

RIVER

REMEDY

BOUTIQUE CANNABIS

August 2025

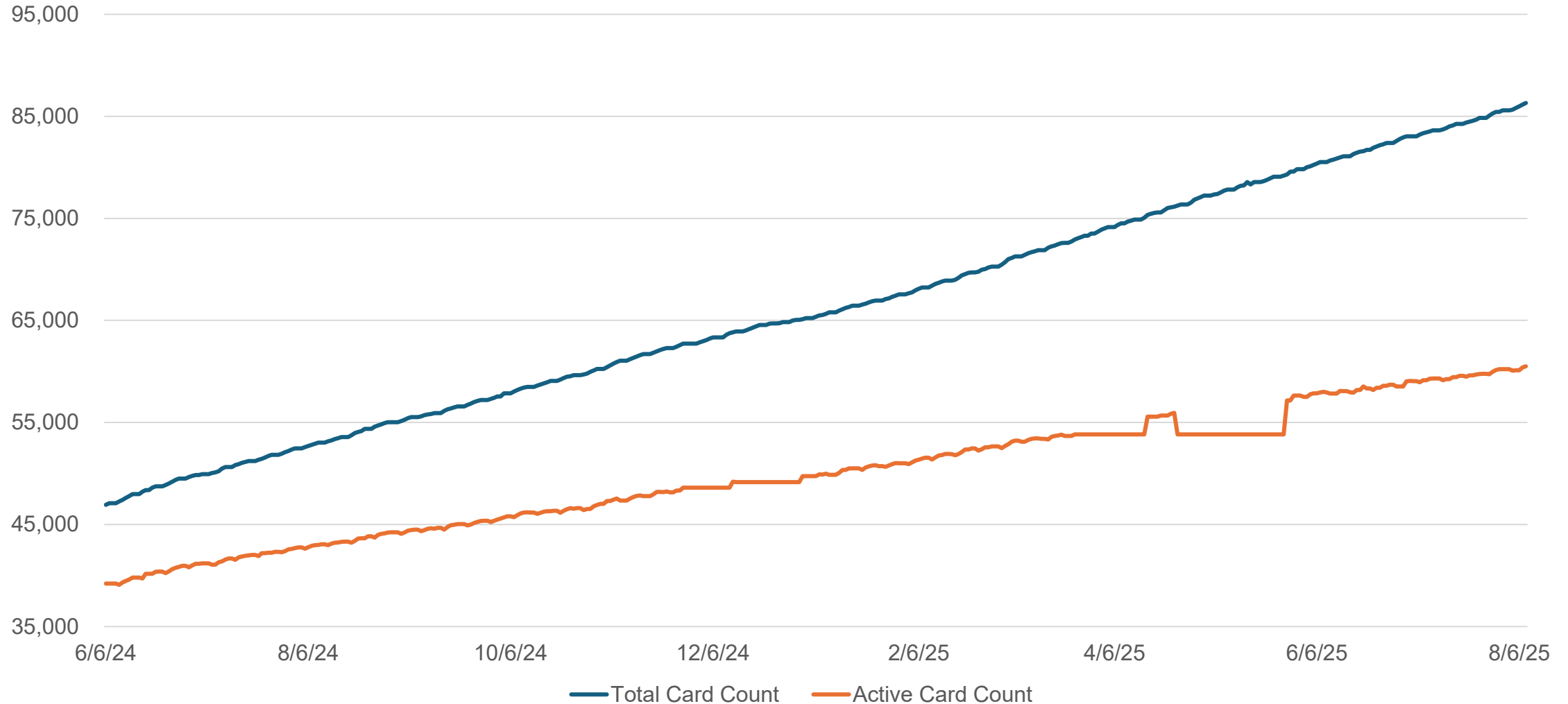
Please direct inquiries to:
William Chism
william.chism@riverremedys.com
(601) 918-1851

