

The Future of the Medical Program & Market

The Economic Impact of Legalization
on OMMP

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Sample annual cost of OMMP patient application fee and out-of-pocket medical care, Grower costs

Annual Cost to Patients	
Annual OMMP patient application fees Base application fee, or	\$200
Supplemental Nutrition Assistance Program (SNAP)	\$60
Oregon Health Plan (OHP)	\$50
Supplemental Security Income (SSI) or U.S. Veteran,	\$20
Estimated annual medical appointment	\$150
Grow site registration fee (if growing for self and not exempt)	\$200
Total patient annual cost range	\$170 to \$550

Annual fees – OMMP grower	
Annual grow site registration fee. (\$200/patient, up to 8 patients) (\$200 x 8 Patients)	\$200 - \$1,600
Annual CTS system user fee	\$480/Grow Site
Total initial cost to grower (w/ 8 patients)	\$2,080
Additional potential costs to a grow site*	\$1,000 +
<p>*CTS growers must have a state certified scale on the premises which must be calibrated on a yearly basis. Depending on harvest process, a grower may purchase two scales, one platform and one hanging. The hanging scale purchased b platform scales range in cost from \$300-\$1300 and certified hanging scales are in the \$700 range. METRC data input costs: This cost can vary but an 8 patient grow that is frequently transferring to patients will have this additional cost whatever it may be.</p>	

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OLCC licensing fees - producer	
Micro Tier I	\$1,000
Micro Tier II	\$2,000
Tier I	\$3,750
Tier II	\$5,750
Processors, Wholesalers, and Retailers	\$4,750
Hemp Certificate	\$500
Medical Canopy	\$100

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785 growers – 4,249 patients

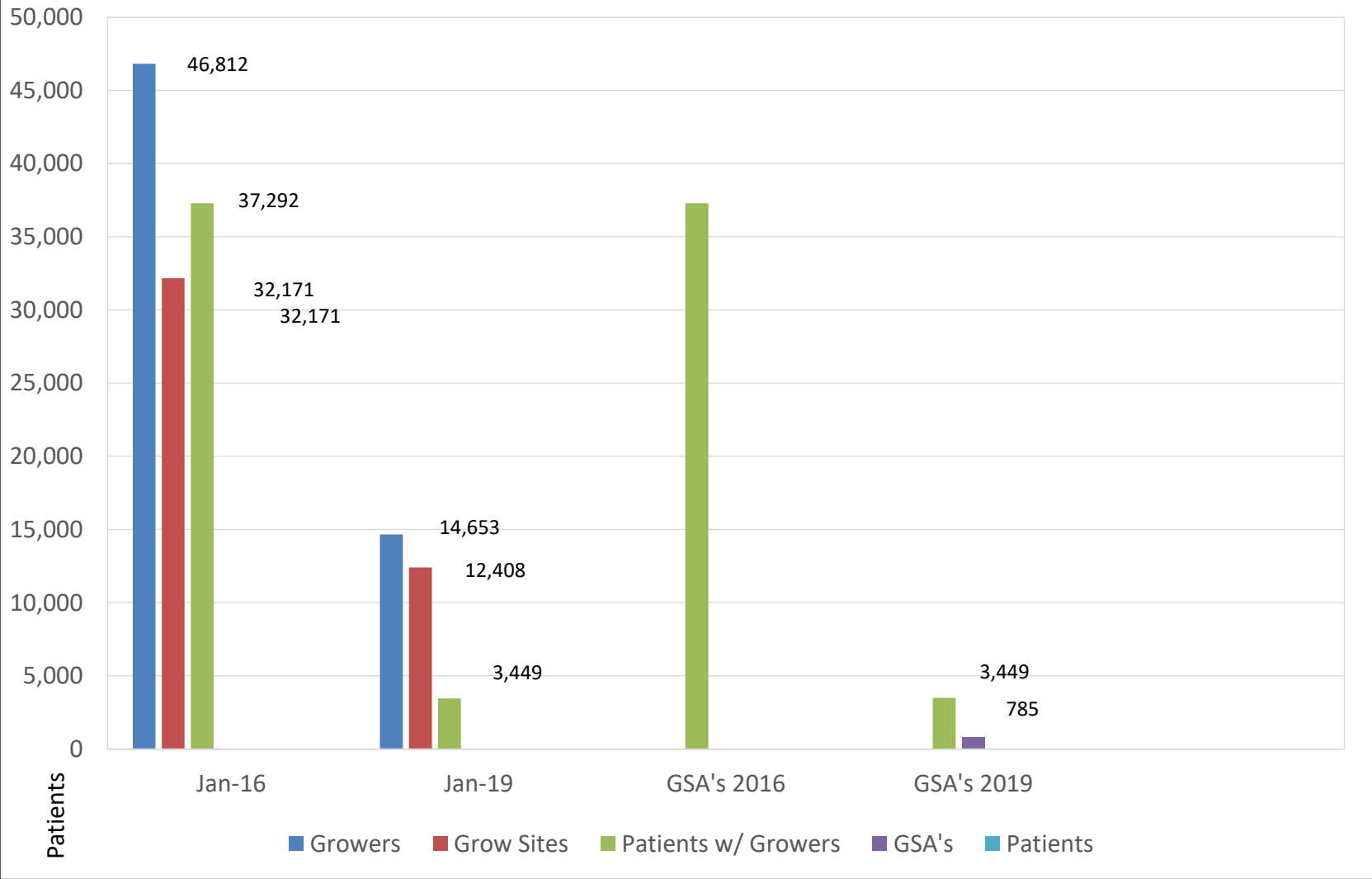
OMMP designated grower inventory as a % of OLCC aggregate inventory– usable marijuana – (growers with three or more patients)

