



Level Brands, Inc. (NYSE American: LEVB)

April 10, 2019
Current Price: \$4.20
Target Price: \$10.00

Market Data

Fiscal Year	September
Industry	CBD
Market Cap*	\$42.8M
P/S(ttm)*	4.8x
Float*	8.02
Shares Outstanding*	10.20M
Avg. Volume (3 mo.)	151,000

As of April 10, 2019

*Does not include cbdMD acquisition shares of 15.2M, pending shareholder vote.

Income Statement Snapshot

	TTM
Revenue	\$8.9M
Gross Profit	\$6.0M

Balance Sheet Snapshot

	MRQ
Cash	\$8.0M
Debt	\$0M

Company Website

<https://levelbrands.com/>

Company Overview

Level Brands owns and operates the nationally recognized consumer cannabidiol (CBD) brand cbdMD, whose current products include CBD gummies, CBD tinctures, CBD topical, CBD bath bombs, CBD oils, and CBD pet products. The Company sells its products directly to consumers through the company website, as well as 700 non-affiliated stores in 40 states. Level Brands operates its legacy licensing and corporate brand management business. However, we believe that the licensing and brand management business will be divested in the near future and the Company will be a pure-play CBD manufacturing and distribution business.

Valuation

We are valuing LEVB using a 9x sales multiple applied to our 2020 revenue of \$40 million. This derives a target price of \$10.00 per share.

A 9x sales multiple values LEVB at a steep discount to Charlotte's Web Holdings, Inc., which is a much bigger and established company. We believe a discount is appropriate given that LEVB is a smaller company and is not currently generating profits.

Investment Highlights

- **Level Brands acquired nationally recognized CBD products brand cbdMD in December 2018**
 - Acquired cbdMD in an all-stock transaction, with the Company issuing 15.2 million shares of common stock, and the Company may issue an additional 15.2 million shares during the first 60 months
- **CBD sales set to go mainstream with Farm Bill passage, projected to hit \$21 billion by 2022**
 - 2018 Farm Bill provides the CBD market with important legislative changes that can change the landscape in the sale of hemp products
- **cbdMD ideally positioned in growing market with diverse product portfolio**
 - CBD-based product line includes gummies, tinctures, bath bombs, and pet products
 - Revenue growth expected to accelerate post-acquisition; driven by capital availability and increased market acceptance since passage of 2018 Farm Bill
- **cbdMD accounted for 37% of net sales after being acquired for only 11 days in 1Q19**
 - Level Brands revenue on a GAAP basis increased 82%YoY to \$1.2 million for the first quarter ended December 31, 2018
- **Big Retailers like CVS and Walgreens Start Selling CBD Products**
 - CVS is currently selling CBD products in 800 stores in 8 states and Walgreens in 1,500 stores in 9 states
- **CBD-related stocks trade for high multiples**
 - Passage of the Farm Bill in Congress has increased the overall value of CBD stocks

Level Brands Acquired Nationally Recognized CBD Products Brand cbdMD in December 2018

The acquisition by Level Brands of cbdMD makes Level Brands one of the leading CBD consumer companies in United States. This isn't the first CBD venture of Level Brands. Earlier in 2018, Level Brands dipped its toe into the hemp business through a licensing deal with Isodiol to use the *kathy ireland*® brand on a range of CBD products.

With this acquisition, Level Brands will transition from a licensing brand management model to a manufacturing and distribution model.

cbdMD was founded by Scott Coffman, the founder of well-known e-cigarette brand Blu, which he later sold to Lorillard Tobacco for \$135 million. Coffman will continue to lead cbdMD as CEO and has joined the board of Level Brands and is now one of the Company's largest shareholders.

cbdMD is a consumer product brand offering a large selection of branded CBD products, primarily through its website as well as in 700 third-party retail locations.