Executive Summary

- Since June 2024, when active and total patient card data became available, total card counts have grown by an average of 92 per day and active cards by 50 per day.
- Year-to-date, these figures have accelerated to 97 and 52 per day, respectively—outpacing second-half 2024 growth rates of 84 and 44.
- Monthly medical cannabis spend per active patient has consistently averaged around \$200, likely excluding accessories, suggesting actual spend is \$5–10 higher.
- At this rate of net patient growth and spend, retail sales are projected to reach ~\$139M in 2025 and ~\$184M in 2026.
- Attrition analysis of 1,500 patient cards shows ~10% loss after six months and ~45% loss after twelve months — a major renewal hurdle.
- Based on historical issuance, we project ~37 daily expirations over the next six months, translating to a net gain of 100 active cards for every 137 issued.
- Sustaining 50 net new actives per day will require issuing at least 87 new cards daily.
- **Risks to growth:**
 - Slowing New Patient Growth – If daily net adds drop from 50 to 40, 30, or lower, total market growth will materially slow.
 - High One-Year Attrition – The 45% attrition rate after twelve months could erode the active patient base if issuance slows.
 - Potential Spend Decline – While spend per patient has remained stable, competitive pressures in an oversupplied market could compress spending over time.
- **Opportunities for growth:**
 - Extend Card Validity – Lengthening card duration from 12 to 24 months could materially reduce attrition and support higher growth rates.
 - Renewal Incentives – Targeted outreach and education could address non-renewal drivers such as cost, perceived lack of efficacy, or procedural barriers.
 - Data-Driven Retention Strategy – A renewed survey effort could quantify reasons for attrition and inform policy or program changes to improve retention.

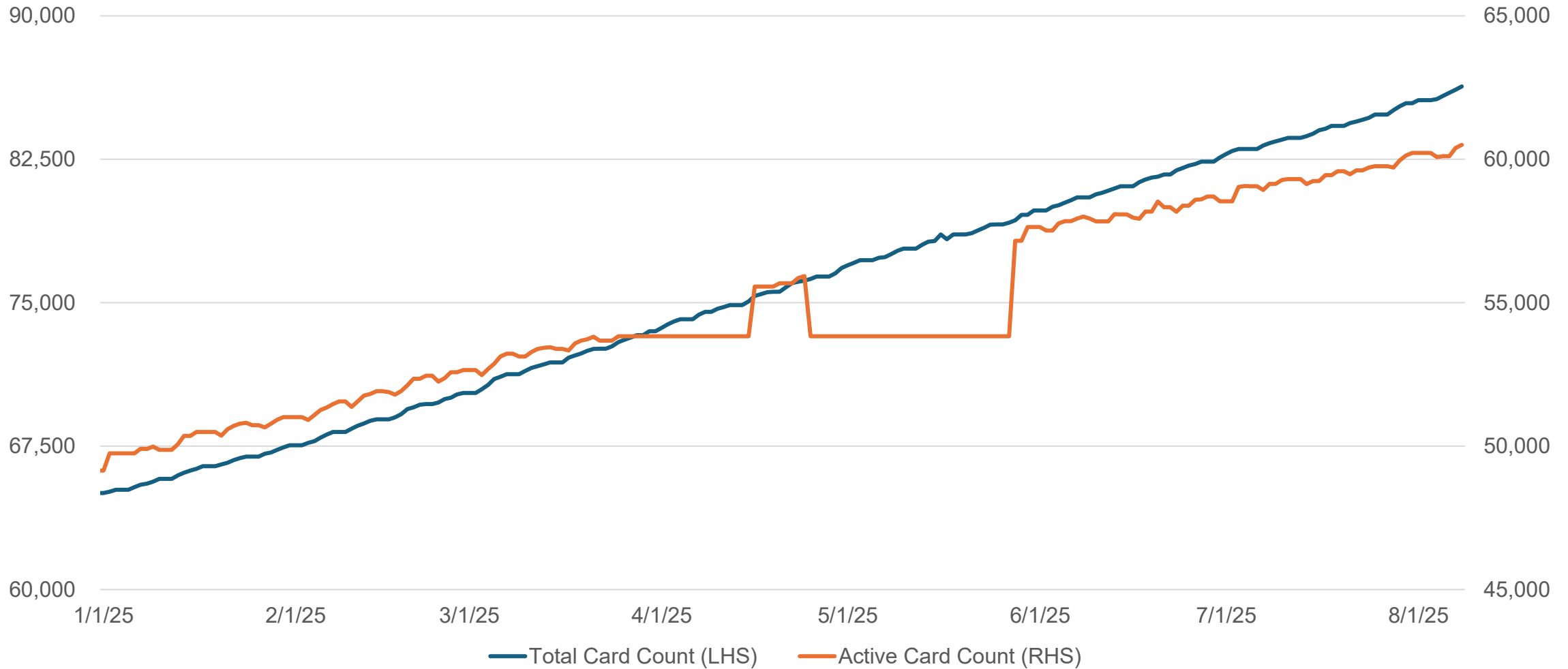
Patient Card Count Growth Since June 2024

Since June 2024, when data for both active and total patient cards became available, total card counts have grown by an average of 92 per day, while active card counts have increased by an average of 50 per day.



