works price sits at or below the importer level; one exporter's average price into the main import market fell 26% in 11 months, in its own currency (trade press citing customs data, 2026); patient-level price at least -55% from late 2023 to Q1 2026 (trade press citing vendor data, 2026; derived); 2.25 run as a sensitivity	sourced, upper end	4 (indoor price)
A12	Greenhouse price	EUR per gram	1.25, same calendar path; under O4, an offtake floor on 70% of output for five years at the gate price of 1.75	1.40 flat	0.95 to 1.50	importer-level greenhouse 0.75 to 1.75 EUR per gram, about half the indoor price (trade press, 2025 to 2026); GMP from harvest expected by at least one inspectorate in the main import market (regulator guidance reported by trade press, 2026)	sourced	1 (greenhouse price)
A13	Sell-through	share sold	indoor 100%; greenhouse 85% in year 1, 95% after; unsold stock written down	100%	greenhouse year 1 70% to 100%	about a third of one market's licensed growing area closed within three years of its peak (trade press, 2023); a certified glasshouse at about a quarter of capacity (trade press, 2026)	inference	not in the tornado
A14	Electricity price	EUR per kWh	0.16	0.16	0.14 to 0.24; stress +50% for 12 months	EU average, non-household, 2 000 to 20 000 MWh band, H2 2025, 0.1596 EUR per kWh excluding VAT and recoverable taxes (Eurostat, 2026): the new load, about 9 400 MWh a year (derived), sits in that band; the 500 to 2 000 MWh band (0.1837 EUR per kWh) is run as a sensitivity; a proxy until the site's contract replaces it	sourced	10 (electricity price)
A15	Heat price	EUR per kWh of heat	0.05	0.045	0.035 to 0.08; stress 0.25 for 12 months	gas above 1 EUR per m3 in 2021 from 0.15 to 0.20 EUR per m3 a year earlier (trade press, 2021); 0.80 to 2.50 EUR per m3 in 2022 (government market report, 2022)	sourced	13 (heat price)
A16	Inflation and escalation	a year	OpEx +2.5%; prices as A11 and A12 (not indexed); CapEx +3% a year on any deferral	OpEx +2.0%	1.5% to 4%	modelled	modelled	not in the tornado

#	Assumption	Unit	Reviewed base	Management	Range	Basis (source, year)	Status	Tornado rank
A17	Pre-operating costs	EUR a month	indoor 190 000 for 6 months before first release; greenhouse 150 000; the team is hired 6 months before the date believed at mechanical completion, so each month of slip adds a month	120 000 and 100 000 for 3 months	+/- 20%	bottom-up (QA, QP, cultivation team, validation batches, standing charges); an operating loss of GBP 3.2 million in the half-year of GMP approval (company interim report, 2023)	modelled	not in the tornado
A18	CapEx	EUR	reviewed P50 by line (data annex D4); contingency at the Monte Carlo P50	26 800 000 point estimate	-8% to +28% around the P50, per block	AACE 18R-97 estimate classes; the budget table	modelled	7 (CapEx)
A19	Schedule	months	activity durations of the reviewed network (triangular); discrete events for a failed validation batch and, conditioned, an inspection the regulator will not combine	deterministic: month 16 and 18	per activity (data annex D5)	EU GMP Annex 15, 2015; one national regulator expects OQ complete at application (regulator, 2022); indoor build 9 to 14 months ground-up (consultant, another market, 2026); MV switchgear 44 to 72 weeks and generators about 60 weeks (contractor and vendor index, another market, 2026); licence and inspection durations are review judgement; reported late openings (trade press, filings; derived)	modelled on sources; review judgement where stated	9 (first-release month)
A20	Operational loss events	room-cycles a year; share rejected	indoor: one room-cycle of 40 lost a year when climate or power fails; greenhouse: 3% of output rejected for Botrytis; the same in every reviewed option	none	indoor 0 to 3; greenhouse 0% to 8%	one hour of power loss with a humidity spike can kill a room (operator interview, trade press, 2021); one outbreak can idle a large room for about 90 days (trade press, 2016); Botrytis incidence 1% to 13% per cycle (Buiris et al., 2025)	inference	not in the tornado
A21	WACC and hurdle	a year	WACC 9% nominal pre-tax; board hurdle 12% nominal pre-tax	hurdle 12%	+/- 2 percentage points	firms set hurdles above their cost of capital (Jagannathan et al., 2016); tax is outside this appraisal	sourced policy	2 (hurdle rate)
A22	Financing	n/a	term loan for 60% of reviewed P50 CapEx at 6.5%, interest capitalised until the first payment, repayment from month 24 over 8 years (as offered); 40% equity; DSCR covenant 1.30x	same	rate +/- 1.5 pp	modelled term sheet (client record)	modelled	lender view only
A23	Horizon and residual value	n/a	12 years; residual 25% of facility CapEx and 15% of shared CapEx at month 144; pre-tax	same	residual 0% to 35%	modelled	modelled	12 (residual value)
A24	Offtake	n/a	supply agreements for 60% of indoor output for 3 years at a floor of 2.20 EUR per gram; no greenhouse offtake signed at approval	all output sold at 2.60 and 1.40 EUR per gram	none	client records (modelled); demand-channel regulation elsewhere cut prescriptions 57%; statutory cover for flower removed in the main import market (trade press, 2025 to 2026)	client record (modelled)	not in the tornado

D2 . MODEL CHOICES BEYOND THE 24 ASSUMPTIONS (INDEPENDENT REVIEW)