Since commencing sales in January 2018, cbdMD generated approximately \$7.5 million in total net sales for calendar 2018. Sales increased sequentially throughout calendar 2018, with net sales of \$580,000, \$1,618,000, \$1,696,000 and \$3,625,000, for the quarters ending March 31, 2018, June 30, 2018, September 30, 2018, and December 31, 2018, respectively.

cbdMD INNOVATIVE PRODUCTS

cbdMD is committed to the highest standards for CBD sourcing, extraction, and production. We offer a comprehensive line of 100% natural, hemp-derived CBD oil products, including tinctures, capsules, gummies, vape oils, bath bombs, topicals, and a full line of human-grade pet products. We pride ourselves on providing customers an all-natural alternative to traditional pharmaceuticals.

60 Product SKUs:

- 24 OILS
- 6 CAPSULES
- 2 GUMMIES
- 12 TOPICALS
- 6 BATH BOMBS
- 10 PET PRODUCTS

*cbd PM coming March 2019

Source: Level Brands, Inc.

The acquisition was an all-stock transaction, with Level Brands issuing 15.2 million shares. Level Brands may issue an additional 15.2 million shares during the first 60 months if revenue milestones aggregating \$300 million are achieved.

cbdMd recently reached a \$15 million revenue run-rate, and management expects to generate \$20 million in revenue for first 12 months, \$40 million in the next 12 months, \$80 million in the next 18 months, and \$160 million in the final 18 months.

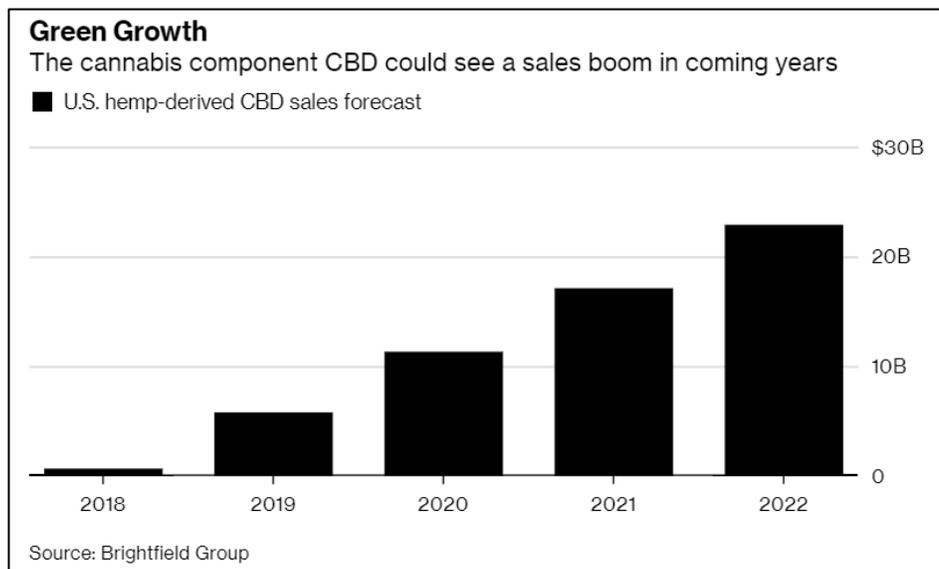
“With the acquisition of cbdMD, I believe Level Brands now becomes one of the leading CBD consumer companies in America. The cbdMD brand has shown consistent month-over-month double-digit growth rates and, with the capital we have available, we believe we can significantly accelerate the revenue growth and execute on an aggressive expansion and brand positioning plan which should yield continued significant growth rates,” said Martin Sumichrast, Chairman and CEO of Level Brands.

This is an emerging market opportunity for Level Brands, and the Company has extensive potential to build its brand image, gain visibility, and acquire more business opportunities.

CBD Sales Set to Go Mainstream with Farm Bill Passage, Projected to Hit \$21 Billion by 2022

The U.S. Congress passed the Farm Bill in December 2018, which legalizes the production and sales of hemp-derived products at the federal level. Although CBD sales were legal in 47 states, it was still considered a controlled substance by the Drug Enforcement Administration (DEA).

