



# The State of Colorado

First Edition

Year One:

The Co-Existence of Legalized  
Medical and Recreational Use  
Marijuana Markets

March 2015

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## SUMMARY

2014 will be remembered by interested observers of the Cannabis Industry as a year of significant change in which the legalization of adult use (recreational) marijuana was introduced by the state of Colorado as a complementary use track alongside the existing medical use permissions.

Current and potential investors in the Cannabis Industry are naturally interested in the economic and social consequences of the Colorado experiment. Of great interest are the questions of whether Colorado's model proves to be a workable and desirable response to the voters expressed intentions for the legalization of marijuana use and what influence will the real and perceived results have on the development of regulations in other states and perhaps eventual national oversight. Most importantly, what can the developing marketplace trends in Colorado tell us concerning the viability of investment strategies in the burgeoning Cannabis Industry?

In this report we provide a comprehensive analysis of the actual data provided by the state of Colorado for both the medical and recreational sectors for the first full year in which it regulated both markets, so as to provide investors with a deeper understanding of present market trends and evolving dynamics.

The overall growth in the U.S. legal marijuana industry is substantial and will be fueled by the implementation of additional legalized markets across the country as momentum continues in favor of changes to existing federal laws. However, based upon our analysis, we believe that investors may call attention to the inherent evolution of consumer spending preferences in a dual marketplace, as the easing of recreational use restrictions has disrupted the growth rate of the presently constituted medical marijuana market. That said, we believe that the medicinal use market will recalibrate when the pipeline of new, more targeted medications become available and as the medical profession gains more comfort in "pushing" a marijuana treatment rather than a patient having to "pull" a recommendation from a doctor.

Key takeaways of our analysis are:

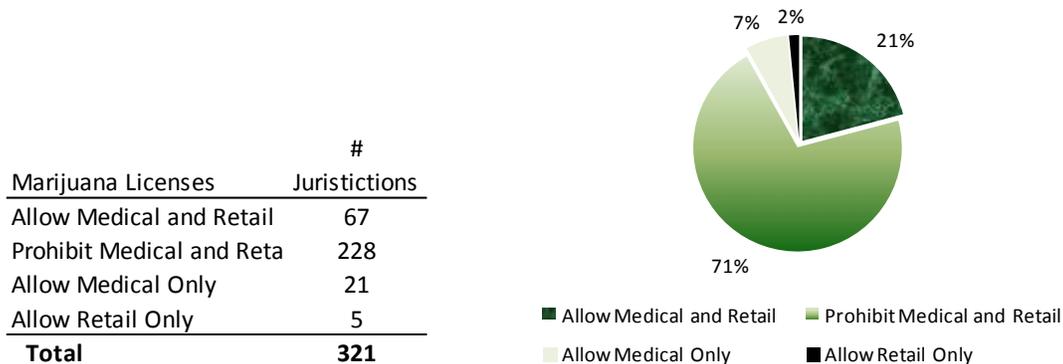
- Since the implementation of the recreational market, the growth rate in medical marijuana sales has notably decelerated (-3% CY '13 to CY '14 vs. 50% CY '12 to CY '13) as new medical marijuana cardholder applications declined (-2.8% YoY) and as the average monthly spend per patient dropped (\$273/month for 2014 vs. \$284/month in 2013). We believe these results are likely due to 1.) the disruption from recreational marijuana sales and/or 2.) the near maturity of the medical market as it exists today. This trend is important for investors considering a medical marijuana business in a newly established market.
- Total marijuana retail sales in 2014 were ~ \$680 million, the first year in which both a medical (\$375 M) and recreational (\$305M) market co-existed; we estimate that wholesale revenues were about \$90 M. The economic benefits resulted in tax revenues of approximately \$63.4 million and the creation of over 12,000 jobs.

- We expect 2015 total retail marijuana sales to be flat from 2014 levels and we believe that the trend of medical use consumers migrating into the recreational marketplace will continue. Furthermore, we think 2015 will be an inflection point after which time, we expect to see an acceleration in revenue growth as more localities end current restrictions. Currently, the sale of marijuana products are permitted in just 29% of the state's local jurisdictions.
- Our calculations show that infused products are about 45% of the total recreational sales dollars in 2014 (medical about 25%). While we expect the popularity of edible products to remain strong, we believe that future sales could be tempered by new rules slated for 2016 which will aim to limit the size of transactions to a "marijuana flower equivalent".
- Lab testing requirements will become more comprehensive as regulators continue to improve quality controls. Accordingly, we believe that investment in these businesses will become increasingly more attractive as they are abetted by recurring revenue streams from anticipated sales volumes.
- The months of January, March and August have consistently shown heightened levels of new medical marijuana cardholder applications. We believe these numbers could be skewed by the event of college students seeking the flexibility to purchase marijuana during the course of a new semester (beginning in January and August) as well as spring break (March).

## 2014 FINANCIAL REVIEW

We estimate marijuana sales in Colorado totaled \$680 million, the first year in which both a medical (\$375 M) and recreational ((\$305M) market co-existed, representing approximately 25-30% of the legalized U.S. market in 2014 which we estimate was \$2.8 B -- by 2020, we anticipate total sales of \$22 Billion of which we expect Colorado to have 7% share (see our report, “The GreenWave Report: State of the Emerging Marijuana Industry – Current Trends and Projections” for our research on the U.S. market). Given the fact that marijuana commerce has so far penetrated 29% of Colorado’s local jurisdictions (Exhibit 1), these results would arguably be more substantial if commercial availability was to spread into the remaining potentially fertile market areas.

### Exhibit 1: Marijuana Licenses as of December, 31 2014



Source: State of Colorado; GWA estimates

While we believe that the marijuana industry as a whole will continue to thrive in the state of Colorado (we expect about \$1.2 B by 2020 from \$680 M in 2014), we think that the availability of the recreational marketplace may become increasingly more appealing to the current medicinal user (which we discuss further) and that the disruption to current fundamentals will ultimately lead to a combined medical and recreational market at some point in the future. That said, we believe that the medical marijuana market will in time, be recalibrated when the pipeline of new, more targeted medicaments become available and as the medical profession gains more comfort in “pushing” a marijuana treatment rather than a patient having to “pull” a recommendation.

In the following sections of this report, we take a deep dive into what unfolded in 2014, the first full year of a dual track legalized market.

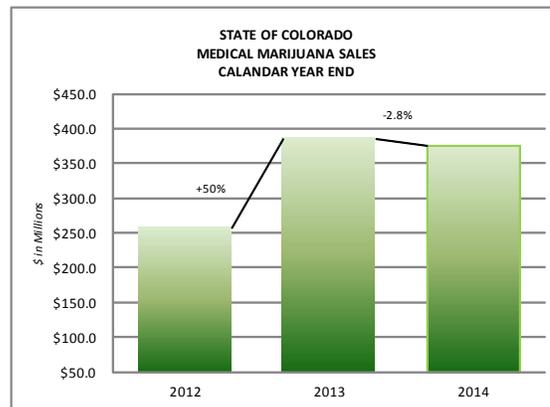
## Colorado Medical Marijuana Retail Market

### Sales Trends

The medical marijuana market experienced significant retail revenue growth from FY 2012 to FY 2014 (Colorado’s fiscal year end is June 30th) of ~ 87%. However, since implementation of a recreational market, the growth rate has decelerated significantly. We attribute this deterioration in fundamentals to a decrease in new medical marijuana cardholder applications, lower renewal rates and lower average spending per patient. Falling prices, primarily the result of excess supply has also impacted revenues.

When we look at sales trends on a calendar year basis (Exhibit 2), we see that sales grew 50% in 2013 to \$386.1M but contracted about 3% in 2014 to \$375M\*.

### Exhibit 2: Medical Marijuana Retail Sales (2012 – 2014)



Source: State of Colorado; GWA estimates

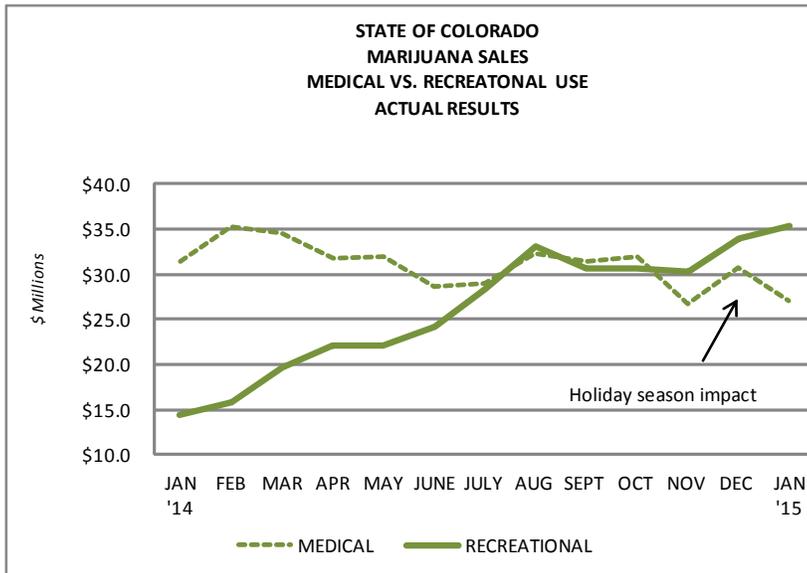
We believe this disruption to the medical marijuana market can be attributed to a number of factors abetting the recreational use market, including convenience in terms of proximity, ease of use in the sense that a doctor’s prescription is not necessary and assurance of confidentiality (as there is no registry requirement). Also, there exists the possibility that prior to adult use legalization, medicinal use cardholders purchased excess supply which was subsequently hoarded or sold in the “secondary” black market – this conclusion is suggested by the sales data in Exhibit 9, which shows that the average patient spend per month on medical marijuana increased just prior to recreational product availability. Also, some medicinal users may find the recreational products more appealing simply because they are subjected to higher lab testing requirements.

Recreational sales can be impacted by seasonality (summer and winter months is benefited from tourism) but regarding the medicinal user, variability is more difficult to understand. Exhibit 3 is a snapshot of what we have seen during the first year in Colorado where adult use and medical marijuana dispensaries have co-existed and also includes just released results for January 2015. While it is not surprising to see an uptick in recreational sales around the holiday season, we find the increased medical marijuana sales in December of particular interest because the number of patients decreased, average spend per patient increased while excess supply continued to pressure pricing. Also illustrated is a directional view of our long term estimates.

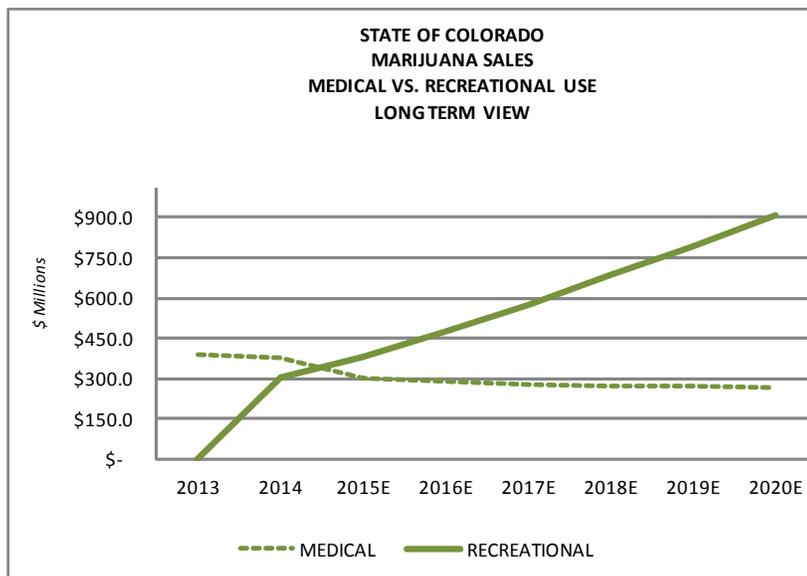
\* We note that prior to 2014, the Department of Revenue reported actual sales and related tax revenues – the effective tax rate that we calculated is approximately 2.75% which is less than the published 2.9% rate. In determining the implied revenues for 2014, we used 2.9% which resulted in a lower sales amount than if we used the historical rate – if we assume 2.8%, then our growth rate would be ~ 0.7% which still demonstrates a sharp deceleration in medical marijuana sales growth.

As we discussed in our initial industry report, we believe that the recreational market will continue to disrupt the medical market. Our view is confirmed by January 2015 results which show a sharp decline in medical sales (- 12%) from December while the recreational market continued an upward trend (+4%).