- Price path in calendar time: indoor 2.50 EUR per gram through month 36, 2.375 EUR per gram in months 37 to 48, 2.256 EUR per gram from month 49; greenhouse 1.25, 1.1875 and 1.128 EUR per gram. A late release sells into a lower price.
- Energy per m2 of canopy is the design attribute: the annual kWh is 100% fixed by design, indoor and greenhouse, because a lit room draws its full photoperiod and climate load whatever its yield; energy per kg rises when yield falls. At 70% fixed the O4 P50 at the hurdle is -2 300 000 EUR. Fixed non-energy costs: 60% indoor and 55% greenhouse of the per-gram cost at nameplate.
- Working capital: 15% of annualised revenue (about 55 days), released at month 144.
- Correlations: indoor and greenhouse prices 0.7; electricity and heat 0.6; CapEx blocks 0.64; CapEx and indoor build duration 0.4.
- Discrete risk events (judgement, not data). As submitted: planting before the grant 20% per facility (+3 to 6 months); a funding stall 50% when CapEx exceeds 105% of committed funding (+1 to 4 months); contractor default 5% indoor and 3% greenhouse (+3 to 6 months, deposit exposure, a 10% re-procurement premium); a post-harvest bottleneck 30% (greenhouse year-1 output at 80%); odour or external plant enforcement 15% (+1 to 4 months). In every option: a validation batch fails specification, 20% per facility (+1 crop cycle: indoor 3.5 to 4.5 months, greenhouse 4.0 to 5.0). Conditioned only: the regulator declines to combine the inspection with the grant, 30% (a separate GMP inspection and certificate after validation, about 2.5 months most likely). Supply agreements lapse or reprice when first supply comes after the long-stop, 50% (the floor lost, the contracted share sold at the year-1 sell-through of new volume); C2's written confirmation moves the long-stop to the reviewed P90.
- Condition effects under O4: schedule (C3, C4), scope and price (C1), funding and events (C2, C3), payment terms and security (C5) and the greenhouse gate (C6). No condition changes the ramp or the loss rates.
- Sustaining CapEx: 1.5% of facility CapEx a year from each facility's second operating year, escalated, in every reviewed option and not in management's case; the indoor LED replacement at Q90 sits inside it; kept apart from the project CapEx and deducted from CFADS.
- Grid: energisation is the later of the network operator's works after the offer (6 to 12 months) and the customer's MV equipment path (switchgear 44, 52 and 72 weeks, plus 1 to 2 months to install, test and connect).
- Backup generator: sized to the HVACD, dehumidification, post-harvest climate and controls load of the energy bottom-up (about 369 kW of standby load, a 630 kVA set); priced in A6 and in the should-cost at 260 000 EUR; ordered at approval under C4; OQ waits for its power-failure and transfer test.
- Award at the return (D5): the conditioned options are awarded at week 24; design, permits, the grid application, the production slots, the generator order and the trial go ahead during the deferral; the contractor's long-lead orders wait for award.
- Payment terms and damages as in section 16; delay damages are never a cash inflow in any option. Energy from planting to release is booked as pre-operating.
- Pre-operating hire: the team is hired 6 months before the date believed at mechanical completion.
- Greenhouse gate: the floor on 70% of output for five years at which the median of Facility B's incremental NPV at the hurdle is zero, rounded up to 0.05 EUR per gram. Gated schedule: award month 13; design freeze 1.5 to 4 months after the gate; construction from month 15.
- Options O1 and O2 carry the scope they need: shared works scaled (grid 75% and 55%; site works 60%; design 70% and 60%; C&Q 60% and 50%); O2 carries its own GMP post-harvest extension of 1 900 000 EUR.
- Management case: no working capital, no loss events, costs per gram on its own output, pre-operating costs 3 months before release, payments as offered.

D3. OPTIONS, SENSITIVITIES, CASH FLOWS AND OPERATING INPUTS (INDEPENDENT REVIEW; LANDSCAPE)

Options, full (EUR; deterministic at P50 inputs and dates, then Monte Carlo)

Option	CapEx P50	NPV at 9% WACC	NPV at 12% hurdle	IRR	Payback month	Discounted payback month	NPV at WACC, P50 of runs	NPV at WACC, P90 of runs
O0D Defer 12 months	33 700 000	-12 500 000	-15 400 000	2.4%	144	beyond 144	-17 800 000	-25 900 000
O1 Indoor only, as submitted	18 700 000	-1 600 000	-4 700 000	7.7%	112	beyond 144	-5 700 000	-11 400 000
O1C Indoor only, conditioned	17 400 000	4 200 000	800 000	12.9%	92	126	52 000	-6 100 000
O2 Greenhouse only	16 400 000	-9 800 000	-11 100 000	-1.0%	beyond 144	beyond 144	-12 500 000	-17 600 000
O3 Both now, management inputs	26 800 000 (point)	66 700 000	53 000 000	43.6%	41	46	n/a	n/a
O3 Both now, reviewed	32 800 000	-9 400 000	-13 800 000	4.7%	130	beyond 144	-15 600 000	-25 000 000
O4 Both, conditioned and phased	31 000 000	8 600 000	2 900 000	13.9%	87	116	2 200 000	-6 800 000
O4 if the greenhouse offtake is not signed (O1C with grid and design sunk, 430 000 EUR)	n/a	3 800 000	400 000	n/a	n/a	n/a	n/a	n/a

Tornado on O4 (NPV at the 12% hurdle, deterministic, base 2 900 000 EUR; each driver at its P10 and P90, the others at base; rounded to 100 000 EUR)

Rank	Driver	Low case	NPV, low case	High case	NPV, high case	Swing
1	Greenhouse price (offtake floor and market together)	-13%	-1 600 000	+11%	6 600 000	8 100 000
2	Hurdle rate +/- 2 pp	14%	-200 000	10%	6 500 000	6 700 000
3	Harvests per year (both)	4.78 and 3.72	-400 000	5.17 and 4.22	5 400 000	5 900 000
4	Indoor price, first year	2.22 EUR per gram	-900 000	2.64 EUR per gram	5 000 000	5 900 000
5	Indoor yield per harvest	455 g per m2	-600 000	543 g per m2	5 000 000	5 600 000
6	Non-energy OpEx (both)	0.78 and 0.56 EUR per gram	-700 000	0.66 and 0.47 EUR per gram	4 900 000	5 600 000
7	CapEx	+15.5%	-1 100 000	-4.4%	4 000 000	5 000 000
8	Year-1 ramp	47%	1 000 000	63%	4 700 000	3 700 000
9	First-release month (both)	P90 dates (+1.9 and +1.9 months)	1 200 000	P10 dates (-1.8 and -1.7 months)	4 500 000	3 300 000
10	Electricity price	0.204 EUR per kWh	600 000	0.149 EUR per kWh	3 400 000	2 800 000
11	Electricity intensity (both)	1 761 and 520 kWh per kg	1 300 000	1 351 and 354 kWh per kg	3 800 000	2 500 000
12	Residual value	11%	1 800 000	31%	3 300 000	1 500 000

Rank	Driver	Low case	NPV, low case	High case	NPV, high case	Swing
13	Heat price	0.067 EUR per kWh	2 500 000	0.042 EUR per kWh	3 000 000	500 000

Switching values on O4 (the value at which the median NPV at the hurdle of the paired runs is zero; each alone, the others at the reviewed base)

Input	Reviewed base	Switching value
Indoor price, first year, market path	2.50 EUR per gram	2.70 EUR per gram (exact 2.691)
CapEx, conditioned	31 000 000 EUR at P50	10.42% lower
First release, both facilities	month 30 and month 38	3.30 months earlier
Yield, both facilities	510 and 280 g per m2 per harvest	4.82% higher
Greenhouse offtake floor, 70% of output for five years, O4 against O1C	market path from 1.25 EUR per gram	1.748 EUR per gram; gate price 1.75, rounded up to 0.05

Deterministic switching values at P50 inputs (reference only, never a threshold): a first-year indoor price of 2.30 EUR per gram; CapEx +11.3%; a delay of 3.35 months; a yield fall of 4.9%; a greenhouse floor against O1C of 1.56 EUR per gram (1.53 at the gate with grid and design sunk); a greenhouse price path with no floor of 1.47 EUR per gram.

Monte Carlo sensitivities on O4 (P50 at the hurdle in EUR, paired runs): indoor first-year price 2.25 EUR per gram -5 800 000; indoor yield at 300 g per m2 -14 900 000; year-1 ramp 45% -4 800 000; energy 70% fixed -2 300 000; energy range 1 300 to 2 300 kWh per kg -2 900 000; energy re-centred on 1 750 kWh per kg -3 300 000; electricity at the 500 to 2 000 MWh band -3 800 000; first validation batches dried in the existing certified area -1 900 000; awarded at month 3 with no deferral -2 600 000; Contractor A at today's normalised offer -3 500 000.

