

Ancillary Cannabis

INDUSTRY SUMMARY

COGENT VALUATION identified **Ancillary** publicly traded companies, IPOs, and recent M&A transactions within the Ancillary 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 March 31, 2017, the median 52-week share price return of the Ancillary Cannabis industry was -34.5%. As this industry is new and many companies trade through over-the-counter markets, multiples varied widely.

Public Company Key Statistics

Median 52-Week Return	Median Year-to-Date Return	Median Price/Revenue Multiple	Median MVIC/Gross Profit Multiple
-34.5%	-33.3%	6.00x	8.97x
Median Price//Gross Profit Multiple	Median Price/Earnings Multiple	Median MVIC/ Revenue Multiple	Median MVIC/ Earnings Multiple
7.13x	-3.45x	10.38x	-3.65x

Comparable Public Company Market Metrics as of March 31, 2018

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Agritek Holdings, Inc.	-55.7%	-55.7%	-32.4%	130.0%	\$0.05	(\$0.03)	-652.1%	-62.4%	-13037.3%	255.54x	-409.29x
American Cannabis	-18.7%	-18.7%	29.7%	141.2%	\$2.90	\$2.35	26.4%	81.0%	9.1%	17.02x	21.01x
American Green, Inc.	-36.8%	-36.8%	-31.3%	-21.8%	\$0.05	\$0.05	-76.6%	100.0%	-1574.3%	59.28x	59.28x
AmeriCann, Inc.	-52.6%	-52.6%	-52.7%	87.8%	\$0.01	\$0.01	-403.9%	100.0%	-40387.9%	3759.00x	3759.00x
Café Serendipity Holdings	-18.3%	-18.3%	-59.6%	30.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canna Consumer Goods, Inc.	-50.0%	-50.0%	19.4%	123.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cannabix Technologies Inc.	-17.9%	-17.9%	186.1%	190.3%	N/A	N/A	-179.1%	N/A	N/A	N/A	N/A
Cannabiz Mobile, Inc.	33.3%	33.3%	33.3%	100.0%	\$1.21	\$0.62	-124.5%	51.4%	-103.2%	0.00x	0.00x
CannaGrow Holdings, Inc	-39.0%	-39.0%	-15.9%	18.6%	\$1.66	(\$0.20)	-197.4%	-12.1%	-119.3%	1.82x	-15.04x
CannaSys, Inc.	-71.4%	-71.4%	-91.0%	-98.4%	\$0.00	\$0.00	-612.5%	100.0%	-5567918%	13684.58x	13684.58x
CB Scientific, Inc.	-33.3%	-33.3%	-82.9%	-45.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CHUMA HOLDINGS, INC.	-59.7%	-59.7%	-60.0%	-30.8%	\$0.31	\$0.28	-455.8%	92.0%	-1490.1%	2.37x	2.57x
CSA Holdings, Inc.	-77.3%	-77.3%	-87.1%	-80.5%	\$3.85	\$0.87	-121.6%	22.6%	-31.6%	0.53x	2.33x
DigiPath, Inc.	-44.1%	-44.1%	-15.9%	-11.8%	\$2.69	\$1.17	-159.5%	43.5%	-59.2%	3.10x	7.13x
Dutch Gold Resources, Inc.	0.0%	0.0%	0.0%	41.4%	N/A	N/A	-155.8%	N/A	N/A	N/A	N/A
EVIO, Inc.	-8.1%	-8.1%	-45.2%	210.1%	\$3.30	\$0.81	-372.1%	24.6%	-112.8%	5.26x	21.40x
FutureWorld Corp.	0.0%	0.0%	-50.0%	0.0%	\$0.25	\$0.25	-86.6%	100.5%	-344.3%	2.06x	2.05x
General Cannabis Corp.	-65.9%	-65.9%	-8.3%	90.3%	\$3.75	\$0.61	-1005.7%	16.2%	-268.5%	20.91x	129.25x
Global Hemp Group Inc.	-52.3%	-52.3%	360.9%	213.6%	N/A	N/A	-69.9%	N/A	N/A	N/A	N/A

Multiple year periods are calculated as the average annual return.

