

**Boomer Holdings, Inc. (OTC-BOMH-\$1.20)****12-month target price: \$5/share****INVESTMENT CASE:**

- OTC-listed BOMH is an under-the radar, under-valued micro-cap growth stock with clear near & intermediate-term visibility on up-lists to the OTCQB and Nasdaq/NYSE
- A \$5 target price reflects a potential 3-4x ROI from current levels by applying a mid-range 5-6x multiple on estimated July 2021 GAAP revenue of \$116 million. This is supported by GARP, PEG, comparable & 5-year discounted cash flow (DCF) analyses
- Should Boomer continue to meet or exceed milestones q/q, a higher range 7-8x revenue multiple could potentially lift BOMH shares to \$6-7 per share over the next 12 months.
- Founded in mid-2019 and public by mid-2020 (two recent S1s effective), Boomer is evolving into a leading developer & omnichannel marketer, distributor and retailer of health & wellness products (over 50 SKUs) infused with CB5, which is geared as one of the first FDA compliant (GRAS) alternatives to CBD. In early 2020, Boomer opportunistically and swiftly launched into the vast PPE market, which is generating a majority of revenue today and exceeding expectations with e-commerce, CVS pharmacies and Vietnam as key drivers. Boomer has raised over \$9 million since 2019 and has over 80 employees
- Backed with over 100 combined years of executive and board level, finance, science and medical experience, Boomer is playing into the right high growth sectors -health & wellness, CBD alternatives and PPE- which are vast and fragmented with a combined projected market of \$300 billion by 2025
- Thanks to over 100 wholesale customers, Boomer recently reported FYE July 2020 revenue of \$11.5 million compared to \$200k in 2019, while generating a solid 66% gross margin and an operating loss in its first full year of sales & marketing
- For the fiscal 1Q21 ending October 31, management recently reaffirmed revenue guidance of \$26-29 million, pointing towards a \$100+ million revenue run-rate and a turnaround to cash flow positive when the company reports financial results and files its 10Q by mid-December 2020
- A strong supply chain, diversified product line and synergies should continue to yield gross margins north of 65%, with improvements coming from a higher mix of botanical and CB5 product sales over the next 12-24 months, which can yield 80% gross margin versus 60% for PPE
- We are projecting 2021 revenue of \$116 million (versus \$11.5 million), gross margin of 67.6%, EBITDA margin of 30% and 4-year revenue CAGR north of 50% through 2025

**SNAPSHOT:**

<b>Symbol &amp; Price</b>	BOMH - \$1.20 - OTC (Nevada Corp.)
<b>Headquarters</b>	8670 W. Cheyenne Avenue, Las Vegas Nevada
<b>E-commerce</b>	boomernaturals.com, boomernaturalswholesale, tommybahamawellness.com
<b>IR site</b>	ir.boomernaturals.com
<b>Market Cap</b>	\$186,000,000
<b>Shares Out</b>	155,000,000
<b>Float</b>	11,000,000
<b>Shares Authorized</b>	200,000,000
<b>Insider Ownership</b>	75% including employees
<b>Management</b>	Dan Capri-Chairman, Mike Quaid-CEO, Giang Thi Hoang-COO
<b>Shareholders</b>	350+
<b>PCAOB Auditor</b>	Benjamin & Ko CPA Group (www.bkcpagroup.com)
<b>SEC Legal Counsel</b>	McCarter & English, LLP (www.mccarter.com)
<b>IR Firm</b>	ICR Communications (www.icrinc.com)
<b>Transfer Agent</b>	Action Stock Transfer (www.actionstocktransfer.com)

**EXHIBIT 1: PRO-FORMA P&L, 2019-2025E**

Fiscal Year End July 31	2019A	2020A	2021E	2022E	2023E	2024E	2025E
Healthy Living	0.07	0.97	17.48	42.64	77.81	124.86	153.41
PPE & medical		10.50	99.07	127.92	144.50	152.60	187.51
<b>Total Revenue (GAAP)</b>	<b>0.07</b>	<b>11.47</b>	<b>116.55</b>	<b>170.56</b>	<b>222.30</b>	<b>277.46</b>	<b>340.92</b>
Y/Y growth		17019%	916%	46%	30%	25%	23%
Cost of goods sold	0.03	3.88	37.75	50.78	60.36	72.68	85.98
<b>Gross income</b>	<b>0.04</b>	<b>7.59</b>	<b>78.80</b>	<b>119.78</b>	<b>161.94</b>	<b>204.78</b>	<b>254.94</b>
Gross margin	62.7%	66.2%	67.6%	70.2%	72.8%	73.8%	74.8%
<b>Operating expenses:</b>							
Advertising & marketing	0.11	13.83	15.42	17.87	19.72	20.59	22.97
G&A	0.13	3.85	14.38	21.87	29.43	33.29	36.87
Payroll & payroll taxes	0.14	2.43	8.65	12.48	15.75	18.15	21.24
Professional fees	0.18	1.97	2.25	2.75	3.00	3.00	3.00
R&D	0.00	0.02	0.20	0.50	0.75	1.00	1.25
D&A	0.00	0.03	0.05	0.07	0.09	0.10	0.20
Rent	0.05	0.62	1.25	1.65	1.75	1.75	1.75
<b>Total operating expenses</b>	<b>0.61</b>	<b>22.75</b>	<b>42.20</b>	<b>57.19</b>	<b>70.49</b>	<b>77.88</b>	<b>87.28</b>
<b>Operating income</b>	<b>(0.56)</b>	<b>(15.16)</b>	<b>36.60</b>	<b>62.59</b>	<b>91.45</b>	<b>126.90</b>	<b>167.66</b>
Interest & other expense	(0.03)	(0.39)	(0.60)	(0.60)	(0.70)	(0.80)	0.20
<b>EBITDA</b>	<b>(0.53)</b>	<b>(14.75)</b>	<b>37.25</b>	<b>63.26</b>	<b>92.24</b>	<b>127.80</b>	<b>167.66</b>
EBITDA margin	-795.5%	-128.6%	32.0%	37.1%	41.5%	46.1%	49.2%
Provision for income taxes	0.00	0.00	10.98	18.78	27.44	38.07	50.30
Net income	(0.59)	(15.56)	25.62	43.81	64.02	88.83	117.36
<b>EPS</b>	<b>(0.00)</b>	<b>(0.12)</b>	<b>0.17</b>	<b>0.25</b>	<b>0.37</b>	<b>0.51</b>	<b>0.67</b>
Total shares outstanding	124.60	124.60	155.00	175.00	175.00	175.00	175.00

