

Q2: Quarterly Industry Update

AS OF JUNE 30, 2017

Ancillary Cannabis

INDUSTRY SUMMARY

SingerLewak identified **Ancillary Cannabis** Companies publicly traded companies, IPOs, and recent M&A transactions within the Ancillary Cannabis Companies 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 June 30, 2016, the median 52-week share price return of the Ancillary Cannabis Companies industry was 85.5%. As this industry is new and many companies trade through over-the-counter markets, information to calculate valuation multiples was unavailable for most companies.

Public Company Key Statistics

Median 52-Week
Return

85.5%

Median Year-to-Date
Return

-34.8%

Median Price/Revenue
Multiple

5.4x

Median Price//Gross
Profit Multiple

5.9x

Median Price/Earnings
Multiple

60.8x

Comparable Public Company Market Metrics as of June 30, 2017

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Agritek Holdings, Inc.	(66.0%)	(51.1%)	492.5%	30.1%	\$0.0	\$32.9	(\$3,187.6)	N/A	N/A	N/A	133.6x
American Cannabis Co.	(50.7%)	(39.1%)	329.5%	17.8%	\$1,637.6	\$1,082.7	(\$796.1)	66.1%	(48.6%)	13.2x	20.0x
American Green, Inc.	(47.8%)	(25.0%)	9.1%	(45.9%)	\$48.6	\$48.6	(\$765.6)	100.0%	(1574.3%)	64.7x	64.7x
AmeriCann, Inc.	(29.3%)	(37.1%)	132.4%	100.0%	\$60.0	\$60.0	(\$2,555.0)	100.0%	(4258.4%)	777.0x	777.0x
Café Serendipity Holdings	92.9%	(17.1%)	183.7%	(51.9%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Canna Consumer Goods, Inc.	(19.8%)	(30.6%)	287.5%	10.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cannabix Technologies Inc.	(21.7%)	(18.5%)	152.6%	81.9%	\$0.0	\$0.0	(\$2,177.7)	N/A	N/A	N/A	N/A
Cannabiz Mobile, Inc.	100.0%	33.3%	300.0%	(10.6%)	\$1,206.9	\$620.4	(\$1,245.1)	51.4%	(103.2%)	0.0x	0.0x
CannaGrow Holdings, Inc	(35.4%)	(20.7%)	85.5%	34.0%	\$1,655.7	(\$200.4)	(\$1,974.5)	(12.1%)	(119.3%)	0.73x	(6.07x)
CannaSys, Inc.	(34.8%)	(83.1%)	(99.5%)	(99.2%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CB Scientific, Inc.	100.5%	129.1%	135.9%	N/A	\$0.0	\$0.0	\$0.0	N/A	N/A	N/A	N/A
CHUMA HOLDINGS, INC.	(5.5%)	(0.9%)	23.9%	(72.5%)	\$305.9	\$281.4	(\$4,558.1)	92.0%	(1490.1%)	5.4x	5.9x
CSA Holdings, Inc.	(61.0%)	(33.3%)	9.1%	N/A	\$796.7	\$263.1	(\$1,921.3)	33.0%	(241.2%)	5.9x	18.0x
DigiPath, Inc.	(2.6%)	(24.0%)	0.0%	(19.7%)	\$1,482.1	\$832.3	(\$1,869.7)	56.2%	(126.2%)	3.0x	5.4x
Dutch Gold Resources, Inc.	900.0%	0.0%	900.0%	216.2%	\$0.0	\$0.0	(\$1,558.5)	N/A	N/A	N/A	N/A
FutureWorld Corp.	0.0%	(50.0%)	0.0%	(62.2%)	\$251.7	\$252.9	(\$866.4)	100.5%	(344.3%)	1.5x	1.5x
General Cannabis Corp.	(39.1%)	(19.1%)	116.7%	(1.3%)	\$3,009.0	\$1,004.2	(\$29,439.6)	33.4%	(978.4%)	10.6x	31.9x
Global Hemp Group Inc.	(32.5%)	(36.0%)	208.3%	(14.5%)	(\$5.3)	(\$1.1)	(\$43.2)	21.1%	819.0%	(468.8x)	(2225.9x)

Multiple year periods are calculated as the average annual return.