Comparable Public Company Market Metrics as of March 31, 2018

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	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Green Energy Management Services	25.0%	25.0%	-32.9%	-4.7%	\$0.38	\$0.01	-53.2%	3.9%	-138.4%	1.71x	43.95x
Green Technology Solutions, Inc.	-29.8%	-29.8%	-51.0%	-47.3%	N/A	N/A	-660.2%	N/A	N/A	N/A	N/A
GreenPlex Services	-20.0%	-20.0%	-30.4%	-50.0%	\$0.04	\$0.04	-40.3%	100.0%	-1057.7%	39.22x	39.22x
Grow Solutions Holding	-75.7%	-75.7%	-87.7%	-88.8%	\$6.78	\$1.25	-467.4%	18.4%	-68.9%	0.09x	0.50x
GrowGeneration	1.2%	1.2%	114.2%	N/A	\$16.16	\$3.78	-321.3%	23.4%	-19.9%	4.86x	20.78x
Helix TCS, Inc.	-40.0%	-40.0%	-62.5%	133.5%	\$4.47	\$1.40	-557.3%	31.4%	-124.8%	12.03x	38.38x
Hemp Inc.	-20.8%	-20.8%	-30.2%	-32.4%	\$2.36	\$1.76	-120.1%	74.8%	-51.0%	1.86x	2.49x
International Consolidated Companies	0.0%	0.0%	-66.7%	0.0%	\$0.06	\$0.06	-19.9%	100.0%	-357.1%	14.58x	14.58x
MassRoots, Inc.	-58.8%	-58.8%	-74.0%	-55.6%	\$0.32	(\$2.79)	-4439.0%	-872.6%	-13904.8%	87.10x	-9.98x
Medical Cannabis Payment Solutions, Inc.	-61.4%	-61.4%	-63.2%	-29.5%	N/A	N/A	-425.0%	N/A	N/A	N/A	N/A
MediGreen Holdings	0.0%	0.0%	-98.9%	-68.4%	\$0.00	(\$0.11)	-241.5%	-2868.4%	-64230.1%	0.25x	-0.01x
Monarch America, Inc.	-33.3%	-33.3%	-42.9%	-46.5%	\$4.32	\$1.28	-239.8%	29.7%	-55.5%	0.01x	0.03x
Nhale, Inc.	81.8%	81.8%	-34.5%	182.8%	N/A	N/A	-7.1%	N/A	N/A	N/A	N/A
North American Cannabis Holdings, Inc.	-42.9%	-42.9%	-42.9%	15.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northsight Capital, Inc.	-63.5%	-63.5%	-62.8%	-43.3%	\$0.02	\$0.02	-124.3%	100.0%	-6183.5%	213.14x	213.14x

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Comparable Public Company Market Price Metrics as of March 31, 2018

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	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Novus Acquisition & Development Corp.	-41.9%	-41.9%	-28.4%	353.9%	\$0.10	\$0.09	2.4%	96.0%	24.5%	6.75x	7.03x
Occidental Development Group, Inc.	N/A	N/A	-100.0%	-100.0%	N/A	N/A	-32.5%	N/A	N/A	N/A	N/A
Peak Pharmaceuticals	-41.0%	-41.0%	57.8%	171.6%	N/A	N/A	-5.7%	N/A	N/A	N/A	N/A
Pineapple Express, Inc.	64.7%	64.7%	-6.7%	-75.1%	\$0.61	\$0.61	-336.9%	100.0%	-555.4%	148.22x	148.22x
PotNetwork Holding, Inc.	204.1%	204.1%	547.1%	263.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
STWC Holdings, Inc.	-16.8%	-16.8%	-81.8%	-58.7%	\$4.05	\$3.74	-262.6%	92.5%	-64.9%	0.54x	0.58x
Synergetics, Inc.	0.0%	0.0%	-28.6%	29.1%	N/A	N/A	-35.6%	N/A	N/A	N/A	N/A
The Hydroponics Company Limited	-21.8%	-21.8%	N/A	N/A	\$1.44	\$0.61	-199.9%	42.1%	-138.7%	33.67x	80.02x
U.S. Lithium, Corp.	-20.0%	-20.0%	-40.0%	18.8%	N/A	(\$0.00)	-24.7%	N/A	N/A	N/A	-2999.80x
WEED, Inc.	-43.8%	-43.8%	60.7%	517.3%	N/A	N/A	-348.2%	N/A	N/A	N/A	N/A
Median of Industry Public Companies	-33.3%	-33.3%	-34.5%	7.7%	\$0.91	\$0.28	-179.1%	47.5%	-138.6%	6.00x	7.13x

