

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 September 30, 2018, 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%	6x	8.97x
Median Price//Gross Profit Multiple	Median Price/Earnings Multiple	Median MVIC/ Revenue Multiple	Median MVIC/ Earnings Multiple
9.68x	-3.45x	10.38x	-3.65x

Comparable Public Company Market Metrics as of September 30, 2019

	2019	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Agritek Holdings, Inc.	-94.4%	-94.4%	-87.3%	-70.7%	\$0.00	(\$0.25)	-423.5%	-7510.2%	-127552.1%	817.41x	-10.88x
American Cannabis	-63.4%	-63.4%	-55.0%	-23.6%	\$1.09	\$0.51	-97.4%	46.7%	-89.6%	20.68x	44.30x
American Green, Inc.	-82.8%	-82.8%	-72.7%	-56.7%	\$0.05	\$0.05	-76.6%	100.0%	-1574.3%	16.17x	16.17x
AmeriCann, Inc.	-55.5%	-55.5%	-6.2%	-33.4%	N/A	N/A	-323.2%	N/A	N/A	N/A	N/A
Café Serendipity Holdings	44.8%	44.8%	77.3%	-15.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canna Consumer Goods, Inc.	-48.1%	-48.1%	3.9%	11.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cannabix Technologies Inc.	-48.4%	-48.4%	-37.1%	34.2%	N/A	N/A	-270.3%	N/A	N/A	N/A	N/A
Cannabiz Mobile, Inc.	66.7%	66.7%	25.0%	29.1%	\$1.21	\$0.62	-124.5%	51.4%	-103.2%	0.00x	0.00x
CannaGrow Holdings	-69.0%	-69.0%	-49.2%	-34.6%	\$1.66	(\$0.20)	-197.4%	-12.1%	-119.3%	0.92x	-7.64x
CannaSys, Inc.	N/A	N/A	N/A	N/A	\$0.01	\$0.01	-35.6%	100.0%	-3275.6%	1042.20x	1042.20x
CB Scientific, Inc.	-92.9%	-92.9%	-75.0%	-85.0%	\$0.00	\$0.00	-612.5%	100.0%	-5567918.2%	3421.14x	3421.14x
CHUMA HOLDINGS, INC.	-53.3%	-53.3%	-30.0%	-65.4%	\$0.05	\$0.03	-64.1%	54.3%	-1271.7%	244.28x	449.57x
CSA Holdings, Inc.	-99.8%	-99.8%	-99.1%	-96.7%	\$3.85	\$0.87	-121.6%	22.6%	-31.6%	0.00x	0.02x
DigiPath, Inc.	-46.8%	-46.8%	-4.8%	-10.5%	\$2.43	\$0.49	-168.8%	20.3%	-69.4%	3.92x	19.26x
Dutch Gold Resources, Inc.	0.0%	0.0%	0.0%	0.0%	N/A	N/A	-155.8%	N/A	N/A	N/A	N/A
EVIO, Inc.	-54.8%	-54.8%	-50.8%	-48.1%	\$3.06	\$0.28	-757.5%	9.1%	-247.9%	3.97x	43.68x
FutureWorld Corp.	0.0%	0.0%	0.0%	-29.3%	\$0.25	\$0.25	-86.6%	100.5%	-344.3%	2.06x	2.05x
General Cannabis Corp.	-72.2%	-72.2%	-18.6%	-13.6%	\$5.07	\$1.08	-1702.1%	21.4%	-336.0%	12.87x	60.15x
Global Hemp Group Inc.	-94.4%	-94.4%	-40.1%	73.0%	\$0.00	(\$0.01)	-348.2%	-620.4%	-338061.2%	12232.15x	-1971.69x

Comparable Public Company Market Metrics as of September 30, 2019

(Continued from previous page)

	2019	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Green Technology Solutions, Inc.	-62.1%	-43.8%	-46.0%	-48.6%	N/A	N/A	-660.2%	N/A	N/A	N/A	N/A
GreenPlex Services	-18.0%	0.0%	2.5%	-15.6%	\$0.04	\$0.04	-40.3%	100.0%	-1057.7%	40.20x	40.20x
Grow Solutions Holding	-76.9%	185.7%	-4.8%	-65.8%	\$6.78	\$1.25	-467.4%	18.4%	-68.9%	0.09x	0.48x
GrowGeneration	-25.0%	34.0%	-25.9%	26.0%	\$37.71	\$8.94	-389.1%	23.7%	-10.3%	2.31x	9.73x
Helix TCS, Inc.	-7.0%	210.0%	55.0%	-23.7%	\$11.81	\$4.70	-1858.5%	39.8%	-157.4%	17.58x	44.15x
Hemp Inc.	-23.8%	-38.7%	-3.8%	-18.1%	\$2.35	\$2.06	-3399.0%	87.5%	-1443.9%	47.64x	54.45x
International Consolidated Companies	-50.0%	0.0%	-50.0%	-59.2%	\$0.06	\$0.06	-19.9%	100.0%	-357.1%	7.29x	7.29x
MassRoots, Inc.	-87.4%	27.9%	-69.3%	-71.8%	\$0.02	(\$0.64)	-1203.0%	-2825.7%	-53489.1%	615.00x	-21.76x
Medical Cannabis Payment Solutions, Inc.	-57.3%	90.8%	10.5%	-36.2%	N/A	N/A	-425.0%	N/A	N/A	N/A	N/A
MediGreen Holdings	0.0%	N/A	0.0%	-89.5%	\$0.00	(\$0.11)	-241.5%	-2868.4%	-64230.1%	0.25x	-0.01x
Monarch America, Inc.	83.3%	450.0%	175.0%	25.4%	\$4.32	\$1.28	-239.8%	29.7%	-55.5%	0.03x	0.09x
Nhale, Inc.	-77.3%	-37.5%	-87.5%	-71.4%	N/A	N/A	-7.1%	N/A	N/A	N/A	N/A
North American Cannabis Holdings, Inc.	0.0%	-44.0%	75.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northsight Capital, Inc.	-97.4%	-64.3%	-92.9%	-83.8%	\$0.05	\$0.05	-198.7%	100.0%	-3896.0%	7.27x	7.27x

