

Offering Memorandum: Part II of Offering Document (Exhibit A to Form C)

Franny's Manufacturing Inc
1300-B Patton Ave
Asheville, NC 28806
www.frannysfarmacy.com

Up to \$535,000.00 in Non-Voting Common Stock at \$2.00
Minimum Target Amount: \$10,000.00

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

Company:

Company: Franny's Manufacturing Inc
Address: 1300-B Patton Ave, Asheville, NC 28806
State of Incorporation: NC
Date Incorporated: March 18, 2019

Terms:

Equity

Offering Minimum: \$10,000.00 | 5,000 shares of Non-Voting Common Stock
Offering Maximum: \$535,000.00 | 267,500 shares of Non-Voting Common Stock
Type of Security Offered: Non-Voting Common Stock
Purchase Price of Security Offered: \$2.00
Minimum Investment Amount (per investor): \$300.00

**Maximum Number of Shares Offered subject to adjustment for bonus shares. See Bonus info below.*

Perks* and Investment Bonuses

Early Bird Bonus

First 48 hours - Friends and Family Early Birds | 10% bonus shares

Next 5 days - Early Bird Bonus | 5% bonus shares

Volume perks

\$300+ Trucker Cap

\$500+ Trucker Cap & T-Shirt

\$1,000+ - All the above + 250mg Natural Tincture

\$2,500+ - All the apparel + 500mg Natural Tincture

\$5,000+ - All the apparel + 1000mg Natural Tincture

\$20,000+ Frannys Farm Invite + 5% Bonus Shares - investor gets all the above and a stay at Franny's Farm Barnhouse and dinner with Franny & Jeff

\$40,000+ Superfan Tour - All the above plus a custom tour of Dispensaries, Manufacturing, Distribution and tour of hemp field. I want to meet these people in person! Who knows if they will follow though or not but it sure is a cool, intriguing concept.

**All perks occur after the offering is completed.*

The 10% Bonus for StartEngine Shareholders

Franny's Manufacturing Inc will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Crowdfunding Inc. OWNER's bonus.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Non-Voting Common Stock at \$2 / share, you will receive 110 shares, meaning you'll own 110 shares for \$200. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investors eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are cancelled or fail.

Investors will only receive a single bonus, which will be the highest bonus rate they are eligible for.

The Company and its Business

Company Overview

Franny's Manufacturing is the backbone of the Franny's Farmacy Cooperative. The hemp grown at Franny's Farm is processed and sent to the the manufacturing facility that makes all Franny's branded products. These products are held to the highest quality standards of the Hemp and CBD industry and distributed across the U.S. and beyond.

Franny's Manufacturing produces products ready for sale. Manufacturing sells the products wholesale to Distribution at a markup of 20-40% over production cost. Franny's Distribution purchases the products from Manufacturing and then sells them wholesale at a markup of 30% to our wholesale accounts, Dispensaries and online retail business.

Franny's Manufacturing also has white label and private label accounts that it sells wholesale products to. Markup on the white and private label accounts ranges from 30-50% over production cost. White label is finished products without being labeled and sold as wholesale. Private label is finished product with another brands label applied and sold as wholesale.

Franny's Distribution owns the online retail sales and also sells wholesale to the Franchises at a markup of 23%. All Franny's Franchises purchase their inventory from Franny's Distribution. Franny's Distribution also purchases smokable flower directly from Franny's Farm and then sells online and to all of our and franchised dispensaries.

Each business that makes up our vertically integrated series of businesses are separate legal entities. We currently have 7 Corporate entities owned that make up the

business: Franny's Farm, (3) Franny's Pharmacy Dispensaries, Franny's Manufacturing, Franny's Franchising and Franny's Distribution. Each of the companies have separate bank accounts and accounting methods. Franny's Brand does not currently have a parent company and all companies are of equal legal status in the eyes of the State of North Carolina.

Franny's Farm Inc. DBA Franny's Farm is our farm where we have an Agritourism business and where we grow some of the hemp that goes into our products. Franny's Investments Inc. DBA Franny's Pharmacy is our original CBD Dispensary in Asheville, NC. It opened in September 2018 and is located on the north side of downtown Asheville. Hendersonville Pharmacy Inc. DBA Franny's Pharmacy is our second CBD Dispensary that opened in November 2018 and is located in Hendersonville, NC. Franny's Distribution Inc. is our Distribution Business that opened in November 2018 and is physically located in Asheville, NC. Franny's Manufacturing Inc. is our Manufacturing Company that opened in March of 2019 and is physically located in Asheville, NC. Franny's Franchising Inc. is our parent franchise company that was incorporated in May of 2019 and is located in Asheville, NC. South Asheville pharmacy Inc. DBA Franny's Pharmacy is our third CBD Dispensary located in South Asheville and it opened in November of 2019.

Franny's Farm is solely owned by Jeff & Franny (100%). Jeff and Franny also own a majority stake in Franny's Investments Inc (80%), Hendersonville Pharmacy Inc. (100%), South Asheville Pharmacy Inc. (100%), Franny's Distribution Inc. (85%), Franny's Manufacturing Inc. (100%) and Franny's Franchising Inc. (70%) There's 3 equity partners in Franny's Franchising Inc broken down by 2 - 10% ownership each and 1 - 15% owner.

Competitors and Industry

The industry is changing and evolving every day. There are no government regulations currently in place, so the quality standards are set by the industry leaders themselves. There are a lot of companies marketing products that are not tested, nor transparent of the potency/purity of CBD and ingredient sources. It's up to the customer to do the research to find the best products on the market, which is why Franny's is so committed to transparency and accuracy.

Current Stage and Roadmap

Franny's Manufacturing was established in March of 2019 and had immediate success. Franny's branded products have expanded from 3-5 staple product lines to over 50 hemp and CBD products. The result is consumer loyalty that crosses all demographics- evenly distributed across sex, age, income and geographic groups. Franny's Manufacturing currently serves 4 retail stores (dispensaries), numerous wholesale accounts, and thousands of customers across the nation. We expect B2C and B2B growth in 2020, which is why the ramp in resources is so crucial at this time.

The Team

Officers and Directors

Name: Jeff Tacy

Jeff Tacy's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** CEO - Principal Executive Officer and Director
Dates of Service: March 18, 2019 - Present
Responsibilities: Managing business development.
- **Position:** CFO - Chief Financial Officer
Dates of Service: March 18, 2019 - Present
Responsibilities: Manages the business finances.
- **Position:** COO - Chief Operating Officer
Dates of Service: March 18, 2019 - Present
Responsibilities: Manage the daily operations.

Other business experience in the past three years:

- **Employer:** Franny's Investments Inc
Title: CEO - Principal Executive Officer and Director
Dates of Service: October 15, 2018 - Present
Responsibilities: Manage business development.

Other business experience in the past three years:

- **Employer:** Hendersonville Farmacy Inc
Title: CEO - Principal Executive Officer and Director
Dates of Service: October 29, 2018 - Present
Responsibilities: Manage daily operations, finances and business development.

Other business experience in the past three years:

- **Employer:** Franny's Distribution Inc
Title: CEO - Principal Executive Officer and Director
Dates of Service: October 29, 2018 - Present
Responsibilities: Manage daily operations, finances and business development.

Other business experience in the past three years:

- **Employer:** Franny's Franchising Inc
Title: CEO - Principal Executive Officer and Director

Dates of Service: May 28, 2019 - Present

Responsibilities: Manage daily operations, finances and business development.

Other business experience in the past three years:

- **Employer:** Airoway LLC
Title: Project Manager
Dates of Service: February 01, 2018 - July 20, 2018
Responsibilities: Manage the construction of commercial and residential developments throughout Western North Carolina.

Other business experience in the past three years:

- **Employer:** Tupelo Honey Cafe
Title: Construction Project Manager
Dates of Service: January 15, 2017 - January 06, 2018
Responsibilities: Managed the construction of 2 restaurants in Denver, CO and Frisco, TX.

Other business experience in the past three years:

- **Employer:** South Asheville Farmacy Inc
Title: CEO - Principal Executive Officer and Director
Dates of Service: October 01, 2019 - Present
Responsibilities: Business development and operations management.

Other business experience in the past three years:

- **Employer:** Franny's Farm Inc
Title: CFO
Dates of Service: December 01, 2012 - Present
Responsibilities: Manage the finances of the farm.

