

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 June 30, 2017, the median 52-week share price return of the Ancillary Cannabis industry was -5.2%. 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
-5.2%	-26.9%	7.03x	8.06x
Median Price//Gross Profit Multiple	Median Price/Earnings Multiple	Median MVIC/ Revenue Multiple	Median MVIC/ Earnings Multiple
7.09x	-3.13x	10.90x	-4.05x

Comparable Public Company Market Metrics as of June 30, 2018

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Agritek Holdings, Inc.	-64.6%	-20.1%	10.5%	155.9%	\$0.05	(\$0.03)	-652.1%	-62.4%	-13037.3%	204.12x	-326.93x
American Cannabis	-47.2%	-35.1%	38.2%	143.6%	\$2.90	\$2.35	26.4%	81.0%	9.1%	11.05x	13.64x
American Green, Inc.	-42.5%	-9.1%	-16.7%	-4.7%	\$0.05	\$0.05	-76.6%	100.0%	-1574.3%	53.89x	53.89x
AmeriCann, Inc.	-15.7%	77.8%	33.7%	76.3%	N/A	N/A	-485.7%	N/A	N/A	N/A	N/A
Café Serendipity Holdings	70.3%	108.5%	1.6%	69.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canna Consumer Goods, Inc.	-65.6%	-31.3%	18.3%	114.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cannabix Technologies Inc.	-17.2%	0.9%	254.4%	199.2%	N/A	N/A	-114.5%	N/A	N/A	N/A	N/A
Cannabiz Mobile, Inc.	0.0%	-25.0%	-25.0%	73.2%	\$1.21	\$0.62	-124.5%	51.4%	-103.2%	0.00x	0.00x
CannaGrow Holdings, Inc	-36.0%	4.9%	11.3%	43.7%	\$1.66	(\$0.20)	-197.4%	-12.1%	-119.3%	1.91x	-15.78x
CannaSys, Inc.	-82.1%	-37.5%	-66.7%	-95.8%	\$0.00	\$0.00	-612.5%	100.0%	-5567918%	8552.86x	8552.86x
CB Scientific, Inc.	-28.7%	7.0%	-92.0%	-56.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CHUMA HOLDINGS, INC.	-26.7%	81.8%	-26.6%	-4.7%	\$0.31	\$0.28	-455.8%	92.0%	-1490.1%	4.30x	4.68x
CSA Holdings, Inc.	-96.7%	-85.3%	-97.2%	-82.4%	\$3.85	\$0.87	-121.6%	22.6%	-31.6%	0.08x	0.34x
DigiPath, Inc.	-49.7%	-10.0%	-0.5%	-0.3%	\$2.83	\$1.00	-168.6%	35.3%	-59.7%	2.74x	7.74x
Dutch Gold Resources, Inc.	0.0%	0.0%	0.0%	216.2%	N/A	N/A	-155.8%	N/A	N/A	N/A	N/A
EVIO, Inc.	-19.9%	-12.8%	-13.5%	294.6%	\$3.06	\$0.28	-757.5%	9.1%	-247.9%	7.03x	77.42x
FutureWorld Corp.	0.0%	0.0%	0.0%	0.0%	\$0.25	\$0.25	-86.6%	100.5%	-344.3%	2.06x	2.05x
General Cannabis Corp.	-44.8%	62.0%	83.6%	99.4%	\$4.03	\$0.77	-1212.9%	19.2%	-301.2%	31.96x	166.64x
Global Hemp Group Inc.	-56.6%	-9.1%	554.6%	349.2%	N/A	N/A	-70.3%	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 June 30, 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 Technology Solutions, Inc.	-15.7%	20.0%	-17.1%	-22.5%	N/A	N/A	-660.2%	N/A	N/A	N/A	N/A
GreenPlex Services	-20.0%	0.0%	-20.0%	-50.0%	\$0.04	\$0.04	-40.3%	100.0%	-1057.7%	39.22x	39.22x
Grow Solutions Holding	-86.3%	-43.7%	-85.8%	-91.6%	\$6.78	\$1.25	-467.4%	18.4%	-68.9%	0.05x	0.28x
GrowGeneration	-3.0%	-4.2%	95.0%	N/A	\$19.20	\$4.36	-380.2%	22.7%	-19.8%	4.87x	21.45x
Helix TCS, Inc.	-53.0%	-21.7%	-66.8%	87.7%	\$5.66	\$1.81	-497.6%	31.9%	-87.9%	17.21x	54.00x
Hemp Inc.	36.0%	71.7%	97.1%	23.5%	\$2.36	\$1.76	-120.1%	74.8%	-51.0%	3.19x	4.27x
International Consolidated Companies	0.0%	0.0%	-59.2%	41.4%	\$0.06	\$0.06	-19.9%	100.0%	-357.1%	14.58x	14.58x
MassRoots, Inc.	-60.1%	-3.2%	-57.7%	-47.2%	\$0.05	(\$2.97)	-3373.3%	-6542.2%	-74367.3%	824.27x	-12.60x
Medical Cannabis Payment Solutions, Inc.	-46.3%	39.0%	-22.6%	-15.2%	N/A	N/A	-425.0%	N/A	N/A	N/A	N/A
MediGreen Holdings	0.0%	0.0%	-87.5%	-81.1%	\$0.00	(\$0.11)	-241.5%	-2868.4%	-64230.1%	0.25x	-0.01x
Monarch America, Inc.	-16.7%	25.0%	-15.3%	11.8%	\$4.32	\$1.28	-239.8%	29.7%	-55.5%	0.01x	0.04x
Nhale, Inc.	124.5%	23.5%	-1.4%	4.2%	N/A	N/A	-7.1%	N/A	N/A	N/A	N/A
North American Cannabis Holdings, Inc.	-28.6%	25.0%	0.0%	123.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northsight Capital, Inc.	-73.7%	-27.8%	-46.8%	-50.2%	\$0.04	\$0.04	-176.2%	100.0%	-4457.4%	84.40x	84.40x