**Exhibit 3: 2014 Marijuana Retail Sales (Medical vs. Adult Use)**



Source: State of Colorado; GWA estimates



Source: State of Colorado; GWA estimates

## Exhibit 4: 2014 Monthly Medical Marijuana Retail Sales by County

COUNTY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% TOTAL
Adams	\$629,448	\$499,690	\$466,690	\$219,000	\$681,138	\$418,759	\$437,379	\$465,862	\$439,966	\$458,793	\$464,207	\$454,724	\$5,635,655	1.5%
		-20.6%	-6.6%	-53.1%	211.0%	-38.5%	4.4%	6.5%	-5.6%	4.3%	1.2%	-2.0%		
Arapahoe	\$894,862	\$1,063,931	\$1,017,379	\$1,327,034	\$1,016,552	\$998,586	\$1,082,793	\$1,126,483	\$997,966	\$1,062,655	\$918,552	\$1,209,345	\$12,716,138	3.4%
		18.9%	-4.4%	30.4%	-23.4%	-1.8%	8.4%	4.0%	-11.4%	6.5%	-13.6%	31.7%		
Boulder	\$3,376,310	\$3,609,897	\$3,265,586	\$3,054,828	\$2,594,759	\$2,200,103	\$2,469,862	\$2,725,828	\$2,901,828	\$2,437,586	\$2,232,172	\$2,434,621	\$33,303,379	8.9%
		6.9%	-9.5%	-6.5%	-15.1%	-15.2%	12.3%	10.4%	6.5%	-16.0%	-8.4%	9.1%		
Chaffee	\$80,621	\$0	\$0	\$0	\$105,724	\$101,345	\$145,793	\$89,897	\$0	\$0	\$0	\$0	\$523,379	0.1%
		nmf	nmf	nmf	nmf	-4.1%	43.9%	-38.3%	0.0%	nmf	nmf	nmf		
Clear Creek	\$136,276	\$98,103	\$137,310	\$90,759	\$95,448	\$94,724	\$105,172	\$99,517	\$99,310	\$100,552	\$89,138	\$80,379	\$1,226,690	0.3%
		-28.0%	40.0%	-33.9%	5.2%	-0.8%	11.0%	-5.4%	-0.2%	1.3%	-11.4%	-9.8%		
Denver	\$15,273,828	\$16,670,069	\$16,895,310	\$14,520,897	\$15,474,103	\$13,048,793	\$12,967,621	\$14,995,793	\$14,491,207	\$16,575,276	\$12,757,483	\$14,075,103	\$177,745,483	47.3%
		9.1%	1.4%	-14.1%	6.6%	-15.7%	-0.6%	15.6%	-3.4%	14.4%	-23.0%	10.3%		
Eagle	\$142,793	\$285,828	\$167,828	\$296,241	\$183,655	\$134,586	\$116,448	\$230,517	\$53,483	\$296,000	\$234,690	\$268,759	\$2,410,828	0.6%
		100.2%	-41.3%	76.5%	-38.0%	-26.7%	-13.5%	98.0%	-76.8%	45.4%	-20.7%	14.5%		
El Paso	\$4,877,483	\$6,135,483	\$5,352,759	\$4,973,655	\$5,562,138	\$5,458,621	\$5,818,483	\$6,126,655	\$5,863,345	\$5,341,172	\$4,609,724	\$5,849,138	\$65,968,655	17.6%
		25.8%	-12.8%	-7.1%	11.8%	-1.9%	6.6%	5.3%	-4.8%	-8.9%	-13.7%	26.9%		
Fremont	\$162,966	\$174,586	\$227,207	\$196,172	\$160,793	\$408,448	\$252,069	\$240,448	\$262,138	\$157,345	\$112,448	\$197,759	\$2,552,379	0.7%
		7.1%	30.1%	-13.7%	-18.0%	154.0%	-38.3%	-4.6%	9.0%	-40.0%	-28.5%	75.9%		
Garfield	\$574,966	\$366,414	\$451,759	\$345,966	\$491,759	\$381,690	\$407,448	\$495,517	\$569,310	\$431,966	\$272,793	\$284,448	\$5,074,034	1.4%
		-36.3%	23.3%	-23.4%	42.1%	-22.4%	6.7%	21.6%	14.9%	-24.1%	-36.8%	4.3%		
Gilpin	\$43,759	\$31,655	\$33,448	\$41,862	\$44,759	\$43,759	\$33,241	\$40,655	\$38,103	\$0	\$0	\$31,793	\$383,034	0.1%
		-27.7%	5.7%	25.2%	6.9%	-2.2%	-24.0%	22.3%	-6.3%	-100.0%	#DIV/0!	#DIV/0!		
Gunnison	\$68,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57,345	-\$12,069	\$113,966	0.0%
		nmf												
Jefferson	\$1,877,345	\$1,929,103	\$1,990,345	\$2,326,724	\$1,772,138	\$1,696,448	\$1,598,207	\$1,820,897	\$1,778,517	\$1,688,690	\$1,608,310	\$1,781,759	\$21,868,483	5.8%
		2.8%	3.2%	16.9%	-23.8%	-4.3%	-5.8%	13.9%	-2.3%	-5.1%	-4.8%	10.8%		
La Plata	\$462,828	\$449,690	\$573,759	\$790,241	\$524,138	\$555,310	\$583,759	\$564,345	\$664,000	\$547,931	\$432,034	\$514,897	\$6,662,931	1.8%
		-2.8%	27.6%	37.7%	-33.7%	5.9%	5.1%	-3.3%	17.7%	-17.5%	-21.2%	19.2%		
Larimer	\$738,069	\$1,168,862	\$1,106,241	\$1,224,621	\$1,049,207	\$1,122,241	\$1,020,931	\$1,105,034	\$1,237,276	\$1,109,241	\$1,090,414	\$1,166,793	\$13,138,931	3.5%
		58.4%	-5.4%	10.7%	-14.3%	7.0%	-9.0%	8.2%	12.0%	-10.3%	-1.7%	7.0%		
Montezuma	\$147,103	\$91,414	\$0	\$73,586	\$144,000	\$184,552	\$115,655	\$126,517	\$120,586	\$0	\$0	\$112,966	\$1,116,379	0.3%
		-37.9%	nmf	nmf	95.7%	28.2%	-37.3%	9.4%	-4.7%	nmf	nmf	nmf		
Pitkin	\$241,345	\$82,690	\$383,621	\$149,138	\$138,862	\$81,483	\$152,931	\$115,724	\$109,552	\$83,793	\$73,621	\$80,034	\$1,692,793	0.5%
		-65.7%	363.9%	-61.1%	-6.9%	-41.3%	87.7%	-24.3%	-5.3%	-23.5%	-12.1%	8.7%		
Pueblo	\$215,483	\$506,310	\$501,897	\$395,448	\$457,345	\$304,241	\$568,621	\$401,345	\$243,138	\$225,621	\$416,069	\$591,897	\$4,827,414	1.3%
		135.0%	-0.9%	-21.2%	15.7%	-33.5%	86.9%	-29.4%	-39.4%	-7.2%	84.4%	42.3%		
Routt	\$143,828	\$310,966	\$204,414	\$180,241	\$164,172	\$0	\$0	\$368,724	\$189,483	\$0	\$0	\$171,069	\$1,732,897	0.5%
		116.2%	-34.3%	-11.8%	-8.9%	nmf	nmf	nmf	-48.6%	nmf	nmf	nmf		
San Miguel	\$79,966	\$172,966	\$109,552	\$49,276	\$64,241	\$70,172	\$62,862	\$44,793	\$49,069	\$35,034	\$18,345	\$53,759	\$810,034	0.2%
		116.3%	-36.7%	-55.0%	30.4%	9.2%	-10.4%	-28.7%	9.5%	-28.6%	-47.6%	193.0%		
Summit	\$264,862	\$322,172	\$207,000	\$280,000	\$195,138	\$173,483	\$177,552	\$165,172	\$211,310	\$172,276	\$152,310	\$244,448	\$2,565,724	0.7%
		21.6%	-35.7%	35.3%	-30.3%	-11.1%	2.3%	-7.0%	27.9%	-18.5%	-11.6%	60.5%		
Weld	\$720,724	\$702,862	\$567,621	\$507,448	\$500,138	\$451,172	\$313,517	\$263,138	\$281,103	\$361,069	\$306,103	\$477,586	\$5,452,483	1.5%
		-2.5%	-19.2%	-10.6%	-1.4%	-9.8%	-30.5%	-16.1%	6.8%	28.4%	-15.2%	56.0%		
Remainder of State	\$347,138	\$574,759	\$819,586	\$680,379	\$556,759	\$721,828	\$490,759	\$656,345	\$731,379	\$926,414	\$791,172	\$594,517	\$7,891,034	2.1%
		65.6%	42.6%	-17.0%	-18.2%	29.6%	-32.0%	33.7%	11.4%	26.7%	-14.6%	-24.9%		
	<b>\$31,500,690</b>	<b>\$35,247,448</b>	<b>\$34,479,310</b>	<b>\$31,723,517</b>	<b>\$31,976,966</b>	<b>\$28,650,345</b>	<b>\$28,921,103</b>	<b>\$32,269,207</b>	<b>\$31,332,069</b>	<b>\$32,011,414</b>	<b>\$26,636,931</b>	<b>\$30,663,724</b>	<b>\$375,412,724</b>	
% Growth		11.9%	-2.2%	-8.0%	0.8%	-10.4%	0.9%	11.6%	-2.9%	2.2%	-16.8%	15.1%		
% Total		8.4%	9.4%	9.2%	8.5%	8.5%	7.6%	7.7%	8.6%	8.3%	8.5%	7.1%	8.2%	

Source: State of Colorado; GWA estimates

In 2014, the number of medical marijuana dispensaries remained relatively constant (493 in January to 505 by December - Exhibit 14). Because this is the first year in which the state reported monthly data (vs. previously issued quarterly updates), we cannot make year over year sales comparisons.

As shown in Exhibit 11, there is a consistent trend of increased card applications in the months of January, March and August (2011 – 2014) which could possibly stem from college students seeking the flexibility to purchase marijuana during a new semester (January and August) or even spring break (March).

Exhibit 4 above illustrates that the largest sequential increase in sales occurred in December (+15%) which we think is likely due to holiday purchases (similar trend in the recreational market). The months of February and August (both +12%) also contributed favorably to 2014 sales results which is consistent with the increase in new card issuances (February sales boosted by

added card issuances in January) and an increase in monthly spend per month, both +10% (Exhibit 10).

Conversely, the largest monthly decrease in sales occurred in November with a sequential drop of 17% followed by June with a 10% decline. In both of these periods, the number of registered patients declined (Exhibit 10), the number of new applicants fell sharply (Exhibit 8) and monthly spend/month decreased (Exhibit 11).

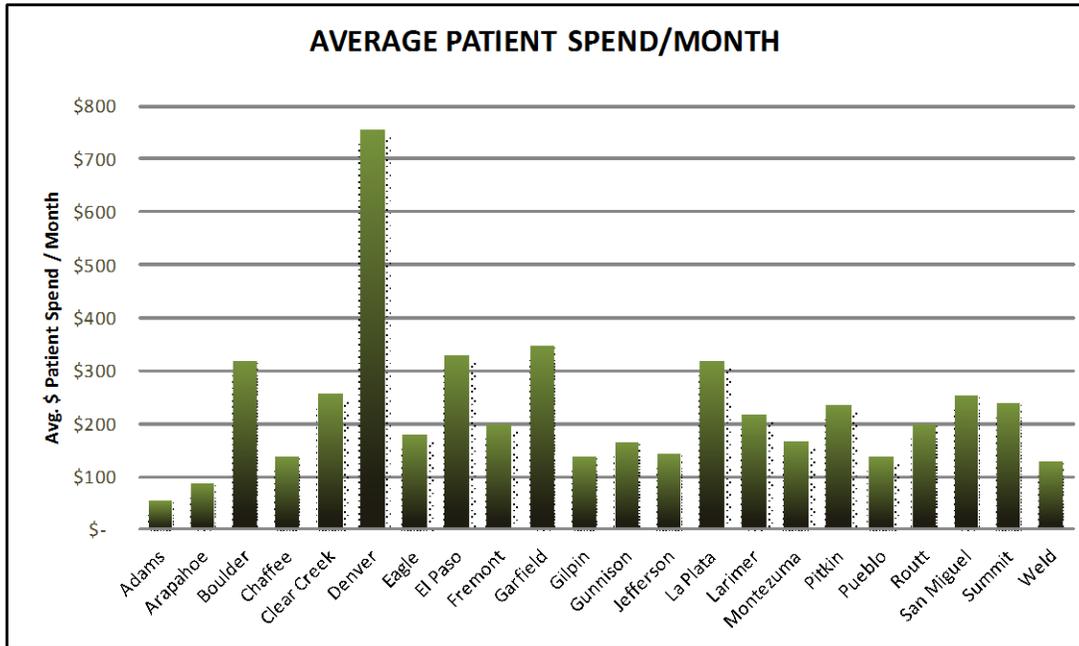
In 2014, 47% of medical marijuana sales were transacted in Denver County. While Arapahoe represented only 3% of the total sales, it showed the highest revenues per dispensary of about \$1.4 million (Exhibit 5) followed by Boulder \$1.3 M and then Weld \$1.1 M. Denver county also posted the largest average spend/month \$754. For historical sales data, by county and quarter from 2012 – 2014 see Appendix 2.

Exhibit 5: Avg Revenues per Medical Dispensary by County and Patient Spend

COUNTY	# DISPENSARIES	POPULATION	AVG # PATIENTS	% POPULATION	#PATIENTS/ DISPENSARY	TOTAL \$ SPEND	AVG \$/ DISPENSARY	AVG \$ SPEND/ MONTH
Adams	7	351,736	8,772	2.5%	1,253	\$ 5,635,655	\$ 805,094	\$ 54
Arapahoe	9	490,722	12,217	2.5%	1,357	\$ 12,716,138	\$ 1,412,904	\$ 87
Boulder	25	276,255	8,752	3.2%	350	\$ 33,303,379	\$ 1,332,135	\$ 317
Chaffee	3	16,312	503	3.1%	168	\$ 816,493	\$ 272,164	\$ 135
Clear Creek	7	9,361	402	4.3%	57	\$ 1,226,690	\$ 175,241	\$ 254
Denver	196	556,738	19,656	3.5%	100	\$ 177,745,483	\$ 906,865	\$ 754
Eagle	10	43,289	1,137	2.6%	114	\$ 2,410,828	\$ 241,083	\$ 177
El Paso	93	519,802	16,784	3.2%	180	\$ 65,968,655	\$ 709,340	\$ 328
Fremont	5	46,370	1,077	2.3%	215	\$ 2,552,379	\$ 510,476	\$ 197
Garfield	12	44,240	1,228	2.8%	102	\$ 5,074,034	\$ 422,836	\$ 344
Gilpin	4	4,809	295	6.1%	74	\$ 481,241	\$ 120,310	\$ 136
Gunnison	2	13,989	280	2.0%	140	\$ 544,186	\$ 272,093	\$ 162
Jefferson	27	526,718	12,800	2.4%	474	\$ 21,868,483	\$ 809,944	\$ 142
La Plata	8	44,578	1,762	4.0%	220	\$ 6,662,931	\$ 832,866	\$ 315
Larimer	16	253,088	5,061	2.0%	316	\$ 13,138,931	\$ 821,183	\$ 216
Montezuma	5	23,852	644	2.7%	129	\$ 1,273,128	\$ 254,626	\$ 165
Pitkin	4	15,764	608	3.9%	152	\$ 1,692,793	\$ 423,198	\$ 232
Pueblo	20	141,854	2,979	2.1%	149	\$ 4,827,414	\$ 241,371	\$ 135
Routt	4	20,123	814	4.0%	204	\$ 1,924,379	\$ 481,095	\$ 197
San Miguel	4	6,615	270	4.1%	68	\$ 810,034	\$ 202,509	\$ 250
Summit	7	25,709	908	3.5%	130	\$ 2,565,724	\$ 366,532	\$ 236
Weld	5	183,076	3,548	1.9%	710	\$ 5,452,483	\$ 1,090,497	\$ 128
Alamosa	3	15,099	221	1.5%	74	\$ 376,033	\$ 125,344	\$ 142
Archuleta	2	10,043	492	4.9%	246	\$ 376,033	\$ 188,017	\$ 64
Costilla	2	3,674	137	3.7%	68	\$ 564,050	\$ 282,025	\$ 344
Grand	2	12,853	376	2.9%	188	\$ 188,017	\$ 94,008	\$ 42
Lake	1	7,940	186	2.3%	186	\$ 564,050	\$ 564,050	\$ 253
Mesa	1	117,651	1,835	1.6%	1,835	\$ 188,017	\$ 188,017	\$ 9
Moffat	1	13,182	175	1.3%	175	\$ 188,017	\$ 188,017	\$ 89
Montrose	1	33,577	597	1.8%	597	\$ 376,033	\$ 376,033	\$ 52
Morgan	2	27,251	197	0.7%	98	\$ 376,033	\$ 188,017	\$ 159
Ouray	2	3,776	164	4.3%	82	\$ 188,017	\$ 94,008	\$ 95
Park	2	14,729	682	4.6%	341	\$ 376,033	\$ 188,017	\$ 46
Saguache	1	5,983	168	2.8%	168	\$ 564,050	\$ 564,050	\$ 280
Sedgwick	1	2,744	58	2.1%	58	\$ 188,017	\$ 188,017	\$ 269
Teller	1	21,068	913	4.3%	913	\$ 188,017	\$ 188,017	\$ 17

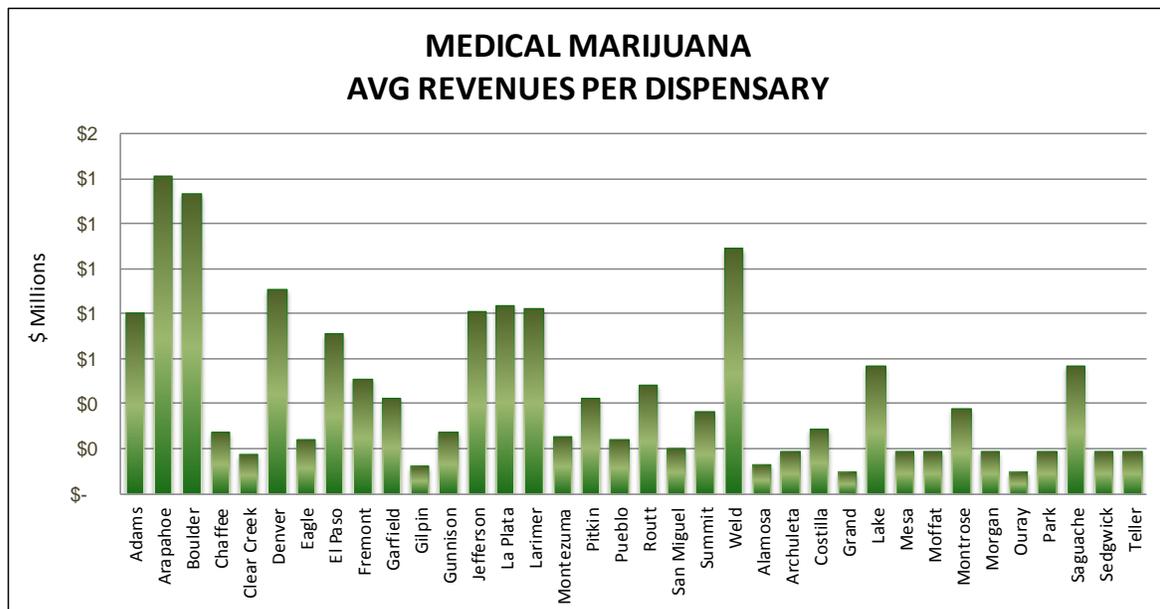
Source: State of Colorado; GWA estimates

