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Cannabis Industry Overview

Cannabis is mainly produced from plants such as cannabis sativa and cannabis indica. Cannabis has medical significance and is known to treat more than 100 types of medical ailments. Cannabis is used to treat epilepsy, muscle spasms, rheumatism, cancer, appetite loss, anorexia (eating disorders), Alzheimer’s disease, nausea and others. The cannabis plant has more than 100 different chemicals called cannabinoids. Among these, Cannabidiol (CBD) and Delta-9-tetrahydrocannabinol (THC) are mainly used for the most active therapeutic cannabinoids. Hemp and cannabis are unique in terms of different levels of CBD and THC. Cannabis has greater THC levels (which could be up to 30%) than hemp (less than 0.3% THC and a higher CBD level). Therefore, hemp is extensively used in industrial applications such as paper, sail, crafting durable rope and clothing.

Exhibit 1 presents the countries in which cannabis is legal as of 2019. In December 2013, Uruguay became the first country to legalize recreational cannabis completely. Each household in Uruguay can grow up to six plants for their personal use. On October 17, 2018, Canada became the second country in the world (after Uruguay) to legalize cannabis. Canadians, who are 18 years of age or older, can possess up to 30 grams of legal cannabis. In addition, on October 17th, 2019 (one year after the first phase of legalization), Canada is expected to legalize cannabis edibles, extracts and concentrates and these products will be available for sale in mid-December 2019. In June 2019, Deloitte estimated the Canadian market for cannabis edibles and infused products to be US$2.7 billion per year. In December 2018, the U.S. president Donald Trump signed the 2018 Farm Bill, which legalizes the production of hemp in the US. Currently, Hemp based products are legal in all 50 states of the US. Countries have different views on the legality of cannabis for medical use or as edibles. Cannabis laws across the globe vary in terms of its cultivation, distribution, possession and consumption. Cannabis laws do differ from country to country in Europe. According to EU law, CBD products should contain an average of less than 0.2%THC. This is applicable for all countries in the European Union.
Global cannabis market valued at over US$344 billion annually

According to New Frontier Data’s recent report (Global Cannabis Report 2019 Industry Outlook), over 50 countries across the globe have some form of legal cannabis. Currently, Canada, South Africa, Guam, Georgia, The Northern Mariana Islands and Uruguay have legalized cannabis for adult use or recreational usage. According to New Frontier Data, more than 263 million users consume cannabis annually across the world. Africa tops the list with approximately 83 million consumers, followed by Asia (77 million users), North America (43 million), Europe (43 million), Latin America (13 million), Oceania (4 million) and Caribbean (1 million). These cannabis consumers collectively spend (regulated and illicit) approximately US$344 billion per year. Asia leads in cannabis spending globally with US$133 billion, followed by North America (US$86 billion), Europe (US$69 billion), Africa (US$37 billion) and Latin America (US$10 billion). New Frontier Data also expects that medical cannabis could offer therapeutic solution/value to more than 15.3% of the world’s population or 1.2 billion people, who are suffering some medical ailments. Implementation of medical cannabis treatment to even a small proportion of these people would open a significant market opportunity to cannabis companies. Currently, Canada is the largest federally legal adult-use cannabis market. In 2018, Canada exported approximately 1,500 kg of dried cannabis, which is three times the amount exported in 2017. Latin America and Africa are set to compete in the cannabis export market due to its lower production costs and optimal weather conditions. Asia also has significant cannabis market opportunities with its lower labor costs and a long history of hemp production. Currently, younger adults strongly support cannabis legalization compared to older adults, showing a robust generational acceptance trend soon. Exhibit 2 and 3 display global cannabis users and market annually.
Global legal cannabis spending is expected to reach US$14.9 billion in 2019