■ Highest ■ Lowest ■ Median

Comparable Public Company Market Metrics as of June 30, 2017

(Continued from previous page)

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Green Energy Management Services	(73.3%)	(86.6%)	(75.0%)	(77.6%)	\$384.5	\$14.9	(\$532.1)	3.9%	(138.4%)	0.3x	8.8x
Green Technology Solutions, Inc.	(7.5%)	(29.0%)	(27.6%)	(69.1%)	\$0.0	\$0.0	(\$6,601.9)	N/A	N/A	N/A	N/A
GreenPlex Services	(66.7%)	(13.0%)	(68.8%)	(32.7%)	\$38.1	\$38.1	(\$403.0)	100.0%	(1057.7%)	47.3x	47.3x
Grow Solutions Holding	(77.8%)	(51.2%)	(95.0%)	(78.3%)	\$6,124.2	\$2,043.5	(\$2,867.5)	33.4%	(46.8%)	0.4x	1.1x
Helix TCS, Inc.	(46.9%)	(11.4%)	962.5%	702.5%	\$2,432.8	\$362.6	(\$12,468.1)	14.9%	(512.5%)	47.8x	321.0x
Hemp Inc.	(39.4%)	(39.2%)	(22.6%)	(56.6%)	\$2,357.3	\$1,763.1	(\$1,201.4)	74.8%	(51.0%)	1.3x	1.7x
International Consolidated Companies	(74.2%)	(18.3%)	390.0%	(16.3%)	\$55.8	\$55.8	(\$199.1)	100.0%	(357.1%)	35.7x	35.7x
MassRoots, Inc.	(44.9%)	(40.6%)	(34.0%)	(34.4%)	\$742.9	(\$1,806.7)	(\$22,841.1)	(243.2%)	(3074.4%)	46.9x	(19.3x)
Medical Cannabis Payment Solutions, Inc.	(56.8%)	(33.9%)	(7.1%)	9.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MediGreen Holdings	(91.6%)	(91.1%)	(71.4%)	(93.7%)	\$3.8	(\$107.9)	(\$2,415.1)	(2868.4%)	(64230.1%)	0.5x	(0.0x)
Monarch America, Inc.	47.5%	(15.7%)	47.5%	(91.8%)	\$4,321.9	\$1,282.8	(\$2,398.4)	29.7%	(55.5%)	0.02x	0.05x
Nhale, Inc.	317.5%	(18.0%)	10.1%	(3.7%)	\$0.0	\$0.0	(\$70.5)	N/A	N/A	N/A	N/A
North American Cannabis Holdings, Inc.	66.7%	(28.6%)	400.0%	(79.5%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Northsight Capital, Inc.	(65.2%)	(49.6%)	(53.5%)	(80.9%)	\$14.7	\$14.7	(\$1,222.1)	100.0%	(8290.8%)	367.7x	367.7x

(Continued on next page)

■ Highest

■ Lowest

■ Median

Comparable Public Company Market Price Metrics as of June 30, 2017

(Continued from previous page)