Standard stresses (deterministic NPV at the 12% hurdle; EUR)

Stress	O4	O4 change	O3 reviewed	O3 change
Base	2 900 000		-13 800 000	
Six-month delay of both facilities, pre-operating costs extended	-2 300 000	-5 100 000	-18 300 000	-4 500 000
Price -25%	-8 600 000	-11 400 000	-27 400 000	-13 600 000
Price -30%	-10 800 000	-13 600 000	-30 000 000	-16 200 000
Yield -20%	-8 900 000	-11 800 000	-23 600 000	-9 700 000
CapEx +25%	-3 500 000	-6 300 000	-20 600 000	-6 700 000
Electricity +50% for 12 months	2 400 000	-500 000	-14 400 000	-500 000
Heat at 0.25 EUR per kWh for 12 months	2 300 000	-600 000	-14 500 000	-600 000
Rates +300 bps	-1 500 000	-4 400 000	-17 100 000	-3 200 000
Greenhouse offtake not signed	400 000	-2 400 000	n/a	n/a
Demand shock: -40% of volume for 12 months in the second operating year	-700 000	-3 600 000	-16 600 000	-2 800 000

Stress	O4	O4 change	O3 reviewed	O3 change
Non-energy OpEx +15%	-1 800 000	-4 700 000	-18 400 000	-4 500 000
Indoor first-year price 2.25 EUR per gram	-600 000	-3 400 000	-16 800 000	-3 000 000
Indoor yield at the peer-reviewed light-yield line (300 g per m2)	-10 500 000	-13 300 000	-25 900 000	-12 100 000
Year-1 ramp 45%	600 000	-2 300 000	-15 600 000	-1 700 000
Without sustaining CapEx	4 600 000	+1 700 000	-12 100 000	+1 800 000

A 20% fall in yield or a 25% fall in price each takes O4 well below the hurdle.

Price sensitivity (deterministic; price changes apply to the market path; contractual floors hold; EUR)

Price change on both paths	O3 reviewed, NPV at the hurdle	O4, NPV at the hurdle	O4, NPV at WACC
-30%	-30 000 000	-10 800 000	-8 200 000
-20%	-24 700 000	-6 400 000	-2 800 000
-10%	-19 500 000	-2 000 000	2 700 000
Base	-13 800 000	2 900 000	8 600 000
+10%	-7 700 000	8 100 000	15 000 000

Annual cash flows, O4 as recommended (EUR, nominal, deterministic at P50 inputs and dates; rounded to 100 000 EUR)

Year	Revenue	Operating and pre-operating costs	CapEx and sustaining CapEx	Working capital and residual	Net cash flow	Cumulative
1	0	0	9 300 000	0	-9 300 000	-9 300 000
2	0	500 000	18 300 000	0	-18 800 000	-28 100 000
3	3 800 000	5 000 000	3 100 000	-900 000	-5 200 000	-33 300 000
4	13 200 000	7 900 000	400 000	-1 200 000	3 700 000	-29 600 000
5	18 000 000	8 900 000	500 000	-600 000	8 000 000	-21 700 000
6	20 000 000	9 400 000	500 000	-200 000	9 900 000	-11 800 000
12	16 800 000	11 000 000	500 000	9 900 000	15 100 000	40 700 000

The operating inputs behind the numbers

Measure	Indoor, reviewed	Indoor, management	Greenhouse, reviewed	Greenhouse, management
Yield, g per m2 of canopy per harvest	510 (upper tier 540, lower 480)	570	280	310
kg per m2 of canopy a year	2.55	2.96	1.12	1.33

Measure	Indoor, reviewed	Indoor, management	Greenhouse, reviewed	Greenhouse, management
Output at maturity, kg a year	4 284	about 4 980	7 056	about 8 400
OpEx per gram at nameplate, EUR	0 . 940	0 . 828	0 . 597	0 . 491
of which energy, EUR	0 . 240	0 . 208	0 . 097	0 . 071
OpEx per gram in year 1, EUR	1 . 480 (ramp 55%)	0 . 973 (ramp 80%)	0 . 902 (ramp 55%)	0 . 567 (ramp 80%)
Electricity, kWh per kg	1 500	1 300	420	320

Operations KPIs, from first release

KPI	Target	Owner	■ Green	■ Amber	■ Red
Grams per m2 of canopy per harvest, by tier	upper 540, lower 480 at maturity; 55% of that in year 1	head of cultivation	100% or more	90% to 100%	below 90%
Grams per m2 of canopy per harvest, greenhouse	280 at maturity	head of cultivation	100% or more	90% to 100%	below 90%
Harvests per year	5 . 0 indoor; 4 . 0 greenhouse	head of cultivation	at target	up to 5% below	more than 5% below
Energy per kg, sub-metered	indoor 1 500 kWh; greenhouse 420 kWh electricity and 600 kWh heat	COO	at or below	up to 10% above	more than 10% above
OpEx per gram by component	indoor 0 . 94 EUR, greenhouse 0 . 60 EUR at nameplate	CFO	at or below	up to 5% above	more than 5% above
Batch right-first-time and microbial pass rate	98% or more	qualified person	98% or more	95% to 98%	below 95%
Botrytis rejection per greenhouse batch	1 . 5% or less	head of cultivation	1 . 5% or less	1 . 5% to 3%	above 3%
Climate in band at canopy, by tier and compartment	95% of hours or more	COO	95% or more	90% to 95%	below 90%
Realised price and volume against plan and contract	plan path; 100% of contracted volume	CEO	at or above	up to 10% below	more than 10% below
Verified savings ledger	never summed without the split	CFO	verified on schedule	identified, not verified	claimed without verification

D4. BUDGET BY LINE AND BID NORMALISATION (INDEPENDENT REVIEW; LANDSCAPE)

Budget by line (EUR; conditioned lines rounded to 1 000 EUR; totals from unrounded values)

Line	As submitted	Review adjustment	Reviewed P50	As conditioned P50	Reason and basis
A1 Building shell, structure, envelope, cleanable finishes	4 300 000	0	4 300 000	4 043 000	benchmark check only: EU-GMP indoor total investment about 3 950 GBP per m2 gross (trade press, 2025; derived); benchmarks in their own currency, not converted
A2 HVACD: air handling, dehumidification, chilled water, controls	3 100 000	900 000	4 000 000	3 761 000	N+1 dehumidification 320 000; latent capacity for both tiers at the lights-off peak 250 000; in-rack airflow 100 000; CFD 30 000 (design basis); odour filtration on exhausts 120 000 and spares 80 000 (exclusions)
A3 Electrical distribution, LED per tier, BMS and monitoring	2 500 000	150 000	2 650 000	2 492 000	BMS and environmental monitoring data integrity (exclusion; EMA GACP Rev. 1, 2025)
A4 Mobile two-tier racking, fertigation and irrigation	1 300 000	0	1 300 000	1 222 000	runoff and drain falls by tier checked (trade press, 2021)
A5 GMP post-harvest extension and security	1 800 000	300 000	2 100 000	1 975 000	drying and curing sized for the peak harvest of both facilities
A6 Fire protection and utilities	500 000	410 000	910 000	856 000	sprinklers under wide racks and around mobile carriages 150 000 (exclusion); backup generator and transfer switch, 630 kVA, 260 000 (design basis; modelled)
Facility A, lines	13 500 000	1 760 000	15 260 000	14 349 000	
B1 Structure, tempered diffuse glass, energy and blackout screens	3 900 000	0	3 900 000	3 896 000	benchmark: glasshouse new build about 937 GBP per m2 of glass, total funding (trade press, 2024; derived)
B2 Climate: heating extension, air handling with dehumidification and heat recovery, CO2	2 500 000	400 000	2 900 000	2 897 000	dehumidification sized for blackout hours in the worst season (Buires et al., 2025; Mahmoud et al., 2023)
B3 Supplemental LED, electrical, controls	1 800 000	0	1 800 000	1 798 000	no change
B4 Rolling benches, fertigation, water treatment	1 000 000	0	1 000 000	999 000	no change
B5 Compartments, cleanable surfaces, insect screens, odour filtration, security	900 000	750 000	1 650 000	1 649 000	odour filtration for summer air exchange 400 000 and compartment walls 350 000, both excluded from the selected offer (local press, 2025 to 2026)
Facility B, lines	10 100 000	1 150 000	11 250 000	11 240 000	
S1 Grid connection upgrade: network contribution, MV transformer, switchgear	900 000	400 000	1 300 000	1 300 000	large transformers up 60% to 80% since 2020 (research firm, 2024); MV switchgear up 50% since 2021 (trade press citing a research firm, 2026); production-slot deposits 10% to 30% (contractor and vendor index, another market, 2026)
S2 Site works, roads, drainage, stormwater	400 000	60 000	460 000	446 000	temporary power, excluded from the indoor offer
S3 Design, permits, owner's project management	700 000	200 000	900 000	873 000	owner's project requirements, independent schedule, C&Q planning from design (ISPE Baseline Guide 5; ASTM E2500)

