




BUREY SA – Grunelabs.com April 2019 presentation

Montevideo, May 10, 2019

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- **Cash flow available data**
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- A young pea plant with two leaves and a growing stem is planted in a clear glass jar filled with dark soil. The background is a solid blue color with a faint, out-of-focus image of a pea pod and other plants, suggesting a garden or laboratory setting.

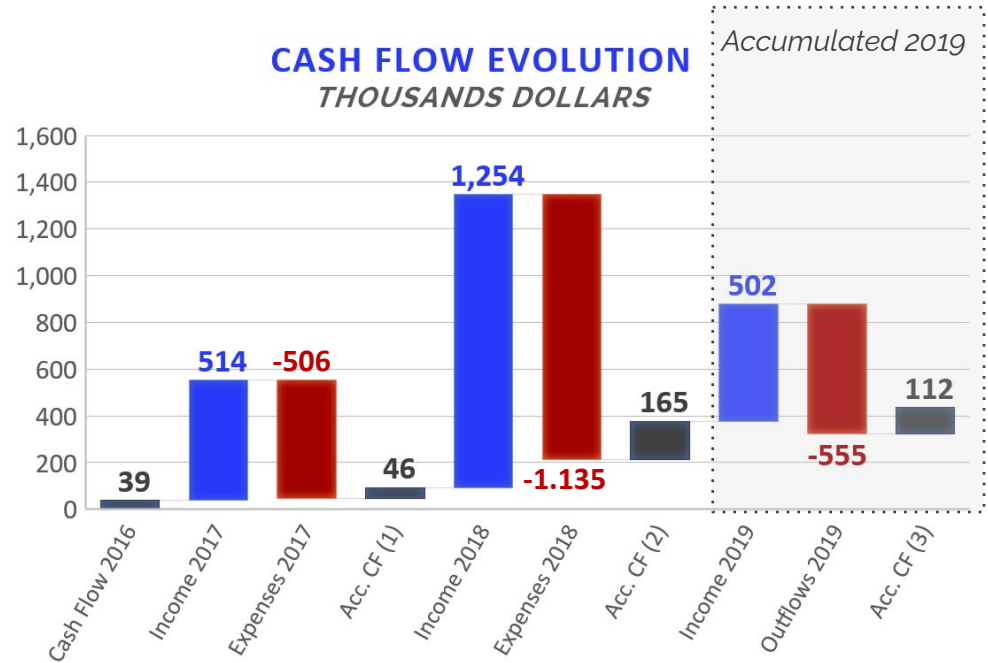
Cash Flow available data: April 2019

- Accumulated cash balance at the **end of 2018**:
USD 165,258.
 - Opening balance 2018 (end of 2017): USD 46,425
 - Income 2018: USD 1,253,800 (partner contributions and loans)
 - Expenses 2018: USD (-) 1,134,967
 - Final accumulated cash balance 2018: USD 165,258
- Accumulated cash balance at the **end of April 2019**:
USD 112,295.
 - Opening balance (end of Mar/19): (+) USD 7,129
 - Partner Contributions Apr/19: (+) USD 500,000
 - Building Construction Apr/19: (-) USD 156,827
 - Operating Expenses Apr/19: (-) USD 126,008
 - Fixed Term Deposit Apr/19: (-) 112,000
 - **Final accumulated cash balance Apr 2019 : USD 112,295.**
 - *Cash outflows for Apr/19 (USD 394,835) are composed of: 40% Investment in Equipment and Structure, 32% Operating Expenses and 28% Investment in Fixed Term Deposit.*
 - *April operating costs were 2.2 times more than the monthly average (last 12 months).*
- New partner contributions and Loans: April 2019
 - Contribution of partners: USD 500,000
 - Short term loan: USD 0