Cannabidiol (CBD) is the non-psychoactive ingredient that is derived from hemp that contains negligible amounts of THC. CBD has been used for a wide variety of health issues, but it is more effective in treating some of the cruelest childhood epilepsy syndromes. In many studies, CBD was able to reduce the number of seizures in children. Most notably, the FDA approved the first ever CBD-derived medicine, Epidiolex in mid-2018 for the treatment of seizures associated with epilepsy.



Source: Brightfield Group, Bloomberg.com

According to Colleen Keahey, the president of the Hemp Industry Association, “The legalizing of hemp will double or triple the domestic cultivation within the next year” (*Consumer Reports*).

The CBD market in the United States was valued at \$800 million in 2018 and is projected to hit a whopping \$21 billion by 2022 (Brightfield Group). Until the passage of the Farm Bill, laws involving CBD differed in each state and industrial hemp production has been restricted to mostly research and pilot programs, but with the legalization of CBD at the federal level, products infused with CBD can be used for a wide range of medical conditions, ranging from epilepsy and multiple sclerosis to arthritis and chronic pain.

The 2018 Farm Bill provides the CBD market with important legislative changes that can change the landscape in the sale of hemp products:

- Banks and payment processors/credit card companies can service the hemp industry
- Hemp farmers will be allowed to buy crop insurance for the first time
- Investment and capital infusion are allowed in both the oil and fibrous hemp businesses
- Hemp futures can be traded for the first time, locking in prices for farmers
- Interstate commerce of hemp and hemp products is allowed
- Convicted felons can join the industry 10 years after the bill passes
- Hemp research will be allowed for pharmaceutical uses as well as for health, wellness, and general nutrition, opening the doors for much more testing

Most experts in hemp cultivation like Chris Boucher, CEO of Farmtiva, a California-based hemp cultivator, expect that in the long run, hemp cultivation is going to be managed and controlled by the U.S. Department of Agriculture, just like corn, soybeans, and petroleum products.

Big Retailers like CVS and Walgreens Start Selling CBD Products

CVS Pharmacy and Walgreen supermarkets are jumping on the CBD bandwagon. In March 2019, both CVS and Walgreens announced that they will begin selling hemp-derived CBD products.

Both retailers are currently selling CBD topicals—creams, sprays, and lotions.

CVS is currently selling in 800 stores in 8 states, and Walgreens in 1,500 stores in 9 states. These states include Colorado, Illinois, Indiana, Kentucky, New Mexico, Oregon, Tennessee, South Carolina, and Vermont. In addition, Walmart offers a limited selection of CBD products from only two brands – Procanna and Medterra on Walmart.com. Chances are, it will be a little while before Walmart itself begins selling CBD in its retail stores.

Historically, CBD products had predominantly grown through organic advertisement and word-of-mouth, but with the passage of the Farm Bill, CBD products will begin making their way to the shelves of supermarket chains and flooding the doors of mom and pop shops

One of the major trends in the CBD industry is predicting when mainstream companies are dipping their toes into CBD infusion drinks. In September 2018, Bloomberg reported that the Coca-Cola Co (NYSE: KO) was reportedly in talks with Aurora Cannabis about acquiring a stake in the company and developing CBD-infused beverages that can ease inflammation, pain, and cramping, which is one of the common benefits of using non-psychoactive CBD. Despite this reporting, Coca-Cola released a statement that it has no plans to enter the CBD space.

In a recent AT Kearney study, 41% of American and Canadian consumers said they would try foods infused with cannabis, and there is a growing consensus that by 2030 marijuana will be legalized at the federal level.

Now, with the passing of the Farm Bill and the legalization of industrial-hemp production, experts expect the CBD market to expand rapidly, and we believe that Level Brands is well-positioned in the industry to produce and distribute to the retail market.

cbdMD Accounted for 37% of Net Sales After Being Acquired for Only 11 Days in 1Q19

The revenue of Level Brands on a GAAP basis increased 82%YoY to \$1.2 million for the first quarter ended December 31, 2018. Gross profit for the period was 60.6% of net sales.