\*2019 &amp; 2020 audited by BKCPA Group

\*Estimates based on SEC filings, industry research, company guidance

**COMPANY OVERVIEW**

Boomer Naturals, a wholly owned subsidiary of Boomer Holdings the public company, is a full-service wellness company that operates two divisions, Healthy Living and Personal Protection Equipment (PPE), which currently contribute approximately 10% and 90% of revenue, respectively across e-commerce, wholesale, licensing and retail. Healthy Living's flagship product line, Boomer Botanics, is an all-natural botanical blend of terpenes that helps the body function at its prime and is designed to balance the body and help decrease symptoms associated with physical, mental, and emotional health challenges. In addition to Boomer Botanics, the company produces and markets Golf Botanicals, Pet Botanicals, Tommy Bahama+Boomer Naturals CB5, SKIN Sunscreen, and medical-grade skin care products, nearly all of which are regulated in the U.S. either as food or dietary supplements. The formulation manufacturing, packaging, labeling, advertising, distribution and sales are subject to regulation by one or more federal agencies, principally the FDA, FTC, Consumer Product Safety Commission and US Department of Agriculture. All of the ingredients in Boomer's CB5 formula are on the FDA Generally Recognized as Safe (GRAS) List, which means they are deemed safe to use as an additive to food, beverages, and supplements without prior FDA review and approval. Boomer's PPE division, launched in April 2020 at the onset of the covid-19 pandemic, offers individuals and businesses PPE of the highest quality with industry-leading reliability including its flagship product, Boomer Nano-Silver Reusable Protective Cloth Face Masks, which are manufactured in Vietnam and ranked among America's best-selling consumer face masks. All of Boomer's products and nearly 100 SKUs are available for sale at boomernaturals.com, boomernaturalswholesale.com, CVS.com, and tommybahamawellness.com as well as at the Boomer Naturals retail store, CVS retail locations, Tommy Bahama locations, resorts, chiropractic offices, salons and golf shops across the US.

**RECENT PRESS RELEASES:****Boomer Naturals to Present at the Sidoti Virtual 2020 Microcap Conference (11/12/20)**[www.businesswire.com/news/home/20201112005845/en/](http://www.businesswire.com/news/home/20201112005845/en/)**Boomer Naturals Provides Fourth Quarter and Full Year Fiscal 2020 Results and Business Update (11/09/20)**[www.businesswire.com/news/home/20201109005752/en/](http://www.businesswire.com/news/home/20201109005752/en/)**Boomer Naturals Becomes an Official Mask Partner for Vegas Golden Knights (10/08/20)**[finance.yahoo.com/news/boomer-naturals-becomes-official-mask-150000958.html](http://finance.yahoo.com/news/boomer-naturals-becomes-official-mask-150000958.html)**Boomer Naturals to Present at the October 2020 Lytham Partners Investor Growth Conference (10/05/20)**[www.prnewswire.com/news-releases/boomer-naturals-to-present-at-the-october-2020-lytham-partners-virtual-investor-growth-conference-301146014.html](http://www.prnewswire.com/news-releases/boomer-naturals-to-present-at-the-october-2020-lytham-partners-virtual-investor-growth-conference-301146014.html)**Boomer Naturals Announces Expansion of its Board of Directors (9/21/20)**[www.businesswire.com/news/home/20200921005879/en/](http://www.businesswire.com/news/home/20200921005879/en/)**Boomer Naturals Commits to Donating an Additional 100,000 Face Masks Through Its Prepare and Protect Initiative (9/15/20)**[www.businesswire.com/news/home/20200915005259/en/](http://www.businesswire.com/news/home/20200915005259/en/)**Boomer Naturals Provides Business Update (9/03/20)**[www.businesswire.com/news/home/20200903005450/en/](http://www.businesswire.com/news/home/20200903005450/en/)**Boomer Naturals and Tommy Bahama Partner on New Co-Branded Wellness Collection (4/21/20)**[www.prnewswire.com/news-releases/boomer-naturals-and-tommy-bahama-partner-on-new-co-branded-wellness-collection-301044604.html](http://www.prnewswire.com/news-releases/boomer-naturals-and-tommy-bahama-partner-on-new-co-branded-wellness-collection-301044604.html)**Boomer Holdings, Inc. Announces Stock Symbol Change to BOMH (4/15/20)**[www.prnewswire.com/news-releases/boomer-holdings-inc-announces-stock-symbol-change-to-bomh-301041428.html](http://www.prnewswire.com/news-releases/boomer-holdings-inc-announces-stock-symbol-change-to-bomh-301041428.html)**Boomer Naturals Partners with Global Manufacturers to Bring Essential Safety Supplies to US (4/15/20)**[www.prnewswire.com/news-releases/boomer-naturals-partners-with-global-manufacturers-to-bring-essential-safety-supplies-to-us-301041247.html](http://www.prnewswire.com/news-releases/boomer-naturals-partners-with-global-manufacturers-to-bring-essential-safety-supplies-to-us-301041247.html)**Boomer Naturals Announces Consummation of Share Exchange with Remaro Group (1/13/20)**[www.prnewswire.com/news-releases/nevada-based-boomer-naturals-inc-announces-consummation-of-share-exchange-with-remaro-group-inc-300985671.html](http://www.prnewswire.com/news-releases/nevada-based-boomer-naturals-inc-announces-consummation-of-share-exchange-with-remaro-group-inc-300985671.html)**INVESTMENT HIGHLIGHTS:**