Name: Frances "Franny" Tacy

Frances "Franny" Tacy's current primary role is with Franny's Farm Inc.. Frances "Franny" Tacy currently services 10 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Board Member
Dates of Service: March 18, 2019 - Present
Responsibilities: She's the face of the company. Public appearances.

Other business experience in the past three years:

- **Employer:** Franny's Farm Inc.
Title: Owner/Operator
Dates of Service: December 01, 2012 - Present
Responsibilities: She runs daily operations.

Other business experience in the past three years:

- **Employer:** Franny's Investments Inc.
Title: Board Member
Dates of Service: October 15, 2018 - Present
Responsibilities: She's the face of the company. Public appearances.

Other business experience in the past three years:

- **Employer:** Hendersonville Farmacy Inc.
Title: Board Member
Dates of Service: November 12, 0018 - Present
Responsibilities: She's the face of the company. Public appearances.

Other business experience in the past three years:

- **Employer:** South Asheville Farmacy Inc.
Title: Board Member
Dates of Service: November 12, 2019 - Present
Responsibilities: She's the face of the company. Public appearances.

Other business experience in the past three years:

- **Employer:** Franny's Distribution Inc.
Title: Board member.
Dates of Service: October 15, 2018 - Present
Responsibilities: She's the face of the company. Public appearances.

Other business experience in the past three years:

- **Employer:** Franny's Franchising Inc.
Title: Board Member.
Dates of Service: April 15, 2019 - Present
Responsibilities: She's the face of the company. Public appearances.

Risk Factors

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:

Uncertain Risk

An investment in the Company involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the Non-voting Common Stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

Our business projections are only projections

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract business.

Any valuation at this stage is difficult to assess

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited

Any Equity purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an "accredited investor," as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these

securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the CBD, Hemp or Cannabis industries. However, that may never happen or it may happen at a price that results in you losing money on this investment.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information

Any projections or forward looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

Minority Holder; Securities with No Voting Rights

The Common Stock that an investor is buying has no voting rights attached to them. This means that you will have no rights in dictating on how the Company will be run. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

You are trusting that management will make the best decision for the company

You are trusting in management discretion. You are buying stock as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

We face significant market competition

We will compete with larger, established companies who currently have products on the market and/or various respective product development programs. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

Our trademarks, copyrights and other intellectual property could be unenforceable or

ineffective

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might be able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

Our ability to sell our product or service is dependent on outside government regulation which can be subject to change at any time

Our ability to sell product is dependent on the outside government regulation such as the FDA (Food and Drug Administration), FTC (Federal Trade Commission) and other relevant government laws and regulations. The laws and regulations concerning the selling of product may be subject to change and if they do then the selling of product may no longer be in the best interest of the Company. At such point the Company may no longer want to sell product and therefore your investment in the Company may be affected.

This offering involves "rolling closings," which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

Related Party Risk

This company relies on several related entities which may make decisions that are not in the interest of this entity. With common ownership interest between the various related companies the owners reserve the right to make decisions that may or may not be in the best interest of this company.

Regulatory Risks

New federal and state regulations could present a new set of challenges for the Manufacturing business in the future. The manufacturing of CBD and hemp related products are currently unregulated. In anticipation of new regulations we've made sure that our manufacturing facility and processes are cGMP compliant.

Ownership and Capital Structure; Rights of the Securities

Ownership

The following table sets forth information regarding beneficial ownership of the company's holders of 20% or more of any class of voting securities as of the date of this Offering Statement filing.

Stockholder Name	Number of Securities Owned	Type of Security Owned	Percentage
Jeff Tacy	750,000	Common Stock	50.0
Frances "Franny" Tacy	750,000	Common Stock	50.0

The Company's Securities

The Company has authorized Common Stock, and Non-Voting Common Stock. As part of the Regulation Crowdfunding raise, the Company will be offering up to 267,500 of Non-Voting Common Stock.

Common Stock

The amount of security authorized is 1,500,000 with a total of 1,500,000 outstanding.

Voting Rights

1 vote per share

Material Rights

There are no material rights associated with Common Stock.

Non-Voting Common Stock

The amount of security authorized is 1,500,000 with a total of 0 outstanding.

Voting Rights

There are no voting rights associated with Non-Voting Common Stock.

Material Rights

There are no material rights associated with Non-Voting Common Stock.

What it means to be a minority holder

As a minority holder of Common Stock of the company, you will have limited rights in regards to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or company transactions with related parties. Further, investors in this offering

may have rights less than those of other investors, and will have limited influence on the corporate actions of the company.

Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

Transferability of securities

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Recent Offerings of Securities

We have made the following issuances of securities within the last three years:

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$18,148.00
Number of Securities Sold: 1,000
Use of proceeds: Operating expenses
Date: March 18, 2019
Offering exemption relied upon: Section 4(a)(2)

- **Name:** Common Stock
Type of security sold: Equity
Final amount sold: \$14.99
Number of Securities Sold: 1,499,000
Use of proceeds: operating expenses
Date: January 23, 2020
Offering exemption relied upon: Section 4(a)(2)

Financial Condition and Results of Operations

Financial Condition

You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and related notes appearing at the end of this Offering Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors" and elsewhere in this Offering Memorandum.

Results of Operations

How long can the business operate without revenue:

The company was started in March 2019. It has been operating at a small loss since the start. We have a number of different revenue streams to help fund the Manufacturing Business if necessary. We have 50k in personal funds and 300k in business capital that can be loaned to the Manufacturing business if necessary.

Foreseeable major expenses based on projections:

Purchasing equipment will be the single largest expense. Payroll and employee benefits will be second to that. Cost of goods sold is major expense but it is variable and consistent with sales.

Future operational challenges:

Manufacturing has already proven to be a tough business. It has a number of moving parts and variables. Finding the right balance of equipment purchases, staffing and inventory has been challenging.

New federal and state regulations could present a new set of challenges for the Manufacturing business. All of our facilities are in the process of becoming cGMP compliant so we will be ready for any new regulations.

Future challenges related to capital resources:

With smart growth we don't see many challenges related to capital resources. Our plan is to grow the company as the demand for products increases.

Future milestones and events:

Raising the money through this campaign will be huge for the Manufacturing business. It will provide funds for new equipment, staffing and expansion. As we acquire new equipment and more staff our efficiencies will improve and we will have the capacity to increase production and take on new business.

Liquidity and Capital Resources

What capital resources are currently available to the Company? (Cash on hand, existing lines of credit, shareholder loans, etc...)

Franny's Manufacturing has been financially supported by the owners and through sales to the Distribution Company. In the past few months, the Manufacturing business has made enough sales to cover operating expenses and turn a small profit. The business has recently contracted its first white and private accounts therefore helping with the bottom line.

Franny's Franchising Inc. has sold its first few franchises, which also adds to the bottom line of the Manufacturing business. Our Sales and Marketing team continues to solicit and close new wholesale accounts (B2B), while also growing online retail sales (B2C). All are contributors to the success and growth of the vertically integrated family of companies.

Franny's Manufacturing has a debt of \$14,000 owed to the owners of the company. The loan does not bear interest and no loan repayment plans have been established. Manufacturing does not currently have any other outstanding debt with a bank or credit facility.

How do the funds of this campaign factor into your financial resources? (Are these funds critical to your company operations? Or do you have other funds or capital resources available?)

This business was established and operational in March 2019 and is currently financially stable. As a result, the campaign funds are not critical to the survival of the company.

The campaign funds will provide capital to help grow the business quicker than it could without such funds. The money will be used to expand the facility, purchase equipment and hire additional staff.

Are the funds from this campaign necessary to the viability of the company? (Of the

total funds that your company has, how much of that will be made up of funds raised from the crowdfunding campaign?)

As a profitable business, the campaign funds are not vital to the survival of the company. The Manufacturing business has multiple revenue streams and is financially stable without the campaign funds.

The campaign funds will provide the opportunity to grow the business at a faster pace than without them.

How long will you be able to operate the company if you raise your minimum? What expenses is this estimate based on?

Franny's Manufacturing does not need the campaign funds to continue to operate. The purpose of the campaign is to expand existing operations.

Expenses currently include: payroll, employee benefits, rent, utilities, cost of goods sold, and vendor contracts. The current (October 2019) monthly expense budget is right around \$30k. Sales for the same period were \$40k.

Because the campaign funds will be used mostly for equipment purchasing and expansion, we don't expect the monthly budget to increase significantly. We do anticipate increasing the monthly budget moderately by adding new staff.