Total net sales increased 82% to \$1.2 million for 1Q19 compared to the prior year, cbdMD accounted for 37% (\$465,000) of net sales after having been acquired for only 11 days in the first quarter. Currently, the company has a cash balance of \$9.9 million (as of 1Q19). Also, the Company completed a secondary offering which provided approximately \$6.3 million in net proceeds upon the issuance of 1,971,428 shares of its common stock.

Level Brands Targeting Extreme Sports Athletes to Increase Brand Awareness

Level Brands uses relatable sports athletes with a strong youth appeal to increase brand awareness for cbdMD products. According to a recent study comprised of marketers from a variety of industries, 94% said influencer marketing was an effective campaign strategy, because it drives 11x more ROI than traditional digital marketing channels.

Brands are increasingly focusing on influencer endorsements. Millennials and Generation Z are more influenced by celebrity endorsements before they buy products.

cbdMD ATHLETE SPONSORSHIP
REAL ATHLETES. REAL RESULTS.

TARGETING TOP EXTREME SPORTS ATHLETES WITH STRONG YOUTH APPEAL

- Travis Pastrana – Motorcross and Supercross
- Brandon “Schmidty” Schmidt – RollerSnowboarder
- Quinton “Rampage” Jackson - MMA
- Michael Bisping – MMA/UFC
- Tyron Woodley – MMA /UFC
- Steve Arpin - NASCAR
- Makua Rothman - Surfer
- Ryan Williams “R-Willy” – Scooter and BMX
- Josh Sheehan - Soccer
- Jarryd McNeil – Motorcross and FMX
- Nate Adams – Motorcross
- Ryan Sheckler – Skateboarder

Source: Level Brands, Inc.

Given the strong appeal of these extreme sports athletes, sales are expected to accelerate as marketing campaigns gain traction with consumers.

CBD-Related Stocks Trade for High Multiples

The passage of the Farm Bill has increased the overall value of CBD stocks across the globe. Significant valuations have been afforded to companies operating in the CBD space. Charlotte's Web Holdings currently trades for a market cap of around \$1.4 billion and generated \$40 million in sales in FY18. Level Brands currently trades for a market cap of around \$117 million and expects to generate \$20 million in 2019 and \$40 million by 2020.

Company Name	Ticker	Price Close	Market Cap	Revenue (TTM, USD)	P/S
Isodiol International Inc	ISOLF	1.04	43.42M	22.70M	1.94x
Elixinol Global Ltd	ELLXF	4.02	178.86M	27.02M	6.66x
CV Sciences Inc	CVSI	5.89	563.49M	48.24M	11.68x
Charlotte's Web Holdings Inc	CWBHF	21.42	1996.90M	69.50M	28.73x
		Median	371.18M	37.63M	9.17x
		Average	695.67M	41.87M	12.25x
Level Brands Inc*	LEVB	4.20	42.75M*	8.98M	4.76x*

* Does not include the cbdMD acquisition shares of 15.2M, pending shareholder vote
As of April 10, 2019: Thomson Reuters Eikon

Source: Thomson Reuters Eikon

Looking at the peer comparison table, CBD-related stocks currently trade for an average P/S of 11x and LEVB is trading just under its peer group.

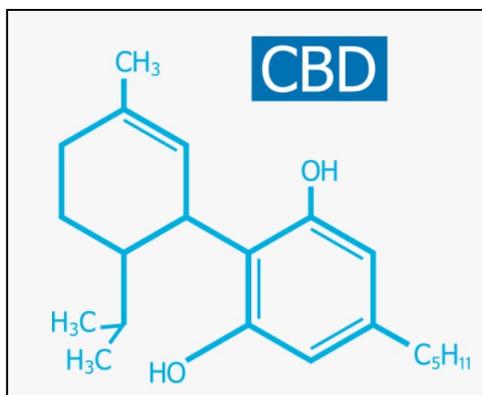
However, looking at the revenue estimates of \$20 million in FY19 and \$40 million in FY20, LEVB is trading at a 75% discount to its peer at their current valuation levels, and we believe that LEVB could trade at much higher multiples in the near-future if it can meet its revenue targets.