	YTD	3 Month	1 Year	2 Year	Revenues	Gross Profit	Net Income	GP Margin	NI Margin	P/Rev.	P/GP
Novus Acquisition & Development Corp.	(61.2%)	(1.1%)	3487.8%	142.4%	\$96.8	\$92.9	\$23.7	96.0%	24.5%	9.33x	9.72x
Occidental Development Group, Inc.	520.0%	(1.1%)	1002.2%	336.8%	\$0.0	\$0.0	(\$275.4)	N/A	N/A	N/A	N/A
Peak Pharmaceuticals	(8.8%)	(1.1%)	112.2%	(43.8%)	\$0.0	\$0.0	(\$1,806.8)	N/A	N/A	N/A	N/A
Pineapple Express, Inc.	(40.0%)	(1.1%)	(45.5%)	N/A	\$0.0	\$0.0	(\$2,418.7)	N/A	N/A	N/A	N/A
PotNetwork Holding, Inc.	2784.6%	(1.1%)	3160.9%	(48.2%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
STWC Holdings, Inc.	(57.5%)	(1.1%)	(51.4%)	(51.0%)	\$4,046.3	\$3,741.4	(\$2,625.6)	92.5%	(64.9%)	1.2x	1.3x
Synergetics, Inc.	109.8%	(1.1%)	162.3%	44.9%	\$0.0	\$0.0	(\$356.1)	N/A	N/A	N/A	N/A
The Hydroponics Company Limited	N/A	(1.1%)	N/A	N/A	\$0.0	\$0.0	(\$153.9)	N/A	N/A	N/A	N/A
U.S. Lithium, Corp.	(44.5%)	(1.1%)	(61.5%)	115.9%	\$0.0	(\$1.8)	(\$246.6)	N/A	N/A	N/A	(1197.7x)
WEED, Inc.	34.4%	(1.1%)	1551.4%	338.9%	\$0.0	\$0.0	(\$2,084.3)	N/A	N/A	N/A	N/A
Median of Industry Public Companies	(34.8%)	(1.1%)	85.5%	(18.0%)	\$52.2	\$23.9	(\$1,682.6)	56.2%	(241.2%)	5.4x	5.9x

■ Highest

■ Lowest

■ Median

Median Public Companies

The chart below illustrates Public Company Multiples.

	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
EV/Revenues Multiple	3.9x	5.1x	3.5x	4.5x	5.1x	3.7x	2.5x	1.9x
EV/Gross Cash Flows Multiple	21.3x	14.2x	7.6x	5.6x	9.3x	2.4x	4.4x	4.2x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: 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
5/3/17	The Hydroponics Company Limited	\$0.15	40.00	\$5.96	\$0.73	\$0.00	\$0.00	\$0.00	(\$0.15)	\$0.00
7/7/14	Searchtech Ventures Inc.	\$0.09	6.85	\$0.64	\$0.24	\$0.00	\$0.00	\$0.00	(\$0.02)	\$0.00
12/16/13	Cannabix Technologies Inc.	\$0.09	6.63	\$0.75	\$0.09	\$0.00	\$0.00	\$0.00	(\$0.09)	\$0.00
5/30/13	Nhale, Inc.	\$0.01	10.00	\$0.10	\$0.04	\$0.05	\$0.04	\$0.00	(\$0.12)	\$0.00
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)	\$0.00
11/17/11	Sphere Medical Holding PLC	\$1.46	15.14	\$22.08	\$12.43	\$0.02	\$0.02	(\$4.45)	(\$5.15)	(\$4.20)
10/31/11	IPO World	\$0.01	1.00	\$0.01	\$0.02	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00
4/18/11	InspireMD, Inc.	\$1.50	6.95	\$10.43	\$12.72	\$1.45	\$4.54	\$(3.33)	(\$4.59)	(\$3.24)
2/10/11	Kips Bay Medical, Inc.	\$8.00	2.06	\$16.05	\$6.17	\$0.00	\$0.22	(\$8.63)	(\$10.89)	(\$8.56)
10/22/10	Stentsys S.A.	\$16.70	1.89	\$31.62	\$25.53	\$1.25	\$0.19	(\$6.95)	(\$7.18)	(\$6.66)
7/7/10	Carmat SA	\$23.67	0.83	\$19.58	\$6.05	\$0.01	\$3.05	\$0.00	(\$2.98)	\$0.00
Median of all IPOs		\$0.12	4.345	\$3.36	\$0.49	\$0.01	\$0.01	\$0.00	(\$0.14)	\$0.00

