

Quarterly Industry Update

As of September 30, 2016

Industry: Plant-Touching Cannabis Companies

Industry Summary

Cogent Valuation identified Plant-Touching Cannabis Companies publicly traded companies, IPOs, and recent M&A transactions within the Plant-Touching Cannabis Companies 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 September 30, 2015, the median 52-week share price return of the Plant-Touching Cannabis Companies industry was -9.5%. 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	(9.5%)	Median Price/Revenue Multiple	6.0x	Median Price/Earnings Multiple	3.0x
Median Year-to-Date Return	5.3%	Median Price/Gross Profit Multiple	15.3x		

Comparable Public Company Market Price Returns (As of September 30, 2016)

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Abattis Bioceuticals Corp.	4.0%	93.8%	27.9%	(61.4%)	\$12.2	\$16.6	(\$2,964.7)	135.4%	(24241.0%)	340.6x	251.6x
Canada House Wellness Group Inc.	55.8%	(1.1%)	N/A	N/A	\$0.0	\$0.0	(\$2,224.9)	N/A	N/A	N/A	N/A
Acacia Diversified Holdings, Inc.	533.3%	5.6%	3170.2%	71.0%	\$225.4	\$112.3	\$209.5	49.8%	93.0%	109.0x	218.8x
Advantis Corp.	22.2%	(35.3%)	66.7%	(32.3%)	\$0.0	\$0.0	(\$294.9)	N/A	N/A	N/A	N/A
Aja Cannafacturing, Inc.	0.0%	(10.0%)	(20.4%)	(94.0%)	\$22.9	(\$13.3)	(\$2,040.2)	(58.0%)	(8897.3%)	0.1x	(0.1x)
Alliance Growers Corp.	238.2%	126.0%	N/A	N/A	\$0.0	\$0.0	(\$711.2)	N/A	N/A	N/A	N/A
Aphria, Inc.	183.3%	113.3%	280.5%	N/A	\$6,439.9	\$5,015.0	\$303.9	77.9%	4.7%	23.7x	30.5x
Canadian Cannabis Corp.	(64.3%)	(17.5%)	(70.0%)	(23.5%)	\$319.5	\$319.5	(\$15,686.5)	100.0%	(4910.2%)	51.1x	51.1x
Canamed4Pets, Inc.	(33.3%)	100.0%	(66.7%)	(57.4%)	\$0.0	\$0.0	(\$1,931.1)	N/A	N/A	N/A	N/A
Cannabics Pharmaceuticals Inc.	(13.6%)	(5.6%)	17.8%	(63.3%)	\$62.5	\$62.5	(\$443.6)	100.0%	(709.7%)	77.2x	77.2x
Cannabis Sativa, Inc.	321.4%	73.5%	34.1%	(39.4%)	\$75.7	\$64.0	(\$4,037.5)	84.5%	(5332.9%)	659.1x	779.7x
Cannabis Science, Inc.	8.0%	1.3%	(36.0%)	(48.5%)	\$50.0	\$47.8	(\$13,216.7)	95.6%	(26428.1%)	512.9x	536.5x
Cannalink, Inc.	(40.0%)	(31.4%)	(46.7%)	(55.3%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canopy Growth Corporation	43.8%	45.3%	154.5%	22.6%	\$13,846.9	\$14,126.6	(\$6,515.5)	102.0%	(47.1%)	20.1x	19.7x
CTT Pharmaceutical Holdings, Inc.	143.8%	30.0%	(90.9%)	(74.5%)	\$0.0	\$0.0	(\$1,670.2)	N/A	N/A	N/A	N/A
Easton Pharmaceuticals Inc.	(40.5%)	(42.1%)	(63.3%)	(61.0%)	\$0.0	\$0.0	(\$526.8)	N/A	N/A	N/A	N/A
Emerald Health Therapeutics, Inc.	303.6%	361.5%	404.3%	(1.7%)	\$85.9	(\$210.6)	(\$1,774.0)	(245.3%)	(2066.4%)	347.5x	(141.6x)
Gala Global Inc.	(68.2%)	(32.5%)	(75.5%)	(81.6%)	\$1.6	\$0.8	(\$419.3)	49.7%	(26371.7%)	451.0x	907.7x
Galileo Life Sciences, Inc.	0.0%	(16.7%)	34.2%	(10.6%)	\$0.0	\$0.0	(\$1,594.8)	N/A	N/A	N/A	N/A
Golden Leaf Holdings Ltd.	(49.6%)	5.4%	N/A	N/A	\$10,733.3	\$2,160.2	(\$5,507.7)	20.1%	(51.3%)	2.1x	10.2x
Green and Hill Industries, Inc	(80.0%)	100.0%	(99.3%)	(93.7%)	\$0.1	\$0.1	(\$355.7)	100.0%	(273576.9%)	96.2x	96.2x
Green Cures & Botanical Distribution Inc.	(73.1%)	33.2%	(92.8%)	(89.3%)	\$1,237.0	\$989.6	\$6,141.0	80.0%	496.4%	N/A	N/A
Grow Solutions Holdings, Inc.	(82.1%)	(75.0%)	(75.0%)	N/A	\$5,411.1	\$1,588.1	(\$1,329.8)	29.3%	(24.6%)	2.2x	7.6x
GrowBlox Sciences, Inc.	133.3%	(18.2%)	(13.8%)	(41.5%)	\$0.0	\$0.0	(\$6,770.3)	N/A	N/A	N/A	N/A