**Under the radar stock with 50% 3-year CAGR potential.** Pursuant to an 8K filed on February 25, 2020, Boomer Naturals went public through a reverse merger with Remaro Group, a clean and current Nevada corporation trading on the OTC, which was subsequently renamed Boomer Holdings. Boomer has recently had two S1 registration statements (August and October 2020) go effective, resulting in 155 million shares issued and outstanding, of which insiders own over 75%. The company has a 10% plus float and well over 350 shareholders as of late November 2020. Only recently having been established, Boomer has quickly become a fast growing, innovative, well-diversified, near-vertically integrated, and well-recognized developer and omni-channel marketer, distributor and retailer of branded consumer products and solutions. Most of Boomer's botanical products are infused with a proven and time-tested proprietary formulation called CB5, which is geared toward being a clear alternative to hemp and CBD. Since the company's botanical and CB5 product lines do not contain any CBD or THC with all ingredients currently on the FDA's GRAS (Generally Recognized as Safe List), Boomer is able to and has been advertising aggressively through all forms of media including Google, Facebook, Yahoo, Bing, YouTube, Instagram, all national television networks and radio, which builds awareness and drives revenue.

Amid the onset of covid-19, Boomer, through a senior executive with key ties to manufacturing in Vietnam, swiftly and successfully launched a PPE and medical products division and supply chain, which now contributes significantly to revenue. PPE, which yields a healthy 65% plus gross margin, generates 90% of total revenue, versus CB5 infused botanical products, which yield gross margins closer to 80%. Double digit y/y revenue growth is expected out of both botanicals and PPE for at least the next 12-24 months, which our projections for fiscals 2021-2023 reflect. In their recently filed 10k ending July 31, 2020 and first full year of operations, the company reported total revenue of \$11.6- most of which was PPE related- a solid 66% gross margin, and operating losses of \$15 million, which was foreseen due to going public costs, numerous key hires, and aggressive marketing and media spend. For the recently ended October 1Q21 to be reported by mid-December, management is guiding for revenue to come in between \$26-29 million, with gross margins of 65% plus consistent with the July period, and at least cash flow break even. The company may be on track to generate EBITDA and free cash flow over the next several quarters, which could indicate they are already experiencing meaningful operating expense leverage off of marketing and G&A spend.

**Compelling Growth at a Reasonable Price (GARP) stock with clear 6-month runway onto national exchange up-list.** Assuming October 1Q21 results reflect a revenue run rate north of \$100 million, Boomer appears to be uniquely positioned and well-capitalized to play into two rapidly growing sectors -botanicals, CBD alternatives and health and wellness. As a public company, management has the ability to more actively engage a broader addressable market and attract a more sophisticated and global investor base. The company's pipeline and strategic partnerships across all channels suggest revenue can continue to grow at a high double-digit clip q/q and y/y over the next 6 to 12 months. Over the next 12-24 months, Boomer intends to roll out new product offerings and solutions with footholds established internationally, particularly across East Asia. While the health and wellness spaces are competitive and high risk-reward, the sectors are also highly fragmented and in their growth phases with market share to be rapidly gained. High double-digit growers such as Boomer and other perceived winners will likely continue to command premium valuation multiples amidst a lot of volatility and competition. Thus, BOMH stock, in our view, should begin to correlate more closely on a rolling P/sales, P/EBITDA and P/E basis, with not only health and wellness companies, but also with lifestyle, cannabis and branded consumer focused growth stocks, which can trade between 5-10x revenue or 2-5x on the lower end. Across the board (see exhibit 2 and 3), well branded, growing and quality micro-mid cap cannabis, pharma, health, nutritional and medical products stocks have outperformed and historically traded at significantly greater multiples versus the major indices such as the Russell 2000 & 3000, Dow Jones US Small-Cap, Morningstar Small-Cap and Wilshire US Small-Cap index.