According to ArcView Market Research and BDS Analytics’ report, The State of Legal Marijuana Markets, 7th Edition, released on June 20, 2019, global consumer spending on legal cannabis is expected to grow from US$10.9 billion in 2018 to US$14.9 billion in 2019, a significant 36% y-o-y increase. ArcView Group also estimates global consumer spending on legal cannabis to be US$40.6 billion in 2024, representing a CAGR of 24.5% over the six-year forecast period from 2018 to 2024. On June 25, 2018, the FDA approved EPIDIOLEX® (a cannabidiol drug - developed by GW Pharmaceuticals plc (NASDAQ: GWPH), an oral solution to treat both Lennox-Gastaut and Dravet syndromes. Further, in December 2018, the US passed The Farm Bill 2018 to legalize commercial production of hemp. Such initiatives help pharmacies and general retailers to sell CBD-based products in all 50 states, which could boost the US Total Cannabinoid Market (TCM). The US cannabis sales in regulated dispensaries reached US$9.8 billion in 2018. This figure is expected to grow to US$30 billion in 2024 (at a CAGR of 20.5% from 2018 to 2024), if more states pass medical-use and adult-use cannabis bills. Meanwhile, ArcView also forecasts the legal sales of cannabis and CBD in pharmacies, dispensaries and general retail stores in the US to drive the US total cannabinoid market to reach US$44.8 billion in 2024. In addition, legal spending on adult-use cannabis in Canada is expected to grow from US$113 million in 2018 to approximately US$5 billion in 2024. Currently, Luxembourg, Mexico and New Zealand have accelerated cannabis legalization processes. Exhibit 4 displays the global legal cannabis spending forecasts.

Exhibit 4: Global legal cannabis spending to reach US$40.6 billion by 2024 (in US$ billions)

Source: The State of Legal Marijuana Markets, 7th Edition
FinTech – Industry Overview

FinTech (Financial Technology) refers to the combination of technology in the financial services sector to enhance transactional activities in finance and delivery of financial services to customers. Further, the term “fintech” can be used to any innovation in the financial industry including digital currency transactions. FinTech has grown explosively over the past decade. Currently, fintech has reached most active financial areas, including cryptocurrency and digital payments, blockchain technology (including Ethereum), smart contracts through computer programs, robo-advisors, personal loans, cybersecurity, open banking and insurtech (technology to simplify insurance industry).

FinTech market is estimated to reach over US$5.5 trillion in 2019

According to Statista, a German-based online portal for statistics, the total global fintech transaction value is estimated to increase from approximately US$5.5 trillion in 2019 to US$9.8 trillion in 2023, growing at a CAGR of approximately 16%. The digital payments segment is the largest within the fintech market with a total transaction value of US$4.1 trillion in 2019. The digital payments segment is expected to grow at a 13% CAGR from 2019 to 2023 to reach US$6.7 trillion in 2023. China is the biggest fintech market in the world with its strong position in digital payments. China had a total transaction value of approximately US$1.3 trillion in 2018, followed by the US. The US is the global leader in the personal finance segment of FinTech due to high disposable income per capita.

Exhibit 5 displays total transaction value on the digital payments and personal finance segments over the 2017-2023 period.

Exhibit 5: Digital payments segment to reach US$6.7 trillion in 2023

![Exhibit 5: Digital payments segment to reach US$6.7 trillion in 2023](source:Statista, May 2019)

Mobile Point-of-Sale (POS) payments segment to grow to US$2.1 trillion in 2023

The digital payments segment has major sub-sectors such as digital commerce and/or mobile POS payments and alternative financing. Digital commerce refers to online shopping transactions, while mobile POS payments refer to offline payments utilizing digital payments technology. According to Statista, total transaction value in the mobile POS payments segment is estimated to grow from US$746 billion in 2019 to US$2.14 trillion in 2023, representing a CAGR of 30.11%. Globally, China is estimated to have the largest transaction value of US$581 billion in 2019. Exhibit 6 shows the global mobile POS payments transaction value for the forecast period of 2017 to 2023.
Mobile POS users expected to grow to 1.66 billion in 2023 representing a 10% CAGR during 2019-23

According to Statista, users in the mobile POS payments are estimated to be approximately 1.13 billion in 2019 and are expected to reach 1.66 billion by 2023, representing an impressive CAGR of 9.97% for the forecast period of 2019-2023. In 2019, the average transaction value per user in the mobile POS payments segment is estimated to be US$658.1. Exhibit 7 displays the growth forecasts of mobile POS users.
POSaBIT’s Comparables – Listed Companies
All prices and monetary units are denoted in Canadian dollars, unless otherwise noted.

