

FEBRUARY 2, 2017

## EFFTEC INTERNATIONAL, INC.

### EFFTEC INTERNATIONAL, INC. (OTC – EFFI - \$0.0036 - NR)

INDUSTRY: AGRICULTURE PRODS/RETAIL

INDUSTRY SEGMENT: HYDROPONICS

#### FACTS AND FIGURES

<b>Share Statistics</b>	
Recent Price (2/1/17)	\$0.0036
52-Week Hi/Low	\$0.0092/\$0.0004
Est. Shares Out.	736,400,000
Est. Public Float	588,000,000
Market Cap.	\$2.2M
3-Mo. Average Vol.	9,615,000
Exchange	OTC:PK
<b>Fin. State (9/30/16)</b>	
<u>Income Statement</u>	
Revenue	\$141,000
Oper. Income (Loss)	\$5000
Net Income (Loss)	\$10,000
<u>Balance Sheet</u>	
Total Assets	NMF
Total Liabilities	(\$183,000)
Tang. Assets	\$181,000
<b>Prelim. Forecasts</b>	
Revenue: CY16E	\$1,500,000
Oper. Inc.: CY16E	\$50,000
Revenue: CY17E	\$4,000,000
Oper. Inc.: CY17E	\$200,000
Website:	<a href="http://www.Efftec.com">www.Efftec.com</a>

#### COMPANY SUMMARY

Efftec International, Inc. is a holding company whose mission is to become a market leader through strategic acquisitions and organic growth. The Company's core business focus is on sales of hardware and nutrients in the hydroponics and indoor growth markets. Revenue is derived via the sale of key hydroponics and related products and technology for the general agriculture and cannabis markets via a 51% ownership in The Future Farms® store and the Red Light business lines.

#### RECENT NEWS

##### ***EFFI Makes 2<sup>nd</sup> Major Acquisition in 3 Months***

Efftec reached an agreement to purchase Volcanic Solutions, LLC, a Florida-based producer of proprietary formulated growing medium mixes. Volcanic Solutions produces these mixes using its proprietary process, enhancing mixes with volcanic rock grit from 7 different volcanoes around the world. The proprietary volcanic grit formula provides a minimum of 77 trace elements and minerals, enriching an all-organic medium for plant life to thrive and produce a Yield Eruption™.

##### ***Efftec Subsidiary Receives Big Hemp Order***

Acquired in October 2016, HempLife® Industries acquisition is already paying dividends for EFFI. The Company recently received purchase orders for the first product in a new and exciting full line of breakfast products called *HempStart*™, starting with All Natural Health & Energy Bars. The initial purchase order is from nine (9) Donut Bank Stores in 3 States along with purchase orders from forty (40) convenience / grocery stores, with many of these categorized as "Large Chain Stores".

## INVESTMENT CONSIDERATIONS



Efftec International, Inc. is well-positioned to achieve market share and financial goals via the sales of consumable products into the outdoor gardening, hydroponics and indoor growth markets. The near term catalysts for growth are 3 recent acquisitions:

The first transaction was a 51% stake in The Future Farms®. Founded in 2005, this popular and well-regarded has operated as a successful retail store for 11 years, with nearly \$1 million in revenue recorded in 2015. In recent months, the Company has established an effective online retail presence selling indoor and hydroponic plant grow equipment. With a projected sales increase in 2016, and even higher sales growth in 2017, The Future Farms® makes an excellent foundational retail acquisition for Efftec, and could serve as the first of several transactions over the next few years.

Importantly, the Company has set the stage for increased store and overall Company profitability as The Future Farms® now sells higher margin Efftec branded products lines such as personal grow systems, among others. Moreover, with the recent HempLife® and Volcanic Solutions acquisitions, Efftec is poised to leverage the passing of Medical Marijuana



Legislation in the State of Florida in November 2016. The combination of this shift, and these deals could significantly bolster the Company's standing in the industry, given its regional reputation, and therefore favorably impact its strategy, financials, and valuation going forward.