**EXHIBIT 2:**

**Micro-mid-cap CBD related stocks**

Ticker	Exchange	Company	Market Cap	TTM Analyst revenue forecasts			TTM EBITDA	TTM net income	TTM P/S	2020E P/S	2021E P/S	
				revenue	2020E	y/y growth						2021E
mrmid	otcqx	marimed inc.	113.9	35.7			(35.2)	(80.4)	3.2x			
cribf	otcqx	cresco labs inc.	2203.0	345.2	467.2	35%	776.0	27.0	(61.0)	6.4x	2.8x	
vreof	otcqx	vireo health international inc.	116.5	41.3			(30.1)	(70.8)	2.8x			
hrvsf	otcqx	harvest health & recreation inc.	726.2	199.3	219.3	10%	328.0	(19.3)	(120.0)	3.6x	2.2x	
gtbif	otcqx	green thumb industries inc.	4504.0	455.2	548.1	20%	841.4	106.0	(21.5)	9.9x	5.4x	
plnhf	otcqx	planet 13 holdings inc.	758.5	66.9	73.1	9%	141.9	5.8	(0.8)	11.3x	5.3x	
curif	otcqx	curaleaf holdings	7056.0	471.8	650.0	38%	820.0	129.7	(52.1)	15.0x	8.6x	
tcnnf	otcqx	trulieve cannabis corp	3394.0	432.8	511.2	18%	785.7	207.3	70.8	7.8x	4.3x	
ycbd	nyse	cbdMD	139.1	39.7	41.4	4%	48.5	(17.5)	31.4	3.5x	2.9x	
trssf	otcqx	terrascent corp	707.6	158.9			(133.0)	(212.0)	4.5x			
cvsi	otcqb	cv sciences	46.4	28.6	25.8	-10%	34.9	(16.3)	(19.7)	1.6x	1.3x	
kshb	otcqx	kushco holdings	116.5	113.8	136.0	19%	178.5	(59.4)	(77.7)	1.0x	0.7x	
crbp	nasdaq	corbus pharmaceuticals	102.5	5.9	4.8	-18%	5.0	(128.0)	17.5x	21.5x	20.5x	
mbii	nasdaq	marrone bio innovations	179.9	37.4	40.6	9%	58.5	(11.5)	(26.1)	4.8x	3.1x	
nbev	nasdaq	new age beverages corp	397.2	248.3	265.6	7%	501.0	(40.9)	(101.2)	1.6x	0.8x	
sndl	nasdaq	sundial growers inc.	163.2	97.4	54.8	-44%	64.6	(70.2)	(238.0)	1.7x	2.5x	
cron	nasdaq	cronos group	2969.0	37.0	142.8	286%	195.0	(176.9)	100.6	80.3x	15.2x	
nept	nasdaq	neptune wellness solutions	226.0	58.6			(79.3)	(66.9)	3.9x			
tlry	nasdaq	tilray	1135.0	183.1	203.2	11%	284.1	(215.3)	(487.0)	6.2x	4.0x	
gwph	nasdaq	GW pharmaceuticals	3820.0	488.1	522.4	7%	734.8	(37.7)	(53.9)	7.8x	5.2x	
iipr	nyse	innovative industrial properties	3477.0	97.5	118.0	21%	197.2	80.3	52.4	35.7x	17.6x	
acb	nyse	aurora cannabis	1938.0	273.0	325.5	19%	348.7	(451.0)	(489.0)	7.1x	5.6x	
cgc	nyse	canopy growth	10777.0	477.4	600.0	26%	745.0	(852.9)	(1000.0)	22.6x	14.5x	
hexo	nyse	HEXO corp.	423.7	80.8	89.0	10%	103.0	(163.7)	(546.0)	5.2x	4.1x	
apha	nyse	aphria	2233.0	560.9	588.0	5%	20.7	(100.0)	4.0x	3.8x		
gnln	nasdaq	greenlane holdings	149.7	139.3	138.7	0%	148.3	(33.0)	(14.0)	1.1x	1.0x	
vff	nasdaq	village farms international	712.6	155.8	185.0	19%	201.0	(9.0)	(2.5)	4.6x	3.5x	
ogi	nasdaq	organigram holdings	303.0	82.7	98.3	19%		(89.3)	(120.0)	3.7x	3.1x	
xxii	nyse	22nd century group	222.2	28.1	26.8	-4%	28.0	(15.3)	(19.5)	7.9x	7.9x	
aleaf	otcqx	aleafia health inc.	122.8	29.4	38.0	29%		(7.2)	(25.5)	4.2x	3.2x	
flwpf	otc pink	the flower corp.	48.9	4.5	6.5	45%	7.8	(47.9)	(52.7)	10.9x	6.3x	
cwbhf	otcqx	charlotte's web holding	718.6	91.1	97.1	7%	146.7	(58.1)	(51.2)	7.9x	4.9x	
khrrf	otcqb	khiron life sciences corp	51.4	8.9				(35.3)	(33.8)	5.8x		
emthf	otcqx	emerald health therapeutics	43.9	21.1	22.0	4%	24.7	(47.8)	(112.0)	2.1x	1.8x	
tgodf	otcqx	green organic dutchman	112.9	15.4	22.8	48%	46.0	(49.2)	(51.2)	7.3x	5.5x	
									<b>median</b>	<b>9.3x</b>	<b>7.3x</b>	<b>5.7x</b>