CBD Has Profoundly Positive Effects on the Human Body

CBD is the most studied cannabinoid of more than 116 known cannabinoids found in the cannabis (hemp) plant. CBD comprises around 40% of the hemp plant, and unlike THC, it is non-psychoactive.

According to a report from the World Health Organization, "In humans, CBD exhibits no effects indicative of any abuse or dependence potential, and to date, there is no evidence of public health related problems associated with the use of pure CBD."

The CBD products of Level Brands are extracted from industrial hemp in a specific process that minimizes THC content and yields high concentrations of CBD.



Source: Level Brands, Inc.

The human body is primarily managed by the endocannabinoid system, which is responsible for keeping key body vitals under control. This can be everything from sugar levels, pain sensation, and inflammation responses.

The introduction of CBD into the body allows it to interact with body receptors CB1 and CB2. CB1 receptors are located mainly in the brain and nervous systems, as well as in the lungs, liver, and kidneys, and CB2 receptors are found in the immune system, spleen, and gastrointestinal system.

THE cbdMD DIFFERENCE

COMMITMENT
 INNOVATIVE GROWING AND EXTRACTION TECHNIQUES
 FARMING AND GROWING ARE NOT PROTECTED FROM PESTICIDES

QUALITY
 LOCALLY GROWN, LOCALLY MADE, 99% PURE CBD, NO THC
 LOW QUALITY HEMP OIL IMPORTED FROM OVERSEAS

INNOVATION
 "HYBRID" BROAD-SPECTRUM PRODUCTS WITH BENEFICIAL COMPOUNDS
 STANDARD EXTRACTION, ELIMINATING VALUABLE PROPERTIES

100% U.S. GROWN
 Our CBD oil comes from organic hemp plants grown on U.S. farms free of synthetic pesticides.

BROAD-SPECTRUM CO2 EXTRACTION
 We utilize an innovative extraction technique to preserve valuable terpenes and beneficial compounds.

THIRD PARTY TESTING
 We provide third-party lab results to ensure nothing but the highest quality CBD oil in every batch.

certifications: ORGANIC, NON-GMO, GMP, Vegan, USA GROWN, THC FREE, BROAD SPECTRUM CANNABIDIOL

Source: Level Brands, Inc.

When CBD interacts with these body receptors, messages between cells are sent though the rest of the body, which inhibits immune response, reduces inflammation, relaxes muscles, lowers blood pressure, and normalizes stimulated nerves. With continued growth in the on-going research on how CBD improves bodily function, the list of its benefits continues to grow, giving more and more hope to people suffering from a multitude of symptoms.

Multi-Million-Dollar M&A Activity Is Taking Place in the U.S. Hemp Market

The U.S hemp industry is rising to the next level, with merger and acquisition activity accelerating across the CBD industry. During the first half of 2018, more than 145 mergers and acquisitions were announced (Viridian Capital Advisors), and public and private companies in the United States and Canada raised more than \$4 billion, up more than 200% in the same period in 2017.

The increase in M&A activity in the CBD industry means big multi-national companies will be sniffing around the CBD/ hemp companies. For example, Constellation Brands have significantly increased their investments in Canopy Growth, buying a 9.9% stake in canopy growth in October 2017, and then buying another third of the company in June 2018 in a deal worth \$3.45 billion. Many on Wall Street speculate that Constellation might eventually buy out Canopy Growth. Also, Coco-Cola rejected rumors that it was in the process of investing in Aurora Cannabis.

The M&A momentum in the CBD market sends a strong signal that large multi-national companies might start dipping their toes into the CBD/hemp market and acquire established small CBD/hemp companies, and investors can expect more capital flowing into the CBD market. With no regulations on national banks for the hemp market, we can expect M&A activity to accelerate at an exponential level.

Similar companies to LEVB in the CBD market are being bought at high multiples. The following table shows a list of recent M&A industry transactions.

