

Ancillary Cannabis

INDUSTRY SUMMARY

COGENT VALUATION identified **Ancillary Cannabis** 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 December 31, 2017, the median 52-week share price return of the Ancillary Cannabis industry was -68.4%. 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
-68.4%	-68.4%	8.29x	5.13x
Median Price//Gross Profit Multiple	Median Price/Earnings Multiple	Median MVIC/ Revenue Multiple	Median MVIC/ Earnings Multiple
4.11x	-2.39x	17.24x	-3.35x

Comparable Public Company Market Metrics as of December 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.	-90.3%	-64.7%	-90.3%	-67.9%	\$0.00	(\$0.27)	-540.4%	-8337.1%	-165768%	916.98x	-11.00x
American Cannabis	-74.6%	-47.8%	-74.6%	-42.7%	\$0.65	(\$0.10)	-250.9%	-14.6%	-383.6%	23.63x	-161.57x
American Green, Inc.	-82.8%	-62.5%	-82.8%	-63.9%	\$0.05	\$0.05	-76.6%	100.0%	-1574.3%	16.17x	16.17x
AmeriCann, Inc.	-47.9%	-29.9%	-47.9%	-23.6%	N/A	N/A	-359.7%	N/A	N/A	N/A	N/A
Café Serendipity Holdings	-5.0%	102.5%	-5.0%	4.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canna Consumer Goods, Inc.	-69.4%	-24.6%	-69.4%	-8.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cannabix Technologies Inc.	-31.3%	-17.1%	196.8%	135.6%	N/A	N/A	(\$1.14)	N/A	N/A	N/A	N/A
Cannabiz Mobile, Inc.	66.7%	66.7%	150.0%	58.1%	\$1.21	\$0.62	(\$1.25)	51.4%	-103.2%	0.00x	0.00x
CannaGrow Holdings	-46.0%	-15.6%	12.5%	20.8%	\$1.66	(\$0.20)	(\$1.97)	-12.1%	-119.3%	1.61x	-13.31x
CannaSys, Inc.	-82.1%	0.0%	-50.0%	-89.1%	\$0.00	\$0.00	(\$6.12)	100.0%	-5567918%	8552.86x	8552.86x
CB Scientific, Inc.	-66.4%	-53.0%	-94.5%	-68.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CHUMA HOLDINGS, INC.	-63.4%	-50.0%	-67.7%	-34.9%	\$0.31	\$0.28	(\$4.56)	92.0%	-1490.1%	2.15x	2.34x
CSA Holdings, Inc.	-95.9%	23.5%	-95.4%	-77.1%	\$3.85	\$0.87	(\$1.22)	22.6%	-31.6%	0.10x	0.42x
DigiPath, Inc.	-59.8%	-20.1%	-8.5%	-13.1%	\$2.83	\$1.00	(\$1.69)	35.3%	-59.7%	2.19x	6.18x
Dutch Gold Resources, Inc.	-100.0%	-100.0%	-100.0%	-100.0%	N/A	N/A	(\$1.56)	N/A	N/A	N/A	N/A
EVIO, Inc.	-33.9%	-17.5%	8.3%	-28.0%	\$3.06	\$0.28	(\$7.58)	9.1%	-247.9%	5.80x	63.85x
FutureWorld Corp.	0.0%	0.0%	0.0%	0.0%	\$0.25	\$0.25	(\$0.87)	100.5%	-344.3%	2.06x	2.05x
General Cannabis Corp.	-40.9%	7.0%	167.8%	41.6%	\$4.14	\$0.82	(\$14.60)	19.7%	-352.4%	33.33x	169.33x
Global Hemp Group Inc.	-49.6%	16.2%	255.2%	187.5%	N/A	N/A	(\$0.79)	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 December 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 Technology Solutions, Inc.	-41.0%	-30.0%	-24.7%	-19.1%	N/A	N/A	(\$6.60)	N/A	N/A	N/A	N/A
GreenPlex Services	-18.0%	2.5%	-18.0%	-36.0%	\$0.04	\$0.04	(\$0.40)	100.0%	-1057.7%	40.20x	40.20x
Grow Solutions Holding	-90.4%	-29.6%	-90.0%	-85.9%	\$6.78	\$1.25	(\$4.67)	18.4%	-68.9%	0.04x	0.20x
GrowGeneration	7.0%	10.3%	154.4%	N/A	\$23.58	\$5.40	(\$4.13)	22.9%	-17.5%	5.00x	21.85x
Helix TCS, Inc.	-58.7%	-12.1%	-60.0%	0.4%	\$7.31	\$2.72	(\$7.43)	37.3%	-101.6%	12.11x	32.50x
Hemp Inc.	-0.7%	-26.9%	31.4%	4.6%	\$2.36	\$1.76	(\$1.20)	74.8%	-51.0%	2.33x	3.12x
International Consolidated Companies	-50.0%	-50.0%	-75.0%	-29.3%	\$0.06	\$0.06	(\$0.20)	100.0%	-357.1%	7.29x	7.29x
MassRoots, Inc.	-78.4%	-45.8%	-60.8%	-43.1%	\$0.04	(\$2.55)	(\$31.18)	-6729.6%	-82363.8%	559.75x	-8.32x
Medical Cannabis Payment Solutions, Inc.	-58.1%	-22.1%	35.1%	-18.3%	N/A	N/A	(\$4.25)	N/A	N/A	N/A	N/A
MediGreen Holdings	0.0%	0.0%	0.0%	-85.9%	\$0.00	(\$0.11)	(\$2.42)	-2868.4%	-64230.1%	0.25x	-0.01x
Monarch America, Inc.	-50.0%	-40.0%	-40.0%	0.0%	\$4.32	\$1.28	(\$2.40)	29.7%	-55.5%	0.01x	0.03x
Nhale, Inc.	53.6%	-31.6%	0.6%	-8.1%	N/A	N/A	(\$0.07)	N/A	N/A	N/A	N/A
North American Cannabis Holdings, Inc.	-42.9%	-20.0%	14.3%	41.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northsight Capital, Inc.	-91.4%	-67.3%	-86.6%	-74.5%	\$0.05	\$0.05	(\$1.99)	100.0%	-3896.0%	24.27x	24.27x