Line	As submitted	Review adjustment	Reviewed P50	As conditioned P50	Reason and basis
S4 Commissioning, qualification and validation (DQ, IQ, OQ, PQ support)	400 000	740 000	1 140 000	1 106 000	C&Q support excluded from the offers 250 000; third-party commissioning 200 000; validation master plan and protocols 250 000; training 40 000; EU-GMP readiness costs seven figures (vendor, 2026)
S5 Contingency	800 000	1 651 000	2 451 000	1 651 000	set at P50 by the paired Monte Carlo, not a flat percentage (AACE 18R-97; owners' survey, 2015)
Shared, lines	3 200 000	3 051 000	6 251 000	5 376 000	
Total	26 800 000	5 961 000	32 761 000 (P50); P90 36 737 000	30 965 000 (P50); P90 34 647 000	reviewed base before contingency 30 310 000; conditioned base 29 314 000

By block, with its share of the cost uncertainty (not additive across blocks): Facility A 16 300 000 EUR at P50 and 18 900 000 EUR at P90 (conditioned 14 900 000 and 17 200 000 EUR); Facility B 12 000 000 and 13 900 000 EUR (conditioned 11 700 000 and 13 500 000 EUR); shared works 4 000 000 and 4 700 000 EUR (conditioned 3 900 000 and 4 500 000 EUR). Line figures are modelled; no vendor price is quoted.

Bid normalisation, Facility A (Contractor A, one design-build offer)

Item	EUR
Offer	13 500 000
Exclusions a complete offer must carry (odour filtration, HVACD spares, BMS data integrity, sprinklers under wide racks, temporary power, C&Q support, training)	735 000 (5.4% of the offer)
Design-basis changes the review requires (N+1 dehumidification, two-tier latent capacity, in-rack airflow, CFD, post-harvest for the peak harvest, backup generator)	1 260 000 (9.3% of the offer)
Normalised price	15 495 000
Should-cost by system (below)	14 569 700
Normalised price above should-cost	6.4%

Should-cost by system, Facility A (modelled quantities from the drawings at modelled rates)

System	Basis	Should-cost (EUR)
Shell, structure, cleanable finishes	3 600 m2 gross x 1 120 EUR per m2	4 032 000
HVACD, with N+1, in-rack air, odour and spares	1 680 m2 of canopy x 2 250 EUR per m2	3 780 000
Electrical, LED per tier, BMS and monitoring	flowering LED 1 680 m2 x 540 EUR; vegetative LED 630 m2 x 300 EUR; distribution 3 600 m2 x 250 EUR; BMS and monitoring 460 000 EUR	2 456 200
Mobile racking and fertigation	2 400 m2 of tier x 310 EUR; vegetative racks 900 m2 x 170 EUR; fertigation 330 000 EUR	1 227 000
GMP post-harvest extension	650 m2 x 3 050 EUR per m2	1 982 500
Fire protection and utilities	3 600 m2 x 170 EUR per m2	612 000
Backup generator and transfer switch	630 kVA x 250 EUR per kVA; transfer switch and LV integration 60 000 EUR; installation and load-bank test 40 000 EUR	260 000
C&Q support, temporary power, training	allowance	220 000

System	Basis	Should-cost (EUR)
Total		14 569 700

Facility A exclusions and design-basis changes (EUR): exclusions: odour filtration on indoor exhausts 120 000; HVACD spares 80 000; BMS data integrity 150 000; sprinklers under wide racks 150 000; temporary power 60 000; C&Q support 150 000; training 25 000; total 735 000. Design-basis changes: N+1 dehumidification, one standby unit in each of 8 flower rooms 320 000; latent capacity for both tiers 250 000; in-rack airflow 100 000; CFD at design, testing and balancing 30 000; drying and curing for the peak harvest 300 000; backup generator 260 000; total 1 260 000.

Facility B exclusions priced (EUR): Builder B: mechanical dehumidification 1 000 000; blackout light-tightness 250 000; dehumidification upsized for blackout hours 400 000; C&Q support and training 115 000. Builder C: odour filtration 400 000; compartments 350 000; dehumidification upsized for blackout hours 400 000; C&Q support and training 115 000. Builder D: C&Q support and training 115 000.

Bid normalisation, Facility B (three offers on three scopes; section 13)

Builder	Offer (EUR)	Normalised (EUR)	Delta to lowest	Programme	Rating (1 to 5)
Builder B	9 400 000	11 165 000	0	as planned	3 Elevated
Builder C (selected by management)	10 100 000	11 365 000	+200 000	as planned	2 Moderate
Builder D	11 300 000	11 415 000	+250 000	2 months longer, worth 864 000 EUR at the weekly value	2 Moderate

Contract findings are commercial risk findings, for confirmation by your counsel.

D5. SCHEDULE NETWORK, DURATIONS AND MILESTONES (INDEPENDENT REVIEW; LANDSCAPE)

Durations in months, triangular (minimum, most likely, maximum). In each run the as-submitted and conditioned durations of the same activity use the same quantile. Construction starts after the later of design freeze, building permit and award; commissioning starts after the later of mechanical completion and energisation. Grid energisation is shared.