If we only raise the minimum of 10k the business will continue to be funded through the sales of the company and can be sustained for 1-2 years. The 10k would be used to purchase equipment.

How long will you be able to operate the company if you raise your maximum funding goal?

Franny's Manufacturing does not need the campaign funds to continue to operate. The purpose of the campaign is to expand existing operations.

Expenses currently include: payroll, employee benefits, rent, utilities, cost of goods sold, and vendor contracts. The current (October 2019) monthly expense budget is right around \$30k. Sales for the same period were \$40k.

Since the campaign funds will be used mostly for equipment purchasing and expansion we don't expect the monthly budget to increase significantly. We do anticipate increasing the monthly budget moderately by adding new staff.

If we hit our funding goal of 535k we will be able to purchase the new equipment and operate the company for 2-3 years. At 2 years it would add 22k/month to our monthly budget and at 3 years it would add just 15k per month. We will also have our ongoing sales to help cover operating expenses.

**Are there any additional future sources of capital available to your company?
(Required capital contributions, lines of credit, contemplated future capital raises,
etc...)**

At this time, we don't have any plans to raise more capital in the future. The existing financially stable business combined with the addition of the campaign funds will allow the business to grow without a need for raising additional funds.

Indebtedness

- **Creditor:** Jeff & Frances Tacy
Amount Owed: \$14,000.00
Interest Rate: 0.0%
Maturity Date: December 31, 2020

Related Party Transactions

- **Name of Entity:** Jeff and Franny Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Jeff and Franny Tacy have a majority stake in a number of corporations that make up our system of Vertical Integration.
Material Terms: Our vertically integrated systems consists of: Franny's Farm Inc., Franny's Manufacturing Inc., Franny's Distribution Inc., Franny's Franchising Inc., Franny's Investments Inc., Hendersonville Farmacy Inc. and South Asheville Farmacy Inc.
- **Name of Entity:** Franny's Distribution Inc
Names of 20% owners: Jeff and Franny Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Jeff and Franny own a majority stake in Franny's Distribution.
Material Terms: Franny's Distribution purchases finished products from Franny's Manufacturing. There's an average of 30% mark-up from Manufacturing to Distribution.
- **Name of Entity:** Franny's Franchising Inc.
Names of 20% owners: Jeff and Franny Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Franny's Franchising owns the rights to all Franchises.
Material Terms: All franchises purchase products from Franny's Distribution.
- **Name of Entity:** Franny's Investments Inc.

Names of 20% owners: Jeff and Franny Tacy

Relationship to Company: 20%+ Owner

Nature / amount of interest in the transaction: Jeff and Franny own a majority stake in Franny's Investments Inc.

Material Terms: Franny's Investments Inc owns the Franny's Farmacy CBD Dispensary located at 211 Merrimon Ave, Asheville, NC 28801. Franny's Farmacy purchases products from Franny's Distribution.

- **Name of Entity:** Hendersonville Farmacy Inc.
Names of 20% owners: Jeff and Franny Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Jeff and Franny own a majority stake in Hendersonville Farmacy Inc. Hendersonville Farmacy Inc. owns the Franny's Farmacy located 128 Henderson Crossing Plaza, Hendersonville, NC 28792.
Material Terms: Franny's Farmacy purchases product from Franny's Distribution Inc.
- **Name of Entity:** South Asheville Farmacy Inc.
Names of 20% owners: Jeff and Franny Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Jeff and Franny own a majority stake in the South Asheville Farmacy Inc.
Material Terms: Franny's Farmacy purchases product from Franny's Distribution Inc.
- **Name of Entity:** Franny's farm Inc
Names of 20% owners: Jeff and Franny Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Franny's Farm Inc. grows CBD plants.
Material Terms: The plants grown at Franny's Farm have 2 usable parts. The top-cut flower is sold to Franny's Distribution Inc. Franny's Distribution sells the flower to the dispensaries, wholesale accounts and retails online. The plant biomass is sold to Lux Botanics and is processed in to crude oil, distillate and isolate. The distillate and isolate are then sold to Franny's Manufacturing Inc. and used in our Franny's Farmacy branded products. Lux uses the crude oil to make tinctures that are sold to Franny's Distribution Inc and Franny's Manufacturing Inc.
- **Name of Entity:** Jeff & Frances Tacy
Relationship to Company: 20%+ Owner
Nature / amount of interest in the transaction: Debt of \$14,000.
Material Terms: Franny's Manufacturing Inc. has an outstanding debt of \$14,000 owed to Jeff & Frances Tacy. The debt does not bear interest and no repayment terms have been established. Jeff & Frances intend to use the campaign funds to

repay the debt.

Valuation

Pre-Money Valuation: \$3,000,000.00

Valuation Details:

The the Company set its valuation internally, without a formal-third party independent valuation. Our Pre-Money Valuation methodology takes a commonly used approach based on Income. The Income Approach converts expected future cash flows to a present value.

This is a new business that started at zero in March 2019 and sold 165k by the end of the year. In the past few months we've built a new website that is launching in the next few weeks which will further drive our online sales, wholesale sales, franchise sales, white label and private label sales.

In the past few months we've opened 1 new corporate dispensary and sold 6 new franchise dispensaries. Using the numbers from our existing dispensaries we know that each new store should sell between 500k and 800k of retail sales annually. Franny's Distribution sells wholesale to the dispensaries at 50% of MSRP and Franny's Manufacturing sells wholesale to Franny's Distribution at 70% of the 50%. With 6 new stores in 2020 we project adding 175-280k per store of wholesale business running through the Manufacturing business. That's a total gross range of \$1,050,000 - \$1,680,000.

Manufacturing has a profit margin of 30% of wholesale cost. When we add the current sales with the sales of the new dispensaries we will have a gross of \$1,215,000 - \$1,845,000 and a potential profit of \$364,500 - \$553,500 before expenses.

We plan to sell 10-30 more franchises in 2020 therefore adding more wholesale business to the Manufacturing business. We intend to use the money raised in this campaign to purchase equipment increase our manufacturing efficiency with the goal of increasing the profitability.

We are always working to land new private and white label accounts. As more retailers and online stores open we have a good potential of picking up a substantial amount of new accounts and business.

We're basing our pre-money valuation on the projected income of the company. With 2020 sales projections hitting upwards of 1.8 million and considering the other mergers and acquisitions this industry is seeing, we are conservatively valuing the company at 3 million dollars.

In consideration of the unique industry growth there has been super high valuations for companies that have gone through acquisitions. With the growth and interest in our brand, we plan to be on the same track as those other companies that have been

acquired for historically high valuations. Our vertical integration with all of our companies working in unison give us a unique and strong position in the national market.

Use of Proceeds

If we raise the Target Offering Amount of \$10,000.00 we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
7.0%
- *Marketing*
14.0%
We will use marketing to gain new white label, private label and drop-ship accounts.
- *Research & Development*
10.0%
We will use this portion of the funds to develop new products to offer in our stores.
- *Working Capital*
40.0%
This portion will be used to purchase new equipment with the goal of making things faster.
- *Company Employment*
15.0%
We will use this portion to hire and train new staff.
- *Inventory*
14.0%
We will use this portion to increase our inventory of ingredients and packaging.

If we raise the over allotment amount of \$535,000.00, we plan to use these proceeds as follows:

- *StartEngine Platform Fees*
7.0%
- *Marketing*
14.0%
We will use marketing to gain new white label, private label and drop-ship accounts.
- *Research & Development*
10.0%
We will use this portion of the funds to develop new products to offer in our

stores.

- *Working Capital*
40.0%
This portion will be used to purchase new equipment with the goal of making things faster.
- *Company Employment*
15.0%
We will use this portion to hire and train new staff.
- *Inventory*
14.0%
We will use this portion to increase our inventory of ingredients and packaging.

The Company may change the intended use of proceeds if our officers believe it is in the best interests of the company.

Regulatory Information

Disqualification

No disqualifying event has been recorded in respect to the company or its officers or directors.

Compliance Failure

The company has not previously failed to comply with the requirements of Regulation Crowdfunding.

Ongoing Reporting

The Company will file a report electronically with the SEC annually and post the report on its website no later than April 30 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company's website at [www.frannysfarmacy.com](https://frannysfarmacy.com) (<https://frannysfarmacy.com/blog/page/2/>).