Date	Company/Asset	Acquirer	Deal Terms
July 2018	MedReleaf	Aurora Cannabis	US\$2.3 billion
May 2018	Agro-Biotech	Emerald Health Therapeutics	CA\$90 million
June 2018	Treadwell Simpson Partnership	MedMen Enterprises	US\$53 million
May 2017	CMP Wellness	Kush Bottles	US\$1.5 million in cash and 7.8 million shares of stock
Dec 2018	Vitality CBD	Live Well	Undisclosed

Valuation

We are valuing LEVB using a 9x sales multiple applied to our 2020 revenue estimate of \$40 million using a fully diluted share count of 35 million. This generates a target price of \$10.00. A 9x sales multiple values LEVB at a steep discount to Charlotte's Web Holdings, Inc., which is a much bigger and established company. We believe a discount is appropriate given that LEVB is a smaller company and is not currently generating net profits.

We believe LEVB has strong potential for revenue growth going forward. The acquisition of cbdMD provides the company a great platform to increase its sales with the passage of the Farm Bill. We expect Level Brands to divest itself of the licensing and brand management business in the near future, making the Company a pure-play in the CBD manufacturing and distribution business.

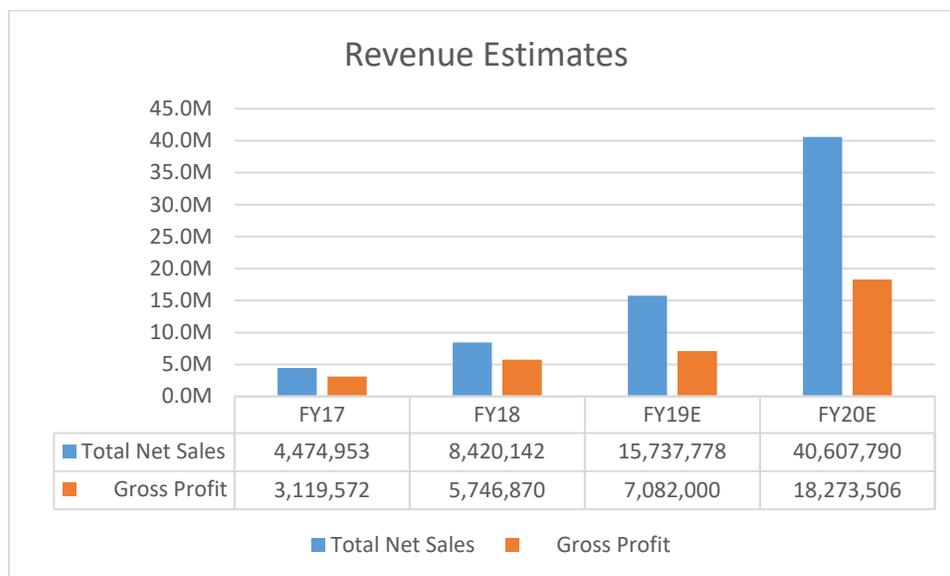


Figure 1: Financial Projections

Management Team

Kathy Ireland, Chief Brand Strategist & Chairman Emeritus

Ms. Ireland is Chairman & CEO of *kathy ireland*® Worldwide, one of the most powerful brands globally; founded in 1993 with a collection of athletic socks, continuing an iconic fashion career which she began as a supermodel. Ms. Ireland is one of the 50 most influential people in fashion, one of the most successful entrepreneurs in the U.S., and is first Ambassador for YWCA - GLA, Best Buddies, and the Elizabeth Taylor AIDS Foundation.

Martin A. Sumichrast, Chief Executive Officer

Mr. Sumichrast has served as a member of the board of directors since April 2015 and has served as the Chief Executive Officer and President of Level Brands since September 2016. Since 2012, Mr. Sumichrast has served as Managing Director of a family office, managing family wealth, which he formed in March 2012 and subsequently incorporated into Washington Capital, LLC in December 2012. Since September 2013 he has been a Managing Member of Stone Street Capital, LLC, a Charlotte, North Carolina-based private investment company. Stone Street Capital, LLC manages specific purpose investment entities, as well as traditional private equity funds.