Exhibit 6: Average Patient Spend Per Month



Source: State of Colorado; GWA estimates

Exhibit 7: Average Revenues per Dispensary



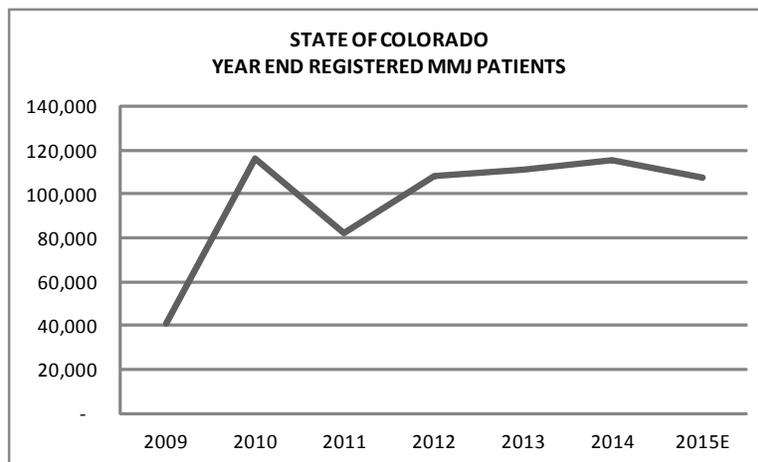
Source: State of Colorado; GWA estimates

## Patient Statistics

### Trends in Registered Patients

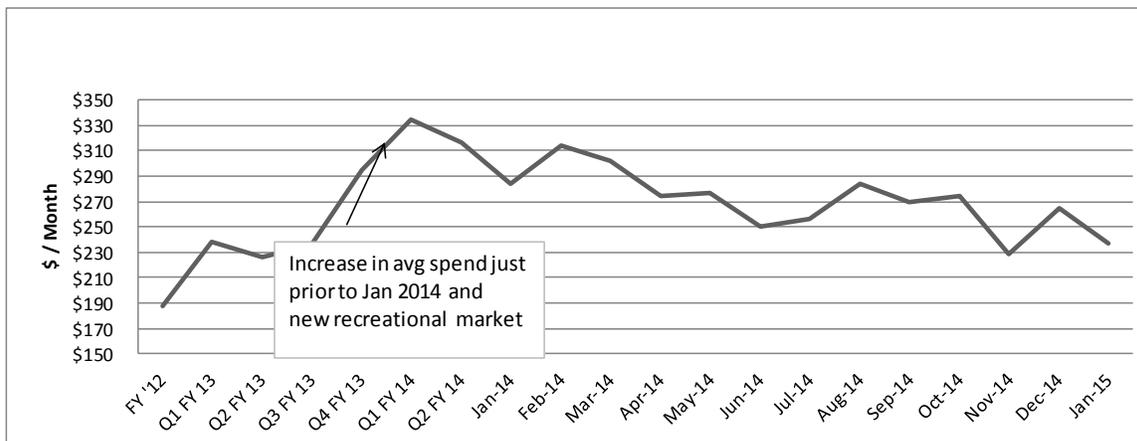
Below in Exhibits 8 to 11 we illustrate various patient statistics. As can be seen in Exhibit 8, the number of registered patients spiked in 2010 and then peaked in June 2011 (128,698 patients). Also noted was an unexplained drop off from 2010 to 2011 (could not be explained to us by personnel within the medical marijuana division). Since 2012, the growth rate in the number of patients has leveled off, possibly due to the anticipation of Amendment 64. For the month of January, 2015, the state reported a decrease of 1.7% and we expect a downward trend to continue for the remainder of this year.

Exhibit 8: Registered Patients and Average Monthly Spend (2009 – 2015E)



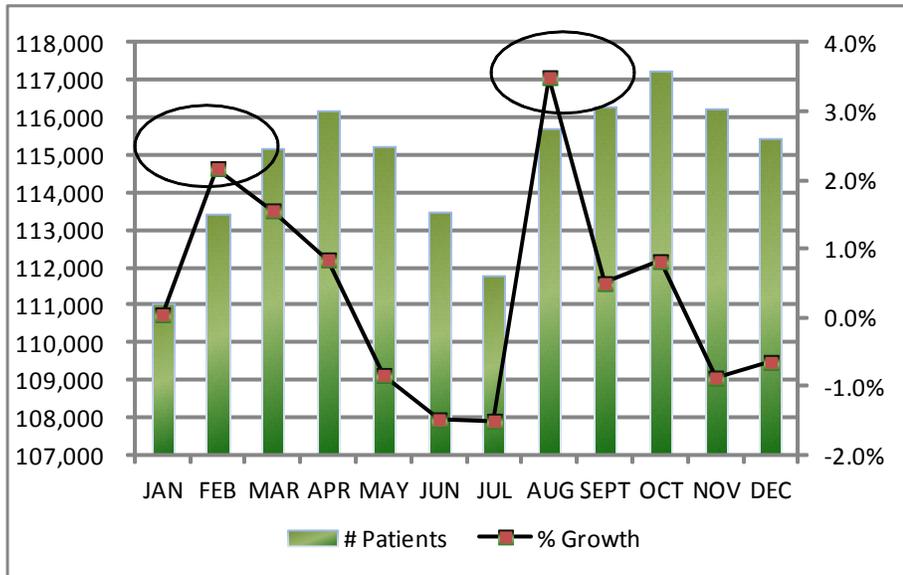
Source: State of Colorado; GWA estimates

Exhibit 9: Trends in Average Patient Spend/Month

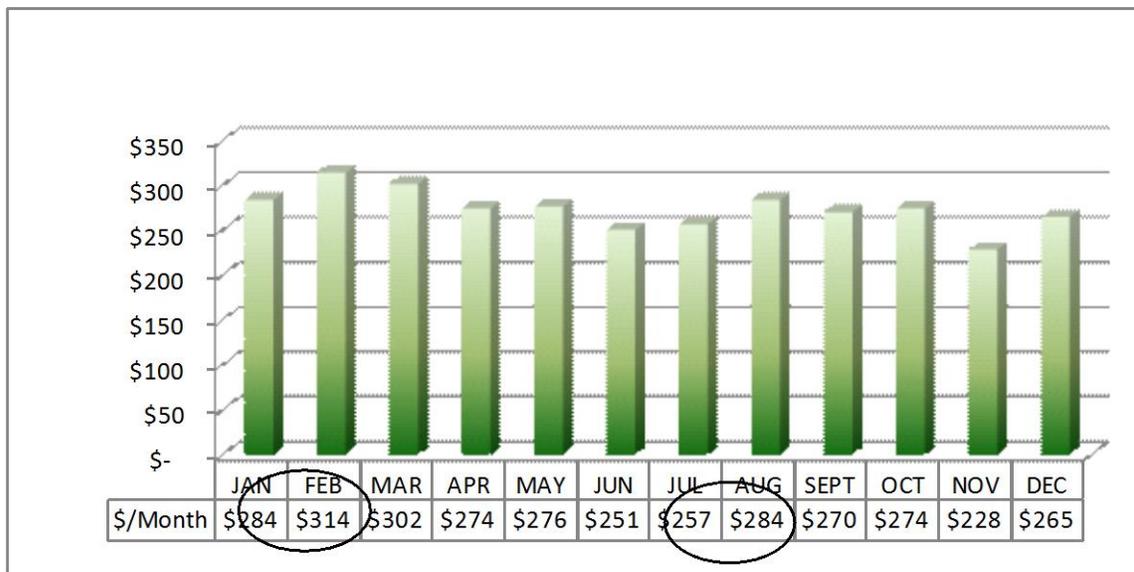


Source: State of Colorado; GWA estimates

### Exhibit 10: Cardholder Count by Month and Average Patient Spend/Month



Source: State of Colorado; GWA estimates



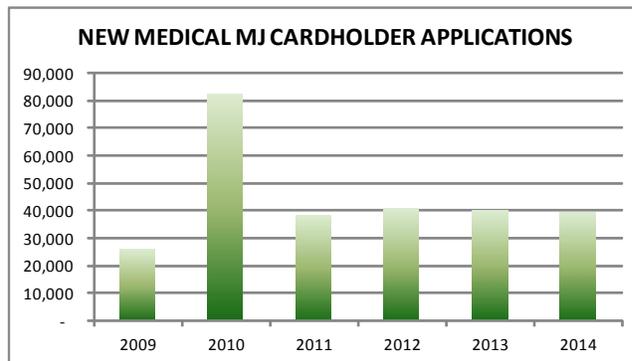
Source: State of Colorado; GWA estimates

### Exhibit 11: New Patient Applications (2009-2014)

	2009	2010	2011	2012	2013	2014	2015
Jan		11,700	3,616	4,203	2,911	3,397	2,660
Feb	427	12,110	3,765	1,619	3,145	3,471	
Mar	589	10,980	4,403	4,158	3,501	3,683	
Apr	930	7,980	2,785	4,072	3,596	3,721	
May	989	6,376	3,672	3,017	3,172	3,011	
Jun	1,491	6,644	4,905	3,077	3,056	2,934	
Jul	2,307	5,071	2,107	1,536	3,514	3,109	
Aug	3,403	4,386	3,123	6,593	3,640	3,491	
Sept	3,186	4,177	3,244	3,202	3,559	3,441	
Oct	4,524	4,524	2,167	3,505	3,865	3,599	
Nov	4,673	4,673	1,924	2,801	3,124	2,704	
Dec	3,382	3,382	2,373	2,673	3,113	2,518	
	25,901	82,003	38,084	40,456	40,196	39,079	
YoY% growth		216.6%	-53.6%	6.2%	-0.6%	-2.8%	

		Monthly Growth Rates					
Jan	245.9%	6.9%	77.1%	8.9%	9.1%	5.6%	
Feb	3.5%	4.1%	-61.5%	8.0%	2.2%		
Mar	37.9%	-9.3%	16.9%	156.8%	11.3%	6.1%	
Apr	57.9%	-27.3%	-36.7%	-2.1%	2.7%	1.0%	
May	6.3%	-20.1%	31.8%	-25.9%	-11.8%	-19.1%	
Jun	50.8%	4.2%	33.6%	2.0%	-3.7%	-2.6%	
Jul	54.7%	-23.7%	-57.0%	-50.1%	15.0%	6.0%	
Aug	47.5%	-13.5%	48.2%	329.2%	3.6%	12.3%	
Sept	-6.4%	-4.8%	3.9%	-51.4%	-2.2%	-1.4%	
Oct	42.0%	8.3%	-33.2%	9.5%	8.6%	4.6%	
Nov	3.3%	3.3%	-11.2%	-20.1%	-19.2%	-24.9%	
Dec	-27.6%	-27.6%	23.3%	-4.6%	-0.4%	-6.9%	

Source: State of Colorado; GWA estimates



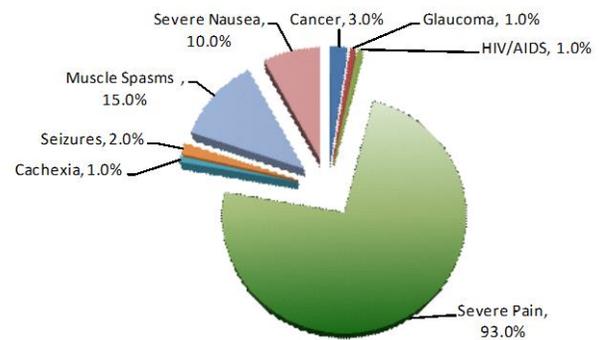
Source: State of Colorado; GWA estimates

Since “chronic pain” (loosely defined), has been the most common ailment among patients since implementation of a medical marijuana program, it is likely that a number of recreational users were already able to purchase marijuana without great difficulty.

Exhibit 12 shows the composition of current cardholders (as of 12/31/14) and also highlights our assumed potential market size based upon the qualifying conditions allowable under state law. As can be further seen, we believe the market remains significantly under penetrated (per our definition) at about 28%, although it appears to be near or at peak, based upon the historic trends which we have observed.

**Exhibit 12: Reported Patient Ailments as of December 31, 2014**

	Reported	Potential Market
Cancer: New Cases		23,810
5 Yr Survival		66,100
	3,870	89,910
Glaucoma	1,254	35,859
Alzheimers	-	63,000
HIV/AIDS	686	10,381
Crohns		22,540
MS		6,440
MD		789
Epilepsy	2,619	37,030
Other (1)	138,072	151,470
Cachexia	1,024	
Severe Pain	107,848	
Severe Nausea	11,556	
Musle Spasms	17,644	
	146,501	507,329
# Patients @ 12/31 (2)		115,467
% Penetration		22.8%



Source: State of Colorado

(1) Estimated at 3% of state population

(2) Some patients report more than one debilitating medical condition

Source: <http://www.cdfa.org>; [www.alz.org](http://www.alz.org); [www.msfocus.org](http://www.msfocus.org); [www.cdc.gov](http://www.cdc.gov); [www.kff.org/hiveaids](http://www.kff.org/hiveaids); [www.visionproblemsus.org](http://www.visionproblemsus.org); [www.cancer.org](http://www.cancer.org); GWA

### Other Statistics and Analysis

While current regulations allow, on average, each dispensary to cultivate 6 plants per registered patient, the data provided by the state indicates that actual marijuana production was far less than what is allowable under current law. Based upon our extrapolation of the data provided, we estimate that at current production levels, the average medical marijuana patient purchased about 1.35 ounces of flower per month in 2014 and, if the maximum allowable cultivation occurred, each patient would consume about 2.8 ounces – an amount that is likely not affordable by the average patient.

Based on other data provided by the Marijuana Enforcement Division and Department of Revenue, we were able to ascertain an approximate sales mix of flower (~ 75%) to infused product (~25%)

as shown in Exhibit 13. We assume that the average price/oz of medical marijuana ranged from \$130 to \$230 during the year and that the unit cost of an infused product remains constant at about \$40. (Note that we excluded January in our calculation as the state indicates not all data was captured in this month).