The Company must continue to comply with the ongoing reporting requirements until:

- (1) it is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- (2) it has filed at least one (1) annual report pursuant to Regulation Crowdfunding and has fewer than three hundred (300) holders of record and has total assets that do not exceed \$10,000,000;
- (3) it has filed at least three (3) annual reports pursuant to Regulation Crowdfunding;

(4) it or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or

(5) it liquidates or dissolves its business in accordance with state law.

Updates

Updates on the status of this Offering may be found at:
www.startengine.com/frannys-manufacturing

Investing Process

See Exhibit E to the Offering Statement of which this Offering Memorandum forms a part.

EXHIBIT B TO FORM C

**FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW FOR Franny's
Manufacturing Inc**

[See attached]

FRANNY'S MANUFACTURING INC

**FINANCIAL STATEMENTS
INCEPTION (MARCH 6, 2019) TO OCTOBER 31, 2019**

(Expressed in United States Dollars)

INDEX TO COMBINED FINANCIAL STATEMENTS

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Statement of Cash Flows	5
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Franny Manufacturing Inc
Asheville, North Carolina

We have audited the accompanying financial statements of Franny's Manufacturing Inc (the "Company"), which comprise the balance sheet as of October 31, 2019, and the related statements of operations, stockholders' equity, and cash flows for the period from inception (March 18, 2019) to October 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company's recurring losses from operations, insufficient cash flows generated from operations and need to obtain additional capital raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Franny's Manufacturing Inc as of October 31, 2019, and the results of its operations and its cash flows for the period from inception (March 18, 2019) to October 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

Marko Glisic, CPA

December 19, 2019
Los Angeles, California

FRANNY'S MANUFACTURING INC
BALANCE SHEET

As of October 31,	2019
ASSETS	
Current Assets:	
Cash & cash equivalents	\$ 3,366
Inventories	32,761
Total current assets	36,127
Property and equipment, net	9,772
Total assets	\$ 45,899
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Accounts payable	\$ -
Shareholder loan	14,000
Other current liabilities	3,341
Total current liabilities	17,341
Total liabilities	17,341
STOCKHOLDERS' EQUITY	
Common Stock	18,148
Additional paid-in capital	-
Retained earnings/(Accumulated Deficit)	10,410
Total stockholders' equity	28,558
Total liabilities and stockholders' equity	\$ 45,899

See accompanying notes to financial statements.

FRANNY'S MANUFACTURING INC
STATEMENTS OF OPERATIONS

<u>For Inception (March 18, 2019) to October 31,</u>	<u>2019</u>
Net revenue	\$ 93,578
Cost of goods sold	60,918
Gross profit	32,660
Operating expenses	
General and administrative	19,053
Total operating expenses	19,053
Operating income/(loss)	13,608
Interest expense	-
Other Loss/(Income)	-
Income/(Loss) before provision for income taxes	13,608
Provision/(Benefit) for income taxes	3,198
Net income/(Net Loss)	\$ 10,410

See accompanying notes to financial statements.

Franny's Manufacturing INC
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For Inception (March 18, 2019) to October 31, 2019

(in thousands, \$US)	Common Stock		Retained Earnings / (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount		
Balance—March 6, 2019 (Inception)	-	\$ -	\$ -	\$ -
Net income/(loss)		-	10,410	\$ 10,410
Issuance of common shares	1,000	18,148	-	\$ 18,148
Balance—October 31, 2019	1,000	\$ 18,148	\$ 10,410	\$ 28,558

See accompanying notes to financial statements.

FRANNY'S MANUFACTURING INC
STATEMENTS OF CASH FLOWS

For Inception (March 18, 2019) to October 31,	2019
CASH FLOW FROM OPERATING ACTIVITIES	
Net income/(loss)	\$ 10,410
<i>Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities:</i>	
Depreciation of property	29
<i>Changes in operating assets and liabilities:</i>	
Inventory	(32,761)
Other current liabilities	3,341
Net cash provided/(used) by operating activities	(18,982)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(9,800)
Sale of property and equipment	-
Purchases of intangible assets	-
Net cash provided/(used) in investing activities	(9,800)
CASH FLOW FROM FINANCING ACTIVITIES	
Borrowings on Notes	14,000
Issuance of Common Shares	18,148
Issuance of Preferred Shares	-
Net cash provided/(used) by financing activities	32,148
Change in cash	3,366
Cash—beginning of year	-
Cash—end of year	\$ 3,366
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for interest	\$ -
Cash paid during the year for income taxes	\$ -
OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES	
Purchase of property and equipment not yet paid for	\$ -

See accompanying notes to financial statements.

FRANNY'S MANUFACTURING INC
NOTES TO FINANCIAL STATEMENTS
INCEPTION (MARCH 18, 2019) TO OCTOBER 31, 2019

All amounts in these Notes United States dollars ("\$" or "US\$"), unless otherwise indicated.

1. SUMMARY

Franny's Manufacturing Inc was formed on March 6, 2019 ("Inception") in the State of North Carolina. The financial statements of Franny's Manufacturing Inc (which may be referred to as the "Company", "we," "us," or "our") are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's headquarters is located in Ashville, North Carolina.

Franny's Manufacturing is the backbone of the Franny's Farmacy Cooperative. The hemp grown at Franny's Farm is processed and sent to the manufacturing facility that makes all Franny's branded products. These products are held to the highest quality standards of the Hemp and CBD industry and distributed across the U.S. and beyond.

Going Concern and Management's Plans

The Company has recently commenced operations and lacks significant working capital. We will incur significant additional costs before significant revenue is achieved. These matters raise substantial doubt about the Company's ability to continue as a going concern. During the next 12 months, the Company intends to fund its operations with funding from our proposed Regulation Crowdfunding campaign, and additional debt and/or equity financing as determined to be necessary. There are no assurances that management will be able to raise capital on terms acceptable to the Company. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm our business, financial condition and operating results. The balance sheet and related financial statements do not include any adjustments that might result from these uncertainties.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with United States GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash include all cash in banks and cash on hand. The Company's cash are deposited in demand accounts at financial institutions that management believes are creditworthy. The Company has no cash equivalents as of October 31, 2019.

Accounts Receivable

Accounts receivable are recorded at net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of October 31, 2019, the Company determined that no reserve was necessary.

FRANNY'S MANUFACTURING INC
NOTES TO FINANCIAL STATEMENTS
INCEPTION (MARCH 18, 2019) TO OCTOBER 31, 2019

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs related to raw materials and finished goods are determined on the first-in, first-out basis. Specific identification and average cost methods are also used primarily for certain packing materials and operating supplies.

Property and Equipment

Property and equipment are stated at cost. Normal repairs and maintenance costs are charged to earnings as incurred and additions and major improvements are capitalized. The cost of assets retired or otherwise disposed of and the related depreciation are eliminated from the accounts in the period of disposal and the resulting gain or loss is credited or charged to earnings.

Depreciation is computed over the estimated useful lives of the related asset type or term of the operating lease using the straight-line method for financial statement purposes. The estimated service lives for property and equipment is as follows:

<u>Category</u>	<u>Useful Life</u>
Leasehold Improvements	Lesser of lease term or 15 years
Furniture and equipment	5-7 years

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

Income Taxes

Franny Manufacturing Inc. is a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits

FRANNY'S MANUFACTURING INC
NOTES TO FINANCIAL STATEMENTS
INCEPTION (MARCH 18, 2019) TO OCTOBER 31, 2019

based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

The Company is subject to tax in the United States ("U.S.") and files tax returns in the U.S. Federal jurisdiction and North Carolina state jurisdiction. The Company is subject to U.S. Federal, state and local income tax examinations by tax authorities for all periods since Inception. The Company has recently commenced operations and is not currently under examination by any tax authority.

Concentration of Credit Risk

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Revenue Recognition

The Company recognizes revenue upon delivery of goods to customers since at this time performance obligations are satisfied.

Operating Leases

Operating leases relate to warehouse space, and office space, which generally contain rent escalation clauses, rent holidays, and contingent rent provisions. Rent expense for operating leases is recognized on a straight-line basis over the term of the lease, which is generally four to five years based on the initial lease term, plus first renewal option periods that are reasonably assured.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of such instruments.

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2—Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Subsequent Events

FRANNY'S MANUFACTURING INC
NOTES TO FINANCIAL STATEMENTS
INCEPTION (MARCH 18, 2019) TO OCTOBER 31, 2019

The Company considers events or transactions that occur after the balance sheets date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through December 18, 2019, which is the date the financial statements were issued.

