

Q1: Quarterly Industry Update

AS OF March 31, 2024

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 March 31, 2023, 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 March 31, 2023 and March 31, 2024, 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

| | 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 | 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

| | 2024 | 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

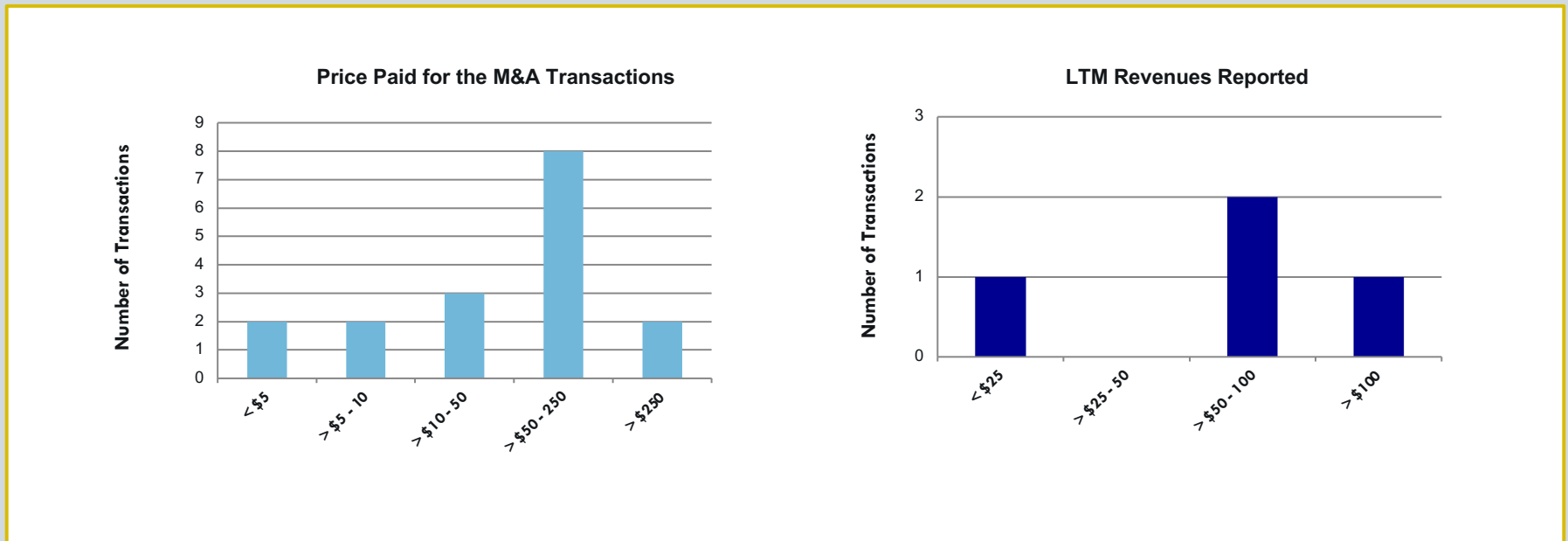
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| | 2024 | 1 Year | Revenues | Gross Profit | Net Income | GP Margin | NI Margin | P/Rev. | P/GP |
|--|--------------|-------------|---------------|---------------|----------------|--------------|----------------|---------------|---------------|
| 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 |
|------------|---|---------------|----------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| 3/11/24 | The Green Organic Dutchman Holdings Ltd. | \$0.79 | 20.00 | \$15.71 | \$80.92 | \$0.22 | \$0.00 | (\$6.36) | (\$6.35) | (\$6.34) |
| 2/1/24 | Elixinol Global Limited | \$0.31 | 12.50 | \$3.89 | \$0.68 | \$0.00 | \$0.01 | \$0.00 | (\$1.92) | (\$1.92) |
| 11/20/23 | 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 |
|---------------------------------------|------------------------------|-----------------------------|------------------|----------|--------------|------------|--------------|------------|
| 3/14/24 | (Medical Marijuana Business) | Sunorca Development Corp. | \$0.59 | 100.0% | N/A | N/A | N/A | N/A |
| 2/11/24 | 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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