

Q4: Quarterly Industry Update

AS OF December 31, 2023

cogent valuation
FINANCIAL OPINIONS

Plant-Touching Cannabis Industry Summary

COGENT VALUATION identified **Electronic Payments** publicly traded companies, IPOs, and recent M&A transactions within the Electronic Payments 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, 2022, the median 52-week share price return of the Electronic Payments industry decreased from 18.6% to 18.2%, and the YTD return was -41.2%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 57.8 to 53.1 and the median EV/EBITDA multiple decreased from 68.8 to 68.60. The median price-to-earnings multiple increased from 54.5 to 60.22 and the median EV/Gross Profit multiple decreased from -3.3 to -3.67 over the same period. The median MVIC/Earnings multiple decreased from 63.2 to 64.44. The median Price/Revenue multiple increased from -5.4 to -3.96x over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
18.2%	-41.2%	53.1x	68.60x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
60.22x	-3.67x	64.44x	-3.96x

Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Median EV/Revenue Multiple	90.04x	83.2x	63.4x	42.7x	81x	63.2x	42.9x	83.0x
Median EV/EBITDA Multiple	58.07x	28.0x	17.6x	13.4x	14.6x	14.6x	19.4x	10.7x
Median Price/Earnings Multiple	-5.14x	30.9x	20.3x	4.2x	-5.8x	9.7x	-7.9x	-7.7x
Median EV/Gross Profit Multiple	98.84x	82.2x	71.3x	73.6x	84.5x	53.3x	80.4x	27.0x
Median MVIC/Earnings Multiple	67.40x	71.6x	42.7x	53.7x	65.4x	63.5x	52.2x	43.2x
Median Price/ Revenue Multiple	-5.30x	3.2x	3.4x	2.7x	10.6x	2.5x	3.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Metrics as of September 30, 2020

	2023	1-Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Abattis Bioceticals Corp.	-56.6%	39.1%	N/A	N/A	-944.8%	N/A	N/A	N/A	N/A
Acacia Diversified Holdings	22.2%	-54.9%	\$0.42	\$0.30	-157.2%	70.7%	-372.1%	30.88x	43.65x
Advantis Corp.	115.2%	144.5%	N/A	N/A	-29.5%	N/A	N/A	N/A	N/A
Alliance Growers Corp.	-62.2%	214.5%	N/A	N/A	-322.3%	N/A	N/A	N/A	N/A
Althea Group Holdings Limited	-40.2%	77.0%	\$23.89	\$23.02	2486.0%	96.3%	104.0%	66.27x	68.79x
Aphria Inc.	-60.5%	25.8%	\$2.95	(\$0.48)	-74.1%	-16.1%	-25.1%	11.14x	-68.97x
Canada House Wellness Group Inc.	-63.0%	-54.1%	\$0.32	\$0.32	-1568.7%	100.0%	-4910.2%	23.71x	23.71x
Canadian Cannabis Corp.	300.0%	0.0%	N/A	N/A	-193.1%	N/A	N/A	N/A	N/A
Cann Group Limited	7.1%	N/A	\$0.04	\$0.04	-244.1%	100.0%	-5916.6%	7321.54x	7321.54x
Cannabics Pharmaceuticals	-39.2%	-60.7%	\$0.01	\$0.01	-352.1%	100.0%	-43310.0%	16301.87x	16301.87x
Cannabis Sativa, Inc.	-38.5%	-33.3%	\$0.41	\$0.21	-654.2%	51.4%	-1589.6%	201.12x	391.04x
Cannabis Science, Inc.	-38.4%	-23.2%	\$0.01	\$0.00	-836.3%	47.7%	-118629.2%	23207.55x	48694.42x
Cannalink, Inc.	46.0%	-51.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CannaRoyalty Corp.	4.8%	42.8%	\$2.45	\$0.72	-709.0%	29.4%	-288.9%	55.76x	189.50x
CanniMed Therapeutics Inc.	56.2%	221.3%	\$14.72	\$11.03	269.1%	74.9%	18.3%	47.23x	63.03x
Cannpal Animal Therapeutics	10.7%	N/A	\$0.10	\$0.10	-170.6%	96.0%	-1692.0%	159.76x	166.44x

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Comparable Public Company Market Metrics as of September 30, 2020