Recently Issued and Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new standard introduces a new lessee model that brings substantially all leases onto the balance sheets. The amendments in the ASU are effective for fiscal years beginning after December 15, 2019. The Company is evaluating the potential impact of adoption of ASU No. 2016-02 on its financial statements, but generally would expect that the adoption of this new standard will result in a material increase in the long-term assets and liabilities of the Company as result of our lease agreements.

3. INVENTORY

Inventory was comprised of the following items:

<u>As of Year Ended October 31,</u>	<u>2019</u>
Raw Materials	\$ 16,247
Work in Process	
Finished Goods	16,514
Total Inventories	\$ 32,761

4. PROPERTY AND EQUIPMENT

As of October 31, 2019, property and equipment consists of:

<u>As of Year Ended October 31,</u>	<u>2019</u>
Leasehold Improvements	\$ 6,993
Furniture and equipment	2,807
Property and Equipment, at Cost	9,800
Accumulated depreciation	(29)
Property and Equipment, Net	\$ 9,772

Depreciation expense for property and equipment for the period from inception (March 18, 2019) to October 31, 2019 totaled \$29.

5. OTHER CURRENT LIABILITIES

As of October 31, 2019, other current liabilities consists of:

FRANNY'S MANUFACTURING INC
NOTES TO FINANCIAL STATEMENTS
INCEPTION (MARCH 18, 2019) TO OCTOBER 31, 2019

As of October 31,	2019
Other Current Liabilities:	
Accrued Taxes	\$ 3,198
Accrued Payroll	-
Accrued Expenses	143
Total Other Current Liabilities	\$ 3,341

6. CAPITALIZATION AND EQUITY TRANSACTIONS

Common Stock

The Company's authorized share capital as of October 31, 2019 consisted of 1.5 million shares designated as \$0 par value common stock. Of the 1.5 million common shares authorized, 1,000 shares were issued and outstanding.

7. DEBT

As of October 31, 2019, the company has a shareholder loan in the amount of \$14,000. The loan has no interest rate and no maturity date has been set.

8. COMMITMENTS AND CONTINGENCIES

Operating Leases

The company entered a rental lease agreement with ELL MTN. BUSINESS ASSOCIATES, LLC for \$14,760 per year. The monthly rent payment is in the amount \$1,230. The lease commences on March 11, 2019 and expires on March 10, 2020. The first month rent was prorated to \$880.65. The aggregate minimum lease payments under operating leases in effect on October 31, 2019, are as follows:

As of Year Ended October 31, 2019	
November and December of 2019	\$ 2,600
2020	3,900
2021	-
2022	-
2023	-
Thereafter	-
Total future minimum operating lease payments	\$ 6,500

Rent expense for the period from inception (March 18, 2019) to October 31, 2019 was \$9,100.

Contingencies

The Company's operations are subject to a variety of local and state regulation. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulation as of October 31, 2019, CBD regulations continue to evolve and are subject to

FRANNY'S MANUFACTURING INC
NOTES TO FINANCIAL STATEMENTS
INCEPTION (MARCH 18, 2019) TO OCTOBER 31, 2019

differing interpretations. As a result, the Company may be subject to regulatory fines, penalties or restrictions in the future.

Litigation and Claims

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of October 31, 2019, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through December 18, 2019, the date the financial statements were available to be issued.

There have been no other events or transactions during this time which would have a material effect on these financial statements.

EXHIBIT C TO FORM C
PROFILE SCREENSHOTS
[See attached]

This offering is not live or open to the public at this moment.



Franny's Manufacturing

Seed to Shelf, Hemp and Health



[Website](#) [Asheville, NC](#)

MANUFACTURING

Simply stated Franny's Manufacturing is producing some of the best quality products in the industry. We're offering customers a quality product at an affordable price. By controlling every step of the process from seed to shelf, we ensure that every customer enjoys a safe, natural, self-regulated CBD experience.

\$0.00 raised

0 Days Left
Investors

% \$3M
Equity Offered Valuation

Equity \$300.00
Offering Type Min. Investment

INVEST NOW

This Offering is eligible for the [StartEngine Owner's 10% Bonus](#)

This Reg CF offering is made available through StartEngine Capital, LLC.

[Overview](#) [Team](#) [Terms](#) [Updates](#) [Comments](#)

Follow

Reasons to Invest

- We've experienced a significant amount of growth in the past 10 months with a process that ensures a consistent, high quality product due to vertical integration in every step of the process
- Our Manufacturing Facility has developed and mastered recipes and manufacturing systems for over 50 Franny's branded products
- From the founders who successfully raised \$535k with two prior fully oversubscribed Reg CF raises.

OUR STORY

From a young age, Franny knew she was destined for farm life. After a career in the pharmaceuticals industry left her wanting more, at 41 years old, Franny did what few have the courage to do: she jumped. Franny and her family bought land in Leicester and went to work literally building her dreams from the ground up.



After three long years of working both jobs, doing whatever it took to see those dreams realized, she was able to leave the corporate world and pour herself into Franny's Farm full time. In 2017, Franny became the first female hemp farmer in North Carolina, and ever since, she's been taking the scene by storm.





THE PROBLEM

Navigating the CBD market is overwhelming for consumers

Based on the feedback we often receive from our dispensary and online customers...consumers are responding positively to an increased access to CBD products and are turning to CBD to address a variety of ills, including pain relief, stress management and insomnia. We stay focused on offering a number of educational opportunities and consistently quality products in our best effort to help consumers navigate the market.



For consumers, choosing a trustworthy brand can be daunting when there are so many unregulated options available. With the absence of federal rules around CBD, consumers are looking for the assurance that the CBD they are buying is a reliable, quality product.



THE SOLUTION

We believe that relying on local, organic ingredients and a system of checks in the products process ensures the quality and consistency of our products

All Franny's Farmacy branded products are manufactured in small custom-made batches right in Asheville, NC. We control every step of the process from seed to shelf, allowing us to make sure the ingredients, finished product, and everything in between is up to our standards.





Our proprietary recipes and techniques give us a distinct advantage over the competition. Every product starts with all natural and mostly organic raw ingredients and time and time again we hear from our customers about the superior quality of our brand and products.



OUR TRACTION

We now have over 50 branded products and we saw a significant amount of growth in less than a year

Our Manufacturing Facility has developed and mastered recipes and manufacturing systems for over 50 Franny branded products. Our products have become so popular that we're now producing products for other labels and brands. Our white label and private label business is always expanding and we've experienced significant growth in the past 10 months. White and private labels means we sell our products to other brands without out Franny's label.



As our products enter new markets and get in the hands of loyal customers, we believe the interest and loyalty only grows. We've grown our business from being a local to a national player in the space and have expanded our products to include a new Pet Line, Women's Line, Edible Line, Baby Line, and Men's Line.



And our team that knows a thing or two about Equity

Crowdfunding:

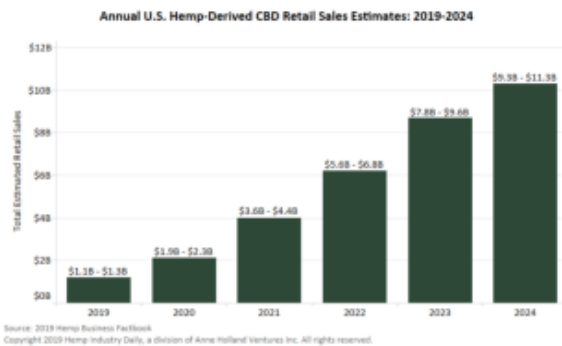
Fanny's Distribution Inc, which provides the wholesale and retail supply chain successfully oversubscribed their two offerings, **raising a total of \$535k from 840 investors.**



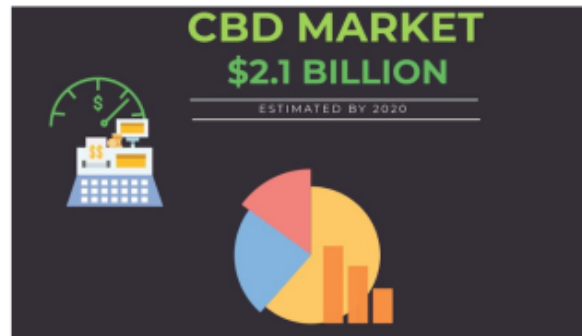
THE MARKET

Since the passage of the 2018 Farm Bill, CBD products have exploded in both popularity and retail presence

Retail sales of CBD in the United States are expected to surpass \$1 billion in 2019 – a 133% increase over 2018 sales – and might eclipse \$10 billion by 2024, according to projections from the newly released 2019 Hemp & CBD Industry Factbook. [Hemp Industry Daily](#) projects retail CBD sales will increase to \$10.3 billion by 2024, a five-year compound annual growth rate of 54%.