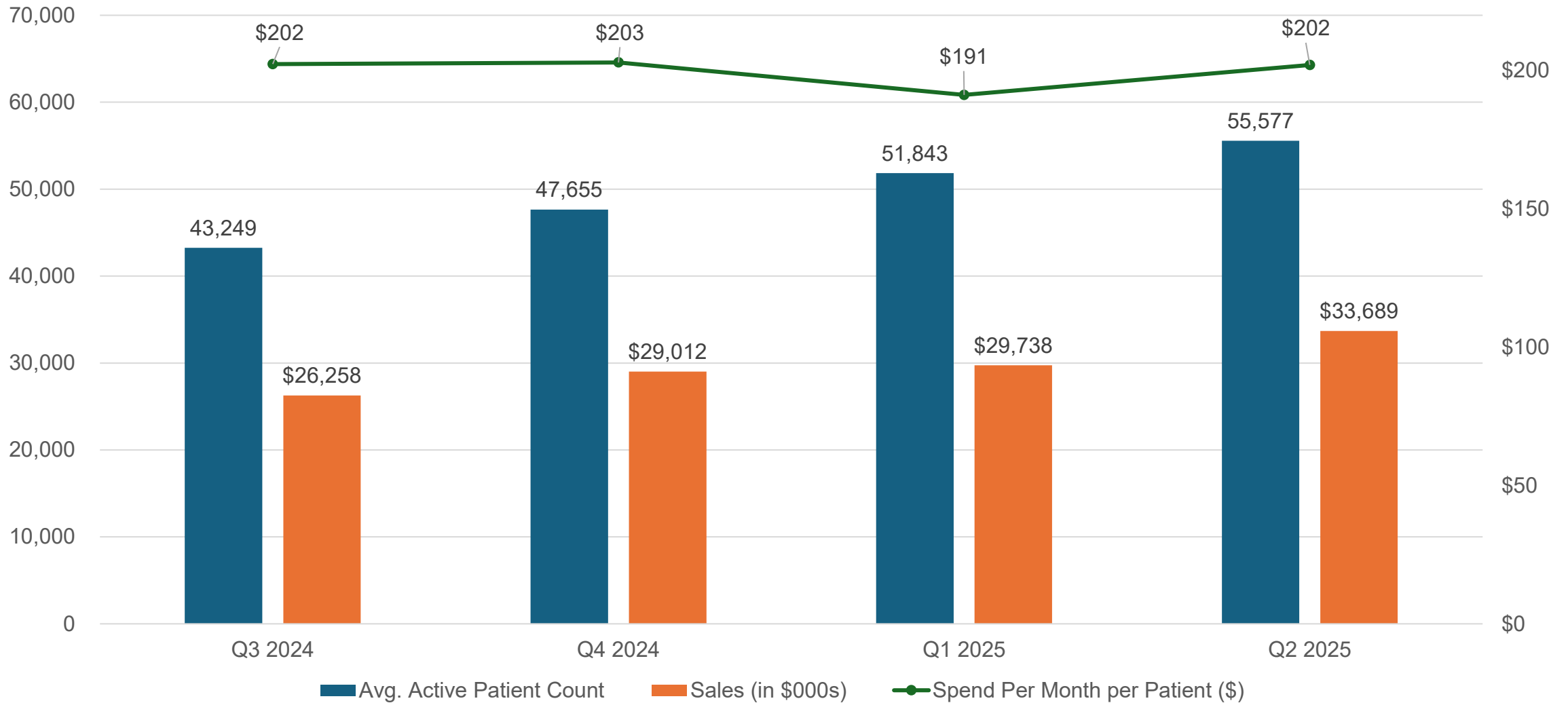
Patient Card Count Growth YTD

Year-to-date data shows total card counts increasing by an average of 97 per day, with active card counts rising by 52 per day -- both outpacing the second half of 2024, when growth averaged 84 and 44 per day, respectively.