Activity	Logic	As submitted	As conditioned	Basis (source, year)
Contract award	after the award conditions	month 1	week 24 (month 5.5), at the evidence return	review (D5)
Design to design freeze, with DQ against the URS and GACP Rev. 1	from approval	3, 4, 6	3, 4, 6	EU GMP Annex 15, 2015; EMA GACP Rev. 1, 2025
Building permit and planning, indoor	from approval	2.5, 4, 7	2.5, 4, 7	permitting and regulatory review 8 to 24 or more weeks (design firm, 2026)
Planning, odour and external plant consents, greenhouse	from approval	3, 5, 8	2.5, 4, 6.5, with a pre-application for all external plant	odour enforcement (local press, 2025 to 2026)
Grid: application to written offer	as submitted after award; conditioned at approval	2, 3, 6	2, 3, 6	review
Grid: network operator's works after the offer	after the offer	6, 8, 12	6, 8, 12	consultant, another market, 2026
MV switchgear and transformer, then installation, testing and connection	as submitted ordered at the offer; conditioned slots held at approval	switchgear 44, 52, 72 weeks; then 1, 1.25, 2	same, from approval	contractor and vendor index, another market, 2026; research firm, 2025
Backup generator	as submitted after award; conditioned at approval	about 60 weeks	about 60 weeks; before OQ	contractor, another market, 2026
Long-lead HVACD (air handling units, dehumidifiers, chillers)	ordered at design freeze (conditioned after award)	lead 4, 5, 8, plus installation 1.5, 2, 3	same	chillers 14 to 24 weeks (consultant, another market, 2026)
Racking and LED	ordered at design freeze	lead 3, 4, 6	same; after award, on the trial result	programmes in the data room
Construction to mechanical completion	after the later of freeze, permit and award	indoor 9, 11, 14; greenhouse 6.5, 8, 11	same	ground-up build 9 to 14 months (consultant, another market, 2026); nine-month glasshouse build (trade press, 2024)
Commissioning at full load, both tiers mapped	after the later of completion and energisation	indoor 1, 1.5, 3; greenhouse 1.5, 2, 3.5, day and blackout modes	same	ISPE Baseline Guide 5; ASTM E2500
IQ and OQ, with the generator's transfer test	after commissioning	1, 1.5, 3	0.8, 1, 2, reusing commissioning evidence	EU GMP Annex 15, 2015; ASTM E2500
Licence amendment grant	as submitted filed at OQ end; conditioned pre-consulted and combined	1, 2, 6 after OQ	inspection 0.5, 1, 3, then grant 0.3, 0.7, 3	review judgement (no source gives a duration)
Planting to first harvest: PQ under crop load, run with the validation batches	after the grant, never before	indoor 2.8, 3.0, 3.4; greenhouse 3.2, 3.5, 4.0	same	trade press, 2019
Drying and curing	after harvest	0.5, 0.7, 1.0	same	regulator guidance reported by trade press, 2026

Activity	Logic	As submitted	As conditioned	Basis (source, year)
Validation batches (three consecutive, staggered across rooms)	after drying	0.5, 1.0, 2.0; a failed batch adds one crop cycle in 20% of runs	same	EU GMP Annex 15, 2015; review judgement
GMP inspection of the new areas and certificate by scope	as submitted after validation; conditioned inside the combined inspection, separate in 30% of runs	0.5, 1.5, 3.5, then 0.5, 1.0, 2.5	combined; separate about 2.5 most likely	EU guideline on GMP certificates, 2024; review judgement
Release of the first batch	last	0.3	0.3	EU GMP Annex 16; EU GMP Part II
Greenhouse under O4 (gated)	gate B at month 12; award month 13; construction from month 15	n/a	as above	C6

Milestones at P50 (P90), months from approval, network only

Milestone	Facility A as submitted	Facility A as conditioned	Facility B as submitted	Facility B gated (O4)
Construction start	4.8 (5.9)	5.5 (5.9)	5.4 (6.7)	15.0 (15.4)
Mechanical completion	16.2 (17.9)	16.9 (18.4)	14.0 (15.7)	23.7 (25.0)
Energisation	18.9 (21.2)	14.4 (16.3)	18.9 (21.2)	14.4 (16.3)
Commissioning complete	20.8	18.8	21.2	26.0
Ready for planting (OQ passed)	22.7 (25.0)	20.1 (21.6)	23.1 (25.5)	27.3 (28.7)
Licence amendment granted	25.7	22.9	26.1	30.1
First GMP-released harvest	34.1 (37.0)	28.2 (30.1)	35.0 (38.1)	35.9 (37.8)

Grid and long-lead items

Item	Lead (source, year)	As submitted	As conditioned
MV transformer and switchgear	switchgear 44 to 72 weeks, pad-mounted transformers 30 to 50 weeks (contractor and vendor index, another market, 2026); the network operator's works 6 to 12 months (consultant, another market, 2026)	ordered at the grid offer, after award; offer to energisation 11 to 19 months, most likely 13	slots held at approval; energisation P50 month 14.4, P90 16.3
Backup generator and transfer switch, 630 kVA	about 60 weeks (contractor, another market, 2026)	not in scope; ready at P50 month 19.1	ordered at approval under C4; ready at P50 month 14.8, before OQ
Air handling units, dehumidifiers, chillers	4 to 8 months plus 1.5 to 3 months to install (chillers 14 to 24 weeks: consultant, another market, 2026)	ordered at design freeze	ordered after award at design freeze; factory-tested
Mobile racking and LED	3 to 6 months	ordered at design freeze	ordered after award, on the rack-trial yields

A consultant's April 2026 switchgear figure of 24 to 40 weeks is the pre-shortage planning figure the same firm replaced two months later; every figure is from another market, and the network operator's letter and the vendors' quotes replace them (C4).

D6 . REPORTED LATE OPENINGS AND REFERENCE CASES (INDEPENDENT REVIEW)

How the patterns are used. They set duration ranges, inform the risk rows and the event probabilities, and give the board a sense of scale. None is a prediction for this case. None names a company, a person, a publication, a regulator or a country. Figures in another currency stay in that currency and are never summed with EUR.

Reported late openings (seven cases), each at the milestone it reported

- A first indoor EU-GMP harvest about 7 to 9 months after the scheduled date (company release, 2021).
- A flagship hybrid greenhouse completed about 15 months late (company releases, 2016 and 2019).
- A GMP greenhouse at practical completion about 15 months after its first stage-1 target, with commissioning still open (trade press, 2022).
- A first harvest under a supply tender one year late, at about 2% of the contracted annual volume (law-firm briefing, 2024).
- EU-GMP about 12 months later than planned for an annex at a site already operating (trade press, 2020).
- A greenhouse first stage delayed, with about a quarter of the glass later used for the crop (trade press, 2020 to 2024).
- An indoor GMP site operational about 12 months after its stated date (company releases, 2019 and 2021).

Other reference points

- Completion to EU-GMP certificate just under 10 months, in a case the company called fast (company release, 2022; a post-harvest facility, no crop cycle). The conditioned case takes 11.3 months from completion to first release at P50, as submitted 17.9.
- About 22 months from construction start to full GMP (trade press, 2023; a manufacturing site, no crop cycle). The conditioned case takes 22.6 months from construction start to first release at P50, as submitted 29.3.
- A standing-start site outside the EU took a year or more to reach EU-GMP, with about 4 to 5 months from inspection to certificate (trade press, 2019): not an extension of a certified producer.
- EU-GMP certification 12 to 24 months and a seven-figure cost (vendor, 2026): a vendor view, shown beside the reported cases.
- Half-year revenue of GBP 8 thousand against an operating loss of GBP 3.2 million in the half-year of GMP approval (company interim report, 2023).

Cost and estimate

- A three-level indoor expansion: estimate up about 14% (company filings, 2018 to 2019).
- A greenhouse retrofit: spend about 24% to 55% over the original range on expected final cost (trade press and company release, 2018 to 2019).
- A flagship hybrid greenhouse cost about 25% above the first estimate at the interim disclosure and about 36% at completion (trade press and company releases, 2016 to 2022).
- 75% of owners' projects finished outside 10% of their original deadline (owners' survey, 2015).
- 8.5% of large projects came in on budget and on time (academic author, 2023): a mechanism of optimism, never a prediction for this project.
- Hail destroyed 150 ha of greenhouse crop in one event: glass specification and insurance matter (trade press, 2017).