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Comparable Public Company Market Price Metrics as of June 30, 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.	-46.7%	-8.4%	-33.7%	387.7%	\$0.10	\$0.09	2.4%	96.0%	24.5%	6.18x	6.44x
Peak Pharmaceuticals	-3.9%	62.8%	294.8%	189.4%	N/A	N/A	-4.6%	N/A	N/A	N/A	N/A
Pineapple Express, Inc.	-5.9%	-42.9%	-46.7%	-46.1%	\$0.61	\$0.61	-336.9%	100.0%	-555.4%	84.70x	84.70x
PotNetwork Holding, Inc.	216.1%	3.9%	357.3%	1121.2%	\$18.93	\$7.03	24.6%	37.2%	1.3%	10.80x	29.07x
STWC Holdings, Inc.	373.1%	468.8%	152.8%	10.9%	\$4.05	\$3.74	-262.6%	92.5%	-64.9%	3.05x	3.30x
Synergetics, Inc.	-30.0%	-30.0%	-44.4%	20.8%	N/A	N/A	-35.6%	N/A	N/A	N/A	N/A
The Hydroponics Company Limited	-26.2%	-5.6%	73.2%	N/A	\$1.44	\$0.61	-199.9%	42.1%	-138.7%	31.79x	75.55x
U.S. Lithium, Corp.	-29.3%	-11.7%	-9.0%	-40.8%	N/A	(\$0.00)	0.1%	N/A	N/A	N/A	-2783.64x
WEED, Inc.	-27.0%	29.7%	284.9%	697.3%	N/A	N/A	-1599.9%	N/A	N/A	N/A	N/A
Median of Industry Public Companies	-26.9%	0.0%	-5.2%	22.1%	\$1.44	\$0.44	-186.8%	42.1%	-138.7%	7.03x	7.09x

■ Median

Median Public Companies

The chart below illustrates Public Company Multiples.