There's an incredible opportunity to continue to grow our businesses and we believe we are positioned perfectly. When you look at the projections of the industry it is easy to see that even a small market share can add up to a huge amount of sales.



WHAT WE DO

Setting the bar for CBD products, packaging, and overall experience

We use the best labels available on the market, all of which contain QR codes that link directly to our product COA's. We package many of our products in reusable glass jars with minimal packaging. We source our raw ingredients from local farms whenever possible and we use almost all organic and certified organic ingredients in all of our products.





We offer a wide range of products made available online through our easy-to-navigate website that is both smart phone friendly and tablet compatible. We have a staff dedicated to customer service, flat rate shipping, and a 100% guarantee with every product we offer.



Frannys Distibution vs Frannys Manufacturing

Frannys Manufacturing creates the products and sells them either through the wholesale or retail supply chain. Frannys Distribution produces the wholesale products which then get sold to dispensaries and other wholesale clients.

THE BUSINESS MODEL

We sell a local product to a national market

Franny's Manufacturing is a critical component in the Franny's Farmacy vertically integrated supply chain. This is where the magic happens! All Franny's Farmacy branded products are manufactured in small custom-made batches right in Asheville, NC. Our finished products are made available in an easily-navigable online store to a national market for flat-rate shipping.



HOW WE ARE DIFFERENT

Our vertically integrated system makes for reliable products that have consumers coming back

Franny's is a vertically integrated CBD company, and this is important for two reasons. First, with no manufacturing middleman, we're able to offer our customers a quality product at a reasonable price. Second, we prioritize the product itself, ensuring that every customer enjoys a safe, natural, self-regulated CBD experience.



We're run by farmers committed to our employees, customers and businesses making up our supply chain. It can be challenging to be unique in an industry moving so fast and with so many new products hitting the market, but we've been fortunate with the quality of our Branding and Products.



THE VISION

We plan to meet the growing excitement for CBD with our quality products and reach consumers in the global market

Cannabis and CBD represent . With the strength of our Brand we plan to keep expanding into new markets throughout the United States and eventually into other countries.



OUR TEAM

A team founded and grounded with morals, ethics and transparency

With Franny and Jeff at the helm and surrounded by a team of professionals, you can be confident that they will strive to make the most of every business opportunity. Our team consists of members dedicated to marketing, advertising, shipping and manufacturing.





We've proven our business prowess over and over again through the amazing success we achieved in the CBD and Hemp industry. At the core, we all operate with the highest and best intentions.

WHY INVEST

Now is the time to get in on the booming CBD industry

This is where we get down to business and ask for your support. Our manufacturing business has been making Franny's products since March 2019 and we're looking to expand our operations. Your stock purchase in our campaign will help us purchase more equipment, expand our production facilities and hire more great staff.



We're offering a unique opportunity to own a piece of an exciting and growing Brand in the CBD and Hemp Industry. We're confident in the future of our brand and products. We hope you join us in the journey and help support our vision.

Franny's Vertical Integration

Each business that makes up our vertically integrated series of businesses are separate legal entities. We currently have 7 Corporate entities owned that make up the business: Franny's Farm, (3) Franny's Farmacy Dispensaries, Franny's Manufacturing, Franny's Franchising and Franny's Distribution. Each of the companies have separate bank accounts and accounting methods. Franny's Brand does not currently have a parent company and all companies are of equal legal status in the eyes of the State of North Carolina.

Franny's Investments Inc. DBA Franny's Farmacy is our original CBD Dispensary in Asheville, NC. It opened in September 2018 and is located on the north side of downtown Asheville. Hendersonville Farmacy Inc. DBA Franny's Farmacy is our second CBD Dispensary that opened in November 2018 and is located in Hendersonville, NC. Franny's Distribution Inc. is our Distribution Business that opened in November 2018 and is physically located in Asheville, NC. Franny's Manufacturing Inc. is our Manufacturing Company that opened in March of 2019 and is physically located in Asheville, NC. Franny's Franchising Inc. is our parent franchise company that was incorporated in May of 2019 and is located in Asheville, NC. South Asheville farmacy Inc. DBA Franny's Farmacy is our third CBD Dispensary located in South Asheville and it opened in November of 2019.



Franny's Manufacturing Launches!

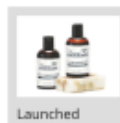
Mandy left her successful natural wellness and body care business and joined the team as Director of



Honey Sticks



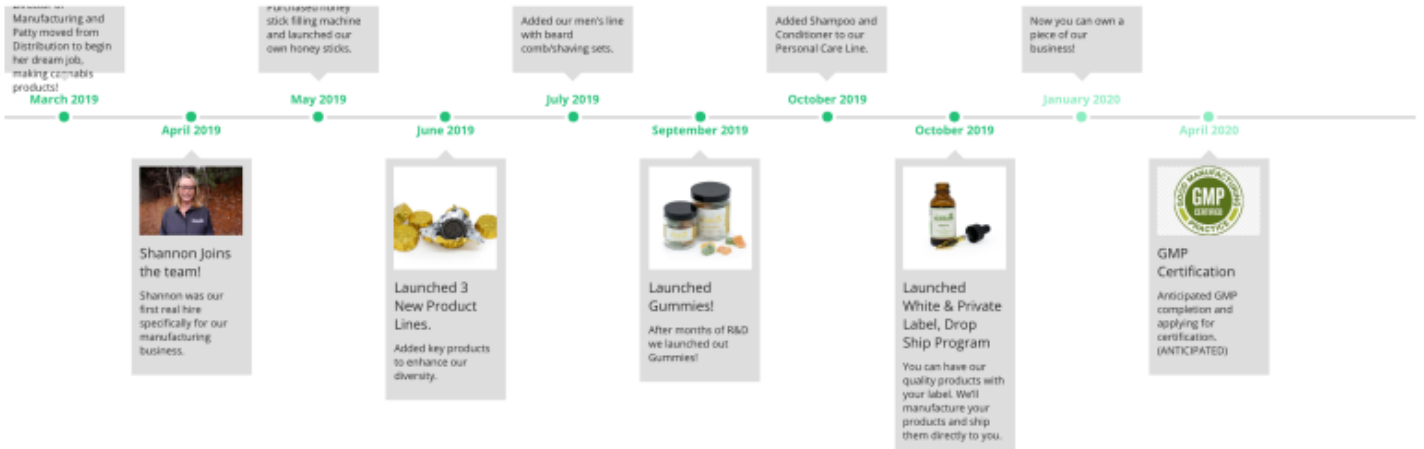
Launched Mens Line



Launched Shampoo and Conditioner



Launched Startengine Campaign



In the Press



[SHOW MORE](#)

Meet Our Team



Franny Tacy

Owner, Board Member

Franny is a board member but does not manage daily operations. Franny is the first female hemp farmer in NC and has entered the scene with a force behind education and collaboration. The story begins at their farm in Asheville and now Franny is co-owner of their vertically integrated hemp business Franny's Farmacy. They grow, process, manufacture and distribute their branded product lines to their dispensaries, wholesale and online customers in every state. Franny also participates in the hemp Research Trials with NC State and is a founder of the non-profit Women in Hemp non-profit. She has degrees and work experience in Forestry and Education and worked in the pharmaceutical industry for over a decade. She has been in Asheville since 1999. Along with husband Jeff and son Zach, friends and family, they built their family farm in winter of 2012. It now serves as an agritourism hub welcoming visitors from all over the world to stay over in one of their many lodging options, celebrate a farm wedding and do yoga with goats.

Farmer Franny is on a mission to share her hemp knowledge and is paving the way for farmers in her state and beyond. Look for her TedX talk, listen and learn about the obstacles she faced growing a crop that is federally illegal and how it's turning into a positive movement for "Women in Hemp," hemp growers, artisans processors and businesses with aligned "farmer focused" values. Franny and husband Jeff have opened multiple CBD Dispensaries, called Franny's Farmacy, and are now offering franchises. They are taking their hemp from plant to processing to product offering tinctures, topical, smokeables, vsp hardware, edibles, pet line and more. Seed to Shelf - Hemp and Health!