CASH FLOW		Apr-19	Apr/19	Mar/19	Feb/19	2018
0	MONTHLY INITIAL VALUES		7,130	35,954	97,537	46,425
1	Inflows					
1.1	Capital income					
	Total Capital Income		500,000	-	-	1,191,000
1.2	Loans					
	Total Loans		-	-	-	29,500
1.3	Government Subsidy					
	ANII (National Research and Innovation Agency)		-	-	-	-
	Total Gov. Subsidy		-	-	-	33,300
1.4	Sales & Others					
	Flower Buds (50% of the 100kg 1st crop)		-	-	-	-
	Bank Account adjustment value		-	-	-	-
	Total Sales		-	-	-	-
	TOTAL INFLOWS		500,000	-	-	1,253,800
2	Outflows					
2.1	Office Costs					
	Director's home rent		- 1,906	- 1,000	- 1,000	- 11,000
	Light		-	-	-	- 665
	Phone / Internet		- 73	- 72	- 66	- 1,089
	Pilot lab maintenance		-	-	-	- 1,098
	Office rent PCTP		-	-	-	- 1,027
	Other		-	-	-	-
	Total		- 1,979	- 1,072	- 1,066	- 14,879
2.2	Construction Materials					
	Building construction		- 156,827	- 1,825	- 6,167	- 526,048
	Total		- 156,827	- 1,825	- 6,167	- 526,048
2.3	Operative costs					
	Materials		- 18,361	- 39	-	- 1,070
	Corporate expenses		- 33,360	- 5,713	- 16,604	- 184,466
	Salaries		- 50,388	- 19,689	- 29,113	- 273,140
	Taxes		- 21,920	- 486	- 8,633	- 100,415
	Total		- 124,029	- 25,927	- 54,350	- 559,090
2.4	Loans payments & Others					
	Fixed Term Deposits		- 112,000	-	-	-
	Total		- 112,000	-	-	- 34,950
	TOTAL OUTFLOWS		- 394,835	- 28,824	- 61,583	- 1,134,967
3	CASHFLOW					
	Cash Balance (Income vs Expenses)		105,165	- 28,824	- 61,583	118,833
	Accumulated Cash Balance		112,295	7,130	35,954	165,258

Accumulated Cash Flow – April 2019

- Final Cash Balance 2016: **USD 39 thousand**
- Final Cash Balance 2017: **USD 46 thousand**
- Final Cash Balance 2018: **USD 165 thousand**
- Final Cash Balance 2019: **USD 112 thousand**
 - January 2019: USD (-) 67.7 thousand.
 - February 2019: USD (-) 61.5 thousand.
 - March 2019: USD (-) 28.8 thousand.
 - April 2019: USD (+) 105.2 thousand.



Acc. CF (1) – Accumulated Cash Flow (2016 - 2017)

Acc. CF (2) – Accumulated Cash Flow (2016 - December 2018)

Acc. CF (3) – Accumulated Cash Flow (2016 - April 2019)*

*Outflows 2019 includes the start of a Fixed Term Deposit

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A young pea plant with two leaves and a growing stem is planted in a clear glass jar filled with dark soil. The background is a solid blue color with a faint, blurred image of a whiteboard containing some illegible text and diagrams.

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- **Management tools**
 - **Balance Sheet**
 - **Income Statement**
- April Highlights
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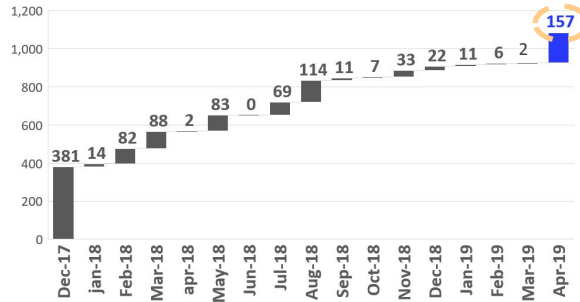
Balance Sheet: April 2019

- Continuous growth of plant and equipment
 - Property, Plant & Equipment growth in 2017: 200%
 - Property, Plant & Equipment growth in 2018: 138%
 - Property, Plant & Equipment growth in 2019: 19%
 - (Investments include Value Added Taxes: Tax Credit)
- No loan payments were made in April 2019.
- April 2019: For the purpose of creating a reserve, a Fixed Term Deposit of USD 112,000 has been initiated.
- Fixed assets totally funded by capital injections and Government Subsidy.