• **Singlepoint Inc (OTC Pink: SING) (“Singlepoint”)** – Singlepoint is a Canadian technology and investment company. Singlepoint’s portfolio includes ancillary cannabis services, mobile payments and blockchain solutions. On August 08, 2019, Singlepoint entered into a master distribution agreement with Pure Products LLC to become the primary sales and marketing solution for the company’s line of “Pure Hemp” cigarettes. In March 2018, Singlepoint launched SingleSeed, an online business portal. SingleSeed offers hemp-based products to customers. In 2018, Singlepoint launched a Bitcoin wallet application, which surpassed over 12,000 installs as of October 09, 2018. In addition, Singlepoint is planning to add Ethereum to its wallet and is testing Ethereum on Test network in TestFlight. For the quarter ended September 30, 2019, Singlepoint generated revenues of $1,050,374, an increase of 176% compared to the same period in 2018. This increase was primarily attributable to the acquisition of Direct Solar in May 2019.

• **TruTrace Technologies (CSE: TTT, OTC Pink: TTTSF) (“TruTrace”)** – TruTrace is a Canada-based cannabis technology company. TruTrace has developed a genetics blockchain verification platform, namely StrainSecure™. StrainSecure is used to register and track intellectual property in the cannabis industry. In addition, TruTrace signed a definitive licensing agreement with the Spark LOI. Pursuant to this agreement, TruTrace can use Spark’s proprietary platform, IgnitePro™. IgnitePro™ is a cannabis supply chain visibility and collaboration platform. IgnitePro™ is a global track-and-trace software with secure infrastructure powered by Microsoft Azure. IgnitePro™ prepares reports, stores documentation and tracks transports of cannabis products. When used along with StrainSecure™’s blockchain technology, IgnitePro™ ensures safety, compliance and regulation procedures. On June 17, 2019, TruTrace and Shoppers Drug Mart (“Shoppers”) signed an agreement to develop and deploy a blockchain-secured pilot program (the “Pilot Program”). The Pilot Program is expected to increase transparency, interoperability and product identification within the medical cannabis industry. The Pilot Program uses TruTrace’s StrainSecure™ technology as a key platform for asset tracking, identity management, validation, and product authentication. TruTrace is expected to complete the Pilot Program with full production and implementation by the end of November 2019. On June 27, 2019, TruTrace signed an agreement with Zenabis Global Inc. (“Zenabis”) to use TruTrace’s StrainSecure™ platform to collect, register, manage, track and publish verified testing data of Zenabis’ cannabis plant DNA and strains. Zenabis is a Canada-based cultivator of medical and recreational cannabis. Further, Zenabis is expected to join the Pilot Program. For the quarter ended July 31, 2019, TruTrace generated revenues of $48,000, compared to no revenue during the corresponding period in 2018.

• **Akerna Corp. (NASDAQ: KERN) (“Akerna”)** – Akerna is the parent company resulting from the merger between MJ Freeway and MTech Acquisition Corp., the first US-listed Special Purpose Acquisition Company (SPAC) focused on acquiring a cannabis technology company. Akerna consolidates cannabis technology companies to connect data points in the global cannabis supply chain. In doing so, Akerna creates one of the world’s most transparent and accountable consumer packaged goods supply chain with global scale. The Company believes connected data and information will modernize and propel the cannabis industry increasing the power of businesses, governments, patients and consumers to make smart decisions. The cornerstone service offering is MJ Freeway, the world’s largest, global cannabis software company that invented seed-to-sale tracking and developed the industry’s first cannabis ERP. Established in 2010, MJ Freeway has to date tracked more than $15 billion in legal cannabis sales. Founded in 2010 by technologists creating tech specifically for cannabis businesses, MJ Freeway’s tracking software includes inventory control and grow management applications to streamline workflow and increase efficiency. MJ Freeway’s Leaf Data Systems software solution enables governments to track cannabis plants from seed-to-sale and ensure patient, public, and product safety. MJ Freeway also offers a complete suite of professional consulting services for cannabis businesses. For the quarter ended June 29, 2019, Akerna generated revenues of approximately US$10,920,000.
Exhibit 8 presents POSaBIT’s cannabis comparables and highlights their recent significant operational activities.