■ Median

Median Public Companies

The chart below illustrates Public Company Multiples.

	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	9/30/17	3/31/18	Average
Price / Revenues	6.00x	8.74x	6.55x	5.15x	7.67x	6.55x	6.00x	6.78x
Price / Gross Profits	7.13x	12.09x	8.46x	9.25x	10.22x	8.46x	7.13x	9.27x
Price / Earnings	-3.45x	-4.63x	-3.48x	-4.63x	-5.33x	-3.48x	-3.45x	-4.17x
MVIC / Revenues	10.38x	17.20x	8.41x	7.11x	9.22x	8.41x	10.38x	10.12x
MVIC / Gross Profits	8.97x	14.03x	9.09x	10.76x	11.23x	9.09x	8.97x	10.53x
MVIC / Earnings	-3.65x	-6.18x	-3.75x	-5.48x	-6.18x	-3.75x	-3.65x	-4.83x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings: Ancillary Cannabis (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
12/21/17	Cannabis Strategies Acquisition Corp.	\$7.86	12.50	\$98.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/3/17	The Hydroponics Company Limited	\$0.15	40.00	\$5.96	\$0.73	\$0.00	\$0.00	\$0.00	(\$0.46)	(\$0.46)
7/7/14	Searchtech Ventures Inc.	\$0.09	6.85	\$0.64	\$0.22	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
12/16/13	Cannabix Technologies Inc.	\$0.09	6.63	\$0.75	\$0.08	\$0.00	\$0.00	\$0.00	(\$0.14)	(\$0.14)
5/30/13	Nhale, Inc.	\$0.01	10.00	\$0.10	\$0.04	\$0.05	\$0.04	\$0.00	(\$0.12)	(\$0.12)
2/21/12	MJ Holdings, Inc.	\$0.05	0.03	\$0.00	\$0.01	\$0.05	\$0.00	(\$0.02)	(\$0.02)	(\$0.02)
2/15/12	Aja Cannafacturing, Inc.	\$0.01	2.00	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
10/31/11	IPOWorld	\$0.01	1.00	\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
10/23/09	Peak Pharmaceuticals, Inc.	\$0.10	0.41	\$0.04	\$0.01	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
	Median of all IPOs	\$0.07	6.74	\$0.37	\$0.03	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)