(Multiple year periods are calculated as the average annual return. Revenues, gross profits, net income stated in thousands of US dollars.)

Definitions of Financial Terms Used in this Quarterly Industry Update:

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

Gross Profit (GP): Revenues - Cost of Goods Sold

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

Price (P): Price is stated in US Dollars as of the report date.

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Comparable Public Company Market Price Returns (As of September 30, 2016)

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Tetra Bio-Pharma Inc.	84.3%	173.6%	1370.6%	N/A	\$0.0	(\$10.6)	(\$295.6)	N/A	N/A	N/A	(480.5x)
InMed Pharmaceuticals Inc.	(24.1%)	23.7%	(34.8%)	(36.8%)	\$0.0	\$0.0	(\$2,562.3)	N/A	N/A	N/A	N/A
Kaneh Bosc BioTechnology Inc.	79.4%	(55.4%)	(12.7%)	N/A	\$39.4	\$1.4	(\$201.1)	3.5%	(510.8%)	12.5x	353.1x
Kaya Holdings, Inc.	(18.4%)	3.8%	(32.4%)	(17.8%)	\$756.7	\$331.2	(\$1,474.6)	43.8%	(194.9%)	8.7x	19.8x
Lotus Ventures Inc.	(15.4%)	(10.1%)	N/A	N/A	\$0.0	\$0.0	(\$608.0)	N/A	N/A	N/A	N/A
Maple Leaf Green World Inc.	381.5%	211.9%	1294.5%	152.0%	\$0.0	\$0.0	(\$1,055.0)	N/A	N/A	N/A	N/A
Marapharm Ventures Inc.	172.1%	392.9%	146.3%	N/A	\$0.0	(\$87.4)	(\$2,151.9)	N/A	N/A	N/A	(273.9x)
Marijuana Company of America, Inc.	(78.8%)	(20.0%)	328.6%	114.8%	(\$18.6)	(\$26.5)	(\$250.7)	142.7%	1347.6%	(0.7x)	(0.5x)
MCPI, Inc.	(51.1%)	(1.4%)	(68.6%)	(52.0%)	\$0.0	\$0.0	(\$279.7)	N/A	N/A	N/A	N/A
Medical Marijuana, Inc.	47.0%	35.3%	94.3%	(30.9%)	\$9,215.4	\$5,304.7	\$25,971.0	57.6%	281.8%	16.9x	29.4x
Medically Minded, Inc.	(70.0%)	(10.0%)	(80.0%)	(72.4%)	\$0.0	\$0.0	(\$319.2)	N/A	N/A	N/A	N/A
MediJane Holdings Inc.	290.0%	(2.5%)	(67.5%)	(92.8%)	\$41.0	\$17.0	(\$11,761.2)	41.5%	(28664.8%)	2.7x	6.5x
Mettrum Health Corp.	103.1%	73.5%	153.4%	N/A	\$8,176.5	\$5,883.3	(\$4,930.2)	72.0%	(60.3%)	11.8x	16.3x
MGC Pharmaceuticals Limited	70.0%	(1.8%)	154.5%	102.2%	\$1.6	(\$9.6)	(\$4,586.8)	(582.3%)	(279685.4%)	11846.8x	(2034.4x)
MMJ Phytotech Limited	5.3%	2.9%	(6.3%)	N/A	\$190.0	(\$56.6)	(\$10,950.2)	(29.8%)	(5764.2%)	136.2x	(457.0x)
MYM Nutraceuticals Inc.	(9.4%)	97.8%	N/A	N/A	\$0.0	(\$0.9)	(\$799.1)	N/A	N/A	N/A	(1293.1x)
Neutra Corp.	(77.1%)	(37.3%)	(63.0%)	(73.6%)	\$0.0	\$0.0	(\$1,266.9)	N/A	N/A	N/A	N/A
Next Generation Management Corp.	(65.0%)	(41.7%)	(74.1%)	(75.8%)	\$52.8	\$52.8	(\$5,377.0)	100.0%	(10189.5%)	2.6x	2.6x
Nutritional High International Inc.	31.9%	77.3%	56.3%	N/A	\$0.0	\$0.0	(\$1,570.2)	N/A	N/A	N/A	N/A
Rocky Mountain High Brands, Inc.	(33.9%)	(11.2%)	(67.4%)	41.2%	\$1,075.5	(\$59.2)	\$2,325.7	(5.5%)	216.3%	12.9x	(235.0x)
Terra Tech Corp.	301.8%	10.1%	273.7%	1.3%	\$15,435.8	\$2,309.5	(\$13,452.8)	15.0%	(87.2%)	7.4x	49.2x
True Leaf Medicine International Ltd.	83.9%	(37.0%)	32.0%	N/A	\$57.9	\$12.6	(\$810.4)	21.8%	(1400.6%)	110.2x	505.3x
Wildflower Marijuana Inc.	15.0%	7.2%	33.3%	N/A	\$0.0	\$0.0	(\$762.4)	N/A	N/A	N/A	N/A
Median of Industry Public Companies	5.3%	2.9%	(9.5%)	(45.0%)	\$6.9	\$0.0	(\$1,402.2)	49.8%	(709.7%)	21.9x	19.7x