Plants – Patients x 6	25,494
Pounds produced – Plants x 2 lbs.	50,988
Pounds used – Patients x 1.5 lbs.*	6,373
Total inventory less patient needs (50,988 lbs. – 6,373 lbs.)	44,615
% of total usable marijuana inventory (44,615 lbs./1.375M lbs.**)	3.24%

*As this number goes up, the percentage of total OMMP inventory among the designated grower with three or more patients population as a percentage of total OLCC usable marijuana inventory, drops. This is the minimum amount of usable marijuana usually provided for patients annually, it often exceeds that amount.

**aggregate inventory of usable marijuana across all licensees. - “Figure 7, OLCC Recreational Marijuana Supply and Demand Legislative Report - 2019”

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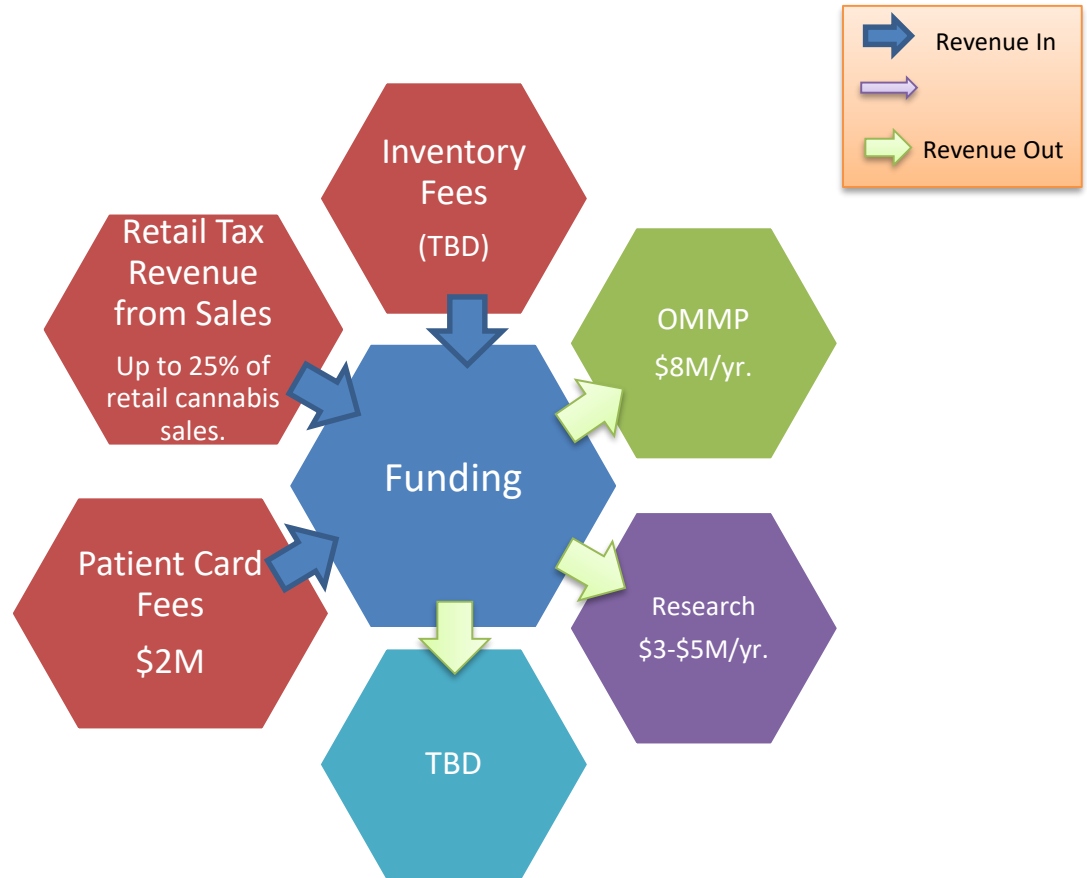