Demand, price and overbuild

- Importer-level prices: greenhouse flower 0.75 to 1.75 EUR per gram, indoor 1.75 to 3.75 EUR per gram; GMP flower 2.00 to 2.50 EUR per gram in Q2 2025 (trade press, 2025 to 2026; an author's market read, not transactions).
- One exporter's average price of dried flower into the main import market fell 26% in 11 months, in its own currency (trade press citing customs data, 2026).
- The self-pay price per gram at prescription level in the main import market fell at least 55% from late 2023 to Q1 2026 (trade press citing vendor data, 2026; derived).
- Prescriptions fell 57% after a telemedicine restriction in another market; statutory cover for flower was removed in the main import market (trade press, 2025 to 2026).

- About a third of one market's licensed indoor and greenhouse growing area closed within three years of its peak, amid overproduction and falling prices (trade press, 2023).
- Cannabis greenhouses sold for about 6% to 33% of what was spent (trade press, 2020 to 2023).
- Capacity ran about 20% below nameplate after a change of cultivars and specification, and a phase was impaired when capacity outran demand (company filings, 2018 to 2020).

Grid, long-lead plant and energy (every lead time from another market)

- A utility quoted two years to replace a circuit that could not carry the load; on-site generation was bought instead (trade press, 2021).
- Large power transformers about 120 weeks on average in 2024, prices up 60% to 80% since 2020 (research firm, 2024).
- Switchgear about 44 weeks in a 2025 survey; MV switchgear prices up 50% since 2021 (trade press citing a research firm, 2026).
- Site electrical gear: switchgear 44 to 72 weeks, pad-mounted transformers 30 to 50 weeks, generators about 60 weeks; production-slot deposits 10% to 30% (contractor and vendor index, 2026).
- Utility upgrades 6 to 12 months; chillers 14 to 24 weeks; ground-up build 9 to 14 months (consultant, 2026); the same firm's earlier switchgear figure of 24 to 40 weeks was replaced two months later.
- Gas above 1 EUR per m3 in 2021, from 0.15 to 0.20 EUR per m3 a year earlier (trade press, 2021); about 0.80 to 2.50 EUR per m3 in 2022 (government market report, 2022).

D7 . EVIDENCE INDEX (INDEPENDENT REVIEW)

168 documents: 87 public sources and 81 data-room documents; 24 logged assumptions (data annex D1). Tier 1 is standards, regulation, peer-reviewed work and official statistics; Tier 2 and 3 are trade press, filings, surveys and practitioner commentary; Tier 4 is what contractors, vendors and suppliers state, used as background and verified where possible. Every reported-case source is unnamed: a source label and a year only.

Documents	Count	Tier
Public standards, regulations and guidance	12	Tier 1
Peer-reviewed papers	6	Tier 1
Official statistics and market data	5	Tier 1 to 3
Reported cases and benchmarks: trade press, company filings, surveys, commissioned studies (unnamed)	58	Tier 2 to 4
Practitioner and legal commentary on contract terms and budgeting	6	Tier 2 to 3
Client records: board and budget papers 6; licence, GMP certificate, last inspection report and CAPA 5; production records 8; energy invoices and meter data 12; supply agreements and letters of intent 5	36	client-held
Contractor- and supplier-stated: indoor offer and clarifications 7; greenhouse offers 9; draft contracts 3; drawings, specifications and HVACD design basis 10; programmes 3	32	Tier 4, background
Third-party financial and legal: contractor accounts, credit reports, references, insurance, bank term sheet	9	Tier 2
Authority and utility correspondence: grid application and network operator letter, planning pre-application notes, regulator meeting minutes	4	client-held
Total	168	

Named public sources. Standards, regulation and guidance (12, Tier 1): EU GMP Annex 15 (2015); EU GMP Part I, Part II and Annexes 7 and 16; EMA GACP guideline Rev. 1 (2025); EU guideline on GMP certificates (2024); ISPE Baseline Guide 5, 2nd edition; ASTM E2500; AACE 18R-97; IPMVP (EVO, 2018 and 2020); Resource Innovation Institute HVAC guide (2022); HM Treasury Green Book (2026) and optimism-bias guidance (2003); CII RS213-1 (2006); DLC Horticultural Technical Requirements V4.0 (2025). Peer-reviewed papers (6, Tier 1): Rodriguez-Morrison et al., 2021 (yield and light); an in-flower microclimate study, 2023; Buirs et al., 2025 (greenhouse Botrytis); Mahmoud et al., 2023 (Botrytis review); Graham and Harvey, 2001 (CFO practice); Jagannathan et al., 2016 (hurdle rates). Official statistics and market data (5): Eurostat non-household electricity prices (2026); a customs-based export price series (2026); import statistics of the main import market (2026); two price-index reports (2026).

Unnamed public sources appear with a source label and year wherever they are used: sections 11 to 17 and data annexes D1, D4, D5 and D6. Vendor and consultant sources are labelled as such.

D8. TECHNICAL, CONTRACT AND LENDER DETAIL (INDEPENDENT REVIEW; LANDSCAPE)

The value of one week late (EUR per week; cash basis: revenue lost in the first operating year at the reviewed ramp, less variable and not-yet-incurred fixed costs, plus the pre-operating team carried and interest on drawn debt; energy nets to zero because the rooms run from planting)

Facility and case	Cash basis	Forgone contribution	Fixed costs not yet incurred	Pre-operating team	Interest	NPV basis at WACC
Facility A, as conditioned (the cover)	118 000	95 000	-37 000	46 000	13 000	84 000
Facility A, as submitted	116 000	92 000	-37 000	47 000	14 000	81 000
Facility B, conditioned and gated	100 000	93 000	-40 000	37 000	10 000	55 000
Facility B, as submitted	63 000	55 000	-40 000	37 000	10 000	41 000

Energy bottom-up, Facility A (section 14). The review rebuilt Facility A's electricity from the reviewed design, with modelled design values and no vendor figure:

Bottom-up, Facility A	Low	Central	High
Electricity, kWh a year	5 270 000	6 366 000	8 450 000
kWh per m2 of canopy a year	3 137	3 789	5 030
kWh per kg at the reviewed yield (4 284 kg a year)	1 230	1 486	1 972
HVACD share	39%	44%	49%
Lighting share	52%	46%	39%

The central set uses 850 $\mu\text{mol}/\text{m}^2/\text{s}$ at 2.7 $\mu\text{mol}/\text{J}$ and 5.5 m of air height. At the stated 900 $\mu\text{mol}/\text{m}^2/\text{s}$ and 7.5 m it gives about 1 590 kWh per kg with 2.7 $\mu\text{mol}/\text{J}$ fixtures and about 1 490 with 3.0 (derived); the reviewed 1 500 therefore assumes fixtures near 3.0 $\mu\text{mol}/\text{J}$, and fixture efficacy is a C1 scope item. The Monte Carlo range is the bottom-up's low and high sets, 1 230 to 1 972 kWh per kg. Older HID-lit indoor sites measured about 1 010 to 2 900 kWh-equivalent of site energy (electricity and fuel) per kg, median about 1 390 (local-government-commissioned engineering report, 2020; derived); that figure is not comparable with the LED electricity base used here. In the reviewed case energy is 26% of indoor OpEx per gram at nameplate. The site's design basis and sub-metering replace these values (section 19).

