

Quarterly Industry Update

As of December 31, 2015

Industry: Cannabis



Industry Summary

Cogent Valuation identified Cannabis publicly traded companies, IPOs, and recent M&A transactions within the Cannabis industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2014, the median 52-week share price return of the Cannabis industry was -86.4%. As this industry is new and many companies trade through over-the-counter markets, information to calculate valuation multiples was unavailable for most companies.

Comparable Public Company Key Statistics

Median 52-Week Return -83.4% Median EV/Revenue Multiple 2.4x Median EV/Gross CF Multiple 5.3x

Comparable Public Company Market Price Returns As of December 31, 2015

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2011	2012	2013	2014	2015
Acacia Diversified Holdings, Inc.	122.2%	416.4%	122.2%	-20.9%	192.4%	7.4%	838.1%	-99.4%	3900.0%	-71.9%	122.2%
American Green, Inc.	-86.9%	-34.6%	-86.9%	-23.4%	-12.1%	-23.0%	-55.6%	-10.7%	16.0%	348.3%	-86.9%
Cannabics Pharmaceuticals Inc.	-80.5%	36.3%	-80.5%	24.8%	-13.8%	N/A	N/A	30.8%	-58.8%	700.0%	-80.5%
Cannabis Science, Inc.	-72.8%	-40.7%	-72.8%	-46.0%	-33.1%	-22.0%	-79.8%	376.2%	3.0%	7.0%	-72.8%
CannLabs, Inc.	-87.4%	-75.0%	-87.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-87.4%
FutureWorld Corp.	-97.9%	-66.7%	-97.9%	-87.0%	-30.7%	-47.5%	-76.0%	-50.0%	1866.7%	-18.6%	-97.9%
Green Cures & Botanical Distribution Inc.	-90.8%	-73.1%	-90.8%	32.3%	51.8%	-47.8%	-92.2%	-85.7%	100.0%	1800.0%	-90.8%
Green Technology Solutions, Inc.	-99.1%	-73.7%	-99.1%	-91.6%	-87.6%	-96.2%	-99.5%	-99.1%	-72.8%	-23.2%	-99.1%
Medical Marijuana, Inc.	-67.5%	32.1%	-67.5%	-51.1%	-28.4%	N/A	N/A	512.1%	53.5%	-26.5%	-67.5%
Nemus Bioscience Inc.	-91.0%	25.0%	-91.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-91.0%
Peak Pharmaceuticals, Inc.	-86.4%	-45.9%	-86.4%	-75.6%	68.9%	57.3%	N/A	N/A	7995.2%	-56.3%	-86.4%
PharmaCyte Biotech, Inc.	-74.5%	-48.3%	-74.5%	-32.9%	7.6%	29.8%	264.0%	-18.9%	176.4%	76.5%	-74.5%
Rapid Fire Marketing, Inc.	-80.0%	0.0%	-80.0%	-42.3%	-57.5%	-56.5%	-46.9%	-61.8%	-76.9%	66.7%	-80.0%
Rostock Ventures Corp.	223.5%	-26.7%	223.5%	-5.0%	46.5%	-18.7%	-83.9%	-30.0%	248.6%	-72.1%	223.5%
Stragenics, Inc.	-99.9%	-50.0%	-99.9%	-97.7%	-93.7%	-90.1%	-98.9%	233.3%	-53.8%	-59.4%	-99.9%
Tauriga Sciences, Inc.	-87.5%	N/A	-87.5%	-40.8%	-71.9%	-46.4%	199.8%	-33.2%	-93.7%	180.7%	-87.5%
Terra Tech Corp.	-63.2%	-7.0%	-63.2%	-17.0%	-42.1%	N/A	N/A	N/A	-71.9%	87.4%	-63.2%
UA Multimedia, Inc.	-53.3%	16.7%	-53.3%	-96.2%	-78.5%	-59.6%	130.8%	-53.3%	600.0%	-99.7%	-53.3%
WeedHire International, Inc.	-88.9%	0.0%	-88.9%	-93.8%	-85.1%	N/A	N/A	-93.3%	-13.3%	-96.5%	-88.9%
Median of Industry Public Companies	-86.4%	-30.6%	-86.4%	-42.3%	-30.7%	-46.4%	-65.8%	-33.2%	16.0%	-18.6%	-86.4%

(Multiple year periods are calculated as the average annual return.)