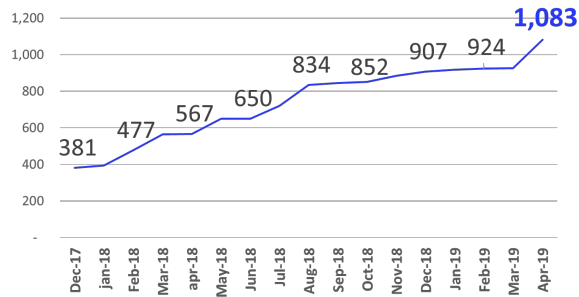
BALANCE SHEET : apr-19		Apr/19	2018	2017	2016
1	ASSETS	1,308,211	1,073,522	428,641	165,900
	Cash & Equivalents	112,295	165,258	46,425	38,956
	Accts Receivable				
	Inventory				
	Employee Advances				
	Customer Advances				
	Fixed Term Deposits	112,000			
	Tax Credits				
	Other				
	CURRENT ASSETS	224,295	165,258	46,425	38,956
	Investments	1,385	1,385	1,385	
	Property, Plant & Equipment	1,082,531	906,879	380,831	126,944
	(-) Depreciation				
	NON CURRENT ASSETS	1,083,916	908,264	382,216	126,944
2	LIABILITIES	49,550	49,550	55,000	-
	Suppliers				
	Banks				
	Tax Payable				
	Salaries				
	Accounts Payable				
	Partner Loans	29,500	29,500		
	Provisions				
	Other				
	CURRENT LIABILITIES	29,500	29,500	-	-
	LT Payables				
	Deferred Taxes				
	Partner Loans	20,050	20,050	55,000	
	Banks				
	Others				
	NON CURRENT LIABILITIES	20,050	20,050	55,000	-
3	NET WORTH	1,258,661	1,023,972	373,641	165,900
	Capital	2,386,965	1,886,965	695,965	255,712
	Reserves (Govt Subsidy)	52,438	50,000	16,700	
	Accumulated Earnings / (Losses)	(912,993)	(339,024)	(89,813)	
	Net Income / (Loss)	(267,749)	(573,969)	(249,211)	(89,812)
2+3	TOTAL LIABILITIES & NET WORTH	1,308,211	1,073,522	428,641	165,900

Investments_ Property, Plant & Eq.: April 2019

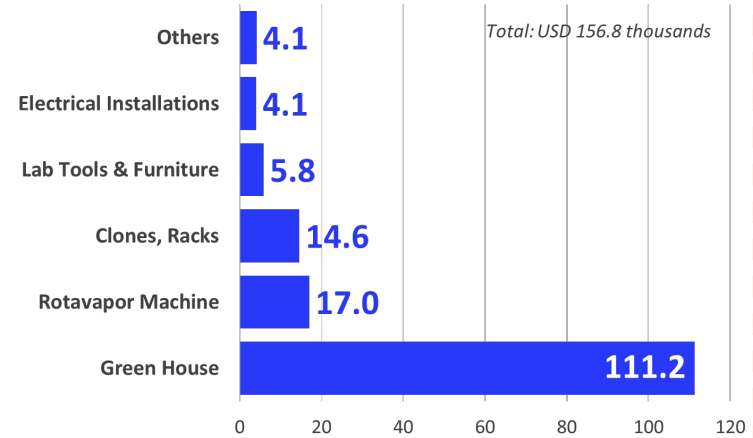
Property, Plant & Equipment Growth
(Thousands Dollars)



Property, Plant & Equipment Growth
(Thousands Dollars)



Apr 2019: Property, Plant & Equipment Investments
(Thousands Dollars)

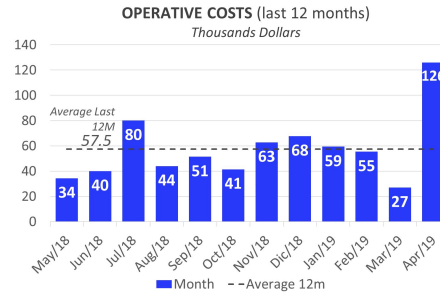


Income Statement: Apr 2019

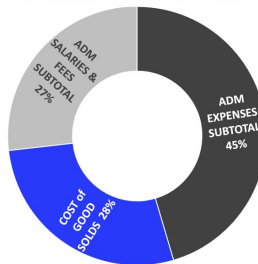
Highlights of April 2019 Expenses: USD 126,008

Total operating costs for April were above the average for the last 12 months

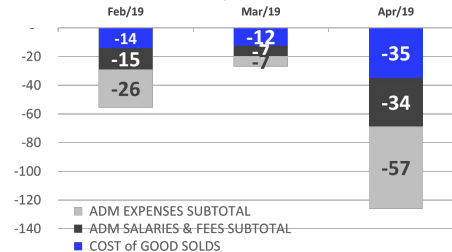
- Corporate Expenses : USD 33,360
 - Electricity (UTE): USD 6,560 (March and April)
 - IRCCA Investment License Payment: USD 6,012.
 - Scientific Tech Park Land Rent USD 5,473 (March and April).
 - Web Page and Translations: USD 2,799
 - Company relocation expenses and personal accommodation in Montevideo: USD
- Admin Salaries: USD 26,587. (overdue balances from March & April)
- Taxes: USD 21,920. (overdue balances from March & April)