## Exhibit 13: Medical Marijuana Market - Other Data and Analysis

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>MEDICAL MARIJUANA</b>													
Avg Authorized Medical Plants	550,187	602,830	636,429	653,019	648,380	649,256	657,985	660,733	648,493	624,034	618,582	616,575	7,566,503
Avg Vegetative Retail Plants	115,279	188,505	191,276	188,583	187,039	184,973	182,454	175,210	173,244	172,961	170,582	170,055	2,100,161
Avg. Flower Retail Plants	79,197	130,189	128,613	122,666	122,540	126,750	131,188	130,659	131,794	127,847	125,695	132,737	1,489,875
Avg. Cultivated Medical Plants	194,476	318,694	319,889	311,249	309,579	311,723	313,642	305,869	305,038	300,808	296,277	302,792	
% growth		63.9%	0.4%	-2.7%	-0.5%	0.7%	0.6%	-2.5%	-0.3%	-1.4%	-1.5%	2.2%	
% Cultivated to Authorized Cultivation	35.3%	52.9%	50.3%	47.7%	47.7%	48.0%	47.7%	46.3%	47.0%	48.2%	47.9%	49.1%	
Implied # Patients (6 plants/patient)	91,698	100,472	106,072	108,837	108,063	108,209	109,664	110,122	108,082	104,006	103,097	102,763	
Month end # of patients	111,031	113,441	115,208	116,180	115,210	113,506	111,804	115,710	116,287	117,239	116,216	115,467	
Average # of patients	111,005	112,236	114,325	115,694	115,695	114,358	112,655	113,757	115,999	116,763	116,728	115,842	
Avg. Flower Retail Plants/Total Authorized	14.4%	21.6%	20.2%	18.8%	18.9%	19.5%	19.9%	19.8%	20.3%	20.5%	20.3%	21.5%	
Avg. Flower Retail Plants/Total Cultivated	40.7%	40.9%	40.2%	39.4%	39.6%	40.7%	41.8%	42.7%	43.2%	42.5%	42.4%	43.8%	
# Pounds of Flower Sold	3,150	7,686	9,819	8,955	11,338	10,020	9,624	11,531	10,148	9,692	8,816	8,799	109,578
Pounds Sold/# Flower Plants	4.0%	5.9%	7.6%	7.3%	9.3%	7.9%	7.3%	8.8%	7.7%	7.6%	7.0%	6.6%	
# ozs sold/patient		1.10	1.37	1.24	1.57	1.40	1.37	1.62	1.40	1.33	1.21	1.22	1.35
Max # Flower Retail Plants	224,054	246,261	255,880	257,361	256,647	263,995	275,217	282,247	280,186	265,222	262,432	270,292	3,139,794
Potential Pounds of Flower Sales	8,912	14,539	19,535	18,788	23,746	20,870	20,190	24,909	21,574	20,106	18,406	17,917	229,493
max # ozs sold/patient		2.07	2.73	2.60	3.28	2.92	2.87	3.50	2.98	2.76	2.52	2.47	2.79
<b>Infused Products</b>													
Sales volume edibles	53,760	139,750	196,891	185,068	171,999	157,038	171,272	179,469	167,707	177,569	169,136	195,258	1,964,917
% growth		160.0%	40.9%	-6.0%	-7.1%	-8.7%	9.1%	4.8%	-6.6%	5.9%	-4.7%	15.4%	
Sales volume non-edibles	12,141	27,769	31,945	34,197	36,082	37,259	35,297	42,410	38,411	42,211	36,573	36,804	411,099
% growth		128.7%	15.0%	7.0%	5.5%	3.3%	-5.3%	20.2%	-9.4%	9.9%	-13.4%	0.6%	
	65,901	167,519	228,836	219,265	208,081	194,297	206,569	221,879	206,118	219,780	205,709	232,062	
Assumed Avg Price/Oz		\$ 230.00	\$ 160.00	\$ 160.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 130.00	\$ 145.00	\$ 150.00	\$ 130.00	\$ 150.00	
EST INFUSED PRODUCT SALES (avg. unit cost \$40)	\$ 2,636,040	\$ 6,700,760	\$ 9,153,440	\$ 8,770,600	\$ 8,323,240	\$ 7,771,880	\$ 8,262,760	\$ 8,875,160	\$ 8,244,720	\$ 8,791,200	\$ 8,228,360	\$ 9,282,480	\$ 92,404,600
EST FLOWER SALES (avg. price/oz \$250)	\$ 6,300,000	\$ 28,284,480	\$ 25,136,640	\$ 22,924,800	\$ 23,583,040	\$ 20,841,600	\$ 20,017,920	\$ 23,984,480	\$ 23,543,360	\$ 23,260,800	\$ 18,337,280	\$ 21,117,600	\$ 251,032,000
	\$ 8,936,040	\$ 34,985,240	\$ 34,290,080	\$ 31,695,400	\$ 31,906,280	\$ 28,613,480	\$ 28,280,680	\$ 32,859,640	\$ 31,788,080	\$ 32,052,000	\$ 26,565,640	\$ 30,400,080	\$ 343,436,600
<b>IMPLIED REVENUES FROM SALES TAX</b>	<b>\$ 31,500,690</b>	<b>\$ 35,247,448</b>	<b>\$ 34,479,310</b>	<b>\$ 31,723,517</b>	<b>\$ 31,976,966</b>	<b>\$ 28,650,345</b>	<b>\$ 28,921,103</b>	<b>\$ 32,269,207</b>	<b>\$ 31,332,069</b>	<b>\$ 32,011,414</b>	<b>\$ 26,636,931</b>	<b>\$ 30,663,724</b>	<b>\$ 375,412,724</b>
Source: State of Colorado; GWA estimates													\$ 343,912,034

27%  
73%  
99.9%

## Colorado Recreational Marijuana Retail Market

### Regulatory Changes

Two important changes occurred in the retail marijuana market as of October 1st that likely impacted pricing -- the elimination of 1.) Vertical integration requirements and 2.) Temporary barriers to entry.

#### ***Elimination of Vertical Integration Requirements***

Similar to implementation of the medicinal marijuana market, when the recreational market was established, regulations required full integration of retail businesses, meaning that an enterprise that sold product, was also required to cultivate, process, and manufacture the marijuana available for sale. The minimum grow requirement was 70%, which meant that up to 30% of the flower sold could be purchased from another cultivator or dispensary. The intent was to “to regulate the adult-use marijuana industry and inhibit the diversion of legal marijuana, both within Colorado and to neighboring states.”

#### ***Elimination of the Temporary Barriers to Entry***

For the first nine months of the year, temporary barriers to entry protected the financial interests of existing medical marijuana license holders as recreational licenses were only awarded to established medical marijuana licensee holders. However, the landscape changed and new entrants (those that did not hold an existing medical marijuana license) were permitted to enter the market. As shown in Exhibit 14, the number of licensed retail dispensaries climbed from 221 in July (when applications were received) to 322 by the end of the year and similarly, the number of cultivators went from 293 to 397 in that same time period.

Exhibit 14: State of Colorado Licensed Marijuana Facility Counts

	2014												2015
	Jan	Feb	March	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
<b>MEDICAL</b>													
Dispensaries	493	493	489	490	493	493	496	496	493	497	504	505	
Cultivators	713	717	715	719	727	729	731	735	725	737	739	748	
% Retail/Wholesale	69%	69%	68%	68%	68%	68%	68%	67%	68%	67%	68%	68%	
Infused Product Manufacturers	129	130	134	139	144	149	152	155	154	158	158	163	
# Patients (end of month)	111,031	113,441	115,208	116,180	115,210	113,506	111,804	115,710	116,287	117,239	116,216	115,467	113,453
		2.2%	1.6%	0.8%	-0.8%	-1.5%	-1.5%	3.5%	0.5%	0.8%	-0.9%	-0.6%	-1.7%
<b>ADULT USE</b>													
	<i>Dec</i>												
Dispensaries	136	169	188	197	205	212	221	242	282	292	306	322	
Cultivators	178	204	220	243	259	272	279	293	316	347	359	375	397
% Retail/Wholesale	76%	77%	77%	76%	75%	76%	75%	77%	81%	81%	82%	81%	
Infused Product Manufacturers	31	36	39	49	58	63	66	73	85	89	92	98	

Source: State of Colorado; GWA estimates

## Exhibit 15: Dispensary Count by County as of December 31, 2014

COUNTY	# DISPENSARIES			COUNTY	# DISPENSARIES		
	MEDICAL	ADULT USE	TOTAL		MEDICAL	ADULT USE	TOTAL
Adams	7	9	16	Larimer	16	7	23
Alamosa	3		3	Las Animas	3	5	8
Arapahoe	9	17	26	Mesa	1	2	3
Archuleta	2	2	4	Moffat	1		1
Boulder	25	23	48	Montezuma	5	4	9
Chaffee	3	3	6	Montrose	1		1
Clear Creek	7	8	15	Morgan	2	2	4
Costilla	2	1	3	Ouray	2	3	5
Denver	196	134	330	Park	2	7	9
Eagle	10	7	17	Pitkin	4	6	10
El Paso	93	2	95	Pueblo	20	12	32
Fremont	5		5	Routt	4	3	7
Garfield	12	9	21	Saguache	1	3	4
Gilpin	4	6	10	San Juan		1	1
Grand	2	4	6	San Miguel	4	4	8
Gunnison	2	3	5	Sedgwick	1	1	2
Jefferson	27	11	38	Summit	7	9	16
La Plata	8	3	11	Teller	1		1
Lake	1	3	4	Weld	5	4	9
				Remainder	7	4	11
				<b>Grand Total</b>	<b>505</b>	<b>322</b>	<b>827</b>

Source: State of Colorado; GWA Estimates

### Sales Trends

As this is the first year of a recreational market, we cannot make year over year comparisons though we will continue to monitor and analyze monthly sales data as we continue our research effort in subsequent reports. Exhibit 16 recaps sales activity by county -- we believe that monthly variations could be explained by added dispensary counts throughout the year as well as some degree of seasonality, particularly in resort and college towns. In addition, we note the uptick in sales for the month of December which we believe is likely due to holiday purchases.

The months of October and November likely showed sequential decreases due to pricing pressure from an oversupply aggravated by new entrants into the marketplace. Over time, we believe that market forces will dictate which suppliers and distributors are most able to successfully navigate the ebbs and flows of a young market place experiencing the growing pains associated with this new paradigm. When competition levels off, pricing will most likely find a more constant balance, wherein we expect prices to rise from current levels.

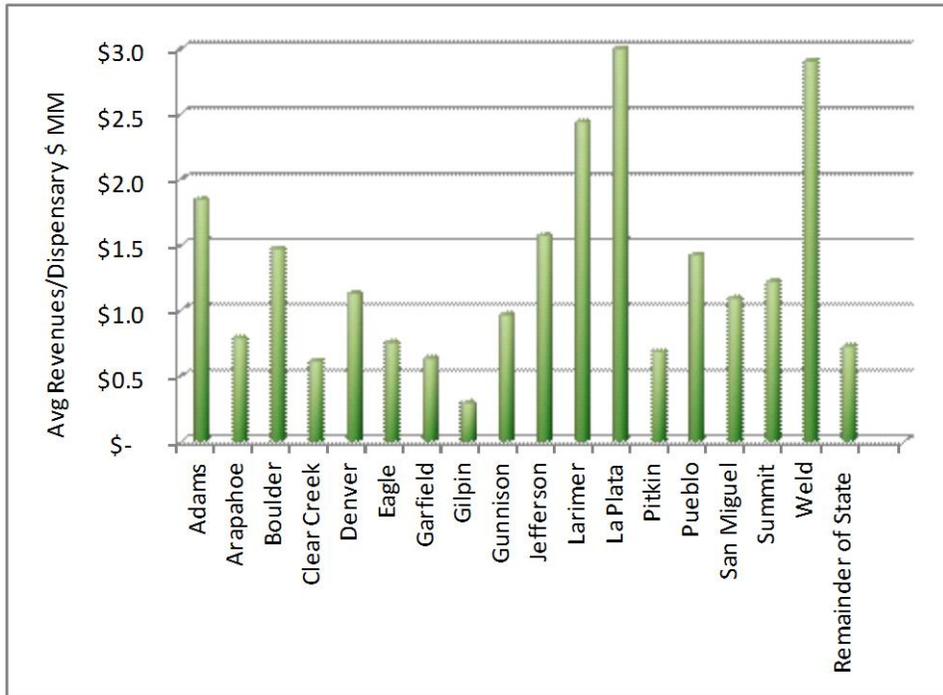
## Exhibit 16: 2014 Monthly Recreational Retail Sales by County

COUNTY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% TOTAL
Adams											\$1,327,241	\$1,443,034 9%	<b>\$2,770,276</b>	0.9%
Arapahoe											\$809,207	\$1,423,172 76%	<b>\$2,232,379</b>	0.7%
Boulder			\$1,384,000	\$1,847,103 33.5%	\$2,310,310 25.1%	\$2,655,828 15.0%	\$3,186,931 20.0%	\$3,440,310 8.0%	\$3,499,966 1.7%	\$3,442,310 -1.6%	\$3,138,621 -8.8%	\$3,230,897 2.9%	<b>\$28,136,276</b>	9.2%
Clear Creek	\$440,345	\$430,724 -2.2%	\$550,759 27.9%	\$315,621 -42.7%	\$408,552 29.4%	\$394,552 -3.4%	\$478,483 21.3%	\$484,897 1.3%	\$382,172 -21.2%	\$305,793 -20.0%	\$297,586 -2.7%	\$409,207 37.5%	<b>\$4,898,690</b>	1.6%
Denver	\$8,853,655	\$8,472,724 -4.3%	\$10,176,759 20.1%	\$13,254,103 30.2%	\$11,411,724 -13.9%	\$12,633,690 10.7%	\$13,627,310 7.9%	\$14,947,828 9.7%	\$14,012,966 -6.3%	\$14,648,793 4.5%	\$14,476,862 -1.2%	\$14,447,759 -0.2%	<b>\$150,964,172</b>	49.6%
Eagle								\$336,276	\$385,069 14.5%	\$364,241 -5.4%	\$373,655 2.6%	\$734,034 96.4%	<b>\$2,193,276</b>	0.7%
Garfield					\$291,793	\$393,414 34.8%	\$392,621 -0.2%	\$567,000 44.4%	\$551,759 -2.7%	\$530,724 -3.8%	\$499,138 -6.0%	\$567,724 13.7%	<b>\$3,794,172</b>	1.2%
Gilpin	\$185,517	\$235,621 27.0%	\$136,828 -41.9%	\$130,724 -4.5%	\$134,862 3.2%	\$180,483 33.8%	\$144,552 -19.9%	\$158,000 9.3%	\$130,172 -17.6%	\$0 nmf	\$0 nmf	\$78,552 nmf	<b>\$1,515,310</b>	0.5%
Gunnison							\$218,138	\$409,828 87.9%	\$257,241 -37.2%	\$185,207 -28.0%	\$110,862 -40.1%	\$265,448 139.4%	<b>\$1,446,724</b>	0.5%
Jefferson	\$841,931	\$860,724 2.2%	\$1,038,621 20.7%	\$1,351,138 30.1%	\$1,411,034 4.4%	\$1,404,241 -0.5%	\$1,549,966 10.4%	\$1,933,448 24.7%	\$1,645,793 -14.9%	\$1,668,000 1.3%	\$1,628,138 -2.4%	\$1,945,483 19.5%	<b>\$17,278,517</b>	5.7%
Larimer							\$1,189,000	\$1,331,862 12.0%	\$1,371,690 3.0%	\$1,492,276 8.8%	\$1,495,000 0.2%	\$1,647,103 10.2%	<b>\$8,526,931</b>	2.8%
La Plata											\$655,069	\$841,586 28.5%	<b>\$1,496,655</b>	0.5%
Pitkin				\$231,517	\$184,828 -20.2%	\$320,552 73.4%	\$498,621 55.6%	\$490,759 -1.6%	\$311,483 -36.5%	\$241,414 -22.5%	\$223,379 -7.5%	\$580,586 159.9%	<b>\$3,083,138</b>	1.0%
Pueblo		\$526,276	\$1,770,000 236.3%	\$1,124,241 -36.5%	\$1,433,069 27.5%	\$1,758,207 22.7%	\$1,844,862 4.9%	\$1,435,345 -22.2%	\$1,935,379 34.8%	\$1,127,345 -41.8%	\$1,356,897 20.4%	\$1,326,138 -2.3%	<b>\$15,637,759</b>	5.1%
San Miguel	\$417,966	\$199,517 -52.3%	\$331,724 66.3%	\$208,069 -37.3%	\$266,897 28.3%	\$320,517 20.1%	\$706,034 120.3%	\$606,517 -14.1%	\$511,207 -15.7%	\$284,793 -44.3%	\$153,552 -46.1%	\$350,276 128.1%	<b>\$4,357,069</b>	1.4%
Summit	\$1,285,310	\$1,089,103 -15.3%	\$1,001,862 -8.0%	\$784,862 -21.7%	\$1,100,138 40.2%	\$688,241 -37.4%	\$994,759 44.5%	\$966,931 -2.8%	\$734,276 -24.1%	\$561,069 -23.6%	\$790,966 41.0%	\$957,103 21.0%	<b>\$10,954,621</b>	3.6%
Weld				\$516,345	\$690,207 33.7%	\$777,586 12.7%	\$1,140,414 46.7%	\$1,255,793 10.1%	\$1,173,655 -6.5%	\$1,104,862 -5.9%	\$970,897 -12.1%	\$1,069,483 10.2%	<b>\$8,699,241</b>	2.9%
Remainder of State	\$2,343,862	\$3,297,483	\$3,247,552	\$2,295,862	\$2,498,759	\$2,614,345	\$2,341,345	\$4,634,276	\$3,680,483	\$4,672,483	\$1,950,310	\$2,649,069	<b>\$36,225,828</b>	11.9%
<b>TOTALS</b>	<b>\$14,368,586</b>	<b>\$15,112,172</b>	<b>\$19,638,103</b>	<b>\$22,059,586</b>	<b>\$22,142,172</b>	<b>\$24,141,655</b>	<b>\$28,313,034</b>	<b>\$32,999,069</b>	<b>\$30,583,310</b>	<b>\$30,629,310</b>	<b>\$30,257,379</b>	<b>\$33,966,655</b>	<b>\$304,211,034</b> <sup>(1)</sup>	
% growth		5.2%	29.9%	12.3%	0.4%	9.0%	17.3%	16.6%	-7.3%	0.2%	-1.2%	12.3%		
% Total	4.7%	5.0%	6.5%	7.3%	7.3%	7.9%	9.3%	10.8%	10.1%	10.1%	9.9%	11.2%		

Source: State of Colorado; GWA estimates (1) small difference from total estimated of \$305M due to aggregating remainder of state revs

Exhibit 16 highlights the average revenues per dispensary by county which we straight lined on an annualized basis for those businesses that were not in operation for the full year. LaPlata on average captured the most revenues per dispensary with about \$3 million (nearly twice the amount garnered in Arapahoe which posted the highest revenues for medical marijuana at \$1.4 million).