### Exhibit 8: POSaBIT’s Comparables Highlighting Recent Operational Activities (as of December 16, 2019)

<table>
<thead>
<tr>
<th>Companies</th>
<th>Market Cap (CAD millions)</th>
<th>Enterprise Value (CAD millions)</th>
<th>Price/Sales</th>
<th>EV/Sales</th>
<th>Brands/Products</th>
<th>Last quarter revenue (CAD)</th>
<th>Y-o-Y growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singlepoint Inc (OTC Pink: SING)</td>
<td>$15.39</td>
<td>$19.14</td>
<td>6.30x</td>
<td>7.83x</td>
<td>SingleSeed - an online business portal.</td>
<td>$1,050,374</td>
<td>176%</td>
</tr>
<tr>
<td>TruTrace Technologies (CSE: TTT, OTC Pink: TTTSF)</td>
<td>$5.61</td>
<td>$6.32</td>
<td>N/M</td>
<td>N/M</td>
<td>IgnitePro™ - a global track-and-trace software. StrainSecure™ tech as a platform for asset tracking</td>
<td>$48,000</td>
<td>NA</td>
</tr>
<tr>
<td>Akerna (NASDAQ: KERN)</td>
<td>US$126.6</td>
<td>US$105.5</td>
<td>10.72x</td>
<td>8.93x</td>
<td>MJFreeway’s Leaf Data Systems – software solution enabling governments to track cannabis plants from seed to sale</td>
<td>US$10,920,000</td>
<td>NA</td>
</tr>
<tr>
<td>POSaBIT Systems Corporation (CSE: PBIT)</td>
<td>$3.74</td>
<td>$4.6</td>
<td>0.67x</td>
<td>0.75x</td>
<td>POSaBIT - a point-of-sale solution for high-growth retail cannabis market</td>
<td>$1,053,410</td>
<td>172%</td>
</tr>
</tbody>
</table>

Source: SEDAR filings, Yahoo! Finance and companies’ websites

**POSaBIT’s Comparables – Private Companies**

*All prices and monetary units are denominated in Canadian dollars, unless otherwise noted.*

- **Green Bits, Inc. (Total funding US$18 million) (“Green Bits”)** – Green Bits is a US-based cannabis technology company. Green Bits has developed a retail management and point-of-sale platform that helps cannabis retailers. This product offers solutions to business demands such as seed-to-sale tracking, faster check-out lines, customer sales limits and inventory reporting. It also helps simplify processes and make compliance easier for cannabis retailers. Green Bits offers its services to cannabis retailers in 13 US states and processes more than US$3 billion in sales annually. According to Crunchbase, as of November 2019, Green Bits raised approximately US$18 million over two funding rounds. Of the US$18 million, Green Bits raised US$15 million in April 2018. Tiger Global Management was a lead investor in this US$15 million round.

- **BioTrackTHC (Total funding US$5 million) (“BioTrackTHC”)** – BioTrackTHC is a privately held US-based cannabis software company. BioTrackTHC owns an all-in-one cannabis tracking software, which offers seed-to-sale tracking and data reporting for both the recreational and medical cannabis industries. Seed-to-sale tracking technology includes cannabis cultivation, extraction, infusion, dispensary and delivery. This BioTrackTHC software offers a comprehensive set of business tools to run a cannabis business operation. BioTrackTHC was one of the first cannabis POS systems to integrate various verticals of the cannabis business model. Helix TCS, Inc. (OTCQB: HLIX) fully owns BioTrackTHC. Currently, BioTrackTHC has operations in more than 2,200 locations across 34 US states, Jamaica, Canada, Australia and Puerto Rico. According to Crunchbase, as of November 2019, BioTrackTHC raised approximately US$5 million.

- **Merrco Payments Inc (Total funding $30 million) (“Merrco”)** – Merrco is a Canada-based technology company that offers secure payment solutions to online and retail cannabis businesses. Merrco’s payment solutions include e-commerce, multi-currency, card present, mobile and virtual terminal offerings. Merrco’s online payment system integrates completely with Shopify, thereby, offering a secure and easy solution for government compliant cannabis sales. For cannabis retailers, Merrco offers payment terminals that process major international and domestic debit, credit and prepaid card brands such as Visa, MasterCard, and American Express. Merrco’s payment terminals also support payment technologies such as Apple Pay, Tap & Pay and Chip & Pin.
• Flowhub Holdings Inc (Total funding US$26.8 million) ("Flowhub") – Flowhub is a US-based cannabis retail software company. Flowhub offers a retail management platform for modern boutique and enterprise cannabis dispensaries. Flowhub’s platform provides inventory management, point-of-sale, compliance, etc. Further, the platform integrates front-of-house and back-of-house solutions through an Application Program Interface (API). This enables Flowhub to provide scalable and highly customizable solutions to franchise, boutique and enterprise cannabis retailers. Currently, Flowhub processes over US$1 billion in cannabis sales annually and serves more than 700 cannabis retailers. Flowhub offers its services to cannabis dispensaries in 12 US states. On October 15, 2019, Flowhub raised US$23 million funding through a Series A round led by e.ventures, Poseidon and Evolv Ventures (US-based investment firms).