Highlighted values are the highest or lowest value in each column

■ Highest Value
 ■ Lowest Value
 ■ Median Value

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
5/2/18	Summit Innovations, LLC	Kush Bottles, Inc.	\$16.41	100.0%	N/A	N/A	N/A	N/A
3/3/18	Spire Secure Logistics Inc.	Friday Night Inc.	\$3.70	100.0%	N/A	N/A	N/A	N/A
2/26/18	Budly Software Inc.	MYM Nutraceuticals Inc.	\$2.41	100.0%	N/A	N/A	N/A	N/A
2/8/18	CannaNUMUS Blockchain Inc.	Abattis Bioceuticals Corp.	\$9.76	49.0%	N/A	N/A	N/A	N/A
1/31/18	Harvest Medicine Inc.	ABcann Global Corporation	\$2.33	100.0%	N/A	N/A	N/A	N/A
1/31/18	10375977 Canada Inc.	Aida Minerals Corp.	\$0.70	100.0%	N/A	N/A	N/A	N/A
1/30/18	All Assets of Humboldt Depot	GrowGeneration California Corp.	\$1.58	100.0%	\$4.00	N/A	0.39x	N/A
12/4/17	Larssen Ltd	Aurora Cannabis Inc.	\$13.50	100.0%	N/A	N/A	N/A	N/A
9/29/17	BCNL and Urban Cultivator	Aurora Cannabis Inc.	\$6.46	100.0%	\$5.00	N/A	1.29x	N/A
7/24/17	Denver Consulting Group LLC	Medicine Man Technologies	\$3.36	100.0%	N/A	N/A	N/A	N/A
7/13/17	Odava, Inc.	MassRoots, Inc.	\$1.76	100.0%	N/A	N/A	N/A	N/A
7/13/17	PAO Group, Inc.	New Wave Holdings, Inc.	\$251.00	100.0%	N/A	N/A	N/A	N/A
6/7/17	Pono Publications Ltd.	Medicine Man Technologies	\$12.60	100.0%	N/A	N/A	N/A	N/A
6/2/17	Security Grade Protective Srvc.	Helix TCS, Inc.	\$4.20	100.0%	N/A	N/A	N/A	N/A
6/1/17	Trauma Healing Centers Inc.	OrganiGram Holdings Inc.	\$1.67	100.0%	N/A	N/A	N/A	N/A
4/10/17	Knalysis Technologies Inc.	Canada House Wellness Group	\$1.01	100.0%	N/A	N/A	N/A	N/A
3/20/17	Cybernetics Control Systems Inc.	Quadron Capital Corporation	\$1.96	100.0%	N/A	N/A	N/A	N/A
1/25/17	CannaBuild , LLC	MassRoots, Inc.	\$2.51	100.0%	N/A	N/A	N/A	N/A
1/23/17	Medical Cannabis Mgmt. Group	Canadian Bioceutical Corp.	\$22.50	100.0%	N/A	N/A	N/A	N/A
12/19/16	127,000-square foot Property	Innovative Industrial Properties	\$30.00	100.0%	N/A	N/A	N/A	N/A

■ USA
 ■ International

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

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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	LTM EBITDA	EV/ Revenues	EV/ EBITDA
11/7/16	Longevity Project Group	Abba Medix Group Inc.	\$5.08	100.0%	N/A	N/A	N/A	N/A
8/17/16	CanvasRx Inc.	Aurora Cannabis Inc.	\$29.52	100.0%	N/A	N/A	N/A	N/A
7/29/16	Vapor Corp.	VPR Brands, L.P.	\$0.87	100.0%	N/A	N/A	N/A	N/A
5/24/16	Oregon Analytical Services, LLC	EVIO Inc.	\$1.20	100.0%	N/A	N/A	N/A	N/A
11/30/15	Cannabis Health Sciences	N/A	\$0.02	100.0%	N/A	N/A	N/A	N/A
9/18/15	CR Labs, Inc.	Signal Bay, Inc.	\$0.44	80.0%	\$0.05	(\$0.00)	10.17x	-137.84x
5/1/15	Canna Delivery Systems	Kariana Resources Inc.	\$0.40	100.0%	N/A	N/A	N/A	N/A
4/30/15	Oilseed Works Inc.	Mettrum Health Corp.	\$0.20	100.0%	N/A	N/A	N/A	N/A
2/20/15	Michigan Green Technologies	Cannabis Science, Inc.	\$0.37	30.1%	N/A	N/A	N/A	N/A
2/11/15	Cannabis Health Sciences Inc.	Invictus MD Strategies	\$0.14	100.0%	N/A	N/A	N/A	N/A
12/9/14	Cannigistics Agri-Solutions	Calyx Bio-Ventures Inc.	\$0.53	100.0%	N/A	N/A	N/A	N/A
12/1/14	Healthnostics, Inc.	Stragenics, Inc.	\$0.75	100.0%	N/A	N/A	N/A	N/A
10/15/14	MobiWeed	Highmark Marketing Inc.	\$0.21	100.0%	N/A	N/A	N/A	N/A
9/29/14	Sigal Consulting LLC	Worlds Online Inc.	\$3.83	51.0%	N/A	N/A	N/A	N/A
9/11/14	Ovation Research, Inc.	New Compendium	\$0.34	90.4%	\$0.09	N/A	3.97x	N/A
9/11/14	R.E.M. International, LLC	Cannabis Kinetics Corp.	\$1.37	100.0%	N/A	N/A	N/A	N/A
8/20/14	GreenPay LLC	MyECheck, Inc.	\$0.40	100.0%	N/A	N/A	N/A	N/A
8/5/14	GreenLeaf Consulting LLC	ENDEXX Corp.	\$0.32	100.0%	N/A	N/A	N/A	N/A