Contract heat map, full (section 16)

Protection	As offered	Recommended
Delay damages	0.25% of the price a week (33 750 EUR for Contractor A), cap 2.5% (337 500 EUR), tied to practical completion; 29% of the weekly loss	0.5% of the price a week (about 72 000 EUR for Contractor A, 56 000 EUR for the greenhouse builder), cap 10% (1 435 000 EUR for Contractor A, reached after 20 weeks), tied to the contractor's part of the ready-for-planting milestone; 61% of the weekly loss; contract time at the contractor's own P80 time (indoor 15.5 months, greenhouse 13.5 months from start on site); termination right when the cap is exceeded (FIDIC 2017 concept, named as practice)
Performance guarantees	light output only	tier climate at both tiers (spread top to bottom at or below 1.5 °C; RH at lights-off at or below set point plus 5 points; air speed inside the canopy 0.2 to 0.5 m per s); dehumidification in litres per hour at the lights-off peak, both tiers; photon output and efficacy at the tested LM-79 values; greenhouse RH at canopy in blackout hours at or below 70%; greenhouse air movement at canopy; light at canopy below 1 lux in the dark period (night light-leak test)

Protection	As offered	Recommended
Performance damages	none	0.5% of the price per 1% of dehumidification shortfall, cap 5% (717 000 EUR), against an owner loss of 897 000 EUR for a 10% shortfall over 24 months: a cap gap of 180 000 EUR. The contractor first fixes to the guarantee at its own cost; below 90% of the dehumidification capacity in the guarantee the owner may reject the system
Payment	30% on signature or order; 7 080 000 EUR at risk before work or delivery, unsecured	10% advance against an advance-payment guarantee, recovered pro rata from interim payments; interim payments against certified work (90% of the price), each net of 5% retention; 10% at the ready-for-planting milestone with the first half of the retention; the second half at the end of the defects period
Retention	none	4.5% of the price: Contractor A 646 000 EUR, half at taking-over (month 21) and half at the end of the defects period (month 33); greenhouse 506 000 EUR (months 28 and 40)
Security and finance	none; vendor-arranged finance bundled with the build	10% performance security and a parent guarantee for Contractor A; step-in; lien waivers with each payment; equipment finance separated or declined
Commissioning and defects	inside construction; defects period not tied to a season	to the owner's project requirements; witnessed functional tests under simulated full load on both tiers (heat and humidity load banks) before the milestone; the in-crop guarantee test in the first crop; FAT and SAT; defects period at least 12 months, a summer and a winter
Price basis and slots	turnkey price with unpriced exclusions; no slots	fixed price, or a capped target price with capped surcharges and a change-order protocol; owner-held production slots within the vendors' 10% to 30% deposit norm; glass specification accepted by the insurer before tender

The 30, 60 and 90 day plan

By	Actions
Day 30	pre-consultation meeting with the regulator held; grid application filed; transformer and switchgear slots held; backup generator ordered; second indoor bid invited; normalisation template issued; contractor checks started; rack trial crop planted in an existing room (rooted cuttings); offtakers approached on the price floor and the supply date
Day 60	normalised bids and should-cost; pre-consultation minutes; owner's project requirements and URS signed, with GMP from harvest, GACP Rev. 1 and the microbial-control strategy; validation master plan and C&Q plan approved by the qualified person; revised bank term sheet
Day 90	contract terms agreed (C5); funding to P90 committed (C2); inspection approach minuted and slot requested (C3)
After day 90	written grid offer (P50 week 15, P90 week 21); rack trial weighed (about week 19 to 22); price floor signed; the case rebuilt and the reviewer's written confirmation; evidence return and award, week 24

Measurement and verification. IPMVP, with a full-season baseline: Option D (calibrated simulation of the reviewed design basis, then checked against metering) for energy per gram of the new build; Option B (sub-metering) for lighting and HVACD per room and tier; Option C (utility meters) for the whole site. Measurement period: the first 12 months after first release, a summer and a winter. Expected verified OpEx per gram sold in the second operating year, nominal: indoor 1.19 EUR, greenhouse 0.79 EUR. Only savings signed by finance enter the ledger.

DSCR by repayment year (expansion cash flows only; P50, with P90 in brackets)

Repayment year	03 as offered, from month 24	04 as offered, from month 24	04 as recommended, from month 46
1	CFADS negative (CFADS negative)	CFADS negative (CFADS negative)	2.00 (1.29)
2	CFADS negative (CFADS negative)	0.52 (CFADS negative)	1.87 (1.51)
3	0.87 (0.25)	2.08 (1.43)	1.98 (1.60)
4	1.62 (1.06)	2.85 (2.31)	1.92 (1.54)

Repayment year	O3 as offered, from month 24	O4 as offered, from month 24	O4 as recommended, from month 46
5	1.73 (1.15)	2.92 (2.36)	2.43 (1.72)
6	1.65 (1.05)	2.84 (2.27)	2.41 (1.44)
7	1.56 (0.96)	2.11 (1.43)	2.26 (1.28)
8	1.48 (0.87)	1.61 (0.95)	2.12 (1.11)
Minimum DSCR	CFADS negative	CFADS negative	1.76x (1.01x)
Runs below the 1.30x covenant; below 1.00x	100%; 100%	100%; 100%	21%; 10%

Conditions, full wording (section 18)

#	Condition	Precedes
C1	Contractor A's price tested against a second comparable bid or an open-book should-cost check; all offers normalised to one scope (C&Q support, in-rack airflow, N+1 dehumidification, backup power for HVACD and controls, sprinklers under racks, post-harvest for both facilities, odour control, BMS data integrity, LED fixture efficacy); Facility A's estimate at AACE Class 3 (design-freeze basis), or its price fixed under C5 with capped surcharges; contractor financial and reference checks	contract award
C2	Case rebuilt on the rack-trial tier yields with a stated tier penalty and on the reviewed price path; supply agreements amended with a signed indoor price floor on the contracted 60% for 3 years; Offtakers 1 and 2 confirm in writing that supply starting by month 34 (the reviewed P90) keeps the volume, the floor and the 3-year term; offtaker credit checked; funding committed, tranche 1 of 31 000 000 EUR before award and tranche 2 of 22 000 000 EUR at gate B; bank repayment from 12 months after the P90 first release (months 46 and 54) with a 6-month debt service reserve, the greenhouse tranche repaid within its offtake term, and the loan at most 58% of P50 CapEx	contract award and first drawdown
C3	Pre-submission meeting minuted with the regulator's stated inspection approach; slot requested; combined where the regulator agrees; dossier filed at OQ; GMP from harvest in the scope and the URS; microbial-control strategy fixed in the URS at DQ, with any decontamination step in the validation master plan; validation master plan and C&Q plan approved by the qualified person; first validation batches dried in the existing certified area under change control, if its capacity allows; first-season greenhouse qualification closed before release; no planting in any new room before the grant (standing)	contract award
C4	Written grid offer for 2.5 MVA with a firm energisation date, target month 16 and no later than month 17 (later, energisation is critical at P50); for the conversion of section 10 the offer dates energisation by month 15; production slots held and the backup generator ordered at approval; planning consent for all external plant (chillers, odour units, generator) by month 5	release of funds for the electrical and MV works package
C5	Contract terms of section 16: delay damages tied to the contractor's part of the ready-for-planting milestone; guarantees on tier climate, dehumidification, blackout climate and canopy air movement; advance against a guarantee, recovered pro rata; retention on interim payments; 10% performance security and parent guarantee; right to reject; step-in; equipment finance separated	contract award
C6	Facility B funds only against signed offtake for at least 70% of its output for five years at or above 1.75 EUR per gram, its design at AACE Class 3 and the indoor licence amendment granted or dated; KPI dashboard to the board monthly until the first GMP-released harvest of each facility	release of greenhouse funds (gate B, month 12)