### Exhibit 17: Average Revenues per Dispensary by County



Source: State of Colorado; GWA estimates

Similar to our analysis for the medical marijuana market, we were able to approximate the percentage of sales that were flower (~45%) vs. infused product (~55%) using a constant average price of \$250/oz for the year and \$40/unit for infused product.

While we expect the popularity of edible products to remain strong, we believe that future sales could be tempered by new rules slated for 2016 which will limit unit purchases to a “marijuana flower equivalent” (see section on State Regulatory Environment).

We also note that about 12,400 occupational licenses were issued in 2014 (Exhibit 18) which we believe provides a framework for the number of jobs created during the year.

## Exhibit 18: Recreational Marijuana Market – Other Data and Analysis

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTAL
<b>RETAIL MARIJUANA</b>													
# Licensed Retail Stores	156	169	188	197	205	212	221	242	282	292	306	322	
% Operational (assumption)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Production Limit (# plants)	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	
Avg. Authorized Retail Plants	280,800	304,200	338,400	354,600	369,000	381,600	397,800	435,600	507,600	525,600	550,800	579,600	5,025,600
Avg Vegetative Retail Plants	12,756	31,536	50,536	70,161	81,483	87,666	94,106	98,693	103,519	114,946	124,291	126,132	995,825
Avg. Flower Retail Plants	12,010	23,382	32,490	42,580	49,368	57,096	61,711	66,809	75,879	81,006	84,469	90,670	677,470
Avg. Cultivated Recreational Plants	24,766	54,918	83,026	112,741	130,851	144,762	155,817	165,502	179,398	195,952	208,760	216,802	1,673,295
% growth		122%	51%	36%	16%	11%	8%	6%	8%	9%	7%	4%	
% Cultivated to Authorized Cultivation	9%	18%	25%	32%	35%	38%	39%	38%	35%	37%	38%	37%	33%
Avg. Flower Retail Plants/Total Authorized	4%	8%	10%	12%	13%	15%	16%	15%	15%	15%	15%	16%	13%
Avg. Flower Retail Plants/Total Cultivated	48%	43%	39%	38%	38%	39%	40%	40%	42%	41%	40%	42%	40%
# Pounds of Flower Sold	1,070	1,262	2,187	2,180	2,627	3,075	4,181	4,573	4,112	4,319	4,125	4,949	38,660
Pounds Sold/# Flower Plants	9%	5%	7%	5%	5%	5%	7%	7%	5%	5%	5%	5%	6%
Max # Flower Retail Plants	136,171	129,517	132,424	133,925	139,218	150,508	157,548	175,841	214,697	217,282	222,866	242,398	
Potential Pounds of Flower Sales	12,132	6,990	8,914	6,857	7,408	8,106	10,674	12,036	11,635	11,585	10,884	13,231	
<b>Infused Products</b>													
Sales volume edibles	69,406	111,519	185,520	205,729	201,358	235,989	313,222	344,313	268,005	282,906	274,319	358,447	2,850,733
% growth		61%	66%	11%	-2%	17%	33%	10%	-22%	6%	-3%	31%	
Sales volume non-edibles	7,235	12,257	21,169	30,440	25,699	31,397	36,079	42,273	38,292	40,029	35,879	38,663	359,412
% growth		69%	73%	44%	-16%	22%	15%	17%	-9%	5%	-10%	8%	
	76,641	123,776	206,689	236,169	227,057	267,386	349,301	386,586	306,297	322,935	310,198	397,110	
EST INFUSED PRODUCT SALES (avg. unit cost \$40)	\$ 3,065,640	\$ 4,951,040	\$ 8,267,560	\$ 9,446,760	\$ 9,082,280	\$ 10,695,440	\$ 13,972,040	\$ 15,463,440	\$ 12,251,880	\$ 12,917,400	\$ 12,407,920	\$ 15,884,400	\$ 128,405,800
EST FLOWER SALES (avg. price/oz \$250)	\$ 4,280,000	\$ 5,048,000	\$ 8,748,000	\$ 8,720,000	\$ 10,508,000	\$ 12,300,000	\$ 16,724,000	\$ 18,292,000	\$ 16,448,000	\$ 17,276,000	\$ 16,500,000	\$ 19,795,000	\$ 154,640,000
	\$ 7,345,640	\$ 9,999,040	\$ 17,015,560	\$ 18,166,760	\$ 19,590,280	\$ 22,995,440	\$ 30,696,040	\$ 33,755,440	\$ 28,699,880	\$ 30,193,400	\$ 28,907,920	\$ 35,680,400	\$ 283,045,800
<b>IMPLIED REVENUES FROM SALES TAX</b>	<b>\$ 14,368,586</b>	<b>\$ 15,112,172</b>	<b>\$ 19,638,103</b>	<b>\$ 22,059,586</b>	<b>\$ 22,142,172</b>	<b>\$ 24,141,655</b>	<b>\$ 28,313,034</b>	<b>\$ 32,999,069</b>	<b>\$ 30,583,310</b>	<b>\$ 30,629,310</b>	<b>\$ 30,257,379</b>	<b>\$ 33,966,655</b>	<b>\$ 304,211,034</b>
<b>COMBINED MEDICAL AND RECREATIONAL</b>													
Total Average Vegetative Plants	128,035	220,041	241,812	258,744	268,522	272,639	276,560	273,903	276,763	287,907	294,873	296,187	
% Medical	90%	86%	79%	73%	70%	68%	66%	64%	63%	60%	58%	57%	
% Retail	10%	14%	21%	27%	30%	32%	34%	36%	37%	40%	42%	43%	
Total Average Flower Plants	91,207	153,571	161,103	165,246	171,908	183,846	192,899	197,468	207,673	208,853	210,164	223,407	2,167,345
% Medical	87%	85%	80%	74%	71%	69%	68%	66%	63%	61%	60%	59%	
% Retail	13%	15%	20%	26%	29%	31%	32%	34%	37%	39%	40%	41%	31%
Total Flower Sold	4,220	8,948	12,006	11,135	13,965	13,095	13,805	16,104	14,260	14,011	12,941	13,748	148,238
% Medical	75%	86%	82%	80%	81%	77%	70%	72%	71%	69%	68%	64%	
% Retail	25%	14%	18%	20%	19%	23%	30%	28%	29%	31%	32%	36%	26%
Total Edible Units Sold	123,166	251,269	382,411	390,797	373,357	393,027	484,494	523,782	435,712	460,475	443,455	553,705	4,815,650
% Medical	44%	56%	51%	47%	46%	40%	35%	34%	38%	39%	38%	35%	
% Retail	56%	44%	49%	53%	54%	60%	65%	66%	62%	61%	62%	65%	59%
Total Non Edible Units Sold	19,376	40,026	53,114	64,637	61,781	68,656	71,376	84,683	76,703	82,240	72,452	75,467	770,511
% Medical	63%	69%	60%	53%	58%	54%	49%	50%	50%	51%	50%	49%	
% Retail	37%	31%	40%	47%	42%	46%	51%	50%	50%	49%	50%	51%	47%
# Occupational Licenses Issued	1,321	1,285	1,285	1,222	1,225	980	873	807	960	997	735	744	12,434

Source: State of Colorado; GWA estimates

## Colorado Recreational Marijuana Wholesale Market

The state of Colorado imposes a 15% excise tax on “the first sale or transfer from a retail marijuana cultivation facility to a retail marijuana store, retail marijuana product manufacturing facility or to another retail marijuana cultivation facility.” Semi-annually, the state publishes market rates (flower, trim and immature plant) from which excises taxes are calculated – our assumptions below are predicated on these published rates (we have excluded immature plant in our calculation as amounts are immaterial).

### Exhibit 19: Estimated Recreational Use Wholesale Market 2014

ASSUMPTIONS	
Flower:	\$1,876 /Pound
Trim:	\$296 /Pound
Trim Yield:	20%

2014	REPORTED	LBS PRODUCED		ESTIMATED WHOLESALE REVENUES			Seq Growth %
	EXCISE TAX @15%	FLOWER	TRIM	FLOWER	TRIM	TOTAL	
JAN	\$ 195,318.0	672.9	134.6	\$ 1,262,286.65	\$ 39,833.35	\$ 1,302,120.00	
FEB	\$ 339,615.0	1,170.0	234.0	\$ 2,194,838.57	\$ 69,261.43	\$ 2,264,100.00	73.9%
MAR	\$ 609,907.0	2,101.1	420.2	\$ 3,941,661.61	\$ 124,385.06	\$ 4,066,046.67	79.6%
APR	\$ 734,351.0	2,529.8	506.0	\$ 4,745,909.04	\$ 149,764.29	\$ 4,895,673.33	20.4%
MAY	\$ 1,135,648.0	3,912.3	782.5	\$ 7,339,381.45	\$ 231,605.21	\$ 7,570,986.67	54.6%
JUN	\$ 969,637.0	3,340.4	668.1	\$ 6,266,497.91	\$ 197,748.76	\$ 6,464,246.67	-14.6%
JUL	\$ 1,397,930.0	4,815.8	963.2	\$ 9,034,438.06	\$ 285,095.27	\$ 9,319,533.33	44.2%
AUG	\$ 1,464,796.0	5,046.1	1,009.2	\$ 9,466,574.67	\$ 298,731.99	\$ 9,765,306.67	4.8%
SEP	\$ 1,446,105.0	4,981.8	996.4	\$ 9,345,779.87	\$ 294,920.13	\$ 9,640,700.00	-1.3%
OCT	\$ 1,718,273.0	5,919.4	1,183.9	\$11,104,726.98	\$ 350,426.35	\$ 11,455,153.33	18.8%
NOV	\$ 1,363,689.0	4,697.8	939.6	\$ 8,813,147.87	\$ 278,112.13	\$ 9,091,260.00	-20.6%
DEC	\$ 1,965,731.0	6,771.8	1,354.4	\$12,703,980.14	\$ 400,893.19	\$ 13,104,873.33	44.1%
	<b>\$13,341,000.0</b>	<b>45,959.07</b>	<b>9,191.81</b>	<b>\$86,219,222.82</b>	<b>\$ 2,720,777.18</b>	<b>\$ 88,940,000.00</b>	

Source: State of Colorado Department of Revenues; MED; GWA estimates

## INVESTMENT OPPORTUNITIES

As the likelihood of changes to federal regulations governing the permissions and controls of cannabis commerce is beginning to resonate within the investment community, opportunities within the cannabis eco system are rapidly evolving. Colorado businesses that “touch the plant” presently operate within a closed economy, but those that prove themselves successful in establishing sector leadership will be best positioned to expand their models to a national (and international) presence as existing restrictions are eased. We also believe that some business models which may now be in favor are likely to become irrelevant or nonexistent. Furthermore, as regulators continue to identify control weaknesses related to the sale of product, it is likely that additional business models will emerge.

The state of Colorado, as consequence of its trailblazing shift in cannabis policy is home to many of the industry’s foremost visionaries who have exemplified entrepreneurial spirit, manufacturing

innovation, and product branding prowess. These leaders have also shaped, what we believe to be, the four major sub-sectors of the cannabis ecosystem, namely: 1.) wholesale market (marijuana cultivation) 2.) Processing: infused product extraction/purification 3.) Lab testing and extraction, and 4.) Retail market (dispensaries and related products).

### **Wholesale Market (Marijuana Cultivation)**

Cultivation and retail distribution presumably provide the largest returns though direct investment in these businesses is difficult. When full legalization comes to fruition, it will dramatically change current market dynamics. The larger players in cultivation will have the ability to accommodate mass market production with higher profit margins due to economies of scale, and smaller competitors will likely need to consolidate for survival.

In Colorado (among other states) the law stipulates mandatory digital tracking of marijuana plants from seed to sale, using radio frequency identification (RFID) technology. The main purpose of this requirement is to track inventory movements in an effort to shut out the black market. We believe other states that legalize the production and sale of marijuana will establish similar protocols.

### **Processing: Infused product extraction/purification**

Extraction of cannabinoids and oils from the cannabis plant for the production of marijuana and other cannabinoid products brings other investment opportunities. Related businesses include extraction and related equipment manufacturers, purification processes, production of edible products and packaging/labeling to name a few.

As mentioned earlier, infused products account for about 45% of the recreational sales volumes (25% of medicinal purchases). Accordingly, we think that similar consumer behavior will be observed in other states. Some of the leading manufacturers of edible products are now considering (or have begun) expansion into additional legalized markets through licensing deals (as long as marijuana cultivation and distribution remains illegal at the federal level, interstate commerce is not an option thus each state must manufacture and distribute within its own borders). When federal regulations are eased, leaders in this category are well positioned for further upside maturation, should marketing and branding dollars get behind these products.

### **Lab Testing/Extraction**

As regulators continue to evaluate and fine tune existing policies and procedures with respect to marijuana cultivation, production and distribution, investment opportunities should become more attractive. Quality control and product consistency along with the assurance of product compliance with state laws is essential for the enduring success of the industry. Lab testing of products will become more comprehensive making the investment profile increasingly more attractive as it provides predictable and recurring revenue streams.

### **Retail Market (dispensaries and related products)**

Retail shops (i.e. medical and adult use dispensaries) is where the marijuana products are sold and many sell traditional paraphernalia used for smoking (i.e. pipe, a water pipe (aka bong)).

Each state differs with respect to restrictions placed on marijuana purchases, however, there are no present mechanisms in place which track cumulative purchases at the state level that might be made by an individual within a specific time period (so, an individual could in theory, make a purchase up to the state limit at one dispensary, then go across the street to another dispensary and buy more marijuana).