**EXHIBIT 3:**

**Micro-mid-cap health, wellness, nutrition stocks (non-biotech/pharma)**

Ticker	Exchange	Company	Market Cap	TTM Analyst revenue forecasts			TTM EBITDA	TTM net income	TTM P/S	2020E P/S	2021E P/S	
				revenue	2020E	y/y growth						2021E
celh	nasdaq	celsius holdings	2340.0	119.2	129.69	9%	170	7.2	5.7	19.6x	18.0x	13.8x
lfnv	nasdaq	lifestance	159.18	231.5	230.0	-1%	235.3	19.8	12.2	0.7x	0.7x	0.7x
ameh	nasdaq	apollo medical holdings	689.4	689.1	674.9	-2%	691.5	84.0	34.5	1.0x	1.0x	1.0x
leaf	nyse	leaf group	146.3	192.1	210.6	10%	224.2	(10.9)	(11.5)	0.8x	0.7x	0.7x
gaia	nasdaq	gaia inc.	208.3	62.8	66.5	6%	80.1	4.1	(2.6)	3.3x	3.1x	2.6x
th	nasdaq	target hospitality corp	182.1	249.6	210.6	-16%	206.2	90.7	(18.2)	0.7x	0.9x	0.9x
fsi	nyse	flexible solutions international	28.7	29	30.3	4%	32.1	4.6	3.5	1.0x	0.9x	0.9x
osw	nasdaq	onespaworld holdings	747.2	256.5	120.6	-53%	189.1	(11.9)	(37.8)	2.9x	6.2x	4.0x
aker	nasdaq	akers biosciences	36.7	1.6	2.5	56%	3.0	(9.9)	(10.2)	22.9x	14.7x	12.2x
pte	nasdaq	polarityte	25	8	9.5	19%	9.8	(49.1)	(53.9)	3.1x	2.6x	2.5x
amrs	nasdaq	amyris inc.	626.4	133.9	167.6	25%	237.2	(143.5)	(235.0)	4.7x	3.7x	2.6x
tvty	nasdaq	tivity health	871.9	1300	1040.0	-20%	739.7	219.0	(249.0)	0.7x	0.8x	1.2x
hain	nasdaq	hain celestial	3787.0	2070.0	2080.0	0%	2110.0	209.4	19.8	1.8x	1.8x	1.8x
mtex	nyse	medifast	2429.0	840.6	919.2	9%	1100.0	118.5	94.7	2.9x	2.6x	2.2x
bcpc	nasdaq	balchem corp	3406.0	689.5	699.3	1%	736.0	159.2	82.8	4.9x	4.9x	4.6x
cdxc	nasdaq	chromadex	309.6	56.9	59.2	4%	79.2	(21.5)	(22.7)	5.4x	5.2x	3.9x
mgpi	nasdaq	mgp ingredients	769.0	387.1	391.0	1%	401.8	67.6	41.4	2.0x	2.0x	1.9x
smpl	nasdaq	simply good foods	2139.0	816.6	902.8	11%	961.9	145.5	34.7	2.6x	2.4x	2.2x
nus	nyse	nu-skin enterprises	2679.0	2420.0	2570.0	6%	2690.0	297.5	158.0	1.1x	1.0x	1.0x
prph	nasdaq	prophase labs	106.6	12.5	19.6	57%	22.0	(1.4)	(1.7)	8.5x	5.4x	4.8x
brbr	nyse	bellring brands	836.8	988.3	1100.0	11%	1050.0	191.2	23.5	0.8x	0.8x	0.8x
happ	nasdaq	happiness biotech group	60.8	65.1	68.0	5%		16.1	12.6	0.9x	0.9x	
ribt	nasdaq	ricebran technologies	29.6	25.2	26.4	5%	31.7	(8.5)	(13.4)	1.2x	1.1x	0.9x
									<b>median</b>	<b>4.1x</b>	<b>3.5x</b>	<b>3.1x</b>

Well off their highs from a year ago, revenue multiples across a broad array of cannabis stocks still stretch between the 4-20x range, as these companies continue to receive a lot of attention from growth, value and special situations investors seeking to capitalize on cleaner balance sheets, legalization and prospects for widespread adoption across the health, wellness, recreational markets. As a result, cannabis stocks frequently trade at valuations comparable to high growth tech, biotech and branded consumer companies, which can fetch revenue, EBITDA and P/Es of up to 15-20x, 25-30x, and 30-40x, respectively. A reasonable 4-5x multiple off Boomer's run-rate revenue of \$100 plus million would imply the stock can trade up to at least \$4 or 5 per share in 12 months, yielding a 200-300% return. Should the company's revenue run rate and EBITDA growth continue to accelerate q/q, or management raise guidance along the way, the market may begin to pay 5-10x revenue, which could potentially lift the shares to \$6 or 7 per share over the course of the next 12-24 months.