Median Public Company Multiples of the Cannabis Industry

Date:	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015
EV/Revenues Multiple	9.1x	0.3x	0.5x	0.6x	6.0x	4.7x	2.0x	3.5x	2.4x
EV/Gross Cash Flows Multiple	6.7x	8.8x	6.9x	5.4x	12.3x	10.5x	18.5x	6.8x	5.3x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Vanita Spaulding at 818-905-8330 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

Quarterly Industry Update

As of December 31, 2015

Industry: Cannabis



Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/4/2015	Zynerba Pharmaceuticals, Inc.	\$14.00	3.00	\$42.00	\$10.32	N/A	\$0.68	(\$6.90)	(\$6.92)	(\$6.88)
3/13/2015	Nutritional High International Inc.	\$0.04	32.90	\$1.29	\$0.64	N/A	N/A	N/A	(\$2.50)	\$0.00
1/20/2015	MMJ Phytotech Limited	\$0.16	29.66	\$4.85	N/A	N/A	N/A	N/A	N/A	N/A
7/7/2014	Searchtech Ventures Inc.	\$0.09	6.85	\$0.64	\$0.22	N/A	N/A	N/A	(\$0.02)	N/A
12/16/2013	Cannabix Technologies Inc.	\$0.09	6.63	\$0.75	\$0.09	N/A	N/A	N/A	(\$0.09)	N/A
5/30/2013	Nhale Inc.	\$0.01	10.00	\$0.10	\$0.04	\$0.05	\$0.04	N/A	(\$0.12)	N/A
2/21/2012	MJ Holdings, Inc.	\$0.05	0.03	\$0.00	\$0.01	\$0.05	\$0.00	(\$0.02)	(\$0.02)	(\$0.02)
2/15/2012	Aja Cannafacturing, Inc.	\$0.01	2.00	\$0.02	\$0.02	N/A	N/A	N/A	(\$0.02)	N/A
10/31/2011	IPOWorld	\$0.01	1.00	\$0.01	\$0.02	N/A	N/A	N/A	(\$0.00)	N/A
8/15/2011	Lifestyle Delivery Systems Inc	\$0.20	3.00	\$0.61	\$0.42	N/A	N/A	N/A	(\$0.02)	N/A
5/2/2011	Premier Brands Inc.	\$0.02	N/A	\$0.10	\$0.00	N/A	N/A	N/A	(\$0.00)	N/A
1/21/2011	Promap Corporation	\$0.25	0.2	\$0.06	\$0.05	N/A	\$0.07	N/A	\$0.02	\$0.00
Median of All IPOs		nm	nm	\$0.35	\$0.05	\$0.05	\$0.05	(\$3.46)	(\$0.02)	(\$0.01)