## STATE REGULATORY ENVIRONMENT

Evolving legislative measures are endeavoring to respond to the continued evaluation of public concerns over the safety of edible products. We believe that the guidelines of HB 14-1361, which will set forth a conversion factor of flower equivalents to edibles, could have a significant impact on the sales of edible products in 2016 and beyond. Additionally, new packaging requirements have recently been established which limit the dosage of edible products to 10 milligrams of THC per unit (or easily perforated 10 milligram subunits), are child-resistant, and demonstrate proper labeling. The measures implemented in 2014 include:

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### ***HB 14-1122 – Legal marijuana packaging requirements***

Requires that medical marijuana and medical marijuana infused products be sold in either child-proof packaging or in an opaque and resealable exit package or container that meets standards established by rule. Also allows retail marijuana store owners to confiscate a fraudulent identification card and detain and question the person who provided the fraudulent identification. Additionally this act makes selling marijuana to a person under 21 years of age at a retail marijuana store a class 1 misdemeanor. Effective March 17, 2014

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### ***HB 14-1361 – Retail marijuana study regarding the equivalency of marijuana flowers***

Directs the Department of Revenue to promulgate rules by January 1, 2016, establishing the equivalent of one ounce of retail marijuana flower in various retail marijuana products. Authorizes the Department to contract for a scientific study of the equivalency of marijuana flower in marijuana products and prohibits a retail marijuana store from selling more than one ounce of retail marijuana or the equivalent in retail marijuana products during any single transaction to a Colorado resident.

Effective May 21, 2014

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### ***HB 14-1366 – Rules regarding retail marijuana in edible products***

Requires the Department of Revenue by January 1, 2016, to adopt rules requiring edible retail marijuana products to be clearly identifiable, when practicable, with a standard symbol indicating that they contain marijuana and are not for consumption by children. Requires the Department to convene a stakeholders group to make recommendations on the rule and to reports its findings to the health committees of the general assembly.

Effective May 21, 2014

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### ***R 1004.5 – Packaging and Labeling Requirements of a Retail Marijuana Product by a Retail Marijuana Products Manufacturing Facility***

The purpose of this rule is to ensure that every Retail Marijuana Products Manufacturing Facility labels each Shipping Container and Container holding a Retail Marijuana Product with all of the necessary and relevant information for the receiving Retail Marijuana Establishment. In addition, this rule clarifies basic packaging requirements. The State Licensing Authority wants to ensure the regulated community employs proper packaging and labeling techniques for each Retail Marijuana Product as this is a public health and safety concern. Effective February 1, 2015

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### ***R 1006.5 – Packaging and Labeling of Retail Marijuana Product by a Retail Marijuana Store***

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3)(a), C.R.S. Authority also exists in the Colorado Constitution at Article XVIII, Subsection 16(5)(a)(VI). The purpose of this rule is to ensure that the labeling on each Container holding a Retail Marijuana Product includes necessary and relevant information for consumers, does not include health and physical benefit claims, is easily accessible to consumers, and is clear and noticeable. In addition, this rule clarifies basic packaging requirements. Further, the State Licensing Authority believes based on written and oral comments it has received through the rulemaking process that prohibiting labels that are intended to target individuals under the age of 21 and requiring child-resistant packaging is of a state wide concern and would assist in limiting exposure and diversion to minors. The State Licensing Authority wants to ensure the regulated community employs proper packaging and labeling techniques for each Retail Marijuana Product as this is a public health and safety concern. Effective February 1, 2015.

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*Source: State of Colorado*

## **Banking**

Because marijuana is classified as a Schedule 1 narcotic, banks and other financial institutions have been inhibited from conducting business with any known entity that derives its revenues from cannabis related activities. Accordingly, these cannabis related businesses operate in a cash only mode, thus posing another inherent risk to investing in the cannabis industry. In the absence of regulated and insured banking mechanisms, sales are transacted in cash and operating expenses are paid in hard currency (under certain conditions, payment processing companies will provide services to a dispensary). The financing of a cannabis business has remained challenging, as most investment capital has been either self funded or raised through private funding mechanisms.

However, an encouraging development occurred when, recognizing the parameters established by the Cole memo, the Treasury Department through its Financial Crimes Enforcement Network (“FinCEN”) issued guidance in February, 2014 to clarify how banks can provide services to marijuana related businesses. Under this framework, and to provide more transparency, added levels of reporting and monitoring are required to supplement existing filings under The Bank Secrecy Act. This added burden for compliance with FinCEN and the absence of a legal precedent for a defense (should the courts challenge the activities), creates a questionable risk reward profile and therefore, most banks still remain unwilling to establish a relationship with a marijuana related business.

In November, Colorado took the first steps to remedy these restrictions by granting a charter to Fourth Corner Credit Union to facilitate banking transactions within the state’s legalized marijuana markets. All eyes are now on the Federal Reserve Bank of Kansas City (Colorado falls within its jurisdiction) which will soon make a final decision (with likely consultation by the Federal Reserve System in DC) as to whether or not it will be given the green light to move forward. This decision will have a profound impact on the industry.

## **IRS Section 280E and State Income Taxes**

The IRS Code 280E is a major financial obstacle for marijuana businesses that “touch the plant” because it disallows operating expenses as offsets to revenues when determining taxable income. Specifically, a business engaged in the “trafficking” of a controlled substance, (Schedule 1 and Schedule 2 narcotics) is precluded from deducting expenses.

What this means is that a legalized marijuana enterprise that abides by the law, will face a tax burden regardless of whether or not the business is profitable. The fact that a business is forced to pay taxes on revenues without the ability to take deductions for most expenses creates further liquidity and financing challenges for start-up companies.

One offset to the Federal restriction is the “Colorado Medical Marijuana Code” which permits a licensee to claim a state income tax deduction for an expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed by section 280E because marijuana is a controlled substance under federal law -- this code became effective August 7, 2013.

## COLORADO RETAIL MARIJUANA FORECASTS

### Methodology

Estimating retail sales of marijuana at this point, is extremely difficult, more so on the recreational side due to the infancy of the market. Projecting medical marijuana sales is somewhat easier to gauge as we are able to analyze historical trends. We believe that the medical marijuana market will in time, recalibrate when the pipeline of new, more targeted medicaments become available and as the medical profession gains more comfort in “pushing” a marijuana treatment rather than a patient having to “pull” a prescription from a doctor.

*Medicinal Use:* We forecast that average patient count will continue to decline from approximately 114,000 in 2014 to 99,000 by 2020. We maintain a current spend of \$225 per month.

	POTENTIAL # PATIENTS	AVG PRICE/OZ	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>Colorado</b>	507,329	Avg Patients	108,895	114,483	110,775	106,344	103,154	101,091	100,080	99,079
penetration			21.5%	22.6%	21.8%	21.0%	20.3%	19.9%	19.7%	19.5%
growth rate (avg # patients)				5.1%	-5.0%	-4.0%	-3.0%	-2.0%	-1.0%	-1.0%
avg. spend (oz./month)		\$ 225.00		\$ 275.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00	\$ 225.00
<b>Annual Revenues</b>			<b>\$ 386.1</b>	<b>\$ 375.4</b>	<b>\$ 299.1</b>	<b>\$ 287.1</b>	<b>\$ 278.5</b>	<b>\$ 272.9</b>	<b>\$ 270.2</b>	<b>\$ 267.5</b>

*Recreational Use:* Based off of 2014 actual results, we expect a 6 year CAGR of about 20% with likely upside as the market expands into new jurisdictions.

Below provides our extended forecasts each year through 2020:

Exhibit 20: State of Colorado Marijuana Forecast 2015 -2020 (\$ in millions)

				%	5 YR
	MEDICAL	RECREATIONAL	TOTAL	Growth	CAGR
					'15-'20
<b>2013</b>	\$ 386.15	\$ -	\$ 386.15		
<b>2014</b>	\$ 375.41	\$ 304.90	\$ 680.31	76.2%	
<b>2015E</b>	\$ 299.09	\$ 381.25	\$ 680.34	0.0%	
<b>2016E</b>	\$ 287.13	\$ 476.56	\$ 763.69	12.3%	
<b>2017E</b>	\$ 278.52	\$ 571.88	\$ 850.39	11.4%	
<b>2018E</b>	\$ 272.95	\$ 686.25	\$ 959.20	12.8%	
<b>2019E</b>	\$ 270.22	\$ 789.19	\$ 1,059.40	10.4%	
<b>2020E</b>	\$ 267.51	\$ 907.57	\$ 1,175.08	10.9%	11.5%

Source: GWA estimates

In comparison, below is the state of Colorado's internal assessment of the retail marijuana market.

Exhibit 21: State of Colorado's Internal Sales Tax Revenues Forecast and Implied Sales

	FY 2014	FY 2015	FY 2016	FY 2017	'14-'17 3 YR CAGR	'15-'17 3 YR CAGR
<b>Recreational Wholesale Market</b>						
Excise Tax @ 15% (1)	\$ 4.0	\$ 19.3	\$ 21.2	\$ 22.6		
Implied Revenues	\$ 26.7	\$ 128.7	\$ 141.3	\$ 150.7	78.1%	8.2%
<b>Recreational Retail Market</b>						
Sales Tax @ 10% (1)	\$ 11.5	\$ 39.4	\$ 43.3	\$ 46.2		
Implied Revenues	\$ 115.0	\$ 394.0	\$ 433.0	\$ 462.0	59.0%	8.3%
Sales Tax @ 2.9% (1)	\$ 3.4	\$ 11.4	\$ 12.5	\$ 13.3		
Implied Revenues	\$ 117.2	\$ 393.1	\$ 431.0	\$ 458.6	57.6%	8.0%
<b>Medical Retail Market</b>						
Sales Tax @ 2.9% (1)	\$ 11.1	\$ 11.4	\$ 11.7	\$ 12.0		
Implied Revenues	\$ 382.8	\$ 393.1	\$ 403.4	\$ 413.8	2.6%	2.6%
<b>TOTAL RETAIL SALES</b>	\$ 500.0	\$ 786.2	\$ 834.5	\$ 872.4	20.4%	5.3%
<b>TOTAL TAX COLLECTIONS</b>	\$ 30.0	\$ 81.5	\$ 88.7	\$ 94.1	46.4%	7.5%

Source: State of Colorado; GWA Estimates (1) tax estimates disclosed in Colorado's economic and revenue forecast

## APPENDICES

### APPENDIX 1: Consolidated Monthly Retail Marijuana Sales by County

COUNTY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% TOTAL
Adams	\$629,448	\$499,690 -20.6%	\$466,690 -6.6%	\$219,000 -53.1%	\$681,138 211.0%	\$418,759 -38.5%	\$437,379 4.4%	\$465,862 6.5%	\$439,966 -5.6%	\$458,793 4.3%	\$1,791,448 290.5%	\$1,897,759 5.9%	\$8,405,931	1.2%
Arapahoe	\$894,862	\$1,063,931 18.9%	\$1,017,379 -4.4%	\$1,327,034 30.4%	\$1,016,552 -23.4%	\$998,586 -1.8%	\$1,082,793 8.4%	\$1,126,483 4.0%	\$997,966 -11.4%	\$1,062,655 6.5%	\$1,727,759 62.6%	\$2,632,517 52.4%	\$14,948,517	2.2%
Boulder	\$3,376,310	\$3,609,897 6.9%	\$4,649,586 28.8%	\$4,901,931 5.4%	\$4,905,069 0.1%	\$4,855,931 -1.0%	\$5,656,793 16.5%	\$6,166,138 9.0%	\$6,401,793 3.8%	\$5,879,897 -8.2%	\$5,370,793 -8.7%	\$5,665,517 5.5%	\$61,439,655	9.1%
Clear Creek	\$576,621	\$528,828 -8.3%	\$688,069 30.1%	\$406,379 -40.9%	\$504,000 24.0%	\$489,276 -2.9%	\$583,655 19.3%	\$584,414 0.1%	\$481,483 -17.6%	\$406,345 -15.6%	\$386,724 -4.8%	\$489,586 26.6%	\$6,125,379	0.9%
Denver	\$24,127,483	\$25,142,793 4.2%	\$27,072,069 7.7%	\$27,775,000 2.6%	\$26,885,828 -3.2%	\$25,682,483 -4.5%	\$26,594,931 3.6%	\$29,943,621 12.6%	\$28,504,172 -4.8%	\$31,224,069 9.5%	\$27,234,345 -12.8%	\$28,522,862 4.7%	\$328,709,655	48.6%
Eagle	\$142,793	\$285,828 100.2%	\$167,828 -41.3%	\$296,241 76.5%	\$183,655 -38.0%	\$134,586 -26.7%	\$116,448 -13.5%	\$566,793 386.7%	\$438,552 -22.6%	\$660,241 50.6%	\$608,345 -7.9%	\$1,002,793 64.8%	\$4,604,103	0.7%
El Paso	\$4,877,483	\$6,135,483 25.8%	\$5,352,759 -12.8%	\$4,973,655 -7.1%	\$5,562,138 11.8%	\$5,458,621 -1.9%	\$5,818,483 6.6%	\$6,126,655 5.3%	\$5,863,345 -4.3%	\$5,341,172 -8.9%	\$4,609,724 -13.7%	\$5,849,138 26.9%	\$65,968,655	9.8%
Fremont	\$162,966	\$174,586 7.1%	\$227,207 30.1%	\$196,172 -13.7%	\$160,793 -18.0%	\$408,448 154.0%	\$252,069 -38.3%	\$240,448 -4.6%	\$262,138 9.0%	\$157,345 -40.0%	\$112,448 -28.5%	\$197,759 75.9%	\$2,552,379	0.4%
Garfield	\$574,966	\$366,414 -36.3%	\$451,759 23.3%	\$345,966 -23.4%	\$783,552 126.5%	\$775,103 -1.1%	\$800,069 3.2%	\$1,062,517 32.8%	\$1,121,069 5.5%	\$962,690 -14.1%	\$771,931 -19.8%	\$852,172 10.4%	\$8,868,207	1.3%
Gilpin	\$229,276	\$267,276 16.6%	\$170,276 -36.3%	\$172,586 1.4%	\$179,621 4.1%	\$224,241 24.8%	\$177,793 -20.7%	\$198,655 11.7%	\$168,276 -15.3%	\$0 nmf	\$0 nmf	\$110,345 nmf	\$1,898,345	0.3%
Gunnison	\$68,690	\$0 nmf	\$0 nmf	\$0 nmf	\$0 nmf	\$0 nmf	\$218,138 nmf	\$409,828 87.9%	\$257,241 -37.2%	\$185,207 -28.0%	\$168,207 -9.2%	\$253,379 50.6%	\$1,560,690	0.2%
Jefferson	\$2,719,276	\$2,789,828 2.6%	\$3,028,966 8.6%	\$3,677,862 21.4%	\$3,183,172 -13.5%	\$3,100,690 -2.6%	\$3,148,172 1.5%	\$3,754,345 19.3%	\$3,424,310 -8.8%	\$3,356,690 -2.0%	\$3,236,448 -3.6%	\$3,727,241 15.2%	\$39,147,000	5.8%
Larimer	\$738,069	\$1,168,862 58.4%	\$1,106,241 -5.4%	\$1,224,621 10.7%	\$1,049,207 -14.3%	\$1,122,241 7.0%	\$2,209,931 96.9%	\$2,436,897 10.3%	\$2,608,966 7.1%	\$2,601,517 -0.3%	\$2,585,414 -0.6%	\$2,813,897 8.8%	\$21,665,862	3.2%
La Plata	\$462,828	\$449,690 -2.8%	\$573,759 27.6%	\$790,241 37.7%	\$524,138 -33.7%	\$555,310 5.9%	\$583,759 5.1%	\$564,345 -3.3%	\$664,000 17.7%	\$547,931 -17.5%	\$1,087,103 98.4%	\$1,356,483 24.8%	\$8,159,586	1.2%
Pitkin	\$241,345	\$82,690 -65.7%	\$383,621 363.9%	\$380,655 -0.8%	\$323,690 -15.0%	\$402,034 24.2%	\$651,552 62.1%	\$606,483 -6.9%	\$421,034 -30.6%	\$325,207 -22.8%	\$297,000 -8.7%	\$660,621 122.4%	\$4,775,931	0.7%
Pueblo	\$215,483	\$1,032,586 379.2%	\$2,271,897 120.0%	\$1,519,690 -33.1%	\$1,890,414 24.4%	\$2,062,448 9.1%	\$2,413,483 17.0%	\$1,836,690 -23.9%	\$2,178,517 18.6%	\$1,352,966 -37.9%	\$1,772,966 31.0%	\$1,918,034 8.2%	\$20,465,172	3.0%
San Miguel	\$497,931	\$372,483 -25.2%	\$441,276 18.5%	\$257,345 -41.7%	\$331,138 28.7%	\$390,690 18.0%	\$768,897 96.8%	\$651,310 -15.3%	\$560,276 -14.0%	\$319,828 -42.9%	\$171,897 -46.3%	\$404,034 135.0%	\$5,167,103	0.8%
Summit	\$1,550,172	\$1,411,276 -9.0%	\$1,208,862 -14.3%	\$1,064,862 -11.9%	\$1,295,276 21.6%	\$861,724 -33.5%	\$1,172,310 36.0%	\$1,132,103 -3.4%	\$945,586 -16.5%	\$733,345 -22.4%	\$943,276 28.6%	\$1,201,552 27.4%	\$13,520,345	2.0%
Weld	\$720,724	\$702,862 -2.5%	\$567,621 -19.2%	\$1,023,793 80.4%	\$1,190,345 16.3%	\$1,228,759 3.2%	\$1,453,931 18.3%	\$1,518,931 4.5%	\$1,454,759 -4.2%	\$1,465,931 0.8%	\$1,277,000 -12.9%	\$1,547,069 21.1%	\$14,151,724	2.1%
Remainder of State	\$2,691,000	\$3,872,241 43.9%	\$4,067,138 5.0%	\$2,976,241 -26.8%	\$3,055,517 2.7%	\$3,336,172 9.2%	\$2,832,103 -15.1%	\$5,290,621 86.8%	\$4,411,862 -16.6%	\$5,598,897 26.9%	\$2,741,483 -51.0%	\$3,243,586 18.3%	\$44,116,862	6.5%
	\$45,497,724	\$49,957,241 9.8%	\$53,913,000 7.9%	\$53,529,276 -0.7%	\$53,705,241 0.3%	\$52,506,103 -2.2%	\$56,972,690 8.5%	\$64,683,138 13.5%	\$61,605,310 -4.8%	\$62,640,724 1.7%	\$56,894,310 -9.2%	\$64,346,345 13.1%	\$676,251,103	
% growth		7%	7%	8%	8%	8%	8%	8%	10%	9%	9%	8%	10%	
% Total		7%	7%	8%	8%	8%	8%	8%	10%	9%	9%	8%	10%	