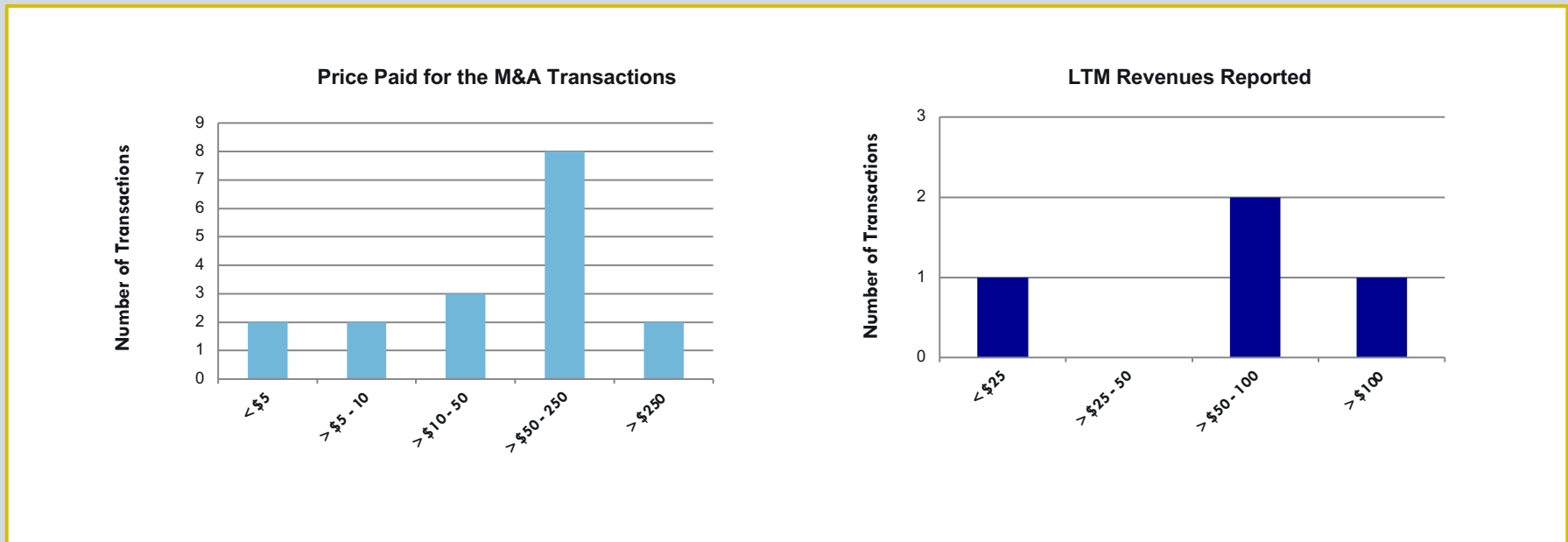
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	2023	1 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Next Generation Management	52.6%	61.1%	\$0.05	\$0.05	-537.7%	100.0%	-10189.5%	14.18x	14.18x
Nutritional High International	-52.6%	169.2%	\$0.77	\$0.77	-647.0%	100.0%	-841.2%	115.49x	115.49x
Phivida Holdings Inc.	-7.7%	N/A	\$0.01	\$0.01	-141.8%	82.4%	-12163.1%	3186.86x	3866.68x
Rocky Mountain High Brands.	-25.2%	-81.0%	\$0.12	(\$0.23)	-1101.6%	-190.1%	-9232.7%	155.52x	-81.82x
Terra Tech Corp.	-56.5%	-38.8%	\$37.59	\$6.77	-3259.8%	18.0%	-86.7%	4.39x	24.38x
Tetra Bio-Pharma Inc.	-28.1%	12.4%	N/A	N/A	-556.3%	N/A	N/A	N/A	N/A
The Green Organic Dutchman	N/A	N/A	N/A	\$0.20	-1421.8%	N/A	N/A	N/A	N/A
Tianjin Guifaxiang 18th Street Mahua Food Co., Ltd.	-4.7%	-43.1%	\$78.14	\$38.17	1446.1%	48.8%	18.5%	6.16x	12.61x
True Leaf Medicine	-41.2%	253.3%	\$0.91	\$0.28	-246.2%	30.4%	-271.5%	45.18x	148.63x
United Cannabis Corporation	-48.7%	-37.5%	\$0.44	\$0.31	-1229.8%	69.8%	-2801.9%	146.34x	209.74x
Wildflower Brands Inc.	25.8%	416.9%	\$0.74	\$0.51	-95.5%	67.9%	-128.3%	89.97x	132.50x
Median of Industry Public Companies	29.2%	4.6%	\$0.43	\$0.24	-356.7%	68.4%	-947.9%	90.04x	58.15x