Exhibit 9 presents POSaBIT’s privately-held cannabis comparables.

<table>
<thead>
<tr>
<th>Private Companies</th>
<th>Description</th>
<th>Funds raised (CAD millions)</th>
<th>Service/Solution</th>
<th>Transactional Volume (CAD)</th>
<th>Compliant States</th>
<th>Number of dispensaries /clients served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Bits, Inc.</td>
<td>Retail management and point-of-sale platform that helps cannabis retailers</td>
<td>US$18.0</td>
<td>Platform as a service</td>
<td>US$3 billion annually</td>
<td>13 US States</td>
<td>N/A</td>
</tr>
<tr>
<td>BioTrackTHC</td>
<td>All-in-one cannabis tracking software, which offers seed-to-sale tracking and data reporting for both the recreational and medical cannabis industries.</td>
<td>US$5.0</td>
<td>Cannabis tracking software as a service</td>
<td>N/A</td>
<td>34 US States</td>
<td>2,000+</td>
</tr>
<tr>
<td>Mercco Payments Inc.</td>
<td>Mercco offers secure online and offline payment solutions to retail cannabis businesses</td>
<td>$30.0</td>
<td>Software as a service and Payment terminals</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Flowhub Holdings Inc.</td>
<td>Flowhub offers retail management platform for enterprise, franchise and boutique cannabis dispensaries</td>
<td>US$26.8</td>
<td>Platform as a service</td>
<td>US$1 billion annually</td>
<td>12 US States</td>
<td>700+</td>
</tr>
<tr>
<td>POSaBIT</td>
<td>POSaBIT offers POS systems and payment processing solutions to cannabis dispensaries and retailers</td>
<td>NM</td>
<td>Platform as a service and POS systems</td>
<td>$22 million</td>
<td>6 US States</td>
<td>240+</td>
</tr>
</tbody>
</table>

Source: Companies’ websites

Recent M&A Activities

• Elavon to acquire Sage Pay (Nov 2019) – On November 18, 2019, Elavon, a fully owned subsidiary of U.S. Bancorp (NYSE: USB) announced that it would acquire Sage Pay, a well-known payments gateway provider in Ireland and the United Kingdom. This acquisition would help Elavon to expand its business in the UK and Ireland. Further, this acquisition is valued to be £232 million. The transaction is subject to approval from the Central Bank of Ireland and the Federal Reserve System in the US and is expected to be completed by Q2 2020.

• Visa acquires a minority stake in Interswitch (Nov 2019) – On November 12, 2019, Visa Inc (NYSE: V), a US-based leading global digital payments provider, entered into an agreement to invest in Interswitch Limited ("Interswitch"), a Nigeria-based digital payments provider. According to the agreement, Visa will acquire a significant minority stake in Interswitch. After this acquisition announcement, the valuation for Interswitch stood at approximately US$1 billion. The transaction is expected to close by Q1 2020. According to Fintech Direct, an online news site, Visa is expected to acquire a 20% stake for about US$200 million in Interswitch.
• **EML acquires PFS 2019 (Nov 2019)** – On November 11, 2019, EML payments Ltd (EML), an Australia-based payment services provider, agreed to acquire Prepaid Financial Services (PFS), a London-based financial services provider for £226 million. The acquisition value of £226 million consists of £185 million in cash and £41 million in EML’s shares to be distributed to the vendors at A$3.55 per EML share. The acquisition is expected to close by early 2020.

• **Wirecard acquires 80% of shares of AllScore Payment Services (Nov 2019)** – On November 5, 2019, Wirecard AG (WRCD: PK), a Germany-based financial services provider, announced that it would acquire 80% shares of AllScore Payment Services for £72.4 million. Further, Wirecard has an option to buy the remaining 20% shares of AllScore after two years for £20.2 million. AllScore Payment Services is a Beijing-based payment solutions provider. After successful customary and regulatory approvals, Wirecard will acquire 80% of all shares in AllScore. This acquisition helps Wirecard to enter the Chinese payments market.