**Patent-pending CB5 is a key differentiator and recognized on FDA GRAS (Generally Recognized As Safe) list.** Patent-pending CB5, a proprietary blend of botanical terpenes designed to restore balance to the body's endocannabinoid system (ECS), was developed by neurosurgeon and Boomer advisory board member, Dr. Mark Chwajol (<https://boomernaturalwellness.com/larry-mccleary-md/>). Discovered in the early 1990s, the body's ECS features cannabinoids and receptors (CB1, CB2, and two others) that are some of the most abundant neurotransmitters found in the brain. The CB5 blend of terpenes, which may include extracts from rosemary, basil, thyme, cacao, jasmine, lemongrass, black pepper, and a variety of other herbs, enhances the productivity and functionality of the ECS by targeting at least four or five of the known system receptors, versus hemp derived CBD, which target one or two ECS receptors. Therefore, it is believed that CB5 better enables the ECS to signal to the body to reduce pain and inflammation, calm anxiety and nerves, enhance memory and focus, boost mood, improve reactivity to stress, support healthy immune function, enhance lung and respiratory function, reduce the appearance of blemishes, improve cholesterol, balance blood sugar and aid in the overall process of aging. CB5's FDA-GRAS compliance also uniquely positions the company well -versus hemp derived CBD players- enabling Boomer to aggressively build brand value through all means of advertising including national television, radio, internet and social media platforms, all of which the company has invested significantly in throughout its first year. Boomer has also begun discussions with distributors in over 7 countries to carry the CB5 product line, all of whom view CB5 as a rare opening to meet consumer demand where CBD may be illegal or unavailable for sale. As a result, all of Boomer's 50 plus CB5 infused SKUs including edibles, AM and PM shots, tinctures, oils, and roll-ons, must undergo rigorous third-party testing and are manufactured in the U.S. in accordance with state department of agriculture regulations.

**Tommy Bahama licensing deal is a potential gamechanger and validation of CB5's high prospects.** Announced in April 2020, (<https://finance.yahoo.com/news/boomer-naturals-tommy-bahama-partner-175500050.html>) and consistent with management's strategy of addressing the baby boomer demographic, the company announced an exclusive trademark license agreement with Tommy Bahama Group, Inc., a wholly owned subsidiary of Oxford Industries, Inc. and highly reputable manufacturer and 160- store retailer of sports, swim, activewear, footwear, accessories, home furnishings, bars and restaurants. Tommy Bahama has already begun licensing the Tommy Bahama trademark and other intellectual property in connection with the manufacture, sale, distribution, advertisement and promotion of Boomer's CB5 product line at many of the Tommy Bahama stores and through a co-branded e-commerce site, [tommybahamawellness.com](http://tommybahamawellness.com), which launched sooner than expected as sales migrated away from brick and mortar due to covid-19. Tommy Bahama placed its initial order in March 2020 for approximately \$400,000 from the CB5 line, which was showcased at Tommy Bahama's Friend and Family events, check-out countertops in both men's and women's departments, and at promotional events where 10,000-20,000 Boomer roll-ons are given away in a single event. Due to the recent and temporary transition away from traditional retail, both Boomer and Tommy Bahama have been working hand in hand in ramping up digital marketing campaigns to drive e-commerce, which is yielding results.

**Launch of PPE through e-commerce and CVS pharmacies exceeding expectations.** In April 2020 amid the covid-19 pandemic, Boomer, spearheaded by a key executive at the company, established a medical supplies division and rapidly expanded its health and wellness offerings to include PPE, featuring its doctor-recommended, W.H.O. compliant, three-layer cotton/polyester reusable face mask enhanced with nano-silver technology. Beyond branded face coverings and hand sanitizers, the company has diversified into safety gloves, nano-silver gaiters, ear savers, face shields and safety glasses, among others, to consumers online and via distribution to doctors, therapists, and wholesale brokers. Shortly after launch, the company entered into an exclusive distribution agreement with a highly reputable unaffiliated third-party supplier based in Vietnam and is now one of their exclusive distributors in the US. This unique access to manufacturing capacity in Vietnam coupled with waning reliance on China-produced medical supplies as a whole is reflected in recent financial results and overall demand, which has generally exceeded expectations. According to management, more than a thousand online orders are being processed daily, in addition to a higher number of larger, wholesale purchases being fulfilled on a month to month basis. The company continues to see increases in average order size, and repeat customers thanks to a flexible and highly dependable supply chain, omni-channel distribution know-how and expertise in other relevant product areas. For example, in parallel with their CB5 product distribution strategy discussions, Boomer has become one of several approved vendors of face coverings for CVS, a national pharmacy chain with over 8,000 retail stores, which due to strong demand and customer preference, is regularly placing orders for up to \$7-10 million at a time for face coverings alone. CVS placed an initial purchase order of \$6 million in April 2020. But due to immediate overlap, the company is also working with CVS to source other essential products manufactured in Vietnam, which could generate further wholesale and e-commerce revenue over the next 12 months. Recently in November, in an alliance representing a new era in preventative care in sports, Boomer announced that it would serve as an official mask partner for the Vegas Golden Knights 2020-2021 NHL season, where Boomer will create six custom face masks and neck gaiters with team colors and logos. These are just several of many channel partners that Boomer has in its pipeline and backlog, demonstrating that PPE is fast proving to be accretive to Boomer's botanical and CB5 portfolio with intersecting addressable audiences.

**North American PPE market to outpace global growth.** According to Grandview Research, the global PPE was a \$59 billion market in 2019 and is expected to grow at a 9.6% CAGR through 2026. Europe accounted for 33.6% of the share lead by manufacturing which accounted for 17% of the revenue. The healthcare sector is discernably heavily weighted and projected to increase at a 21% 5-year CAGR, which should help drive US CAGR of 9.8% over the same period to at least \$20 billion from several billion today. Key US manufacturers 3M, Lakeland Industries, DuPont, and Honeywell International Inc., have ramped up their production capacities and many others such as Boomer to invest in R&D to make advanced technology-based products and focus on operating across the value chain to ease the availability of raw materials and streamline. Boomer is already competing with

these larger players as it continues to outreach to high-need businesses and institutions such as healthcare facilities, schools, state and local governments, senior living facilities and prisons to provide a reliable supply of high quality masks and PPE.