(Multiple year periods are calculated as the average annual return. Revenues, gross profits, net income stated in thousands of US dollars.)

Median Public Company Multiples of the Plant-Touching Cannabis Companies

Date:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	N/A	N/A	8.7x	7.0x	5.8x	5.4x	7.1x	11.1x	6.0x
Price/Earnings Multiple	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.8x	3.0x
EV/Gross Cash Flows Multiple	42.4x	7.1x	4.4x	8.7x	12.3x	16.7x	28.4x	14.2x	15.3x

Quarterly Industry Update

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Industry: Plant-Touching Cannabis Companies



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
10/18/2016	Creso Pharma Limited	\$0.15	25.00	\$3.83	\$0.12	\$0.04	\$0.09	(\$0.02)	(\$0.02)	(\$0.02)
10/4/2016	Cannabis Royalties & Holdings Corp.	\$1.52	2.50	\$3.80	N/A	N/A	N/A	N/A	N/A	N/A
3/13/2015	Nutritional High International Inc.	\$0.04	32.90	\$1.29	\$0.64	\$0.00	\$0.00	\$0.00	(\$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	\$0.00	\$0.00	\$0.00	(\$0.02)	\$0.00
8/15/2011	Lifestyle Delivery Systems Inc	\$0.20	3.00	\$0.61	\$0.42	\$0.00	\$0.00	\$0.00	(\$0.02)	\$0.00
9/16/2010	MediJane Holdings Inc.	\$0.01	3.30	\$0.03	\$0.01	\$0.00	\$0.00	\$0.00	(\$0.01)	\$0.00
Median of All IPOs		nm	nm	\$1.29	\$0.22	\$0.00	\$0.00	\$0.00	(\$0.02)	\$0.00