	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16	Average
Price / Revenues	7.03x	8.57x	8.74x	6.67x	5.86x	10.78x	12.24x	8.56x
Price / Gross Profits	7.09x	7.13x	11.94x	8.46x	9.76x	10.22x	10.73x	9.33x
Price / Earnings	-3.13x	-3.42x	-4.86x	-3.03x	-4.37x	-5.28x	-5.18x	-4.18x
MVIC / Revenues	10.90x	11.32x	17.20x	9.82x	10.81x	12.33x	17.93x	12.90x
MVIC / Gross Profits	8.06x	8.97x	12.58x	9.09x	10.76x	11.23x	11.36x	10.29x
MVIC / Earnings	-4.05x	-4.10x	-6.90x	-3.69x	-5.32x	-5.89x	-5.55x	-5.07x

■ 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
8/21/18	One Lab Co	Mountain High Acquisitions Corp.	\$5.68	100.0%	N/A	N/A	N/A	N/A
8/1/18	SSM Partners Inc.	Sproutly Inc. (nka:Sproutly Canada, Inc.)	\$15.22	100.0%	N/A	N/A	N/A	N/A
7/24/18	iRollie LLC	MariMed Inc.	\$0.60	100.0%	N/A	N/A	N/A	N/A
5/31/18	Cash Crop Today Media LLC	Global Hemp Group Inc.	\$0.14	50.0%	N/A	N/A	N/A	N/A
5/4/18	Maitri Group Inc.	Hiku Brands Company Ltd.	\$2.68	100.0%	N/A	N/A	N/A	N/A
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 (nka:VIVO Cannabis Inc.)	\$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

■ 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
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
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

■ 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
9/29/14	Sigal Consulting LLC	Worlds Online Inc.	\$3.83	51.0%	N/A	N/A	N/A	N/A
9/29/14	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
9/11/14	GreenPay LLC	MyECheck, Inc.	\$0.40	100.0%	N/A	N/A	N/A	N/A
8/20/14	GreenLeaf Consulting LLC	ENDEXX Corp.	\$0.32	100.0%	N/A	N/A	N/A	N/A
8/5/14	Hydro Innovations, LLC	Surna Inc.	\$0.55	100.0%	\$0.99	(\$0.40)	0.55x	-1.36x
7/25/14	Innovative Holdings, Inc.	BioCube, Inc.	\$0.05	100.0%	N/A	N/A	N/A	N/A
7/23/14	Gold Ridge Resources, Inc.	CorGreen Technologies	\$0.00	100.0%	N/A	N/A	N/A	N/A
7/15/14	Kush Inc.	Cannabis Sativa, Inc.	\$13.20	100.0%	N/A	N/A	N/A	N/A
6/30/14	(Medical Cannabis Property)	Supreme Pharmaceuticals	\$4.13	100.0%	N/A	N/A	N/A	N/A
5/23/14	Phytalytics LLC	Abattis Bioceuticals Corp.	\$1.27	51.0%	N/A	N/A	N/A	N/A
4/7/14	(Medical Cannabis Property)	The CannaBusiness Group	\$0.34	100.0%	N/A	N/A	N/A	N/A
3/4/14	Triton Distribution Systems	Green Cures	\$0.07	25.8%	N/A	N/A	N/A	N/A
3/3/14	Hemp Market Watch	Worldwide Internet Inc.	\$1.00	20.0%	N/A	N/A	N/A	N/A
2/21/14	MicroCannaBiz, LLC	Mentor Capital, Inc.	\$0.20	51.0%	N/A	N/A	N/A	N/A
2/18/14	Securitas EDGAR Filings, Inc.	N/A	\$0.39	97.4%	N/A	(\$0.02)	N/A	-17.01x
2/10/14	(Medical Cannabis Property)	Zoned Properties Inc.	\$1.12	100.0%	N/A	N/A	N/A	N/A
1/30/14	(Medical Cannabis Property)	Advanced Cannabis	\$0.45	100.0%	N/A	N/A	N/A	N/A
12/31/13	Eco Science Solutions, Inc.	N/A	\$0.60	51.3%	N/A	(\$1.47)	N/A	-0.41x
11/26/13	Dispense Labs, LLC	ENDEXX Corp.	\$2.34	100.0%	N/A	N/A	N/A	N/A
8/7/13	Hayes Pharmacy Inc.	ENDEXX Corp.	\$0.30	100.0%	N/A	N/A	N/A	N/A
Median of the M&A Transaction Targets			\$1.06	100.0%	\$0.75	(\$0.21)	1.29x	-9.18x

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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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