Growers, Grow Sites, Patients, Grow Site Administrators

Funding for All Cannabis Programs – Medical and Adult Use.

This illustrates an overall approach to funding both medical and adult use cannabis programs.

- OMMP can no longer meet costs from patient and grower fees and needs stable funding
- The OCC has no way of making changes without requesting funding.
- Research cannot be funded.
- Patient Program cannot be funded.
- Patient Access for Low-income, no subsidy money.



Tax Revenue from Retail Sales

25% This comes off the top. Statutory levels apply to remaining revenue

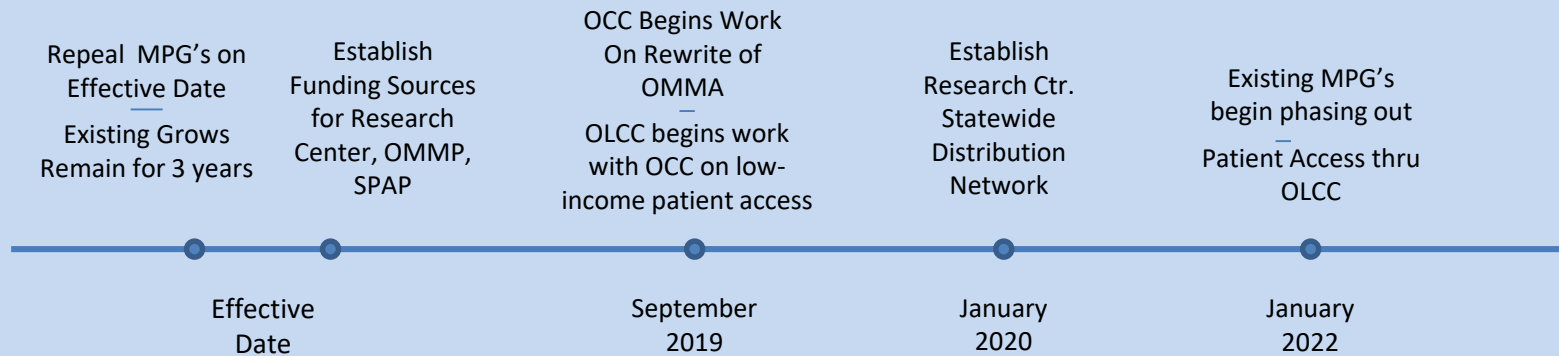
Inventory Fees

Date and level sensitive. If you have too much after a certain date, a fee is assessed, this fee can be offset with an equal donation of inventory to patient access program

Patient Card Fees

Minimal contribution but support on-line application system.

Timeline for rollout of funding and new OMMA



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1. Fully fund cannabis programs projects and innovations across Oregon
2. Let the Cannabis Commission complete its work
3. Get the Oregon Health Plan involved
4. Get Licensees involved
5. Put all cultivation under the Department of Agriculture
6. Get out of METRC