Source: State of Colorado; GWA estimates



## APPENDIX 2: Quarterly Medical Marijuana Retail Sales by County (2012 – 2014)

COUNTY	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	FYE 2012	FYE 2013	FYE 2014	CY 2013	CY 2014	FY '13 vs '12 % Growth	FY '14 vs '13 % Growth	CY % Growth
Adams					\$ 3,830,840	\$ 2,966,892	\$ 1,595,828	\$ 1,318,897	\$ 1,343,207	\$ 1,377,724	\$ 1,297,036	\$ -	\$ 9,712,456	\$ 6,797,732	\$ 5,635,655			-17.1%
Arapahoe	\$ 2,756,595	\$ 2,746,560	\$ 2,676,996	\$ 3,046,087	\$ 3,114,526	\$ 3,294,649	\$ 2,976,172	\$ 3,342,172	\$ 3,207,241	\$ 3,190,552	\$ 8,293,951	\$ 11,226,238	\$ 12,727,520	\$ 12,132,258	\$ 12,716,138	35.4%	13.4%	4.8%
Boulder	\$ 7,984,885	\$ 8,506,859	\$ 8,594,682	\$ 9,622,783	\$ 10,699,126	\$ 10,993,864	\$ 10,251,793	\$ 7,849,690	\$ 8,097,517	\$ 7,104,379	\$ 26,484,871	\$ 34,709,209	\$ 39,794,473	\$ 39,910,455	\$ 33,303,379	31%	15%	-16.6%
Chaffee	\$ 336,453	\$ 276,185	\$ 229,700	\$ 290,630	\$ 333,736	\$ 265,499	\$ 80,621	\$ 207,069	\$ 235,690	\$ -	\$ 1,038,259	\$ 1,132,968	\$ 886,925	\$ 1,119,565	\$ 523,379	9.1%	-21.7%	-53.3%
Clear Creek	\$ 349,389	\$ 350,122	\$ 325,664	\$ 294,102	\$ 454,582	\$ 449,298	\$ 371,690	\$ 280,931	\$ 304,000	\$ 270,069	\$ 1,259,510	\$ 1,319,277	\$ 1,556,501	\$ 1,523,646	\$ 1,226,690	4.7%	18.0%	-19.5%
Denver	\$ 34,269,347	\$ 33,194,792	\$ 35,057,922	\$ 45,041,199	\$ 52,199,672	\$ 51,343,794	\$ 48,839,207	\$ 43,043,793	\$ 42,454,621	\$ 43,407,862	\$ 96,673,823	\$ 147,563,260	\$ 195,426,466	\$ 183,642,587	\$ 177,745,483	53%	32%	-3.2%
Eagle	\$ 427,213	\$ 387,531	\$ 379,164	\$ 469,360	\$ 394,008	\$ 549,682	\$ 596,448	\$ 614,483	\$ 400,448	\$ 799,448	\$ 1,652,000	\$ 1,663,268	\$ 2,154,621	\$ 1,792,214	\$ 2,410,828	0.7%	29.5%	34.5%
El Paso	\$ 12,083,387	\$ 11,512,333	\$ 12,511,150	\$ 14,031,466	\$ 15,771,423	\$ 14,954,455	\$ 16,365,724	\$ 15,994,414	\$ 17,808,483	\$ 15,800,034	\$ 36,498,967	\$ 50,138,336	\$ 63,086,016	\$ 57,268,494	\$ 65,968,655	37.4%	25.8%	15.2%
Fremont	\$ 599,973	\$ 475,815	\$ 626,183	\$ 744,500	\$ 848,523	\$ 544,877	\$ 564,759	\$ 765,414	\$ 754,655	\$ 467,552	\$ 1,579,946	\$ 2,446,471	\$ 2,723,572	\$ 2,764,083	\$ 2,552,379	54.8%	11.3%	-7.7%
Garfield	\$ 1,126,377	\$ 1,014,179	\$ 1,089,787	\$ 1,300,251	\$ 1,566,781	\$ 1,125,366	\$ 1,393,138	\$ 1,219,414	\$ 1,472,276	\$ 989,207	\$ 3,763,129	\$ 4,530,594	\$ 5,304,699	\$ 5,082,185	\$ 5,074,034	20.4%	17.1%	-0.2%
Gilpin	\$ 131,218	\$ 102,547	\$ 98,236	\$ -	\$ 109,388	\$ 98,402	\$ 108,862	\$ 130,379	\$ 112,000	\$ 31,793	\$ 336,607	\$ 332,001	\$ 447,031	\$ 306,026	\$ 383,034	-1.4%	34.6%	25.2%
Gunnison	\$ 114,649	\$ 123,991	\$ 121,399	\$ 111,655	\$ -	\$ 68,690	\$ -	\$ -	\$ -	\$ 45,276	\$ 403,049	\$ 471,694	\$ 68,690	\$ 233,054	\$ 113,966	17.0%	-85.4%	-51.1%
Jefferson	\$ 3,927,615	\$ 4,734,084	\$ 4,997,208	\$ 5,931,614	\$ 6,380,533	\$ 6,490,775	\$ 5,796,793	\$ 5,795,310	\$ 5,197,621	\$ 5,078,759	\$ 11,144,343	\$ 19,590,521	\$ 24,463,411	\$ 23,800,130	\$ 21,868,483	75.8%	24.9%	-8.1%
La Plata	\$ 1,568,227	\$ 1,424,343	\$ 1,576,822	\$ 1,668,067	\$ 2,055,720	\$ 1,637,686	\$ 1,486,276	\$ 1,869,690	\$ 1,812,103	\$ 1,494,862	\$ 3,960,855	\$ 6,237,459	\$ 7,049,372	\$ 6,938,295	\$ 6,662,931	57.5%	13.0%	-4.0%
Larimer	\$ 1,666,454	\$ 1,734,953	\$ 1,788,781	\$ 1,630,099	\$ 2,368,755	\$ 3,073,075	\$ 3,013,172	\$ 3,396,069	\$ 3,363,241	\$ 3,366,448	\$ 6,299,728	\$ 6,820,287	\$ 11,851,071	\$ 8,860,710	\$ 13,138,931	8.3%	73.8%	48.3%
Montezuma	\$ 461,560	\$ 389,428	\$ 367,274	\$ 457,323	\$ 427,743	\$ 294,265	\$ 238,517	\$ 402,138	\$ 362,759	\$ 112,966	\$ 1,216,472	\$ 1,675,585	\$ 1,362,663	\$ 1,546,605	\$ 1,116,379	37.7%	-18.7%	-27.8%
Park	\$ 203,964	\$ 199,900	\$ 257,952	\$ 199,522	\$ 275,383	\$ 185,398	\$ -	\$ -	\$ -	\$ -	\$ 699,754	\$ 861,338	\$ 460,781	\$ 918,255	\$ -	23.1%	-46.5%	-100.0%
Pitkin	\$ 635,906	\$ 515,403	\$ 574,090	\$ 542,405	\$ 611,043	\$ 471,986	\$ 707,655	\$ 369,483	\$ 378,207	\$ 237,448	\$ 1,420,290	\$ 2,267,804	\$ 2,160,167	\$ 2,199,524	\$ 1,692,793	59.7%	-4.7%	-23.0%
Pueblo	\$ 1,165,642	\$ 1,079,871	\$ 941,171	\$ 1,258,293	\$ 1,448,278	\$ 1,337,387	\$ 1,223,690	\$ 1,157,034	\$ 1,213,103	\$ 1,233,586	\$ 2,072,764	\$ 4,444,977	\$ 5,166,389	\$ 4,985,129	\$ 4,827,414	114.4%	16.2%	-3.2%
Routt	\$ 856,994	\$ 879,882	\$ 845,046	\$ 750,209	\$ 1,096,783	\$ 754,092	\$ 659,207	\$ 344,414	\$ 558,207	\$ 171,069	\$ 2,649,282	\$ 3,332,131	\$ 2,854,496	\$ 3,446,130	\$ 1,732,897	25.8%	-14.3%	-49.7%
San Miguel					\$ 284,971	\$ 241,146	\$ 362,483	\$ 183,690	\$ 156,724	\$ 107,138	\$ 555,472	\$ -	\$ 1,072,289	\$ 526,117	\$ 810,034			54.0%
Summit	\$ 695,309	\$ 752,443	\$ 825,071	\$ 669,550	\$ 1,002,423	\$ 1,044,006	\$ 794,034	\$ 648,621	\$ 554,034	\$ 569,034	\$ 2,061,347	\$ 2,942,373	\$ 3,489,084	\$ 3,541,050	\$ 2,565,724	42.7%	18.6%	-27.5%
Weld					\$ 2,133,500	\$ 2,009,606	\$ 1,991,207	\$ 1,458,759	\$ 857,759	\$ 1,144,759	\$ 3,423,676	\$ -	\$ 7,593,072	\$ 4,143,106	\$ 5,452,483			31.6%
REMAINDER	\$ 3,165,788	\$ 2,991,929	\$ 3,122,886	\$ 6,258,105	\$ 1,774,245	\$ 1,486,790	\$ -	\$ -	\$ 3,892,552	\$ 4,634,379	\$ 4,535,798	\$ 15,538,708	\$ 3,261,035	\$ 12,642,026	\$ 8,526,931			
<b>TOTAL</b>	<b>\$71,361,157</b>	<b>\$70,401,221</b>	<b>\$73,884,298</b>	<b>\$88,059,115</b>	<b>\$107,407,737</b>	<b>\$104,126,200</b>	<b>\$99,485,966</b>	<b>\$90,391,862</b>	<b>\$90,643,897</b>	<b>\$86,999,966</b>	<b>\$214,785,131</b>	<b>\$303,705,791</b>	<b>\$401,411,765</b>	<b>\$373,477,350</b>	<b>\$367,521,690</b>	<b>41.4%</b>	<b>32.2%</b>	<b>-1.6%</b>
QoQ Growth		-1.3%	4.9%	19.2%	22.0%	-3.1%	-4.5%	-9.1%	0.3%	-4.0%								
YoY Growth					50.5%	47.9%	34.7%	2.6%	-15.6%	-16.4%		41.4%	32.2%		-1.6%			

Source: State of Colorado; GWA estimates

## APPENDIX 3: Historical Patient Counts by County

COUNTY	EST POPULATION												
	2015	Dec-11	Dec-12	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14					
Adams	487,576	5,572	8,089	8,664	8,772	8,962	9,012	8,995					
Alamosa	16,199	238	235	200	204	205	212	220					
Arapahoe	627,055	7,420	10,610	11,893	11,985	12,214	12,426	12,459					
Archuleta	12,526	301	396	366	378	407	447	465					
Baca	3,707	37	46	35	35	37	35	36					
Bent	5,941	34	56	72	73	69	66	69					
Boulder	317,341	7,643	9,436	9,046	8,939	9,071	9,093	9,051					
Broomfield	62,758	848	1,049	1,120	1,127	1,153	1,175	1,175					
Chaffee	18,939	473	586	532	511	519	505	519					
Cheyenne	1,937	18	24	27	28	29	28	25					
Clear Creek	9,022	351	421	393	384	397	404	409					
Conejos	8,306	92	78	62	60	61	67	66					
Costilla	3,596	128	131	128	131	131	131	134					
Crowley	5,338	55	75	57	59	60	61	62					
Custer	4,534	91	120	107	103	100	106	102					
Delta	30,937	461	549	448	449	454	471	484					
Denver	676,282	12,358	17,711	19,460	19,582	19,981	20,164	20,186					
Dolores	2,085	52	66	70	67	65	68	67					
Douglas	317,253	2,540	3,369	3,644	3,596	3,696	3,770	3,796					
Eagle	53,655	854	1,106	1,082	1,102	1,124	1,148	1,157					
El Paso	675,509	10,408	14,888	15,320	15,328	15,817	16,223	16,631					
Elbert	25,487	255	319	301	294	295	318	324					
Fremont	47,239	859	1,031	952	959	984	1,022	1,055					
Garfield	58,961	1,160	1,336	1,180	1,169	1,193	1,217	1,240					
Gilpin	5,795	319	373	290	284	289	291	301					
Grand	14,929	246	395	367	355	358	377	384					
Gunnison	15,954	274	345	263	264	277	294	304					
Hinsdale	851	14	20	13	14	10	12	12					
Huerfano	6,586	149	211	202	204	201	200	208					
Jackson	1,387	19	14	17	20	21	21	22					
Jefferson	565,535	9,065	12,088	12,563	12,582	12,851	12,995	13,044					
Kiowa	1,427	13	12	22	24	22	22	19					
Kit Carson	8,159	50	69	68	65	68	68	76					
La Plata	55,920	1,500	1,699	1,632	1,620	1,658	1,694	1,727					
Lake	7,753	167	214	194	189	194	194	196					
Larimer	326,803	4,828	4,909	4,748	4,785	4,915	5,008	5,093					
Las Animas	14,757	193	224	202	199	203	202	211					
Lincoln	5,450	35	44	56	56	56	55	53					
Logan	22,097	163	203	194	193	195	207	209					
Mesa	150,987	1,849	2,182	1,812	1,755	1,767	1,815	1,865					
Mineral	757	9	10	17	17	20	21	22					
Moffat	13,275	183	192	164	169	170	169	163					
Montezuma	26,785	477	696	648	636	638	646	644					
Montrose	42,096	542	642	566	549	557	568	596					
Morgan	28,733	155	215	191	191	199	202	198					
Otero	18,798	150	260	270	270	270	269	270					
Ouray	4,830	100	127	150	151	159	165	169					
Park	17,085	579	690	668	651	654	668	688					
Phillips	4,309	28	33	23	25	26	31	33					
Pitkin	17,658	588	729	665	632	625	644	643					
Prowers	12,460	69	112	116	113	117	123	125					
Pueblo	162,891	2,122	2,857	2,748	2,757	2,855	2,929	2,987					
Rio Blanco	6,826	67	66	59	55	53	54	62					
Rio Grande	12,124	128	141	130	132	140	139	151					
Routt	24,485	778	917	808	802	815	825	831					
Saguache	6,469	197	205	170	166	167	164	163					
San Juan	705	18	22	19	19	19	20	19					
San Miguel	8,145	261	322	268	264	263	270	271					
Sedgwick	2,344	14	21	33	34	34	56	59					
Summit	29,355	803	1,038	979	951	953	951	943					
Teller	23,895	737	922	855	866	890	904	911					
Washington	4,670	37	61	48	52	55	61	62					
Weid	283,767	2,848	3,424	3,491	3,495	3,561	3,613	3,630					
Yuma	10,255	67	95	91	90	92	92	89					
<b>TOTAL</b>	<b>5,439,290</b>	<b>82,089</b>	<b>108,526</b>	<b>110,979</b>	<b>111,031</b>	<b>113,441</b>	<b>115,208</b>	<b>116,180</b>					
<i>Growth Rate</i>		-29.4%	32.2%	2.3%	0.0%	2.2%	1.6%	0.8%					
<b>AVG PATIENT SPEND/MONTH</b>		\$	<b>225</b>	\$	<b>284</b>	\$	<b>284</b>	\$	<b>314</b>	\$	<b>302</b>	\$	<b>274</b>
					25.9%	0.1%	10.7%	-4.0%	-9.1%				