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	LTM EBITDA	EV/Revenues	EV/EBITDA	Target Country
2/15/2016	MGC Pharmaceuticals	Erin Resources Ltd.	\$4.3	100%	N/A	N/A	N/A	N/A	Israel
1/4/2016	JR Cannabis Industries	Acacia Diversified Hldg.	\$0.4	100%	N/A	N/A	N/A	N/A	United States
1/4/2016	MariJ Agricultural, Inc.	Acacia Diversified Hldg.	\$1.1	100%	N/A	N/A	N/A	N/A	United States
12/31/2015	HempMeds Brasil	Medical Marijuana, Inc.	\$13.9	100%	N/A	N/A	N/A	N/A	United States
12/17/2015	LuvBuds, LLC	CannaSys, Inc.	\$0.1	70%	N/A	N/A	N/A	N/A	United States
11/30/2015	Cannabis Health Sciences	N/A	\$0.0	100%	N/A	N/A	N/A	N/A	Canada
10/2/2015	8437726 Canada Inc.	Tweed Marijuana Inc.	\$4.3	100%	N/A	N/A	N/A	N/A	Canada
9/18/2015	CR Labs, Inc.	Signal Bay, Inc.	\$0.4	80%	\$0.1	\$0.0	10.2x	N/A	United States
8/28/2015	Bedrocan Cannabis	Tweed Marijuana Inc.	\$49.1	100%	\$1.2	-\$2.0	39.1x	N/A	Canada
7/27/2015	MMJ Bioscience Inc.	Phytotech Medical	\$16.3	100%	N/A	N/A	N/A	N/A	Canada
5/1/2015	Canna Delivery Systems	Kariana Resources	\$0.4	100%	N/A	N/A	N/A	N/A	Canada
4/30/2015	Oilseed Works Inc.	Mettrum Health Corp.	\$0.2	100%	N/A	N/A	N/A	N/A	Canada
4/24/2015	T-Bird Pharma Inc.	Medna Biosciences Inc.	\$3.3	44%	N/A	-\$1.4	N/A	N/A	Canada
2/20/2015	Michigan Green Tech.	Cannabis Science, Inc.	\$0.4	30%	N/A	N/A	N/A	N/A	United States
2/18/2015	BCBUD Producers Inc.	Highmark Marketing Inc.	\$0.4	100%	N/A	N/A	N/A	N/A	Canada
2/11/2015	Cannabis Health Sciences	Invictus MD Strategies	\$0.1	100%	N/A	N/A	N/A	N/A	Canada
2/9/2015	Medicated Markets LLC	Easton Pharmaceuticals	\$1.8	40%	N/A	N/A	N/A	N/A	United States
2/3/2015	Marapharm Inc.	Marapharm Ventures	\$4.3	100%	N/A	N/A	N/A	N/A	Canada
12/19/2014	Greener Pastures Marihuana	BioAB Strategies	\$11.1	100%	N/A	N/A	N/A	N/A	Canada
12/10/2014	105477 BC Ltd.	Umbral Energy Corp.	\$0.3	100%	N/A	N/A	N/A	N/A	Canada
12/9/2014	Cannigistics Agri-Solutions	Calyx Bio-Ventures Inc.	\$0.5	100%	N/A	N/A	N/A	N/A	Canada
12/1/2014	Healthnostics, Inc.	Stragenics, Inc.	\$0.8	100%	N/A	N/A	N/A	N/A	United States
11/5/2014	In the Zone Produce Ltd.	PharmaCan Capital	\$2.5	100%	N/A	N/A	N/A	N/A	Canada

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Vanita Spaulding at 818-905-8330 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