OPERATIVE COSTS - APR 2019



EVOLUTION OF MONTHLY OPERATING COSTS
Last 3 months ; Thousands Dollars



INCOME STATEMENT : apr-19

	Apr/19	Mar/19	Feb/19
Gross Revenues	-	-	-
Flower Buds	-	-	-
Extracts	-	-	-
Other	-	-	-
(-) Sales Taxes	-	-	-
NET REVENUES	-	-	-
(-) Thecnical Fees	(9,911)	(7,390)	(8,130)
(-) Plant Salaries	(6,698)	(4,944)	(5,987)
(-) Fertilizers	(2,876)	(39)	-
(-) PH Plants	-	-	-
(-) Plants Pots	(13,217)	-	-
(-) Water Deposits	-	-	-
(-) Coconut Fiber	-	-	-
(-) Others	(2,268)	-	-
COST of GOOD SOLDS	(34,970)	(12,373)	(14,117)
GROSS PROFIT	(34,970)	(12,373)	(14,117)
(-) Admin Salaries	(26,587)	(7,355)	(10,940)
(-) Social Charges	-	-	-
(-) Outsourcing Fees	-	-	-
(-) Professional Fees	(7,192)	-	(4,056)
(-) Eventual Fees	-	-	-
(-) Other	-	-	-
ADM SALARIES & FEES SUBTOTAL	(33,779)	(7,355)	(14,996)
(-) Corporate Expenses	(33,360)	(5,713)	(16,604)
(-) Office Costs	(1,979)	(1,072)	(1,066)
(-) Taxes	(21,920)	(486)	(8,633)
(-) Financial	-	-	-
ADM EXPENSES SUBTOTAL	(57,259)	(7,271)	(26,303)
OPERATING PROFIT	(126,008)	(26,999)	(55,416)
(+) Non Operating Income	-	-	-
(-) Non Operating Expenses	-	-	-
NET PROFIT	(126,008)	(26,999)	(55,416)

Income Statement: Change in Expenses

- Burey's operations have increased compared to 2017. This can be observed in the change of **Operating Costs** since Jan/17.

i. *Cost of Goods Sold*

- In 2018 (compared to the accumulated amount for 2017) the Cost of Goods Sold increased 369%: between Jan/18 and Dec/18 **USD 102,042** was spent. Mainly this is due to: increase in technical fees and plant salaries.
- For Apr / 19, 3.8 times more was spent than Apr / 18; It should be clarified: **i)** the increase in professional fees began in April / May 2018 and **ii)** in Apr / 19 USD 13,217 was invested in Plant Pots.

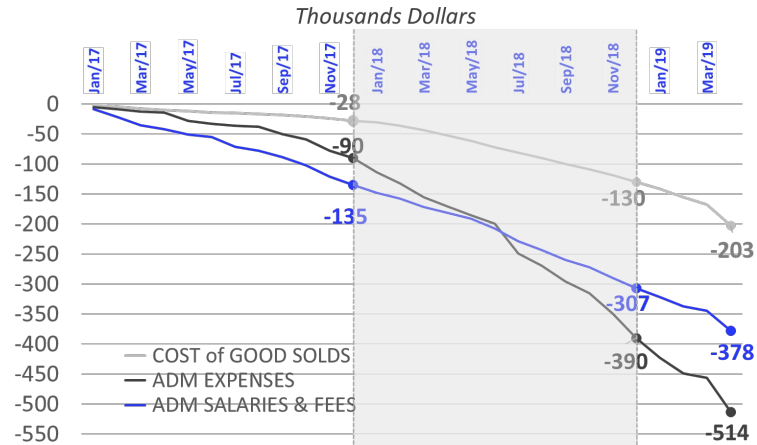
ii. *Administrative Expenses*

- In 2018 (compared to the accumulated amount for 2017) Administrative Expenses increased 333%: between Jan/18 and Dec/18 **USD 299,759** was spent.
- In Apr / 19, Administrative Expenses amounted to USD 57,259 (3.7 times more than Apr / 18); Extra Corporate Expenses (see previous page: late payments for March)
- Apr/19: Taxes and social security payments (BPS): USD 21,920; due to late payments for March.

iii. *Administrative Salaries & Fees*

- In Apr / 19, 3.5 times more was spent than Apr / 18. This is due to late payments (March) for Adm. Salaries and Prof. Fees.