Mr. Sumichrast serves as a Trustee and Chairman of the Nominating and Governance Committees of the Barings Global Short Duration High Yield Fund, Inc. (NYSE: BGH) and the Barings Capital Funds Trust, Inc. From January 2015 until January 2016, he was also a member of the board of directors of Social Reality, Inc. (NADASQ: SRAX) and served as a member of the Audit Committee. From its formation in 2014 until March 1, 2017 he served as Chairman of the Board of directors of Kure Corp., a privately-held company which is a related party to Level Brands. Mr. Sumichrast was selected to serve on its board of directors based upon his significant experience both as an investor and advisor, as well as his experience as a member of a board of directors of a listed company.

Mark S. Elliott, Chief Financial Officer

Mr. Elliott has been our Chief Financial Officer since October 2016 and our Chief Operating Officer since January 2017. He has over 30 years of business experience spanning the financial, retail, consulting, and government sectors and includes time at Fortune 500 and regional firms. Mr. Elliott began his career in the technology arena and worked with such Fortune 500 companies as JCPenney and First Union National Bank within their corporate headquarters. Mr. Elliott moved into the consulting arena as a regional technology specialist and eventually moved into senior management as a Director for Contract Data Services (acquired by Inacom Information Systems).

This position involved all aspects of the business including staff management, business development, strategy, and managing the profitability of multiple divisions. Mr. Elliott was a founder and partner of Premier Alliance Group (now named root9B Holdings, Inc.) (NASDAQ: RTNB) and was the Chairman and CEO of the company from 2004 to 2013, where he oversaw the strategic direction and operation of the company. He directed the transformation of the company to a public market company and successfully oversaw and integrated six merger and acquisition

transactions that strategically positioned the company. Mr. Elliott has had compliance, financial reporting, and strategic responsibilities within the company (serving as the CFO also from 2004 to 2010 and as the Chief Administrative Officer of the company from 2014 to 2015). Mr. Elliott is also an independent advisor for Malidan Capital Group, a firm specializing in business restructuring and turnaround management consulting. Mr. Elliott received a Bachelor of Science degree with a concentration in computer science and management from Marshall University.

Scott Coffman, Founder and CEO of CbdMD

Mr. Coffman has over 25 years of business experience in which he has started multiple companies and built them into significant businesses in the internet services, manufacturing, and e-commerce sectors. Mr. Coffman founded and was Chief Executive Officer of Cure Based Development LLC, which created the cbdMD brand; and of Blu, an E-cigarette manufacturer which he built into a leading brand and subsequently sold to Lorillard.

Risks

There are other established major players in the CBD market. Some of these companies may be better capitalized than LEVB and thus could spend more capital on research, sales, and marketing. This could impact the company to get business contracts and revenue generation could be impacted.

There are substantial doubts about LEVB's ability to continue to run its business operations. The Company has an operating history of net losses, negative working capital, and insufficient cash flows, and lack of liquidity to pay its current obligations.

Company has substantial doubts about its long-term liquidity and operational issues. There can be no assurance that any further financing transactions can be achieved by the company.

The terms of the various agreements between our company and *kathy ireland*® Worldwide contain termination provisions which may impact management's ability to make certain decisions regarding the operation of the company.

The Company may be subject to future various legal proceedings arising from normal business operations. There can be no assurances, based on the information currently available, licensed products may, by virtue of the industry in which they are sold and the governmental regulations to which they are subject, such as vaping products, be more likely to be the subject of litigation than others. Notwithstanding that the Company's standard form of license agreements requires the licensee to indemnify the Company against litigation involving the licensed products and to maintain product liability insurance policies, it is possible that a licensee may fail to maintain this coverage during the term of the license agreement. There are no assurances that LEVB would prevail in any such litigation, which could subject LEVB to judgments and costs of settlements which could adversely impact liquidity and results of operations in future periods.