Franny's Farm Inc is her primary job. She works with the



Jeff Tacy

Chief Executive Officer, Chief Financial Officer, Chief Operating Officer

Jeff is responsible as the executive manager for everything Franny. He keeps the books, manages cash flow, evaluates company and employee performance. He also works on planning the growth strategy while evaluating the industry as a whole.

Farming is in his blood. At the age of 4, Jeff lived on a homestead farm with a garden, pigs, chickens, geese and a family horse. A few years later he upgraded to a full scale dairy farm. "We milked 150 head of cattle twice a day and put up thousands of hay bales per year. I loved the constant need to keep busy and the fresh unpasteurized milk was one of my favorites."

Economic challenges in the 1980's lead to the sale of the farm. Jeff went to college in Syracuse, NY and earned a BS Environmental Studies. The next 8 years of his life were spent trying to advance his career. After a stint in the military he transitioned to a state and local governments position in land-use and zoning. He has a General Contractor's License and built, owned and operated a restaurant for several years.

"I'm huge into all things foodie but sold the restaurant and started my Contracting business. I completed my Master's in Engineering and work full time as a Project Manager while also facilitating the farm dream."

Franny's manufacturing is his primary job. Jeff spends 10-15 hours per week performing his duties for the company.





Mandy Overstreet
Manufacturing Director

Mandy spends at least 40 hours per week managing production, ensuring quality control and general operations.

I spent the first part of my life in Alpharetta, GA, and then moved to Athens, GA when I was in high school. I stayed there for college, and graduated from the University of Georgia with a degree in Financial Planning. My husband Walker and I decided to move to Asheville shortly after college as we loved everything this wonderful town has to offer. While working in the financial industry and then in marketing, I started my own business on the side. My business was called Mandelin Naturals, and I focused on making natural bath and body products. After my first two sons were born (I have three total), I decided to quit my normal 9-5 and focus on my business full time. It was through this business that I met Franny and Jeff Tacy, vending at an event on their farm called Barnaroo. As Franny's Farmacy took off, I began to do more and more business with them on their topical line. They asked me to join the team in April as the Manufacturing Director, and I was more than happy to accept! I am a huge believer in the healing benefits of hemp, and could not think of a company that better represents my values and beliefs than Franny's Farmacy.



Michael Carlson
Vice President of Sales and Marketing

Michael spends an average of 10-15 hours per week managing sales and marketing for the manufacturing business. The rest of his time (30-40 hours/week) is spent doing sales and marketing for the wholesale and online business.

I am thrilled to join the Franny's Farmacy team as Vice President of Sales & Marketing. We are committed to supporting the health and wellness of our customers and community through our innovative organic farm, network of principled partner producers and institutions, and traceable seed-to-shelf hemp and CBD products.

Historically, I have a wide-ranging background in business development. I cut my teeth at the world's largest language services company, TransPerfect, opening a regional office and helping grow it to over 30 employees, with exponential revenue growth over that 8 year period. From there, I followed my passion for technology and grew several software companies in areas like B2C personalization, B2B Account-Based Marketing, Employee Engagement, Recruiting, and Workflow Optimization. I am skilled in Search Engine Optimization (SEO), Sales, Marketing, Management, Software as a Service (SaaS), and Corporate Partnership Development.

Ever the analytical, data-driven mind - I also have a Bachelor of Science in Mechanical Engineering from Northern Illinois University.



Patty Lemone
Production Manager

Patty works 40+ hours per week as the production manager. She's responsible for production and quality control under the supervision of Mandy.

I've called the beautiful mountains of WNC my home for almost twenty nine years! I am a proud mother of two children, along with a menagerie of rescue pets. I grew up on a small farm in Weston, Connecticut. I come from a large family which has nurtured my love for plants, animals and cooking.

I've been an advocate for cannabis for as long as I can remember. When this industry opened its doors, I immediately dove in. Being a Horticulturist, I truly understand all of the benefits of this multipurpose plant. With a heart full of empathy, I know I could fulfill my dream of helping others. From being diagnosed with fibromyalgia, this has only further enhanced my love of healthy eating. I've also begun making my own tinctures and an array of tasty edibles.

I've been with Franny's Farmacy for well over a year now, and I can honestly say it has been a wonderful experience! I've had the pleasure of working in the dispensaries, along with the construction of new facilities, and even starting up the distribution center. I now reside in manufacturing where the magic happens. I can honestly say "I love my job!"



Chase Jacobus
Production Associate

Chase works 40+ hours per week making Franny's Farmacy products.

I reached out to the Franny's Farmacy brand after getting out of the military and not being satisfied with where I was working or what career I was working towards. I found the Franny's website and immediately fell in love with the people and the brand. I made it my goal to try to work with Franny's in any way I could. I moved up to the farm in May of 2019 and worked on the farm all summer until after harvest. At that point I had an interest in working at the manufacturing facility alongside Mandy and Patty. They have been extremely welcoming and helpful and I have learned so much while working with them. It has been so fulfilling to be able to contribute to a company I trust and believe in every single day and I couldn't thank the people that have given me this opportunity enough.

Company : Franny's Manufacturing Inc

Corporate Address : 1300-B Patton Ave, Asheville, NC
28806

Offering Minimum : \$10,000.00

Offering Maximum : \$535,000.00

Minimum Investment Amount : \$300.00
(per investor)

Terms

Offering Type : Equity

Security Name : Non-Voting Common Stock

Minimum Number of Shares Offered : 5,000

Maximum Number of Shares Offered : 267,500

Price per Share : \$2.00

Pre-Money Valuation : \$3,000,000.00

**Maximum Number of Shares Offered subject to adjustment for bonus shares. See Bonus info below.*

Perks* and Investment Bonuses

Early Bird Bonus

First 48 hours - Friends and Family Early Birds | 10% bonus shares

Next 5 days - Early Bird Bonus | 5% bonus shares

Volume perks

\$300+ Trucker Cap

\$500+ Trucker Cap & T-Shirt

\$1,000+ - All the above + 250mg Natural Tincture

\$2,500+ - All the apparel + 500mg Natural Tincture

\$5,000+ - All the apparel + 1000mg Natural Tincture

\$20,000+ Frannys Farm Invite + 5% Bonus Shares - investor gets all the above and a stay at Franny's Farm Barnhouse and dinner with Franny & Jeff

\$40,000+ Superfan Tour - All the above plus a custom tour of Dispensaries, Manufacturing, Distribution and tour of hemp field. I want to meet these people in person! Who knows if they will follow though or not but it sure is a cool, intriguing concept.

**All perks occur after the offering is completed.*

The 10% Bonus for StartEngine Shareholders

Franny's Manufacturing Inc will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Crowdfunding Inc. OWNER's bonus.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Non-Voting Common Stock at \$2 / share, you will receive 110 shares, meaning you'll own 110 shares for \$200. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investors eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are cancelled or fail.

Investors will only receive a single bonus, which will be the highest bonus rate they are eligible for.

Irregular Use of Proceeds

The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over \$10,000: Inter company debt or back payments. Salary payments made to one's self, a friend or relative.

[Offering Details](#)

[Form C Filings](#)

[SHOW MORE](#)

Risks


A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature. These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

Updates

Follow Franny's Manufacturing to get notified of future updates!

Comments (0 total)

Add a public comment... 0/2500

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Important Message

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTMENTS ON STARTENGINE ARE SPECULATIVE, ILLIQUID, AND INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF YOUR ENTIRE INVESTMENT.

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Unless indicated otherwise with respect to a particular issuer, all securities-related activity is conducted by regulated affiliates of StartEngine: StartEngine Capital, LLC, a funding portal registered [here](#) with the US Securities and Exchange Commission (SEC) and [here](#) as a member of the Financial Industry Regulatory Authority (FINRA) or StartEngine Primary, LLC, a broker-dealer registered with the SEC and [FINRA](#). You can review the background of our broker-dealer and our investment professionals on FINRA's BrokerCheck [here](#).

Investment opportunities posted and accessible through the site are of three types:

- 1) Regulation A offerings (JOBS Act Title IV, known as Regulation A+), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Primary, LLC (unless otherwise indicated).
- 2) Regulation D offerings (Rule 506(c)), which are offered only to accredited investors. These offerings are made through StartEngine Primary, LLC.
- 3) Regulation Crowdfunding offerings (JOBS Act Title III), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Capital, LLC. Some of these offerings are open to the general public, however there are important differences and risks.