**3-year revenue and free cash flow CAGR of 90%+ reflects a more balanced product mix.** We believe that Boomer's compounding pipeline and backlog, an aggressive omni-channel marketing and distribution strategy and cross selling efforts addressing similar target markets demonstrates PPE's potential synergies with Boomer's core CB5 and botanical product portfolio. In line with company guidance, we are projecting GAAP revenue of \$116 million by fiscal year end July 2021, with PPE and medical to contribute approximately 75% of revenue versus 25% for CB5 and botanical. This compares to a revenue mix of roughly 90% and 10% respectively for July fiscal year end 2020. A more balanced mix of CB5 sales may push year end July 2021 gross margin above 70% and improve EBITDA margin closer to 30%, despite continued sales and marketing spend required to drive the top line. Larger purchase orders are anticipated from the likes of CVS, Scrip Hessco, and many of the company's existing wholesale customer base. A NYC flagship store previously slated for a May 2020 launch was delayed due to the pandemic, but could be a contributor beginning in early 2021 as well with monthly sales contribution of at least \$1 million. However, combined sales and marketing, R&D and professional fees will remain under 10% of sales going forward thanks to a repeat customer base, lower customer concentration risk and expense leverage that's expected to generate EBITDA near-term. For fiscals July 2022 and 2023, we are modeling at least 50% y/y revenue growth to \$180 million and \$270 million, respectively, with 200 and 400 basis point improvements in gross and operating margin to 72% and 35%, respectively. Our revenue estimates for 2024 and 2025 modestly reflect y/y increases of 25% and annual gross and operating margin improvements of 100 and 300 basis points, respectively. See exhibit 4 below.

#### EXHIBIT 4:

##### 5-Year Discounted Cash Flow Valuation

Fiscal Year End July 31	2019A	2020A	2021E	2022E	2023E	2024E	2025E
Healthy Living	0.07	0.97	17.48	42.64	77.81	124.86	153.41
PPE & medical		10.50	99.07	127.92	144.50	152.60	187.51
<b>Total Revenue (GAAP)</b>	<b>0.07</b>	<b>11.47</b>	<b>116.55</b>	<b>170.56</b>	<b>222.30</b>	<b>277.46</b>	<b>340.92</b>
Y/Y growth		17019%	916%	46%	30%	25%	23%
Cost of goods sold	0.03	3.88	37.75	50.78	60.36	72.68	85.98
<b>Gross income</b>	<b>0.04</b>	<b>7.59</b>	<b>78.80</b>	<b>119.78</b>	<b>161.94</b>	<b>204.78</b>	<b>254.94</b>
Gross margin	62.7%	66.2%	67.6%	70.2%	72.8%	73.8%	74.8%
Total operating expenses	0.61	22.75	42.20	57.19	70.49	77.88	87.28
<b>Operating income</b>	<b>(0.56)</b>	<b>(15.16)</b>	<b>36.60</b>	<b>62.59</b>	<b>91.45</b>	<b>126.90</b>	<b>167.66</b>
Interest & other expense	(0.03)	(0.39)	(0.60)	(0.60)	(0.70)	(0.80)	0.20
<b>EBITDA</b>	<b>(0.53)</b>	<b>(14.75)</b>	<b>37.25</b>	<b>63.26</b>	<b>92.24</b>	<b>127.80</b>	<b>167.66</b>
EBITDA margin	-795.5%	-128.6%	32.0%	37.1%	41.5%	46.1%	49.2%
Provision for income taxes	0.00	0.00	10.98	18.78	27.44	38.07	50.30
<b>Net income</b>	<b>(0.59)</b>	<b>(15.56)</b>	<b>25.62</b>	<b>43.81</b>	<b>64.02</b>	<b>88.83</b>	<b>117.36</b>
D&A	0.00	0.03	0.05	0.07	0.09	0.10	0.20
Capex	0.08	0.22	0.25	0.25	0.25	0.25	0.25
<b>Free Cash Flow (FCF)</b>	<b>(0.67)</b>	<b>(15.76)</b>	<b>25.42</b>	<b>43.63</b>	<b>63.86</b>	<b>88.68</b>	<b>117.31</b>
Discount Rate			15%	15%	15%	15%	15%
Year			1	2	3	4	5
Discounted cash flow			22.10	32.99	41.99	50.70	58.32
							<b>1055.81</b> Terminal value
<b>Price per share</b>							
Discount rate		15.0%					
Perpetual growth rate		3.5%					
<b>Present value of DCF</b>		<b>731.03</b>					
Cash		5.00					
Shares outstanding		155.00					
<b>Fair value per share</b>		<b>\$4.75</b>					
<b>Market capitalization</b>		<b>\$736.03</b>					

**5-year projections and discounted cash flow analysis supports \$5 per share.** As reflected in the above exhibit, our 5-year DCF analysis, which applies a prevailing 15% discount rate and perpetuity growth of 3.5%, appears to support our relative valuation and GARP thesis that the shares should ultimately be trading closer to \$4.75 -5.00 per share. This is despite the net present value of future cash flows being based on top line growth assumptions of only 25% in years 4 and 5 with conservatively modeled operating margin improvements due to projected ramp in G&A and aggressive sales and marketing. On the lower end and if the perception of higher risk reward were to increase the discount rate to 17-20%, the net present value of projected cash flows would yield a stock valuation of \$3.50-4.00 per share.

