

ezGreen on the massive market for regulatory compliance in the cannabis sector – Part 2

Cultivators, LP's, Dispensaries, Brands, Extraction. These are all cannabis verticals that investors are familiar with. One generally undiscovered sector is regulatory compliance. Compliance requirements are being put in place across the cannabis industry to hinder money laundering from illicit growers who have been stashing away cash waiting for cannabis to become legal and to support proper tracking and taxing of cannabis sales. ezGreen Compliance is the second investee company of [FinCanna Capital Corp.](#) (CSE: CALI | OTCQB: FNNZF) and it has the software in place to make compliance, tracking and taxing seamless for dispensaries in both the medical and recreational spaces across the United States.

The innovative software is a proprietary HIPAA (Health Insurance Portability and Accountability Act) compliant, Point-of-Sale (POS) system whose architecture is derived from the technology of Automated Healthcare Solutions (AHCS) providers of one of the largest pharmaceutical grade POS systems in the United States.

Today, I sit with management of ezGreen Compliance, to discuss a little more about the Company, its addressable market and its competitive advantages. I hope you enjoy the read.

What does it mean to be a pharmaceutical grade POS system?

ezGreen was created by AHCS, a software company that specializes in pharmaceutical dispensing in the U.S. With over 3,500 dispensaries under management and 16+ years in the space, AHCS has created a product to manage the biggest pain point in the retail dispensing space, managing patient information. Patients in the U.S. market receive

recommendations for cannabis through a medical physician with a DEA license number that allow for those physicians to be audited at any time by Health and Human Services. Each data breach costs between \$5,000 and \$50,000 under U.S. HIPAA guidelines, so dispensaries need to manage that patient database with a software product that will provide a data protection strategy to mitigate the risk of losing data or getting hacked by an outside group.

What are your competitive advantages over the existing compliance and POS systems?

ezGreen was developed by a software company that is an expert in managing patient data under HIPAA best practices. They helped write the code for the national PDMP (Prescription Drug Monitoring Program) which allows each state to monitor pharmaceutical purchases on a daily basis. They manage thousands of dispensaries every day and have operated for over 16 years with no HIPAA breaches. The company is also experienced in maintaining a product that is able to maintain the state compliance regulations while keeping the federal standards up to date.

Why would the adult use market require a compliant grade POS solution like this?

The adult use market is regulated on a state-by-state basis. Each state maintains consumer daily limits to ensure each user is not selling their personal purchase to others. ezGreen is able to provide an anonymous transaction while validating each user's ID and linking that transaction to the ID and alert the dispensary if that user attempts to come back into that location and attempt to purchase over the daily limit. This is called smurfing in the industry, and large dispensary management companies have been shut down for turning a blind eye to this type of activity. All compliant dispensaries must also protect a copy of each customer's photo ID in a database and there is an expectation that all personal information is

protected against data breaches.

What is your business model and how do you motivate the dispensaries to work with you?

ezGreen mirrors the traditional pharmacy dispensing model and does not charge a fee to the dispensary, instead we charge a transactional fee to the patient or customer for HIPAA and data security. The transaction fee varies from state-to-state based on local rules and regulations but the numbers are staggering to both the dispensary and ezGreen.

How do you position the total addressable market in the United States?

The total addressable market in the U.S. is 5200+ licensed dispensary and retailers. Each dispensary has an average of 200 transactions per day, 6,000 transactions per month and 72,000 transactions per year with a total market average of 347,400,000 transactions per year. At an average transaction price of \$1 this would represent a total addressable market of ~ \$347,000,000. This market is on track to grow over 30% each year for the next 5 years in the U.S. Market Space.

[Publisher's Note: Arlen Hansen is the President of Kin Communications Inc. Kin Communications provides investor relations for FinCanna Capital Corp.]