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Comparable Public Company Market Price Metrics as of December 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.	-14.5%	60.5%	51.5%	174.2%	\$0.10	\$0.09	\$0.02	96.0%	24.5%	9.92x	10.34x
Peak Pharmaceuticals	-16.7%	-13.3%	325.5%	104.1%	N/A	N/A	(\$0.05)	N/A	N/A	N/A	N/A
Pineapple Express, Inc.	14.1%	21.3%	21.3%	-27.6%	\$0.61	\$0.61	(\$3.37)	100.0%	-555.4%	102.70x	102.70x
PotNetwork Holding, Inc.	103.3%	-35.7%	215.1%	739.5%	\$21.35	\$8.07	\$0.24	37.8%	1.1%	4.64x	12.27x
STWC Holdings, Inc.	939.7%	119.8%	300.0%	63.3%	\$0.24	\$0.11	\$1.24	46.7%	512.8%	112.50x	240.97x
Synergetics, Inc.	-10.0%	28.6%	500.0%	-5.1%	N/A	N/A	(\$0.36)	N/A	N/A	N/A	N/A
The Hydroponics Company Limited	-25.7%	0.6%	86.2%	N/A	\$2.07	\$1.01	(\$3.72)	48.6%	-179.7%	23.59x	48.54x
U.S. Lithium, Corp.	-36.7%	-10.4%	-53.4%	-2.5%	N/A	(\$0.00)	\$0.09	N/A	N/A	N/A	-2495.01x
WEED, Inc.	-51.6%	-33.7%	129.6%	443.1%	N/A	N/A	(\$16.00)	N/A	N/A	N/A	N/A
Median of Industry Public Companies	-68.4%	-31.6%	-68.4%	-44.6%	\$0.63	\$0.05	-198.7%	38.8%	-350.7%	8.29x	4.11x

■ Median

Median Public Companies

	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	6/30/17	3/31/17	12/31/16
Price / Revenues	8.29x	7.29x	7.21x	9.32x	12.44x	5.86x	10.78x	12.24x
Price / Gross Profits	4.11x	8.81x	7.09x	14.58x	12.20x	9.76x	10.22x	10.73x
Price / Earnings	-2.39x	-1.71x	-2.37x	-3.42x	-4.86x	-4.37x	-5.28x	-5.18x
MVIC / Revenues	17.24x	11.78x	11.05x	11.32x	18.03x	10.81x	12.33x	17.93x
MVIC / Gross Profits	5.13x	12.38x	8.06x	21.01x	14.03x	10.76x	11.23x	11.36x
MVIC / Earnings	-3.35x	-2.75x	-3.51x	-4.10x	-6.90x	-5.32x	-5.89x	-5.55x

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
12/31/18	Vancity Green List Inc.	Resinco Capital Partners Inc.	\$0.88	100.0%	N/A	N/A	N/A	N/A
12/19/18	Grasscity	High Tide Inc.	\$5.05	100.0%	\$2.90	N/A	1.74x	N/A
12/19/18	Bayfield Strategy, Inc.	The Supreme Cannabis Company, Inc.	\$0.63	100.0%	N/A	N/A	N/A	N/A
11/30/18	Assets of Arizona DP Consulting LLC	Item 9 Labs Corp.	\$8.25	100.0%	N/A	N/A	N/A	N/A
11/26/18	Arizona Facilities Supply LLC	Cresco Labs, LLC (nka:Cresco Labs Inc.)	\$25.30	100.0%	N/A	N/A	N/A	N/A
11/16/18	Trauma Healing Centers Incorporated	Harvest Medicine Inc.	\$0.92	100.0%	N/A	N/A	N/A	N/A
10/16/18	seng vital International GmbH	Lifespot Health Ltd	\$0.19	50.0%	N/A	N/A	N/A	N/A
10/2/18	DOPE Media	High Times Holding Co.	\$11.20	100.0%	N/A	N/A	N/A	N/A
9/26/18	One Lab Co	Mountain High Acquisitions Corp.	\$5.68	100.0%	N/A	N/A	N/A	N/A
8/21/18	One Lab Co	Mountain High Acquisitions Corp.	\$5.68	100.0%	N/A	N/A	N/A	N/A
8/21/18	SSM Partners Inc.	Sproutly Inc. (nka:Sproutly Canada, Inc.)	\$15.22	100.0%	N/A	N/A	N/A	N/A
1/31/18	iRollie LLC	MariMed Inc.	\$0.60	100.0%	N/A	N/A	N/A	N/A
9/26/18	Cash Crop Today Media LLC	Global Hemp Group Inc.	\$0.14	50.0%	N/A	N/A	N/A	N/A
8/21/18	Maïtri Group Inc.	Hiku Brands Company Ltd.	\$2.68	100.0%	N/A	N/A	N/A	N/A
8/21/18	Larsen Ltd	Aurora Cannabis 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

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

(Continued from previous page)

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			\$1.16	100.0%	\$0.99	(\$0.21)	1.52x	-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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