Quarterly Industry Update

As of December 31, 2015

Industry: Cannabis



Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions, continued)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	LTM EBITDA	EV/Revenues	EV/EBITDA	Target Country
10/15/2014	MobiWeed	Highmark Marketing Inc.	\$0.2	100%	N/A	N/A	N/A	N/A	Canada
9/29/2014	Sigal Consulting LLC	Worlds Online Inc.	\$3.8	51%	N/A	N/A	N/A	N/A	United States
9/24/2014	Good To Grow LLC	Affinor Growers, Inc.	\$0.6	49%	N/A	N/A	N/A	N/A	United States
9/11/2014	Ovation Research, Inc.	New Compendium	\$0.3	90%	\$0.1	N/A	4.0x	N/A	United States
9/11/2014	R.E.M. International, LLC	Cannabis Kinetics Corp.	\$1.4	100%	N/A	N/A	N/A	N/A	United States
8/31/2014	BC Maramed Production	Alliance Growers Corp.	\$0.2	45%	N/A	N/A	N/A	N/A	Canada
8/20/2014	GreenPay LLC	MyECheck, Inc.	\$0.4	100%	N/A	N/A	N/A	N/A	United States
8/11/2014	Seattle Green Care	Primco Management Inc.	\$0.0	100%	N/A	N/A	N/A	N/A	United States
8/7/2014	Seashore Organic Marijuana	Sechelt Organic Marijuana	\$0.0	100%	N/A	N/A	N/A	N/A	Canada
8/5/2014	GreenLeaf Consulting LLC	ENDEXX Corp.	\$0.3	100%	N/A	N/A	N/A	N/A	United States
7/25/2014	Hydro Innovations, LLC	Surna Inc.	\$0.5	100%	\$1.0	-\$0.4	0.5x	N/A	United States
7/23/2014	Innovative Holdings, Inc.	BioCube, Inc.	\$0.0	100%	N/A	N/A	N/A	N/A	United States
7/22/2014	Suzie Q's	Primco Management	\$0.1	100%	N/A	N/A	N/A	N/A	United States
7/15/2014	CorGreen Technologies	Gold Ridge Resources	Stock	100%	\$1.0	\$1.8	N/A	N/A	United States
6/30/2014	Kush Inc.	Cannabis Sativa, Inc.	\$13.2	100%	N/A	N/A	N/A	N/A	United States
6/18/2014	Prime1 Construction Services Corp.	Tweed Marijuana Inc.	\$4.8	100%	N/A	N/A	N/A	N/A	Canada
6/12/2014	Carbon Bond Holdings	CannLabs, Inc.	Stock	100%	\$0.3	-\$0.1	N/A	N/A	United States
6/11/2014	(Medical Cannabis Company)	Sunorca Development	\$0.6	100%	N/A	N/A	N/A	N/A	Canada
5/23/2014	(Medical Cannabis Property)	Supreme Pharmaceuticals	\$4.1	100%	N/A	N/A	N/A	N/A	Canada
5/6/2014	Better Buds LLC	C & C Shop LLC	\$0.2	100%	N/A	N/A	N/A	N/A	United States
5/2/2014	CB Scientific Inc.	HempTech Corporation.	\$0.1	100%	N/A	N/A	N/A	N/A	United States
4/29/2014	Emerald Med Farms, LLC	QED Connect, Inc.	\$0.2	100%	N/A	N/A	N/A	N/A	United States
4/25/2014	American Mining Corporation	Cannabics Inc.	\$0.2	51%	N/A	N/A	N/A	N/A	United States
4/7/2014	Phytalytics LLC	Abattis Bioceticals Corp.	\$1.3	51%	N/A	N/A	N/A	N/A	United States
3/26/2014	AAA Heidelberg Inc.	Chlormet Technologies	\$0.1	17%	N/A	N/A	N/A	N/A	Canada
3/4/2014	(Medical Cannabis Property)	The CannaBusiness Group	\$0.3	100%	N/A	N/A	N/A	N/A	United States
3/3/2014	Triton Distribution Systems	Green Cures	\$0.1	26%	N/A	N/A	N/A	N/A	United States
2/27/2014	MySkin, Inc.	N/A	\$0.1	87%	\$0.0	\$0.0	2.4x	7.0x	United States
2/21/2014	Hemp Market Watch	Worldwide Internet	\$1.0	20%	N/A	N/A	N/A	N/A	United States
2/18/2014	MicroCannaBiz, LLC	Mentor Capital, Inc.	\$0.2	51%	N/A	N/A	N/A	N/A	United States
2/10/2014	Securitas EDGAR Filings, Inc.	N/A	\$0.4	97%	N/A	\$0.0	N/A	N/A	United States
2/4/2014	Diego Pellicer Brand	Plandaí Biotechnology	\$0.1	100%	N/A	N/A	N/A	N/A	United States
1/30/2014	(Medical Cannabis Property)	Zoned Properties Inc.	\$1.1	100%	N/A	N/A	N/A	N/A	United States
1/29/2014	Hemp Life Today, LLC	Global Links Corp.	\$0.8	100%	N/A	N/A	N/A	N/A	United States
12/31/2013	(Medical Cannabis Property)	Advanced Cannabis	\$0.5	100%	N/A	N/A	N/A	N/A	United States
11/26/2013	Eco Science Solutions, Inc.	N/A	\$0.6	51%	N/A	-\$1.5	N/A	N/A	United States
8/7/2013	Dispense Labs, LLC	ENDEXX Corp.	\$2.3	100%	N/A	N/A	N/A	N/A	United States
6/30/2013	Berkeley Bio-Organic	SK3 Group Inc.	\$0.9	100%	N/A	N/A	N/A	N/A	United States
6/25/2013	TC X Calibur Inc.	N/A	\$0.2	65%	N/A	N/A	N/A	N/A	United States

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Vanita Spaulding at 818-905-8330 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