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
11/1/2016	Vert Medical	Canopy Growth Corporation	\$1.8	100%	N/A	N/A	N/A	N/A	Canada
9/9/2016	Urban Pharms, LLC	The Grilled Cheese Truck	\$4.0	100%	N/A	N/A	N/A	N/A	United States
9/6/2016	Peace Naturals Project Inc.	PharmaCan Capital Corp.	\$7.4	74%	N/A	N/A	N/A	N/A	Canada
8/17/2016	Business in Whatcom County	Marapharm Washington, LLC	\$1.5	100%	N/A	N/A	N/A	N/A	United States
3/31/2016	Blum (Medical Dispensary)	Terra Tech Corporation	\$22.9	100%	\$13.00	\$0.24	1.8x	N/A	United States
2/15/2016	MGC Pharmaceuticals	Erin Resources Limited	\$4.3	100%	N/A	N/A	N/A	N/A	Israel
1/4/2016	JR Cannabis Industries	Acacia Diversified Holdings	\$0.4	100%	N/A	N/A	N/A	N/A	United States
1/4/2016	MariJ Agricultural, Inc.	Acacia Diversified Holdings	\$1.1	100%	\$0.26	(\$0.59)	3.3x	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
10/2/2015	8437726 Canada Inc.	Tweed Marijuana Inc.	\$3.9	100%	N/A	N/A	N/A	N/A	Canada
8/28/2015	Bedrocan Cannabis Corp.	Tweed Marijuana Inc.	\$49.1	100%	\$1.17	(\$2.00)	N/A	N/A	Canada
7/27/2015	MMJ Bioscience Inc.	Phytotech Medical	\$16.3	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	(\$1.41)	N/A	N/A	Canada
2/18/2015	BCBUD Producers Inc.	Highmark Marketing Inc.	\$0.4	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 Inc.	\$4.3	100%	N/A	N/A	N/A	N/A	Canada
12/19/2014	Greener Pastures	BioAB Strategies Ltd.	\$11.1	100%	N/A	N/A	N/A	N/A	Canada
12/10/2014	105477 BC Ltd.	Umbra Energy Corp.	\$0.3	100%	N/A	N/A	N/A	N/A	Canada
11/5/2014	In the Zone Produce Ltd.	PharmaCan Capital	\$2.5	100%	N/A	N/A	N/A	N/A	Canada
9/24/2014	Good To Grow LLC	Affinar Growers, Inc.	\$0.6	49%	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
8/11/2014	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
7/22/2014	Suzie Q's	Primco Management Inc.	\$0.1	100%	N/A	N/A	N/A	N/A	United States
6/18/2014	Prime1 Construction Services	Tweed Marijuana Inc.	\$4.8	100%	N/A	N/A	N/A	N/A	Canada
6/11/2014	(Medical Marijuana Business)	Sunorca Development Corp.	\$0.6	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

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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
4/25/2014	American Mining Corporation	Cannabics Inc.	\$0.2	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
2/27/2014	MySkin, Inc.	N/A	\$0.1	87%	\$0.04	\$0.01	2.4x	7.0x	United States
2/4/2014	Diego Pellicer Brand	Plandaf Biotechnology, Inc.	\$0.1	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
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
1/29/2013	CannaVest Laboratories	CannaVEST Corp.	\$35.0	100%	N/A	N/A	N/A	N/A	United States
9/19/2012	Step Out Inc.	N/A	\$0.0	23%	N/A	N/A	N/A	N/A	United States
4/12/2012	CannaVest Laboratories	Medical Marijuana, Inc.	\$2.5	80%	N/A	N/A	N/A	N/A	United States
2/29/2012	iJuana Cannabis inc.	Abattis Biologix Corporation	\$0.1	100%	N/A	N/A	N/A	N/A	Canada
2/29/2012	PharmaSphere, LLC	CannaVest Laboratories	\$0.7	100%	N/A	N/A	N/A	N/A	United States
5/26/2011	Modern Mobility Aids	N/A	\$0.1	67%	\$0.01	N/A	N/A	N/A	Canada
2/28/2011	Mokita, Inc.	N/A	\$0.1	31%	N/A	N/A	N/A	N/A	United States
10/8/2010	Altitude Organic Licensing	The Amergence Group	\$1.0	100%	N/A	N/A	N/A	N/A	United States
3/15/2010	Organic Science, Inc.	International Merchant Advisors	\$15.0	100%	N/A	N/A	N/A	N/A	United States
Median of the 45 M&A Transaction Targets			\$0.8	100%	\$0.26	(\$0.59)	2.4x	7.0x	

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