CHANGE IN OPERATING COSTS SINCE JANUARY 2017



Income Statement: 4 months of 2019

Operating Costs accumulated for calendar year

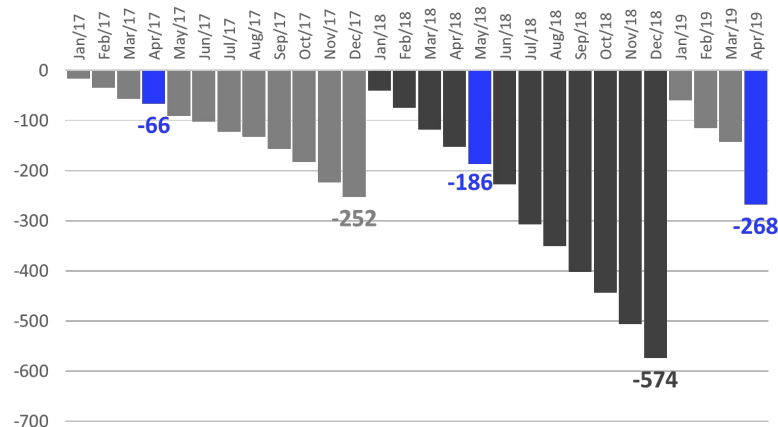
- i. The accumulated expenses for the 12 months (12M) of 2018 represent 227% of total 2017 expenses. This reflects the increase in operating costs mentioned in the previous slide and is the result of research performed and preparations for our first commercial production. It is expected that by 2019 this trend will continue, driven by production and sales.
- ii. **First 4 Months (4M): Comparison 2019 vs. 2018:**

While in the first 4M 2018 we spent **USD 152,098**, in the first 4M of 2019 we reached **USD 267,749**. This growth in expenses is principally attributed to:

- First 4M of 2018, corporate expenses were USD 47,190. While, in the first 4M of 2019, USD 77,583 has been invested. (See Corporate Expenses in the previous slide).
- First 4M 2019: The monthly average of admin salaries increased: + **USD 6,206** (compared to first 4M 2018). This is due to:
 - Increase in compensation for Sergio, Joao, Sonia (Secretary) and Frank.
- First 4M 2019: Technical Fees reached USD 31,561, while in 2018 (4M) they were USD 14,644. This was due to the increased workload of the professionals.
- First 4M 2019: Plant Salaries rose (First 4M 2019: USD 21,618 vs. First 4M 2018: USD 10,040). As of Feb/18 a Janitor and Auxiliary Corp were hired. As of Jan/19 a Maintenance Manager and Second Auxiliary Corp. were hired.
- At the same time, the raise in salaries increased contributions required by law (BPS), in 2019/2018 compared to 2017.

ACCUMULATED OPERATING COSTS

Thousands Dollars



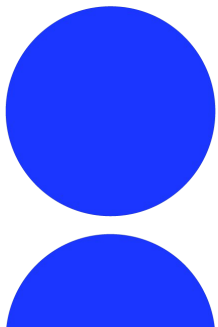
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April 2019 Highlights:

- The Ircca and Msp production license approval process has been successfully completed.
- We are waiting for Senaclaft's report to conclude the licensing process.



April 2019 – Projected Cash Flow for next 12 months

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
1- Monthly Initial Values (03/30/19)	7,130											
2- Capital Income and Others Funds												
Capital Income	500,000	80,000	650,000	200,000	200,000		450,000					
Government Subsidy					60,000							
3.1 - Operative Costs(*)	- 126,008	- 83,054	- 75,054	- 110,000	- 75,054	- 75,054	- 75,054	- 75,054	- 110,000	- 75,054	- 75,054	- 75,054
3.2 -Fixed Term Deposit	- 112,000											
4- Investments												
Lab Tools & Furniture	- 6,448		- 6,000	- 5,000								
Rotavapor Machine	- 17,005											
Electrical Installation - Area 2	- 4,051	- 4,000	- 10,000	- 37,500	- 37,500	- 37,500	- 37,500					
Hardware Store												
Other Materials and Construction		- 7,500	- 23,000	- 13,000								
Udelar- Investigation					- 7,944		- 7,944					
Clones and Racks	- 14,570											
Coconut Fiber y Import taxes												
Hydroponics Sys, Ozonator & Cloners		- 15,050										
Extra Tools	- 3,517											
Tracking System			- 7,000	- 8,000								
Green House	- 111,236		- 112,000	- 112,000	- 112,000							
5- Loans Payments												
CASHFLOW	105,165	- 29,604	416,946	- 85,500	27,502	- 112,554	329,502	- 75,054	- 110,000	- 75,054	- 75,054	- 75,054
ACCUMULATED CASH FLOW	112,295	82,691	499,637	414,137	441,639	329,085	658,587	583,533	473,533	398,479	323,425	248,371

(*) Operating Expenses include 100% of the company's operating costs: salaries, professional fees, rent, etc. THE MONTHLY AVERAGE OF OPERATING EXPENSES does not include investments in equipment and labor. See the following item.