Quarterly Industry Update

As of December 31, 2015

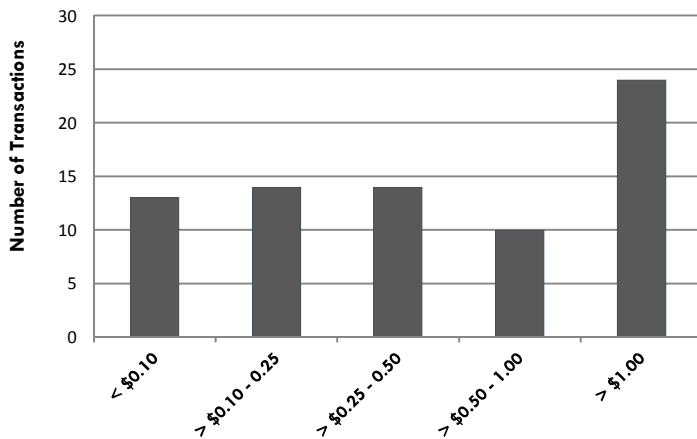
Industry: Cannabis



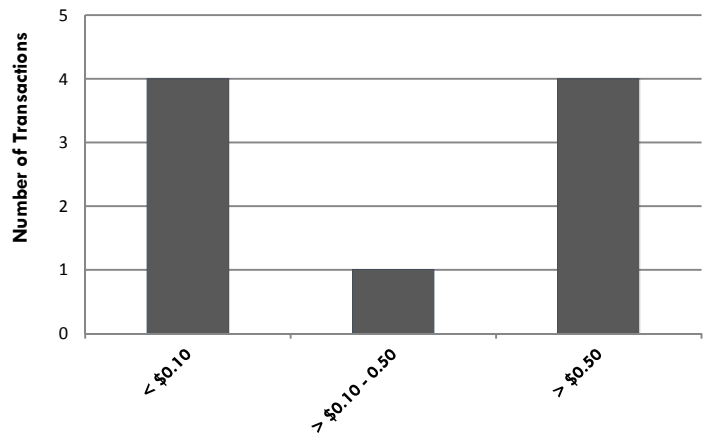
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions, continued)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	LTM EBITDA	EV/Revenues	EV/EBITDA	Target Country
2/28/2013	Hayes Pharmacy Inc.	ENDEXX Corp.	\$0.3	100%	N/A	N/A	N/A	N/A	United States
2/11/2013	IPOWorld	Glob AG	\$0.0	80%	N/A	N/A	N/A	N/A	United States
1/29/2013	Phytosphere Systems	CannaVEST Corp.	\$35.0	100%	N/A	N/A	N/A	N/A	United States
12/31/2012	Weedmaps, LLC	RJM BV	\$11.8	100%	N/A	N/A	N/A	N/A	United States
12/11/2012	Cannabis Science, Inc.	The X-Change	\$0.3	100%	N/A	N/A	N/A	N/A	Germany
9/19/2012	Step Out Inc.	N/A	\$0.0	23%	N/A	N/A	N/A	N/A	United States
4/12/2012	Phytosphere Systems, LLC	Medical Marijuana	\$2.5	80%	N/A	N/A	N/A	N/A	United States
3/21/2012	Cannabis Consulting, Inc.	Cannabis Science, Inc.	\$0.1	100%	N/A	N/A	N/A	N/A	United States
2/29/2012	iJuana Cannabis inc.	Abattis Biologix	\$0.1	100%	N/A	N/A	N/A	N/A	Canada
2/29/2012	PharmaSphere, LLC	Phytosphere Systems	\$0.7	100%	N/A	N/A	N/A	N/A	United States
5/26/2011	Modern Mobility Aids	N/A	\$0.1	67%	\$0.0	N/A	10.8x	N/A	Canada
2/28/2011	Mokita, Inc.	N/A	\$0.1	31%	N/A	N/A	N/A	N/A	United States
11/11/2010	(Medical Cannabis Company)	N/A	\$0.1	100%	\$0.5	N/A	N/A	N/A	United States
10/8/2010	Altitude Organic Licensing	The Amержence Group	\$1.0	100%	N/A	N/A	N/A	N/A	United States
3/15/2010	Organic Science, Inc.	International Merchant	\$15.0	100%	N/A	N/A	N/A	N/A	United States
Median of the 75 M&A Transaction Targets			\$0.4	100%	\$0.3	-\$0.1	7.1x	7.0x	

Size of M&A Transactions



LTM Revenues Reported from M&A Transactions



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Vanita Spaulding](mailto:Vanita.Spaulding@CogentValuation.com) at 818-905-8330 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.