#### LONG-TERM CONSIDERATIONS AND RISKS:

**Predictable industry tailwinds.** According to the Global Wellness Institute, the pharmaceutical, health and wellness industry as a whole well exceeds \$1.5 trillion a year, with trend lines clearly depicting health conscious consumers pivoting away from pharmaceuticals and more towards natural solutions for everyday challenges. According to a Global Use of Medicines report from the IQVIA Institute for Human Data Science, pharmaceuticals make up \$1.2 trillion, with health and wellness rounding out the remaining \$300 billion. Market researcher Grandview Research

predicts the personalized retail nutrition & wellness industry will grow at a 9.1% CAGR and hit \$60 billion by 2025, citing increased demand for preventive health measures, rising trend for customization in the food sector, healthier eating habits, and greater investment in nutrigenomics, particularly for an aging demographic. To take it further, the advent of AI-based algorithms to better track health data on a routine basis has prompted both small and medium sized businesses and more well-established food and beverage manufacturers to design and develop innovative products and solutions as well as customized marketing programs based on these evolving customer experiences. Forbes and numerous other industry observers project the cannabis market reaching \$40 billion (\$20 billion for CBD) by 2024, while the over the counter drugs and medication market was projected at \$185 billion by 2025 from \$125 billion in 2018. A recent study from Statista showed that the addressable market for vitamins, minerals and supplements was over \$48.5 billion growing consistently at 10% y/y. Grandview Research also estimates the current size of the US pet care market to about \$132 billion and sees the sector growing to \$202.6 billion by 2026.

**Synthetic CBD could be part of the near future.** CBD alternatives such as CB5 and products made in a lab should ultimately be less expensive, cleaner, more streamlined and easier to mass-produce than CBD extracted from hemp. As a result, scientists at biotech companies continue to actively develop what they believe could be the future of the industry, known as synthetic CBD, which could be cultured in an organic base such as yeast through biosynthesis or petroleum-based chemicals. Because synthetic cannabinoid would reduce the massive costs of cultivation and possibly accelerate the FDA approval process, researchers, universities, and a good number of startups are investing in the early to mid-stages of synthesizing CBD. The compounds entrepreneurs are excited about are purified analogs of CBD, which has a relatively simple molecular structure, which is easy to develop through organic chemistry in a pharmaceutical setting. In 2018, the FDA approved the first-ever drug made with it, Epidiolex, to treat children with severe forms of epilepsy. Researchers and pharmaceuticals are also excited about the purity potential with synthetic CBD due to its avoidance of heavy metals from soil, pesticide residue, extraction solvents such as butane and adverse climate conditions. More importantly from an IP perspective, there are over 100 specific cannabinoids in the hemp plant, many of which are therapeutically beneficial, but rare and difficult to extract outside of a laboratory setting. Because CBD extracted from a plant cannot be patented, synthetic cannabinoids, when combined with other compounds, can create new and patentable products with proven medical benefit.

**Continue to shore up balance sheet.** The company's balance sheet as of the end of the July 2020 remained healthy with total cash and equivalents of approximately \$5 million, current assets of \$11.1 million, total assets of \$12.4 million, long-term debt and bank lines of approximately \$6 million and shareholder deficit of \$11.9 million which includes over \$4 million in equity paid in capital plus roughly \$16 million in accumulated operating losses over the past year. However, according to a recent press release highlighting their July fiscal year end results, the company appears to be on track to break even within the next couple of quarters, which could meaningfully shore up book value. Boomer had and continues to have available lines of credit with financial institutions for up to several million dollars and will continue to opportunistically explore growth and acquisition financing including a follow-on stock offering in conjunction with a national exchange up-list. The company is reportedly in discussions with financial institutions and middle market investment banking firms to meet this milestone by early to mid-2021.

**National exchange up-list a key stock catalyst.** We believe the company meets many of the requirements so far and remains on track for an up-list to the NYSE Amex or Nasdaq over the next 3 to 6 months, which would be a critical longer-term driver for the stock, as meeting the up-listing standard would imply the stock trades in the \$4-5 per share range or a market cap between \$620-700 million with a significantly broader institutional investor following and potential entry on the Russell 2000 and 3000 Indices.

**Risks to the stock.** Several factors that could adversely affect the stock's premium value multiple or put temporary pressure on the stock include a) the overall volatility in general of growth stocks trading on the OTC market, b) macro-economic uncertainties and unknown geopolitical circumstances that may arise such as a pandemic, c) uncertainties related to investing for the purpose of international expansion or uncharted waters, such as South East Asia and Vietnam, d) ability to raise equity or debt capital at favorable enough terms that enables management and the company to execute, compete and expand over the next 12 to 36 months, e) the issue of sustainability and saturation in the marketplace for PPE or whether widespread adoption for alternative forms of CBD (botanicals or lab-made) will occur as predicted.

**DISCLOSURES: The author holds a long position in BOMH stock and has not been directly compensated by the company or by any third party for the publication of this report. The author is neither a 5% shareholder nor an affiliate of the company.**