Industry Initial Public Offerings: Plant-Touching 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
12/10/23	The Green Organic Dutchman Holdings Ltd.	\$0.79	20.00	\$15.71	\$80.92	\$0.22	\$0.00	(\$6.36)	(\$6.35)	(\$6.34)
9/1/23	Elixinol Global Limited	\$0.31	12.50	\$3.89	\$0.68	\$0.00	\$0.01	\$0.00	(\$1.92)	(\$1.92)
6/20/23	Phivida Holdings Inc.	\$0.16	30.00	\$4.68	\$4.50	\$0.00	\$0.05	\$0.00	(\$1.47)	(\$1.47)
4/14/23	Cannpal Animal Therapeutics Limited	\$7.05	0.53	\$74.77	\$56.19	\$7.21	\$30.27	\$13.03	\$8.22	\$9.48
1/12/23	MedReleaf Corp.	\$0.22	45.00	\$10.06	\$1.39	\$0.00	\$0.00	(\$1.06)	(\$1.09)	(\$1.07)
12/23/22	Cann Group Limited	\$0.15	17.50	\$2.69	\$0.67	\$1.40	\$0.00	\$0.00	(\$4.87)	(\$4.87)
11/10/22	eSense-Lab Limited	\$8.85	5.00	\$44.25	\$39.39	\$22.40	\$7.31	(\$0.34)	(\$17.23)	(\$16.38)
9/1/22	CanniMed Therapeutics Inc.	\$20.00	3.35	\$67.00	\$0.00	\$0.00	\$5.63	\$5.63	\$4.99	\$4.99
8/20/22	Innovative Industrial Properties, Inc.	\$2.41	32.00	\$77.21	\$97.55	\$14.99	\$68.61	\$19.16	\$13.87	\$14.86
5/14/22	Tianjin Guifaxiang 18th Street Mahua Food Co., Ltd.	\$0.15	25.00	\$3.83	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.10)	(\$0.10)
3/12/22	Creso Pharma Limited	\$1.52	2.50	\$3.80	\$9.37	\$1.01	\$0.11	\$0.00	(\$3.95)	(\$3.91)
2/10/22	CannaRoyalty Corp.	\$0.04	32.90	\$1.29	\$0.64	\$0.00	\$0.00	\$0.00	(\$2.50)	(\$2.50)
12/1/21	Nutritional High International Inc.	\$0.16	29.66	\$4.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11/20/21	MMJ PhytoTech Limited	\$0.09	6.85	\$0.64	\$0.22	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
11/14/21	Searchtech Ventures Inc.	\$0.20	3.00	\$0.61	\$0.42	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
6/12/21	Lifestyle Delivery Systems Inc	\$0.01	3.30	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)
	Median	\$0.22	12.50	\$4.68	\$0.68	\$0.00	\$0.00	\$0.00	(\$1.09)	(\$1.07)

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



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
11/10/23	(Medical Marijuana Business)	Sunorca Development Corp.	\$0.59	100.0%	N/A	N/A	N/A	N/A
9/1/23	Better Buds LLC	C & C Shop LLC	\$0.15	100.0%	N/A	N/A	N/A	N/A
4/22/23	CB Scientific Inc.	HempTech Corporation.	\$0.09	100.0%	N/A	N/A	N/A	N/A
4/14/23	Emerald Med Farms, LLC	QED Connect, Inc.	\$0.17	100.0%	N/A	N/A	N/A	N/A
1/12/23	American Mining Corporation	Cannabics Inc.	\$0.20	51.0%	N/A	N/A	N/A	N/A
12/23/22	AAA Heidelberg Inc.	Chlormet Technologies	\$0.11	16.5%	N/A	N/A	N/A	N/A
11/10/22	MySkin, Inc.	N/A	\$0.13	87.0%	\$0.04	\$0.01	2.93x	8.42x
9/1/22	Diego Pellicer Brand	Plandaí Biotechnology, Inc.	\$0.05	100.0%	N/A	N/A	N/A	N/A
1/12/22	American Mining Corporation	Cannabics Inc.	51.0%	N/A	N/A	N/A	N/A	51.0%
12/23/22	AAA Heidelberg Inc.	Chlormet Technologies	16.5%	N/A	N/A	N/A	N/A	16.5%
11/10/22	MySkin, Inc.	N/A	87.0%	\$0.04	\$0.01	2.93x	8.42x	87.0%
9/1/21	Diego Pellicer Brand	Plandaí Biotechnology, Inc.	100.0%	N/A	N/A	N/A	N/A	100.0%
1/12/21	Hemp Life Today, LLC	Global Links Corp.	100.0%	N/A	N/A	N/A	N/A	100.0%
12/23/20	Berkeley Bio-Organic	SK3 Group Inc.	100.0%	N/A	N/A	N/A	N/A	100.0%
11/10/20	Hemp Life Today, LLC	Global Links Corp.	\$0.83	100.0%	N/A	N/A	N/A	N/A
9/1/20	PharmaSphere, LLC	CannaVest Laboratories	\$0.65	100.0%	N/A	N/A	N/A	N/A
8/10/20	Modern Mobility Aids	Galileo Life Sciences, Inc.	\$0.07	66.5%	\$0.01	N/A	7.47x	N/A
Median of the M&A Transaction Targets			\$4.28	100.0%	\$1.90	(\$0.08)	5.97x	3.30x

■ USA
 ■ International

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.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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