• **Repay acquires TriSource Solutions (Aug 2019)** – On August 14, 2019, Repay Holdings Corporation (NASDAQ: RPAY), a US-based vertically-integrated payment solutions provider, announced that it would acquire TriSource Solutions (“TriSource”) for up to US$65 million. Of the US$65 million, US$60 million was paid at closing and the remaining US$5 million would be paid subject to certain performance-based earn-out. TriSource is a US-based privately held company that offers merchant services, credit card processing and payment solutions.

• **Business Combination of Fiserv and First Data (July 2019)** – Fiserv Inc. (NASDAQ: FISV) is US-based leading payments and financial technology company. On January 16, 2019, Fiserv announced its plans to acquire First Data Corporation and completed the deal on July 29, 2019. First Data Corporation (NYSE: FDC) is a US-based world’s leading financial technology company. The all-stock transaction was valued at US$22 billion. Pursuant to the agreement, First Data shareholders received 0.303 of a Fiserv share for each share of First Data share or approximately US$22.74 per share. The deal is expected to provide approximately US$900 million in cost synergy savings over the next five years. Fiserv shareholders own approximately 57.5% and First Data shareholders own the remaining 42.5% of the combined company. The combined company continues to trade on the NASDAQ Global Select Market under the ticker symbol FISV.

• **FIS acquired Worldpay (July 2019)** – On March 18, 2019, FIS (NYSE: FIS) and Worldpay Inc. (NYSE: WP; LSE: WPY) signed a definitive merger agreement. FIS is a US-based global leader in financial services technology. Worldpay is a UK-based world’s leading ecommerce and payments provider. On July 31, 2019, FIS completed the acquisition. The enterprise value of Worldpay including debt was US$43 billion. Pursuant to the agreement, Worldpay shareholders received 0.9287 FIS shares and $11.00 in cash for each share of Worldpay. FIS shareholders and Worldpay shareholders own approximately 53% and 47% of the combined company respectively.

• **Combination of Global Payments and TSYS (May 2019)** – On May 28, 2019, Global Payments (NYSE: GPN) and TSYS (NYSE: TSS) signed a definitive merger agreement. Global Payments is a US-based world’s leading payment technology and software solutions company. TSYS is a leading payment solutions provider to merchants and consumers. The combination of these two companies will establish a leading pure-play payments technology company. The combined company is expected to process more than 50 billion transactions annually in 38 countries physically and more than 100 countries virtually. The cost synergy is estimated to be approximately US$300 million annually. Pursuant to the merger agreement, TSYS shareholders would receive 0.8101 Global Payments shares for each share of TSYS common stock. The estimated price offered to each TSYS share is a 20% premium (or US$119.86 for each share of TSYS common stock) to the price of TSYS common shares on May 23, 2019. The transaction value was estimated to be TSYS’ equity value of approximately US$21.5 billion. Upon successful completion of the acquisition, the shareholders of Global Payments and TSYS would own 52% and 48% of the combined company respectively. The transaction is expected to complete in the fourth quarter of 2019.

• **TILT acquired Blackbird (Dec 2018)** – On December 06, 2018, TILT Holdings Inc. (“TILT” CSE: TILT) acquired Blackbird Holdings Corp. (“Blackbird”) for US$5 million cash and US$45 million in securities. This acquisition helps TILT to expand its operations and delivery capabilities for cannabis businesses. TILT Holdings Inc. is a US-based cannabis technology company that provides a comprehensive range of products and services across the cannabis industry. Blackbird is a US-based distribution company that offers logistics operations and software solutions to the cannabis supply chain market.
• **Merger of Sea Hunter, Briteside, Sante Veritas and Baker to form TILT (May 2018)** – On May 15, 2018, four leading cannabis technology companies namely, Sea Hunter (Boston, MA), Briteside Holdings, LLC (Bend, OR), Sante Veritas Holdings Inc. (SVT) and Baker Technologies Inc. (Denver, CO) merged to form TILT Holdings Inc. ("TILT"). As of May 2018, Sea Hunter, Briteside, Sante Veritas and Baker owned approximately 41.1%, 22.3%, 22.3% and 14.3% of TILT shares respectively. For the third quarter ended September 30, 2019 (Q3 2019), TILT generated total revenues of US$46.1 million (up 18% compared to Q2 2019) and adjusted EBITDA of US$2.7 million. Currently, TILT has over 2,000 brands and operates cannabis retailers across 33 states in the U.S. as well as in Israel, South America, the European Union, Canada and Mexico.