Two regulatory tracks, full (section 12)

Step	Track	Evidence (source, year)	As submitted	As conditioned
Pre-submission meeting	licence amendment	one national regulator expects OQ complete at application (regulator, 2022)	none	minuted, with the regulator's stated inspection approach; slot requested
Licence amendment for the new rooms: premises, vault security, GACP Rev. 1 controls and records	licence amendment	EMA GACP Rev. 1, 2025	filed at OQ end	dossier filed at OQ; combined inspection where the regulator agrees

Step	Track	Evidence (source, year)	As submitted	As conditioned
DQ against the URS	GMP extension	EU GMP Annex 15, 2015	GACP Rev. 1 and GMP from harvest not in the URS	at design freeze; microbial-control strategy fixed in the URS
IQ and OQ	GMP extension	EU GMP Annex 15, 2015; ASTM E2500	inside construction, not planned	after commissioning, reusing its evidence; OQ carries the generator's transfer test
PQ under crop load, run with the validation batches	GMP extension	EU GMP Annex 15, 2015; three consecutive batches generally considered acceptable	planting before the grant	planting after the grant, never before (C3)
Change to the manufacturing authorisation; inspection where the authority requires it; certificate re-issued by scope	GMP extension	EU guideline on GMP certificates, 2024; the national route is for confirmation by your qualified person and counsel	requested after validation	combined where the regulator agrees; 30% of runs carry a separate inspection
Release of the first batch	GMP extension	EU GMP Annex 16 (qualified person, finished product); EU GMP Part II (quality unit, bulk active substance)	month 16 in the plan	month 30 at P50 (indoor)

CapEx avoided at P50, split (section 19): 1 797 000 EUR against the reviewed as-submitted P50 of 32 800 000 EUR: normalisation under C1 1 324 000 EUR; lower residual-risk contingency 623 000 EUR; greenhouse escalation for the gate -327 000 EUR; Monte Carlo scaling 177 000 EUR. OpEx levers identified, not credited, also include each 1% of greenhouse output not rejected: 42 000 EUR of OpEx and 88 000 EUR of revenue a year; each indoor room-cycle avoided is also worth 268 000 EUR of revenue a year. The energy lever is judged on sub-metered LED electricity.

Contract findings are commercial risk findings, for confirmation by your counsel.

D9. GLOSSARY (INDEPENDENT REVIEW)

Term	Meaning in this paper
RAG	Green: evidence sufficient; no material issue; proceed. Amber: issue or evidence gap closable by a defined condition before funds are released. Red: material issue that blocks approval until resolved, evidenced, renegotiated or re-tendered
Verdict scale	approve (all areas Green); approve with conditions (Amber items closable by conditions precedent before contract award or fund release); renegotiate (case sound; terms not acceptable); re-tender (market not properly tested or supplier set not credible); defer pending evidence (critical evidence missing; decision cannot be supported yet); decline (need, case, supplier or technology fails a Red test that conditions cannot fix)
Data completeness rating	the reviewer's grade of the data room against the standard request list at the data-request step; B here means complete except for the named gap, which the paper covers with widened sensitivities and a test (the rack trial); the full scale is set in the engagement letter
Supplier risk scale	1 Low to 5 Critical, each level with its standard action (section 15)
Risk score	severity (1 to 5) x probability (1 to 5), with exposure in EUR and a named owner; 15 or more goes to the board
AACE estimate class	the maturity of a cost estimate, Class 5 (concept) to Class 1 (definitive), with an expected accuracy range around an estimate with contingency at P50 (AACE 18R-97)
P50, P90	P50: the median of the paired runs. P90 of a cost or a date: not exceeded in 90% of runs. P90 of an NPV, IRR or DSCR: exceeded in 90% of runs
Paired runs	10 000 Monte Carlo runs on one list of random draws, used by every option, so options differ only by their own choices
Switching value; conversion threshold	the value of one input at which the median NPV at the hurdle of the paired runs is zero, the others at the reviewed base; a conversion threshold is the same test on a piece of evidence (a signed floor, a trial yield, a normalised cost)
WACC, hurdle	the weighted average cost of capital (9%) and the board's required return (12%), both pre-tax nominal
NPV lost if unconditioned	the NPV at WACC the board forgoes by approving the plan as submitted instead of as conditioned; per risk row, the NPV lost when that one condition is removed
Value at risk in O4	for R4 to R6, the NPV at WACC at stake in O4 that a condition measures or transfers but does not remove
Licence amendment	the regulator's grant that adds the new rooms to the cultivation licence (premises, vault security, GACP controls and records)
DQ, IQ, OQ	documented checks that the design meets the URS and GMP (DQ), that plant is installed as designed (IQ) and that it operates as intended across its ranges (OQ)
Performance qualification (PQ)	documented check that rooms and utilities perform consistently in use, here under the first crops at full canopy, run together with process validation where the validation master plan justifies it (EU GMP Annex 15)
Validation batches	consecutive batches showing the process is under control; three are generally considered acceptable (EU GMP Annex 15)
GMP certificate by scope	the certificate re-issued to cover the new premises after the change to the manufacturing authorisation and any inspection the authority requires (EU guideline on GMP certificates, 2024)
First GMP-released harvest	the first batch from the new capacity released under GMP
Qualified person (QP)	the person named on the manufacturing authorisation who certifies each batch of finished product before release (EU GMP Annex 16); bulk active substance is released by the quality unit (EU GMP Part II); regulatory opinions sit with the QP and counsel
GACP; EU-GMP	good agricultural and collection practice, the EU guideline for cultivation (EMA GACP Rev. 1, 2025); EU good manufacturing practice, here from harvest (drying) onwards
Ready for planting	the milestone at which the contractor's rooms are mechanically complete, commissioned and through the IQ and OQ protocols approved at design freeze, with the tier climate test passed under simulated full sensible and latent load; permanent power by the owner's stated grid date is an owner obligation, and a late grid or a late owner approval extends the date day for day; delay damages attach to it

Term	Meaning in this paper
Owner's project requirements (OPR)	the owner's written requirements against which design, commissioning and acceptance are tested
IPMVP	the International Performance Measurement and Verification Protocol; Option B, sub-metering; Option C, whole-site meters; Option D, calibrated simulation
DSCR, CFADS	debt service cover ratio: cash flow available for debt service (CFADS) over debt service, by repayment year; a year with negative CFADS is shown as "CFADS negative", not as a ratio
FAT, SAT	factory acceptance test at the manufacturer; site acceptance test after installation
HVACD	heating, ventilation, air conditioning and dehumidification
C&Q	commissioning and qualification