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
7/24/17	Denver Consulting Group LLC	Medicine Man Technologies	\$3.4	100%	N/A	N/A	N/A	N/A
7/13/17	Odava, Inc.	MassRoots, Inc.	\$1.8	100%	N/A	N/A	N/A	N/A
7/13/17	PAO Group, Inc.	New Wave Holdings, Inc.	\$251.0	100%	N/A	N/A	N/A	N/A
6/7/17	Pono Publications Ltd.	Medicine Man Technologies	\$12.6	100%	N/A	N/A	N/A	N/A
6/2/17	Security Grade Protective Srvc.	Helix TCS, Inc.	\$4.2	100%	N/A	N/A	N/A	N/A
6/1/17	Trauma Healing Centers Inc.	OrganiGram Holdings Inc.	\$1.7	100%	N/A	N/A	N/A	N/A
4/10/17	Knalysis Technologies Inc.	Canada House Wellness Group	\$1.0	100%	N/A	N/A	N/A	N/A
3/20/17	Cybernetics Control Systems Inc.	Quadron Capital Corporation	\$2.0	100%	N/A	N/A	N/A	N/A
1/25/17	CannaBuild , LLC	MassRoots, Inc.	\$2.5	100%	N/A	N/A	N/A	N/A
1/23/17	Medical Cannabis Mgmt. Group	Canadian Bioceutical Corp.	\$22.5	100%	N/A	N/A	N/A	N/A
12/19/16	127,000-square foot Property	Innovative Industrial Properties	\$30.0	100%	N/A	N/A	N/A	N/A
11/7/16	Longevity Project Group	Abba Medix Group Inc.	\$5.1	100%	N/A	N/A	N/A	N/A
8/17/16	CanvasRx Inc.	Aurora Cannabis Inc.	\$29.5	100%	N/A	N/A	N/A	N/A
7/29/16	Vapor Corp.	VPR Brands, L.P.	\$0.9	100%	N/A	N/A	N/A	N/A
5/24/16	Oregon Analytical Services, LLC	EVIO Inc.	\$1.2	100%	N/A	N/A	N/A	N/A
11/30/15	Cannabis Health Sciences	N/A	\$0.0	100%	N/A	N/A	N/A	N/A
9/18/15	CR Labs, Inc.	Signal Bay, Inc.	\$0.4	80%	\$0.05	(\$0.00)	10.2x	N/A
5/1/15	Canna Delivery Systems	Kariana Resources Inc.	\$0.4	100%	N/A	N/A	N/A	N/A
4/30/15	Oilseed Works Inc.	Mettrum Health Corp.	\$0.2	100%	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)