Spending Trends

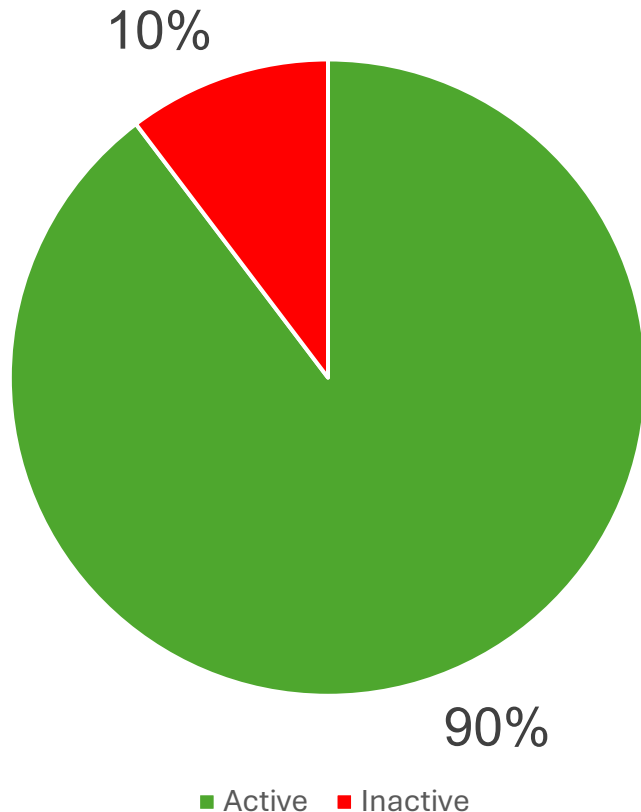
Monthly medical cannabis spend per active patient has consistently averaged around \$200.



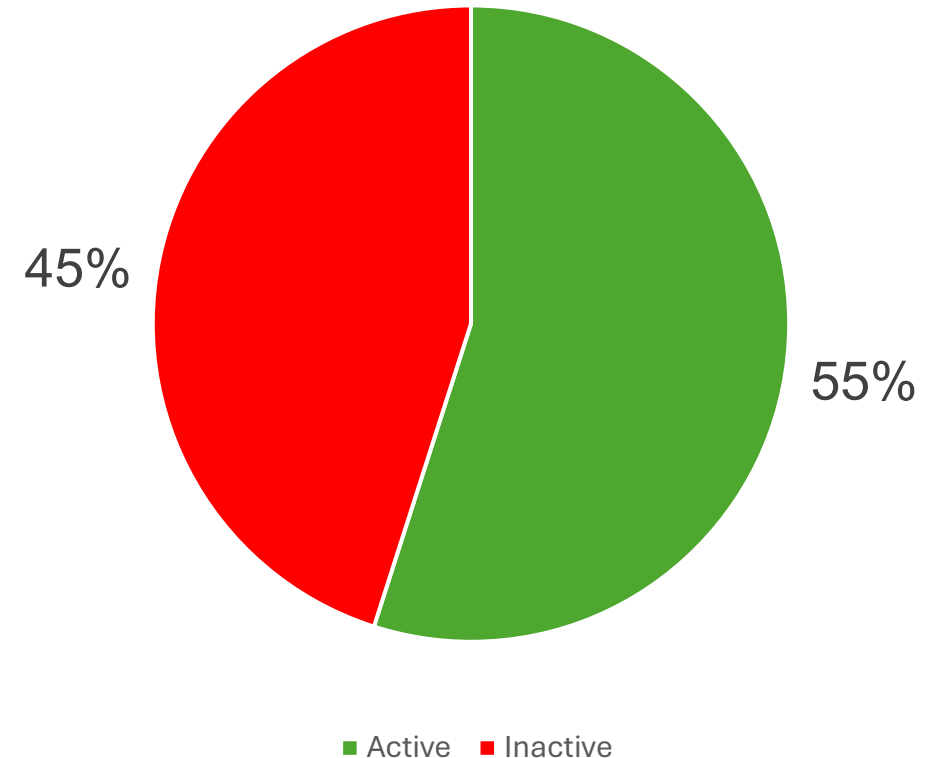
Card Count Attrition

- Analysis of 1,500 cards issued six and twelve months ago shows attrition of ~10% at six months, rising to ~45% at twelve months, a clear renewal hurdle at the one-year mark. While some patients may obtain new cards after expiration, we have no reliable data to support this.
- Based on gross issuance over the past year, we project roughly 37 cards per day will expire over the next six months. This equates to a net gain of 100 active cards for every 137 new cards issued. To sustain active card growth of 50 per day, issuance must average at least 87 new cards daily.

6 Months Post Initial Card Issuance



12 Months Post Initial Card Issuance



Total Market Size (Retail)

Assuming growth of 50 net active patients per day and \$200 per month in average retail spend, we estimate 2025 will conclude at \$139mm retail sales followed by \$184mm in 2026.

