

Q1: Quarterly Industry Update

AS OF March 31, 2024



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 March 31, 2023, the median 52-week share price return of the Ancillary Cannabis industry decreased from -45.3% to -34.5%, and the median YTD return increased from -42.2% to -33.3%. Between March 31, 2023 and March 31, 2024, the median EV/Revenue multiple decreased from 6.9 to 6 and the median EV/EBITDA multiple decreased from 15.8 to 8.97. The median price-to-earnings multiple increased from 7.23 to 9.68 and the median EV/Gross profit multiple decreased from 2.7 to -3.45 over the same period. The median MVIC/ Earnings Multiple increased from 9.2 to 10.38. The median Price/ Revenue multiple increased from -5.44 to -3.65 over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
-34.5	-33.3%	6x	8.97x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/ Earnings Multiple	Median Price/Revenue Multiple
9.68x	-3.45x	10.38x	-3.65x

Public Company Median Multiples by Quarter

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
Median EV/Revenue Multiple	6.00x	8.74x	6.55x	5.15x	7.67x	5.15x	7.67x	12.24x
Median EV/EBITDA Multiple	8.97x	12.09x	8.46x	9.25x	10.22x	9.25x	10.22x	15.86x
Median Price/Earnings Multiple	9.68x	-4.63x	-3.48x	-4.63x	-5.33x	-4.63x	-5.33x	-5.11x
Median EV/Gross Profit Multiple	-3.45x	17.20x	8.41x	7.11x	9.22x	7.11x	9.22x	17.93x
Median MVIC/Earnings Multiple	10.38x	14.03x	9.09x	10.76x	11.23x	10.76x	11.23x	19.75x
Median Price/ Revenue Multiple	-3.65x	-6.18x	-3.75x	-5.48x	-6.18x	-5.48x	-6.18x	-5.59x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Comparable Public Company Market Metrics as of March 31, 2024

	2024	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Agritek Holdings, Inc.	-94.4%	-87.3%	-70.7%	\$0.00	(\$0.25)	-423.5%	-7510.2%	- 127552.1%	817.41x	-10.88x
American Cannabis	-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%	-72.7%	-56.7%	\$0.05	\$0.05	-76.6%	100.0%	-1574.3%	16.17x	16.17x
AmeriCann, Inc.	-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%	77.3%	-15.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canna Consumer Goods, Inc.	-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%	-37.1%	34.2%	N/A	N/A	-270.3%	N/A	N/A	N/A	N/A
Cannabiz Mobile, Inc.	66.7%	25.0%	29.1%	\$1.21	\$0.62	-124.5%	51.4%	-103.2%	0.00x	0.00x
CannaGrow Holdings	-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	\$0.01	\$0.01	-35.6%	100.0%	-3275.6%	1042.20x	1042.20x
CB Scientific, Inc.	-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%	-30.0%	-65.4%	\$0.05	\$0.03	-64.1%	54.3%	-1271.7%	244.28x	449.57x
CSA Holdings, Inc.	-99.8%	-99.1%	-96.7%	\$3.85	\$0.87	-121.6%	22.6%	-31.6%	0.00x	0.02x
DigiPath, Inc.	-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%	N/A	N/A	-155.8%	N/A	N/A	N/A	N/A
EVIO, Inc.	-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%	-29.3%	\$0.25	\$0.25	-86.6%	100.5%	-344.3%	2.06x	2.05x
General Cannabis Corp.	-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%	-40.1%	73.0%	\$0.00	(\$0.01)	-348.2%	-620.4%	- 338061.2%	12232.15x	-1971.69x

Comparable Public Company Market Price Metrics as of March 31, 2024

(Continued from previous page)

	2024	1 Year	2 Year	3 Year	2020	2019	2018	2021	3 Month	1 Year
Novus Acquisition & Development Corp.	-67.6%	-44.3%	-36.8%	\$0.10	\$0.09	2.4%	96.0%	24.5%	3.76x	3.92x
Peak Pharmaceuticals	N/A	N/A	N/A	\$0.12	\$0.10	-46.0%	83.5%	-395.2%	61.08x	73.16x
Pineapple Express, Inc.	-38.0%	5.1%	28.8%	N/A	N/A	-4.6%	N/A	N/A	N/A	N/A
PotNetwork Holding, Inc.	-41.2%	-64.3%	-42.3%	\$0.61	\$0.61	-336.9%	100.0%	-555.4%	52.94x	52.94x
STWC Holdings, Inc.	39.7%	-54.1%	72.4%	\$25.58	\$8.96	24.3%	35.0%	0.9%	3.37x	9.63x
Synergetics, Inc.	1168.5%	1425.0%	66.5%	\$0.14	\$0.03	-227.5%	18.9%	-1666.4%	301.94x	1599.18x
The Hydroponics Company Limited	-99.8%	-99.8%	-96.2%	N/A	N/A	-35.6%	N/A	N/A	N/A	N/A
U.S. Lithium, Corp.	-23.8%	-2.5%	N/A	\$1.88	\$0.48	-606.9%	25.5%	-323.2%	27.43x	107.56x
WEED, Inc.	N/A	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%	-69.8%	-57.4%	N/A	(\$0.00)	-20.7%	N/A	N/A	N/A	-951.96x

Industry Initial Public Offerings: Ancillary Cannabis (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
1/22/24	Cannabis Strategies Acquisition Corp.	\$0.37	4.48	\$1.68	\$1.96	\$0.04	\$2.30	(\$4.41)	(\$7.30)	(\$7.28)
2/3/24	The Hydroponics Company Limited	\$0.30	1.25	\$0.38	\$0.41	\$0.12	\$0.01	(\$0.32)	(\$0.33)	(\$0.32)
12/25/23	Searchtech Ventures Inc.	\$0.23	7.00	\$1.59	\$0.72	\$0.24	\$0.02	\$0.00	(\$0.12)	(\$0.12)
12/11/22	Cannabix Technologies Inc.	\$7.86	12.50	\$98.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/3/22	Nhale, Inc.	\$0.15	40.00	\$5.96	\$0.73	\$0.00	\$0.00	\$0.00	(\$0.46)	(\$0.46)
	Median of all IPOs	\$0.01	2.00	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	(\$0.02)	(\$0.02)

[1] As of the effective date of the IPO

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
3/1/24	Vancity Green List Inc.	Resinco Capital Partners Inc.	\$0.88	100.0%
11/19/23	Grasscity	High Tide Inc.	\$5.05	100.0%
2/9/23	Bayfield Strategy, Inc.	The Supreme Cannabis Company, Inc.	\$0.63	100.0%
12/3/22	Assets of Arizona DP Consulting	Item 9 Labs Corp.	\$8.25	100.0%
12/26/21	Arizona Facilities Supply LLC	Cresco Labs, LLC (nka:Cresco Labs Inc.)	\$25.30	100.0%
11/16/21	Trauma Healing Centers Incorporated	Harvest Medicine Inc.	\$0.92	100.0%
10/16/20	seng vital International GmbH	Lifespot Health Ltd	\$0.19	50.0%
10/2/20	DOPE Media	High Times Holding Co.	\$11.20	100.0%
9/26/20	One Lab Co	Mountain High Acquisitions Corp.	\$5.68	100.0%
8/21/20	One Lab Co	Mountain High Acquisitions Corp.	\$5.68	100.0%
8/21/20	SSM Partners Inc.	Sproutly Inc. (nka:Sproutly Canada, Inc.)	\$15.22	100.0%
Median of the M&A Transaction Targets			\$1.16	100.0%

■ USA
 ■ International

(Continued on next page)

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

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. Further 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.