Any securities offered on this website have not been recommended or approved by any federal or state securities commission or regulatory authority. StartEngine and its affiliates do not provide any investment advice or recommendation and do not provide any legal or tax advice with respect to any securities. All securities listed on this site are being offered by, and all information included on this site is the responsibility of, the applicable issuer of such securities. StartEngine does not verify the adequacy, accuracy or completeness of any information. Neither StartEngine nor any of its officers, directors, agents and employees makes any warranty, express or implied, of any kind whatsoever related to the adequacy, accuracy, or completeness of any information on this site or the use of information on this site. See additional general disclosures [here](#).

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Canadian Investors

Investment opportunities posted and accessible through the site will not be offered to Canadian resident investors.

Potential investors are strongly advised to consult their legal, tax and financial advisors before investing. The securities offered on this site are not offered in jurisdictions where public solicitation for offerings is not permitted; it is solely your responsibility to comply with the laws and regulations of your country of residence.

California Investor Only - [Do Not Sell My Personal Information](#)



EXHIBIT D TO FORM C

VIDEO TRANSCRIPT

This is Franny and Jeff Tacy from Franny's Manufacturing Inc. Franny's Manufacturing is a critical component in our vertically integrated chain of businesses. It really represents the starting point for all the Franny's Farmacy products. It is where we have all our proprietary formulations and we make all our custom small batch products. In Franny's Manufacturing we are hitting multiple revenue streams with white label, private label and drop shipping. Over the past year, we are now developing over 50 products and that includes our topical line, our tinctures, edibles. We have specific lines for women, men and children and everybody's favorite their pets. So with the growth we are experiencing we've launched the campaign in an effort to help us expand our business. We are going to use the funds from the campaign to help buy new equipment, and hire new staff. So here we are, Franny's Manufacturing. We invite you to be a part of our family. Take advantage of this opportunity. Get in the hustle with us.

STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)

Platform Compensation

- As compensation for the services provided by StartEngine Capital, the issuer is required to pay to StartEngine Capital a fee consisting of a 6-8% (six to eight percent) commission based on the dollar amount of securities sold in the Offering and paid upon disbursement of funds from escrow at the time of a closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of StartEngine Capital. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to StartEngine Capital, if any, will be of the same class and have the same terms, conditions and rights as the securities being offered and sold by the issuer on StartEngine Capital's website.

Information Regarding Length of Time of Offering

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.
- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, material change to financial information, etc. If an issuer makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled and the funds will be returned.

Hitting The Target Goal Early & Oversubscriptions

- StartEngine Capital will notify investors by email when the target offering amount has hit 25%, 50% and 100% of the funding goal. If the issuer hits its goal early, and the minimum offering period of 21 days has been met, the issuer can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before new deadline.
- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach \$1.07M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer.
- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.
- If a StartEngine issuer reaches its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its

target offering amount. Thereafter, the issuer may conduct additional closings until the offering deadline.

Minimum and Maximum Investment Amounts

- In order to invest, to commit to an investment or to communicate on our platform, users must open an account on StartEngine Capital and provide certain personal and non-personal information including information related to income, net worth, and other investments.
- Investor Limitations: Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than \$107,000, then during any 12-month period, they can invest up to the greater of either \$2,200 or 5% of the lesser of their annual income or net worth. If both their annual income and net worth are equal to or more than \$107,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is less, but their investments cannot exceed \$107,000.

EXHIBIT F TO FORM C

ADDITIONAL CORPORATE DOCUMENTS

[See attached]

State of North Carolina
Department of the Secretary of State
ARTICLES OF INCORPORATION

Pursuant to §55-2-02 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a business corporation.

1. The name of the corporation is: Franny's Manufacturing Inc
2. The number of shares the corporation is authorized to issue is: 1,500,000
3. These shares shall be: *(check either a or b)*
 - a. All of one class, designated as common stock; or
 - b. Divided into classes or series within a class as provided in the attached schedule, with the information required by N.C.G.S. Section 55-6-01.
4. The name of the initial registered agent is: Jeff Tacy
5. The North Carolina street address and county of the initial registered office of the corporation is:
Number and Street 547 Elk Park Drive, Unit #606
City Asheville State NC Zip Code 28804 County Buncombe
6. The mailing address, *if different from the street address*, of the initial registered office is:
Number and Street 211 Merrimon Ave
City Asheville State NC Zip Code 28801 County Buncombe
7. Principal office information: *(must select either a or b.)*
 - a. The corporation has a principal office.
The principal office telephone number: _____
The street address and county of the principal office of the corporation is:
Number and Street _____
City _____ State _____ Zip Code _____ County _____
The mailing address, *if different from the street address*, of the principal office of the corporation is:
Number and Street _____
City _____ State _____ Zip Code _____ County _____
 - b. The corporation does not have a principal office.

8. Any other provisions, which the corporation elects to include, i.e., the purpose of the corporation, are attached.
9. The name and address of each incorporator is as follows:

Name	Address
Jeff Tacy	22 Franny's Farm Rd, Leicester, NC 28748
Frances Tacy	22 Franny's Farm Rd, Leicester, NC 28748

10. **(Optional):** Listing of Company Officers (See instructions on why this is important)

Name	Address	Title
Jeff Tacy	22 Franny's Farm Rd, Leicester, NC 28748	President
Frances Tacy	22 Franny's Farm Rd, Leicester, NC 28748	Vice President

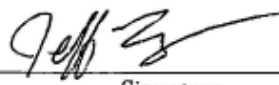
11. **(Optional):** Please provide a business e-mail address. The Secretary of State's Office will e-mail the business document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is being offered, please see the instructions for this document.

Privacy Redaction

12. These articles will be effective upon filing, unless a future date is specified:

This the 6th day of March 20 19

Incorporator



Signature
Jeff Tacy - President

Type or Print Name and Title

NOTES:

1. **Filing fee is \$125. This document must be filed with the Secretary of State.**



NORTH CAROLINA

Department of the Secretary of State

To all whom these presents shall come, Greetings:

I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF AMENDMENT

OF

FRANNY'S MANUFACTURING INC

the original of which was filed in this office on the 30th day of January, 2020.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 30th day of January, 2020.

Elaine F. Marshall

Secretary of State

State of North Carolina
Department of the Secretary of State

ARTICLES OF AMENDMENT
BUSINESS CORPORATION

Pursuant to §55-10-06 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Amendment for the purpose of amending its Articles of Incorporation.

1. The name of the corporation is: Franny's Manufacturing Inc.

2. The text of each amendment adopted is as follows (*State below or attach*):

2. the number of shares the corporation is authorized to issue is: 1,500,000

The reason for the correction is that I'm getting ready to launch a crowdfunding
campaign where I will non-voting stock.

3. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment, if not contained in the amendment itself, are as follows:

2. The number of shares the corporation is authorized to issue is: 1,500,000 voting shares and
1,500,000 non-voting shares. Voting and non-voting ar Common Shares of Stock.

4. The date of adoption of each amendment was as follows: January 24, 2020

5. (Check either a, b, c, or d, whichever is applicable)

a. The amendment(s) was (were) duly adopted by the incorporators prior to the issuance of shares.

b. The amendment(s) was (were) duly adopted by the board of directors prior to the issuance of shares.

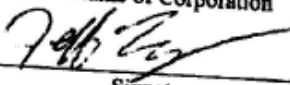
c. The amendment(s) was (were) duly adopted by the board of directors without shareholder action as shareholder action was not required because (*set forth a brief explanation of why shareholder action was not required.*)

d. The amendment(s) was (were) approved by shareholder action, and such shareholder approval was obtained as required by Chapter 55 of the North Carolina General Statutes.

ARTICLES OF AMENDMENT
Page 2

6. These articles will be effective upon filing, unless a delayed time and date is specified:
-
-

This the 29 day of January, 2020

Franny's Manufacturing Inc
Name of Corporation

Signature
Jeff Tacy - President
Type or Print Name and Title

NOTES:

1. Filing fee is \$50. This document must be filed with the Secretary of State.

BUSINESS REGISTRATION DIVISION
(Revised July 2017)

P. O. BOX 29622

RALEIGH, NC 27626-0622
(Form B-02)