Exhibit 10 presents recent M&A activities in the FinTech and POS industries.

<table>
<thead>
<tr>
<th>M&amp;A Transaction</th>
<th>Transaction value</th>
<th>Date/anticipated close date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elavon to acquire Sage Pay</td>
<td>£232 million</td>
<td>Q2 2020</td>
<td>The transaction is subject to approval from the Central Bank of Ireland and the Federal Reserve System in the US and is expected to be completed by Q2 2020.</td>
</tr>
<tr>
<td>Visa acquires a minority stake in Interswitch</td>
<td>Not disclosed</td>
<td>Q1 2020</td>
<td>According to the agreement, Visa will acquire a significant minority stake in Interswitch. After this acquisition announcement, the valuation for Interswitch stood approximately US$1 billion.</td>
</tr>
<tr>
<td>EML acquires PFS</td>
<td>£226m</td>
<td>Early 2020</td>
<td>The acquisition value of £226 million consists of £185m in cash and £41m in EML’s shares to be distributed to the vendors at A$3.55 per EML share.</td>
</tr>
<tr>
<td>Wirecard acquires 60% of shares of AllScore Payment Services</td>
<td>£72.4 million</td>
<td>Nov 2019</td>
<td>After successful customary and regulatory approvals, Wirecard will acquire 60% of all shares in AllScore. This acquisition helps Wirecard enter the Chinese payments market.</td>
</tr>
<tr>
<td>Repay acquires TriSource Solutions</td>
<td>US$65 million</td>
<td>Aug 2019</td>
<td>US$60 million was paid at closing and the remaining US$5 million could be paid subject to certain performance-based earn-out.</td>
</tr>
<tr>
<td>Business Combination of Fiserv and First Data</td>
<td>US$22 billion</td>
<td>July 2019</td>
<td>Pursuant to the agreement, First Data shareholders receive 0.303 of a Fiserv share for each share of First Data or approximately US$22.74 per share. Fiserv shareholders own approximately 57.5% and First Data shareholders own approximately 42.5% of the combined company.</td>
</tr>
<tr>
<td>FIS acquired Worldpay</td>
<td>The enterprise value of Worldpay including debt was US$43 billion</td>
<td>July 2019</td>
<td>Pursuant to the agreement, Worldpay shareholders receive 0.9287 FIS shares and $11.00 in cash for each share of Worldpay. FIS shareholders and Worldpay shareholders own approximately 53% and 47% of the combined company respectively.</td>
</tr>
<tr>
<td>Combination of Global Payments and TSYS</td>
<td>US$21.5 billion</td>
<td>Q4 2019</td>
<td>Pursuant to the merger agreement, TSYS shareholders would receive 0.8101 Global Payments shares for each share of TSYS common stock. Upon successful completion of the acquisition, the shareholders of Global Payments and TSYS would own 52% and 48% of the combined company respectively.</td>
</tr>
<tr>
<td>TILT acquired Blackbird</td>
<td>US$50 million</td>
<td>Dec 2018</td>
<td>US$5 million cash and US$45 million in securities. This acquisition helps TILT to expand its operations and delivery capabilities for cannabis businesses.</td>
</tr>
<tr>
<td>Merger of Sea Hunter, Briteside, Sante Veritas and Baker to form TILT</td>
<td>Not disclosed</td>
<td>May 2018</td>
<td>As of May 2018, Sea Hunter, Briteside, Sante Veritas and Baker owned approximately 41.1%, 22.3%, 22.3% and 14.3% of TILT shares respectively.</td>
</tr>
</tbody>
</table>

Source: Company filings and websites
Sources

- POSaBIT Website & Press Releases
- SEC and SEDAR Filings
- 2019 cannabis report – Deloitte
- NewFrontier data - The Global Cannabis Report 2019
- The State of Legal Marijuana Markets, 7th Edition
- Statista, May 2019
- https://www.marketsandmarkets.com/Market-Reports/

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