	FY17	FY18	1QFY19	2QFY19E	3QFY19E	4QFY19E	FY19E	1QFY20E	2QFY20E	3QFY20E	4QFY20E	FY20E
Total Net Sales	4,474,953	8,420,142	1,249,030	2,997,672	5,096,042	7,644,064	15,737,778	8,561,351	9,588,713	10,643,472	11,814,254	40,607,790
Costs of sales	1,355,381	2,673,272	491,188	1,648,720	2,802,823	4,204,235	8,655,778	4,708,743	5,273,792	5,853,910	6,497,840	22,334,285
Gross profit	3,119,572	5,746,870	757,842	1,348,952	2,293,219	3,439,829	7,082,000	3,852,608	4,314,921	4,789,562	5,316,414	18,273,506
Total Operating expenses	3,358,863	5,629,771	1,544,941	2,997,672	4,331,636	5,733,048	14,607,297	5,564,878	5,753,228	5,853,910	5,907,127	23,079,143
Income (loss) from operations	(239,291)	117,099	(787,099)	(1,648,720)	(2,038,417)	(2,293,219)	(7,525,297)	(1,712,270)	(1,438,307)	(1,064,347)	(590,713)	(4,805,637)
Debt conversion expense	(446,250)	-	(80,173)	-	-	-	-	-	-	-	-	-
Other than temporary impairment on marketable securities	(175,000)	-	0	-	-	-	-	-	-	-	-	-
Loss on disposal of property	-	(69,310)	-	-	-	-	-	-	-	-	-	-
Interest expense	(500,627)	(955)	44,033	(60,000)	(60,000)	(60,000)	(135,967)	(60,000)	(60,000)	(60,000)	(60,000)	(240,000)
Income (loss) before provision for income taxes	(1,361,168)	46,834	(823,239)	(1,708,720)	(2,098,417)	(2,353,219)	(7,661,264)	(1,772,270)	(1,498,307)	(1,124,347)	(650,713)	(5,045,637)
Provision for income taxes	25,000	16,000	133,000	-	-	-	133,000	-	-	-	-	-
Net Income (loss)	(1,336,168)	62,834	(690,239)	(1,708,720)	(2,098,417)	(2,353,219)	(7,528,264)	(1,772,270)	(1,498,307)	(1,124,347)	(650,713)	(5,045,637)
Net Income (loss) attributable to non-controlling interest	352,566	474,909	(105,854)	(150,000)	(150,000)	(150,000)	(555,854)	(150,000)	(150,000)	(150,000)	(150,000)	(600,000)
Net loss attributable to Level Brands, Inc. common shareholders	(1,738,734)	(412,075)	(584,385)	(1,558,720)	(1,948,417)	(2,203,219)	(6,972,410)	(1,622,270)	(1,348,307)	(974,347)	(500,713)	(4,445,637)
Loss per share, basic and diluted	(0.38)	(0.05)	(0.06)	(0.06)	(0.08)	(0.09)	(0.28)	(0.05)	(0.04)	(0.03)	(0.01)	(0.13)
Weighted average number of shares outstanding	4,524,985	7,742,644	10,052,960	25,350,000	25,350,000	25,350,000	25,350,000	35,000,000	35,000,000	35,000,000	35,000,000	35,000,000
QoQ Revenue Growth				140%	70%	50%		12%	12%	11%	11%	
YoY Revenue Growth							54%					39%
Gross Margins				45%	45%	45%	45%	45%	45%	45%	45%	45%
Operating Margin			124%	100%	85%	75%	93%	65%	60%	55%	50%	57%

Figure 2: Income Statement

Additional Information

[Company Information](#)

[Company Website](#)

Analyst Certification

The analyst, Suraj Singh, responsible for the preparation of this research report attests to the following: (1) that the views and opinions rendered in this research report reflect his or her personal views about the subject companies or issuers; and (2) that no part of the research analyst's compensation was, is, or will be directly related to the specific recommendations or views in this research report. The analyst, Suraj Singh, has no financial interest in the debt or equity securities of the subject company of this report.

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