## LOOKING AHEAD

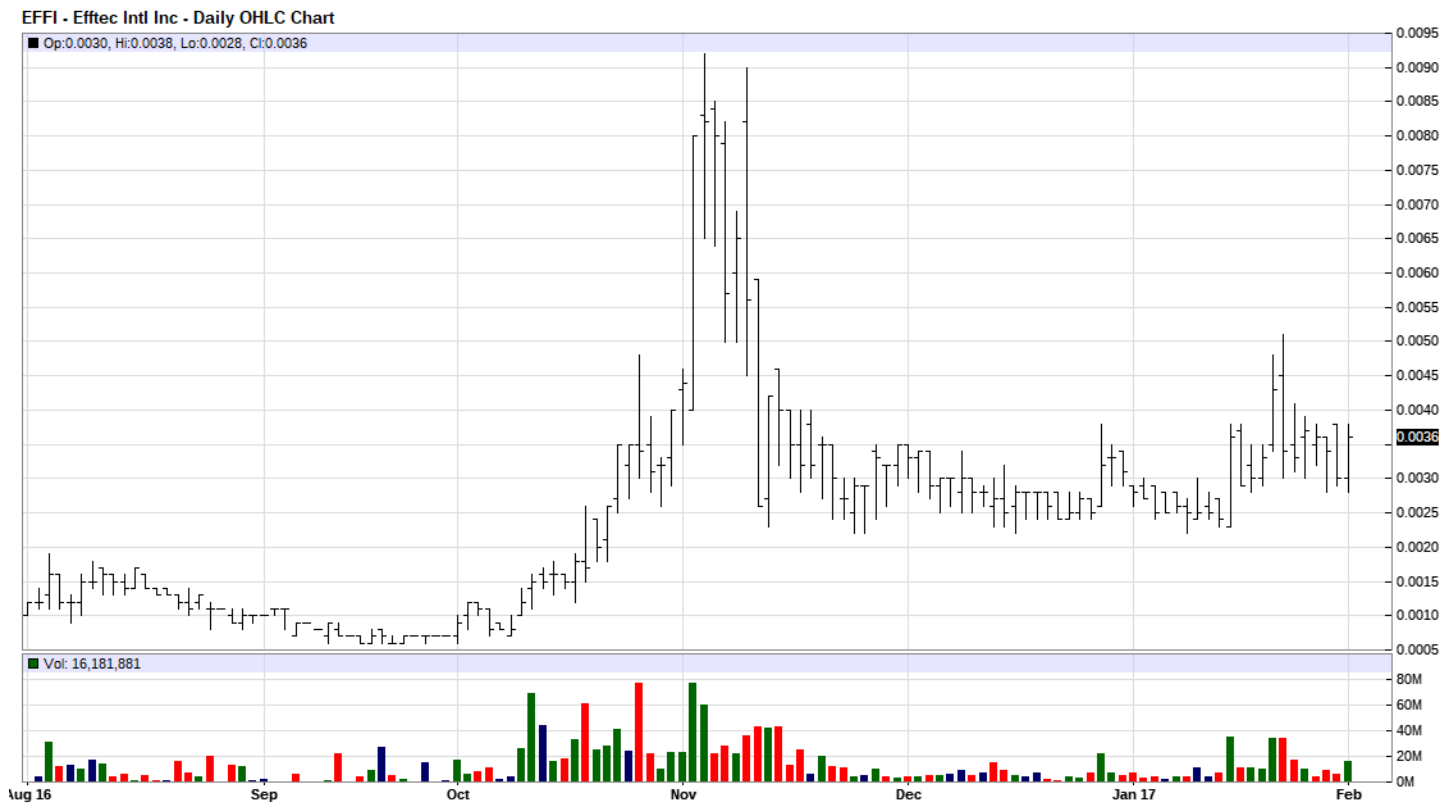
As Efftec integrates these valuable properties and garners meaningful market share, the Company will continue to actively seek out M&A opportunities. Recent deals and typical candidates foster cost efficiency, supply chain streamlining, and offer new products to meet the high demand in this fast-growing consumables space. As a result, we would not be surprised to see revenue approach \$4M with solid net profitability this year.

Efftec International is an intriguing and low valuation play on the hydroponics space and is primed to receive a valuation boost, as integration of recent acquisitions and future M&A execution occur. While typical valuations for companies of EFFI's size and standing is 1.0x – 1.5x sales current year sales, the current value is much lower and thus these shares could move markedly higher as milestones are achieved.

COMPANY CONTACT: Jack Morris, CEO. [www.Efftec.com](http://www.Efftec.com); 866.601.2639

## RECENT TRADING HISTORY FOR EFFTEC INTERNATIONAL, INC.

(Source: [www.Stockta.com](http://www.Stockta.com))



## SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## ANALYST CERTIFICATION

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