■ USA
 ■ International

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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
7/25/14	Hydro Innovations, LLC	Surna Inc.	\$0.55	100.0%	\$0.99	(\$0.40)	0.55x	-1.36x
7/23/14	Innovative Holdings, Inc.	BioCube, Inc.	\$0.05	100.0%	N/A	N/A	N/A	N/A
7/15/14	Gold Ridge Resources, Inc.	CorGreen Technologies	\$0.00	100.0%	N/A	N/A	N/A	N/A
6/30/14	Kush Inc.	Cannabis Sativa, Inc.	\$13.20	100.0%	N/A	N/A	N/A	N/A
5/23/14	(Medical Cannabis Property)	Supreme Pharmaceuticals	\$4.13	100.0%	N/A	N/A	N/A	N/A
4/7/14	Phytalytics LLC	Abattis Bioceuticals Corp.	\$1.27	51.0%	N/A	N/A	N/A	N/A
3/4/14	(Medical Cannabis Property)	The CannaBusiness Group	\$0.34	100.0%	N/A	N/A	N/A	N/A
3/3/14	Triton Distribution Systems	Green Cures	\$0.07	25.8%	N/A	N/A	N/A	N/A
2/21/14	Hemp Market Watch	Worldwide Internet Inc.	\$1.00	20.0%	N/A	N/A	N/A	N/A
2/18/14	MicroCannaBiz, LLC	Mentor Capital, Inc.	\$0.20	51.0%	N/A	N/A	N/A	N/A
2/10/14	Securitas EDGAR Filings, Inc.	N/A	\$0.39	97.4%	N/A	(\$0.02)	N/A	-17.01x
1/30/14	(Medical Cannabis Property)	Zoned Properties Inc.	\$1.12	100.0%	N/A	N/A	N/A	N/A
12/31/13	(Medical Cannabis Property)	Advanced Cannabis	\$0.45	100.0%	N/A	N/A	N/A	N/A
11/26/13	Eco Science Solutions, Inc.	N/A	\$0.60	51.3%	N/A	(\$1.47)	N/A	-0.41x
8/7/13	Dispense Labs, LLC	ENDEXX Corp.	\$2.34	100.0%	N/A	N/A	N/A	N/A
2/28/13	Hayes Pharmacy Inc.	ENDEXX Corp.	\$0.30	100.0%	N/A	N/A	N/A	N/A
2/11/13	IPOWorld	Glob AG	\$0.03	80.0%	N/A	N/A	N/A	N/A
12/31/12	Weedmaps, LLC	RJM BV	\$11.75	100.0%	N/A	N/A	N/A	N/A
12/11/12	Cannabis Science, Inc.	The X-Change Corporation	\$0.28	100.0%	N/A	N/A	N/A	N/A
3/21/12	Cannabis Consulting, Inc.	Cannabis Science, Inc.	\$0.09	100.0%	N/A	N/A	N/A	N/A
11/11/10	(Medical Cannabis Company)	N/A	\$0.11	100.0%	\$0.50	N/A	0.00x	N/A
Median of the M&A Transaction Targets			\$1.01	100.0%	\$0.75	(\$0.21)	0.92x	-9.18x

COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

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.

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.

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

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

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