(Continued on next page)

Comparable Public Company Market Price Metrics as of September 30, 2019

(Continued from previous page)

	2019	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Novus Acquisition & Development Corp.	-67.6%	2.4%	-44.3%	-36.8%	\$0.10	\$0.09	2.4%	96.0%	24.5%	3.76x	3.92x
Peak Pharmaceuticals	N/A	39.5%	N/A	N/A	\$0.12	\$0.10	-46.0%	83.5%	-395.2%	61.08x	73.16x
Pineapple Express, Inc.	-38.0%	-22.2%	5.1%	28.8%	N/A	N/A	-4.6%	N/A	N/A	N/A	N/A
PotNetwork Holding, Inc.	-41.2%	-28.6%	-64.3%	-42.3%	\$0.61	\$0.61	-336.9%	100.0%	-555.4%	52.94x	52.94x
STWC Holdings, Inc.	39.7%	78.4%	-54.1%	72.4%	\$25.58	\$8.96	24.3%	35.0%	0.9%	3.37x	9.63x
Synergetics, Inc.	1168.5%	-38.4%	1425.0%	66.5%	\$0.14	\$0.03	-227.5%	18.9%	-1666.4%	301.94x	1599.18x
The Hydroponics Company Limited	-99.8%	0.0%	-99.8%	-96.2%	N/A	N/A	-35.6%	N/A	N/A	N/A	N/A
U.S. Lithium, Corp.	-23.8%	23.5%	-2.5%	N/A	\$1.88	\$0.48	-606.9%	25.5%	-323.2%	27.43x	107.56x
WEED, Inc.	N/A	165.0%	N/A	N/A	\$1.55	(\$1.11)	-976.6%	-71.3%	-628.1%	25.55x	-35.83x
Median of Industry Public Companies	-75.8%	13.7%	-69.8%	-57.4%	N/A	(\$0.00)	-20.7%	N/A	N/A	N/A	-951.96x

Public Company Median Multiples by Quarter

	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/30/18	12/30/17
Price / Revenues	6.00x	8.74x	6.55x	5.15x	7.67x	5.15x	7.67x	12.24x
Price / Gross Profits	7.13x	12.09x	8.46x	9.25x	10.22x	9.25x	10.22x	15.86x
Price / Earnings	-3.45x	-4.63x	-3.48x	-4.63x	-5.33x	-4.63x	-5.33x	-5.11x
MVIC / Revenues	10.38x	17.20x	8.41x	7.11x	9.22x	7.11x	9.22x	17.93x
MVIC / Gross Profits	8.97x	14.03x	9.09x	10.76x	11.23x	10.76x	11.23x	19.75x
MVIC / Earnings	-3.65x	-6.18x	-3.75x	-5.48x	-6.18x	-5.48x	-6.18x	-5.59x

■ 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
6/3/19	Cannabis Strategies Acquisition Corp.	\$0.37	4.48	\$1.68	\$1.96	\$0.04	\$2.30	(\$4.41)	(\$7.30)	(\$7.28)
5/20/19	The Hydroponics Company Limited	\$0.30	1.25	\$0.38	\$0.41	\$0.12	\$0.01	(\$0.32)	(\$0.33)	(\$0.32)
1/25/19	Searchtech Ventures Inc.	\$0.23	7.00	\$1.59	\$0.72	\$0.24	\$0.02	\$0.00	(\$0.12)	(\$0.12)
12/11/18	Cannabix Technologies Inc.	\$7.86	12.50	\$98.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/3/17	Nhale, Inc.	\$0.15	40.00	\$5.96	\$0.73	\$0.00	\$0.00	\$0.00	(\$0.46)	(\$0.46)
7/7/14	MJ Holdings, Inc.	\$0.09	6.85	\$0.64	\$0.22	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
12/16/13	Aja Cannafacturing, Inc.	\$0.09	6.63	\$0.75	\$0.08	\$0.00	\$0.00	\$0.00	(\$0.14)	(\$0.14)
5/30/13	IPOWorld	\$0.01	10.00	\$0.10	\$0.04	\$0.05	\$0.04	\$0.00	(\$0.12)	(\$0.12)
2/21/12	Peak Pharmaceuticals, Inc.	\$0.05	0.03	\$0.00	\$0.01	\$0.05	\$0.00	(\$0.02)	(\$0.02)	(\$0.02)
	Median of all IPOs	\$0.01	2.00	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)

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
5/31/19	Vancity Green List Inc.	Resinco Capital Partners Inc.	\$0.88	100.0%	N/A	N/A	N/A	N/A
5/19/19	Grasscity	High Tide Inc.	\$5.05	100.0%	\$2.90	N/A	1.74x	N/A
3/9/19	Bayfield Strategy, Inc.	The Supreme Cannabis Company, Inc.	\$0.63	100.0%	N/A	N/A	N/A	N/A
12/30/18	Assets of Arizona DP Consulting LLC	Item 9 Labs Corp.	\$8.25	100.0%	N/A	N/A	N/A	N/A
12/26/18	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	Māitri 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

(Continued on next page)

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

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): 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.

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.

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 Steven Kam at 415-392-0888 and kam@cogentvaluation.com** for additional information or questions in connection with this research report.