Source: State of Colorado, GWA Estimates

## APPENDIX 3 (CONT)

COUNTY	EST POPULATION															
	2015	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14							
Adams	487,576	8,777	8,557	8,432	8,752	8,803	8,874	8,752	8,688							
Alamosa	16,199	232	227	228	230	234	232	224	219							
Arapahoe	627,055	12,298	12,095	11,897	12,282	12,363	12,483	12,300	12,131							
Archuleta	12,526	474	504	494	546	569	566	587	594							
Baca	3,707	35	33	33	31	37	36	35	35							
Bent	5,941	66	62	62	67	66	64	62	62							
Boulder	317,341	8,839	8,659	8,566	8,574	8,523	8,575	8,491	8,343							
Broomfield	62,758	1,162	1,166	1,142	1,220	1,222	1,221	1,222	1,205							
Chaffee	18,939	514	486	480	497	498	502	489	487							
Cheyenne	1,937	26	25	25	27	25	25	25	27							
Clear Creek	9,022	404	402	394	406	410	413	408	399							
Conejos	8,306	74	76	77	74	71	72	73	74							
Costilla	3,596	137	137	132	138	140	143	147	147							
Crowley	5,338	57	60	58	58	57	60	61	62							
Custer	4,534	99	99	97	103	102	102	101	100							
Delta	30,937	497	488	470	509	514	498	503	517							
Denver	676,282	19,846	19,375	19,174	19,593	19,609	19,750	19,545	19,269							
Dolores	2,085	65	61	61	63	63	63	62	61							
Douglas	317,253	3,755	3,720	3,654	3,795	3,804	3,801	3,766	3,767							
Eagle	53,655	1,142	1,108	1,094	1,141	1,133	1,160	1,158	1,231							
El Paso	675,509	16,744	16,717	16,420	17,422	17,653	17,923	18,004	17,986							
Elbert	25,487	309	312	308	323	326	319	315	315							
Fremont	47,239	1,081	1,086	1,068	1,135	1,166	1,171	1,165	1,163							
Garfield	58,961	1,252	1,232	1,217	1,243	1,251	1,263	1,266	1,247							
Gilpin	5,795	305	292	287	300	295	300	301	300							
Grand	14,929	379	375	372	384	383	400	384	376							
Gunnison	15,954	288	275	267	284	284	281	284	276							
Hinsdale	851	13	11	11	14	16	15	12	12							
Huerfano	6,586	203	202	198	196	195	189	186	188							
Jackson	1,387	22	24	22	22	23	24	23	25							
Jefferson	565,535	12,967	12,722	12,544	12,911	12,898	12,945	12,736	12,637							
Kiowa	1,427	19	19	19	17	16	14	14	12							
Kit Carson	8,159	74	66	65	67	65	66	64	64							
La Plata	55,920	1,776	1,785	1,747	1,832	1,859	1,863	1,854	1,861							
Lake	7,753	188	179	176	188	185	184	179	174							
Larimer	326,803	5,088	5,038	4,967	5,195	5,243	5,301	5,227	5,189							
Las Animas	14,757	232	240	229	254	264	299	306	321							
Lincoln	5,450	51	53	51	52	46	49	48	48							
Logan	22,097	209	213	213	224	244	252	254	245							
Mesa	150,987	1,836	1,806	1,761	1,868	1,906	1,896	1,887	1,879							
Mineral	757	24	28	27	30	28	28	27	29							
Moffat	13,275	164	163	160	179	185	193	200	198							
Montezuma	26,785	628	616	602	647	645	676	664	682							
Montrose	42,096	606	605	587	617	625	631	625	629							
Morgan	28,733	198	197	193	193	193	197	205	202							
Otero	18,798	266	254	251	257	265	269	260	261							
Ouray	4,830	166	161	159	167	172	173	171	170							
Park	17,085	691	684	671	692	692	711	697	693							
Phillips	4,309	36	36	36	40	42	43	45	47							
Pitkin	17,658	631	617	601	599	564	564	556	565							
Prowers	12,460	121	120	120	112	110	111	107	104							
Pueblo	162,891	2,993	2,995	2,930	3,052	3,103	3,133	3,123	3,122							
Rio Blanco	6,826	64	62	59	63	64	67	69	71							
Rio Grande	12,124	151	152	152	162	165	162	166	167							
Routt	24,485	818	792	788	804	816	831	824	834							
Saguache	6,469	166	166	160	175	177	177	168	164							
San Juan	705	20	21	19	22	23	23	23	24							
San Miguel	8,145	275	270	265	274	279	268	262	281							
Sedgwick	2,344	60	59	59	61	72	74	77	79							
Summit	29,355	911	899	889	875	855	863	860	871							
Teller	23,895	924	930	918	936	932	938	932	936							
Washington	4,670	62	59	59	60	63	63	62	60							
Weld	283,767	3,611	3,545	3,499	3,576	3,575	3,569	3,493	3,466							
Yuma	10,255	89	88	88	80	81	81	80	76							
<b>TOTAL</b>	<b>5,439,290</b>	<b>115,210</b>	<b>113,506</b>	<b>111,804</b>	<b>115,710</b>	<b>116,287</b>	<b>117,239</b>	<b>116,216</b>	<b>115,467</b>							
<i>Growth Rate</i>		<i>-0.8%</i>	<i>-1.5%</i>	<i>-1.5%</i>	<i>3.5%</i>	<i>0.5%</i>	<i>0.8%</i>	<i>-0.9%</i>	<i>-0.6%</i>							
<b>AVG PATIENT SPEND/MONTH</b>	<b>\$</b>	<b>276</b>	<b>\$</b>	<b>251</b>	<b>\$</b>	<b>257</b>	<b>\$</b>	<b>284</b>	<b>\$</b>	<b>270</b>	<b>\$</b>	<b>274</b>	<b>\$</b>	<b>228</b>	<b>\$</b>	<b>260</b>
		<i>0.8%</i>	<i>-9.4%</i>	<i>2.5%</i>	<i>10.5%</i>	<i>-4.8%</i>	<i>1.5%</i>	<i>-16.8%</i>	<i>13.7%</i>							

Source: State of Colorado, GWA Estimates

## APPENDIX 4: Average Patient Spend/Month by County

COUNTY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
Adams	\$72	\$56	\$52	\$24	\$78	\$49	\$52	\$53	\$50	\$52	\$53	\$52	\$ 54
Seq Growth		-22.3%	-7.1%	-53.0%	218.7%	-36.9%	6.0%	2.6%	-6.1%	3.4%	2.6%	-1.3%	
Arapahoe	\$75	\$87	\$82	\$107	\$83	\$83	\$91	\$92	\$81	\$85	\$75	\$76	\$ 85
Seq Growth		16.7%	-6.0%	30.1%	-22.4%	-0.1%	10.2%	0.8%	-12.0%	5.5%	-12.3%	2.3%	
Boulder	\$378	\$398	\$359	\$338	\$294	\$254	\$288	\$318	\$340	\$284	\$263	\$277	\$ 319
Seq Growth		5.4%	-9.8%	-6.0%	-13.0%	-13.4%	13.5%	10.3%	7.1%	-16.5%	-7.5%	5.5%	
Chaffee	\$158	\$74	\$116	\$101	\$206	\$209	\$304	\$181	\$92	\$97	\$101	\$113	\$ 149
Seq Growth		-53.2%	57.0%	-13.0%	104.0%	1.4%	45.7%	-40.4%	-49.3%	5.8%	4.1%	12.2%	
Clear Creek	\$355	\$247	\$340	\$222	\$236	\$236	\$267	\$245	\$242	\$243	\$218	\$227	\$ 259
Seq Growth		-30.4%	37.5%	-34.7%	6.5%	-0.3%	13.3%	-8.2%	-1.2%	0.5%	-10.3%	3.7%	
Denver	\$780	\$834	\$838	\$719	\$780	\$673	\$676	\$765	\$739	\$839	\$653	\$615	\$ 754
Seq Growth		7.0%	0.4%	-14.1%	8.4%	-13.6%	0.4%	13.2%	-3.4%	13.6%	-22.2%	-5.7%	
Eagle	\$130	\$254	\$146	\$256	\$161	\$121	\$106	\$202	\$47	\$255	\$203	\$194	\$ 171
Seq Growth		96.3%	-42.5%	75.1%	-37.2%	-24.5%	-12.4%	89.8%	-76.6%	440.6%	-20.6%	-4.2%	
El Paso	\$318	\$388	\$330	\$299	\$332	\$327	\$354	\$352	\$332	\$298	\$256	\$259	\$ 326
Seq Growth		21.9%	-14.9%	-9.4%	11.1%	-1.7%	8.5%	-0.8%	-5.6%	-10.3%	-14.1%	1.0%	
Fremont	\$170	\$177	\$222	\$186	\$149	\$376	\$236	\$212	\$225	\$134	\$97	\$85	\$ 199
Seq Growth		4.4%	25.3%	-16.4%	-20.0%	152.9%	-37.2%	-10.2%	6.1%	-40.2%	-28.2%	-11.6%	
Garfield	\$492	\$307	\$371	\$279	\$393	\$310	\$335	\$399	\$455	\$342	\$215	\$167	\$ 354
Seq Growth		-37.6%	20.9%	-24.8%	40.8%	-21.1%	8.1%	19.1%	14.2%	-24.8%	-37.0%	-22.3%	
Gilpin	\$154	\$110	\$115	\$139	\$147	\$150	\$116	\$136	\$129	\$163	\$164	\$182	\$ 138
Seq Growth		-28.9%	4.9%	21.0%	5.5%	2.1%	-22.7%	17.0%	-4.7%	25.8%	1.1%	10.6%	
Gunnison	\$260	\$138	\$199	\$172	\$161	\$202	\$141	\$165	\$161	\$174	\$202	\$238	\$ 180
Seq Growth		-46.8%	43.9%	-13.5%	-6.4%	25.3%	-30.0%	16.8%	-2.5%	7.8%	16.4%	17.7%	
Jefferson	\$149	\$150	\$153	\$178	\$137	\$133	\$127	\$141	\$138	\$130	\$126	\$137	\$ 142
Seq Growth		0.6%	2.0%	16.5%	-23.4%	-2.4%	-4.5%	10.7%	-2.2%	-5.4%	-3.2%	8.2%	
La Plata	\$286	\$271	\$339	\$458	\$295	\$311	\$334	\$308	\$357	\$294	\$233	\$223	\$ 317
Seq Growth		-5.1%	24.9%	35.1%	-35.5%	5.4%	7.4%	-7.8%	15.9%	-17.7%	-20.8%	-4.4%	
Larimer	\$154	\$238	\$221	\$240	\$206	\$223	\$206	\$213	\$236	\$209	\$209	\$229	\$ 214
Seq Growth		54.2%	-7.1%	8.9%	-14.2%	8.0%	-7.7%	3.5%	10.9%	-11.3%	-0.3%	9.8%	
Montezuma	\$231	\$143	\$91	\$114	\$229	\$300	\$192	\$196	\$187	\$72	\$74	\$83	\$ 166
Seq Growth		-38.1%	-36.8%	26.1%	100.7%	30.7%	-35.9%	1.8%	-4.4%	-61.4%	3.2%	11.7%	
Pitkin	\$382	\$132	\$596	\$232	\$220	\$132	\$254	\$193	\$194	\$149	\$132	\$137	\$ 238
Seq Growth		-65.4%	350.2%	-61.1%	-5.1%	-40.0%	92.7%	-24.1%	0.5%	-23.5%	-10.9%	3.3%	
Pueblo	\$78	\$177	\$171	\$132	\$153	\$102	\$194	\$132	\$78	\$72	\$133	\$180	\$ 129
Seq Growth		126.9%	-3.4%	-22.7%	15.4%	-33.5%	91.0%	-32.2%	-40.4%	-8.1%	85.0%	35.3%	
Routt	\$179	\$382	\$248	\$217	\$201	\$70	\$48	\$459	\$232	\$59	\$60	\$67	\$ 196
Seq Growth		112.8%	-35.1%	-12.5%	-7.5%	-65.1%	-31.7%	857.3%	-49.4%	-74.7%	2.3%	11.2%	
San Miguel	\$303	\$658	\$406	\$182	\$234	\$260	\$237	\$163	\$176	\$131	\$70	\$44	\$ 256
Seq Growth		117.1%	-38.3%	-55.2%	28.5%	11.3%	-8.7%	-31.1%	7.6%	-25.7%	-46.4%	-37.7%	
Summit	\$279	\$338	\$218	\$297	\$214	\$193	\$200	\$189	\$247	\$200	\$177	\$182	\$ 232
Seq Growth		21.4%	-35.6%	36.4%	-27.9%	-9.9%	3.5%	-5.5%	30.9%	-19.2%	-11.3%	3.0%	
Weld	\$206	\$197	\$157	\$140	\$139	\$127	\$90	\$74	\$79	\$101	\$88	\$89	\$ 127
Seq Growth		-4.3%	-20.4%	-11.0%	-0.9%	-8.1%	-29.6%	-17.9%	6.9%	28.7%	-13.4%	1.5%	
Other	\$284	\$311	\$299	\$273	\$278	\$252	\$259	\$279	\$269	\$273	\$229	\$0	\$ 273
Seq Growth		9.5%	-3.7%	-8.8%	1.6%	-9.1%	2.5%	7.8%	-3.4%	1.3%	-16.1%	-100.0%	
<b>AVERAGES</b>	<b>\$284</b>	<b>\$311</b>	<b>\$299</b>	<b>\$273</b>	<b>\$278</b>	<b>\$252</b>	<b>\$259</b>	<b>\$279</b>	<b>\$269</b>	<b>\$273</b>	<b>\$229</b>	<b>\$260</b>	<b>\$ 272</b>
		9.5%	-3.7%	-8.8%	1.6%	-9.1%	2.5%	7.8%	-3.4%	1.3%	-16.1%	13.6%	

Source: State of Colorado; GWA Estimates

## Disclaimers

The Controlled Substances Act regulates, among other things, the cultivation, possession and distribution of certain controlled substances, including Cannabis and Marijuana which are illegal under federal law and in many states.. This is true whether or not it is possessed for qualifying medical conditions, as provided for in certain state medical marijuana laws or if it is possessed within the few states that permit non-medicinal Adult (Recreational) Use.

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