(Continued from previous page)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	LTM EBITDA	EV/ Revenues	EV/ EBITDA
2/20/15	Michigan Green Technologies	Cannabis Science, Inc.	\$0.4	30%	N/A	N/A	N/A	N/A
2/11/15	Cannabis Health Sciences Inc.	Invictus MD Strategies	\$0.1	100%	N/A	N/A	N/A	N/A
12/9/14	Cannigistics Agri-Solutions	Calyx Bio-Ventures Inc.	\$0.5	100%	N/A	N/A	N/A	N/A
12/1/14	Healthnostics, Inc.	Stragenics, Inc.	\$0.8	100%	N/A	N/A	N/A	N/A
10/15/14	MobiWeed	Highmark Marketing Inc.	\$0.2	100%	N/A	N/A	N/A	N/A
9/29/14	Sigal Consulting LLC	Worlds Online Inc.	\$3.8	51%	N/A	N/A	N/A	N/A
9/11/14	Ovation Research, Inc.	New Compendium	\$0.3	90%	\$0.09	N/A	4.0x	N/A
9/11/14	R.E.M. International, LLC	Cannabis Kinetics Corp.	\$1.4	100%	N/A	N/A	N/A	N/A
8/20/14	GreenPay LLC	MyECheck, Inc.	\$0.4	100%	N/A	N/A	N/A	N/A
8/5/14	GreenLeaf Consulting LLC	ENDEXX Corp.	\$0.3	100%	N/A	N/A	N/A	N/A
7/25/14	Hydro Innovations, LLC	Surna Inc.	\$0.5	100%	\$0.99	(\$0.40)	0.5x	N/A
7/23/14	Innovative Holdings, Inc.	BioCube, Inc.	\$0.0	100%	N/A	N/A	N/A	N/A
7/15/14	Gold Ridge Resources, Inc.	CorGreen Technologies	\$0.0	100%	N/A	N/A	N/A	N/A
6/30/14	Kush Inc.	Cannabis Sativa, Inc.	\$13.2	100%	N/A	N/A	N/A	N/A
5/23/14	Medical Cannabis Property	Supreme Pharmaceuticals	\$4.1	100%	N/A	N/A	N/A	N/A
4/7/14	Phytalytics LLC	Abattis Bioceuticals Corp.	\$1.3	51%	N/A	N/A	N/A	N/A
3/4/14	Medical Cannabis Property	The CannaBusiness Group	\$0.3	100%	N/A	N/A	N/A	N/A
3/3/14	Triton Distribution Systems	Green Cures	\$0.1	26%	N/A	N/A	N/A	N/A
2/21/14	Hemp Market Watch	Worldwide Internet Inc.	\$1.0	20%	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)

(Continued from previous page)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	LTM EBITDA	EV/ Revenues	EV/ EBITDA
2/18/14	MicroCannaBiz, LLC	Mentor Capital, Inc.	\$0.2	51%	N/A	N/A	N/A	N/A
2/10/14	Securitas EDGAR Filings, Inc.	N/A	\$0.4	97%	N/A	(\$0.02)	N/A	N/A
1/30/14	(Medical Cannabis Property)	Zoned Properties Inc.	\$1.1	100%	N/A	N/A	N/A	N/A
12/31/13	(Medical Cannabis Property)	Advanced Cannabis	\$0.5	100%	N/A	N/A	N/A	N/A
11/26/13	Eco Science Solutions, Inc.	N/A	\$0.6	51%	N/A	(\$1.47)	N/A	N/A
8/7/13	Dispense Labs, LLC	ENDEXX Corp.	\$2.3	100%	N/A	N/A	N/A	N/A
2/28/13	Hayes Pharmacy Inc.	ENDEXX Corp.	\$0.3	100%	N/A	N/A	N/A	N/A
2/11/13	IPOWorld	Glob AG	\$0.0	80%	N/A	N/A	N/A	N/A
12/31/12	Weedmaps, LLC	RJM BV	\$11.8	100%	N/A	N/A	N/A	N/A
12/11/12	Cannabis Science, Inc.	The X-Change Corporation	\$0.3	100%	N/A	N/A	N/A	N/A
3/21/12	Cannabis Consulting, Inc.	Cannabis Science, Inc.	\$0.1	100%	N/A	N/A	N/A	N/A
11/11/10	Medical Cannabis Company	N/A	\$0.1	100%	\$0.54	N/A	N/A	N/A
Median of the 50 M&A Transaction Targets			\$1.0	100%	\$0.09	(\$0.02)	4.0x	N/A



USA



International

SingerLewak 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, SingerLewak brings substantial large deal experience to bear on our middle market transaction opinions. SingerLewak 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 SingerLewak's clients. Research or detailed information not covered in this report can be obtained for a fee. **Contact Vanita Spaulding at (310) 991-0960** for additional information or questions in connection with this research report.

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

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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 SingerLewak believes to be reliable. SingerLewak has accurately reflected such information in this research report; however, SingerLewak 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 SingerLewak. SingerLewak's research is as of the date reported herein. SingerLewak has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does SingerLewak 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 SingerLewak performs for you in the future at the sole discretion of SingerLewak. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE.