Green Thumb Industries (GTI) Announces Record Revenue of $28 Million and Record Sequential Revenue Growth of 34% for First Quarter 2019

May 30, 2019

- *Opened four new Rise ™ retail stores year-to-date across Ohio and Florida*
- *Closed previously announced acquisition of Advanced Grow Labs, expanding production and distribution of consumer products business into the Connecticut market*
- *Closed previously announced acquisition of For Success Holding Company, expanding market reach to California and Colorado with lifestyle cannabis brand Beboe*
- *Closed $105.5 million senior secured debt financing*

CHICAGO and VANCOUVER, British Columbia, May 30, 2019 (GLOBE NEWSWIRE) -- Green Thumb Industries Inc. ("GTI" or the "Company") (CSE: GTII) (OTCQX: GTBIF), a leading national cannabis consumer packaged goods company and owner of the retail chain Rise™, today reported its financial results for the first quarter ended March 31, 2019. All currency is in U.S. dollars, unless noted otherwise.

Financial Highlights

- Revenue: First quarter 2019 revenue increased 155% year-over-year to $27.9 million. Quarter-over-quarter revenue increased 34%, a record sequential growth for GTI.

- EBITDA[1], Adjusted EBITDA[1], and Adjusted Operating EBITDA[1] for the quarter, as described in an accompanying financial table, was a loss of $4.0 million, a gain of $4.9 million, and a loss of $0.4 million, respectively.

- Net loss for the first quarter 2019 was $9.7 million, as compared to net loss of $3.3 million in the fourth quarter 2018, primarily due to the decrease in value from a variable note receivable in other income.

- Current assets totaled $151.1 million and included cash and cash equivalents of $117.1 million. Total debt outstanding was $6.7 million.

- Subsequent to quarter end, closed $105.5 million senior secured non-brokered private placement debt financing. GTI intends to use the proceeds for general working capital purposes, strategic growth initiatives, and to retire the Company's existing debt.

Management Commentary

"Delivering a solid first quarter is a great start to 2019. We saw accelerated organic growth across both our consumer products and retail businesses, continued execution of our store build-out with four new openings year-to-date, and further expansion of our consumer products business with the closing of the AGL and Beboe transactions," said GTI Founder and Chief Executive Officer Ben Kovler. "Integral Associates, Nevada's top cannabis operator, is on track to close in the second quarter, which will significantly scale our branded products and retail footprint in the western U.S."

"This performance led to the successful closing of our $105 million debt financing. GTI continues to be a first mover—this time in the capital markets. Importantly, this financing allows us to continue building a capital-efficient business that is well positioned for scalable, long-term sustainable growth," Kovler continued. "We look forward to strong performance in 2019 as we see our investments in people, infrastructure, and branding gain momentum."

Consumer Packaged Goods Business Develo pment

- Sales from GTI's brand portfolio to third-party retailers more than doubled versus year ago driven by organic growth in Illinois and Maryland and new distribution of branded products in Nevada, Pennsylvania, Massachusetts, Florida, Connecticut and California. GTI continues to invest in capacity expansion across Pennsylvania, Illinois, Maryland, Florida, Massachusetts and Nevada.

- In January, GTI expanded its consumer products operations in Ohio by winning a processing license that permits the Company to produce and distribute its brands in the state.

- In February, GTI closed two previously announced acquisitions:

-- For Success Holding Company adds the Beboe brand of premium lifestyle cannabis products to its brand portfolio and expands wholesale distribution in California and Colorado. Subsequent to the first quarter, the Company launched a luxury CBD skincare line Beboe Therapies, which is currently being sold online and in select luxury retailers across the country, including Barneys New York and Neiman Marcus.

-- Advanced Grow Labs ("AGL"), one of only four companies in Connecticut licensed to grow and process cannabis, increases the Company's brand distribution footprint in the densely populated New England region.

- GTI made further progress on the previously announced acquisition of Integral Associates in Nevada, which includes two world-class cultivation and processing facilities in Las Vegas, supporting expanded wholesale distribution of GTI's branded products portfolio in one of the world's most popular tourist destinations. The acquisition is expected to close in the second quarter of 2019.

Retail Business Development

- Retail revenue increased more than 125% year-over-year, driven by organic growth generated from increased transaction activity at existing stores, and from seven new store openings. First quarter revenue included contributions from 15 open stores across the country.

- Comparable store sales (stores open for at least 12 months) exceeded 30%, driven by transaction growth from new consumers.

- GTI opened four new Rise™ stores year-to-date 2019, bringing total open stores to 19. Including pending acquisitions, the Company has 25 open stores with licenses to open a total of 88 locations. The Company plans to open an additional 15 to 20 new stores in 2019, bringing the total anticipated open store count for the year to 40 to 45, ahead of its original plan.

- Florida: GTI opened Rise™ Deerfield Beach in January, its first retail store in the state. Subsequent to the quarter, GTI opened its second Florida location in Pinellas Park.

- Ohio: Subsequent to the quarter, GTI opened two Rise™ stores in Toledo and Lorain. These stores are the first of five retail stores that GTI will open in Ohio. Future stores include one Rise™ store slated for Cleveland opening soon and two in Lakewood opening later this year.

- New York: GTI partnered to open three stores in New York in the first quarter, located in Manhattan, Rochester, and Halfmoon.

- Connecticut: The AGL acquisition that closed in February also includes ownership of one retail store in Westport, Connecticut; the store is expected to open in 1Q 2020.

- Illinois: Subsequent to the quarter, GTI acquired Evergreen Dispensary, LLC., owner of a retail store located outside of Peoria, Illinois. This marks GTI's fifth retail store in the state, and 19 th open store nationwide.

- Subsequent to the quarter on May 12th, Rise™ Amherst began adult-use sales in Massachusetts. Amherst is the highest populated municipality in Hampshire County and home to the Five College Consortium in Western Massachusetts that includes Amherst College, Hampshire College, Mount Holyoke College, Smith College and the University of Massachusetts – Amherst.

Capital Markets and Financing Activities

Subsequent to the quarter, GTI closed a $105 million senior secured non-brokered private placement debt financing through the issuance of senior secured notes (the "Notes"). The financing will be used for general working capital purposes, strategic growth initiatives, and to retire the Company's existing debt. The Notes have a maturity date of May 22, 2022 and will bear interest at 12% per annum, payable quarterly, with an option, at the discretion of the Company, to extend an additional 12 months.

First Quarter 2019 Financial Overview

Total revenue for the first quarter of 2019 was $27.9 million, up 155% from $10.9 million for the first quarter of 2018 and up 34% from $20.8 million for the fourth quarter of 2018. Revenue growth was driven by both the consumer products and retail businesses, including the expansion of branded product distribution, new store openings, and increased consumer demand.

In the first quarter, GTI generated revenue in nine markets: Nevada, Illinois, Pennsylvania, Massachusetts, Florida, Maryland, Connecticut, California, and Colorado. New revenue streams generated during the quarter included the sale of consumer products to third-party retail stores in Nevada, California, Colorado and Connecticut and the beginning of retail sales in Florida. The Company also made capital investments related to the build out of new markets in Florida, Nevada, and Ohio.

Gross profit before biological asset adjustment for the first quarter was $13.1 million or 46.9%, as compared to $4.7 million or 43.1% for the same period last year. Gross profit after net gains on biological asset transformation for the quarter was $13.4

million or 47.9%, as compared to 44.5% for the same period last year. The gross margin improvement was driven primarily by increased operating efficiencies as the Company scales its consumer products and retail businesses.

Total operating expenses for the first quarter was $26.6 million, as compared to $6.3 million for the same period last year. Total operating expenses include general and administrative ("G&A") expenses, which totaled $22.6 million for the quarter. G&A expenses include increased headcount related expenses as the Company continues to scale the business, non-recurring acquisition related expenses of $2.4 million, and non-cash expenses related to stock-based compensation of $6.5 million for the quarter.

Total other income was $4.7 million for the first quarter as compared to $0.5 million for the same period last year. The increase primarily reflects the net increase in asset value of the Company's strategic investment portfolio.

Net loss attributable to GTI for the first quarter was $9.7 million, as compared to a net loss of $1.6 million for the first quarter of 2018.

EBITDA[1] was a loss of $4.0 million for the first quarter of 2019, as compared to EBITDA loss of $0.8 million for the first quarter of 2018. Excluding fair value adjustments attributable to non-controlling investment interests, non-cash stock compensation expenses, and transaction closing costs, GTI generated Adjusted EBITDA[1] of $4.9 million for the first quarter of 2019. Excluding other income from non-controlling investment interests, the Company generated Adjusted Operating EBITDA loss of $0.4 million, an improvement from a loss of approximately $1.0 million in the prior quarter.

Balance Sheet and Liquidity

As of March 31, 2019, total assets were $661.5 million, including cash and cash equivalents of $117.1 million and long-term liabilities of $43.4 million. The Company had $6.7 million of total debt.

Total equity shares, on an as converted basis, were 171,323,714 at March 31, 2019.

Additional Information

Additional information relating to the Company's first quarter 2019 results is available on SEDAR at www.sedar.com in the Company's Interim Financial Statements and Management Discussion & Analysis ("MD&A").

GTI refers to certain non-IFRS financial measures such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), adjusted EBITDA earnings defined as earnings before interest, other income, taxes, depreciation, amortization, less certain non-cash equity compensation expense, including one-time transaction fees and all other non-cash items, and adjusted operating EBITDA earnings defined as adjusted EBITDA excluding other income. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers.

1. *Please see the "Supplemental Information (Unaudited) Regarding Non-IFRS Financial Measures" at the end of this press release for more detailed information regarding non-IFRS financial measures.*

Adoption of New Accounting Standard

In January 2016, the IASB issued IFRS 16, *Leases* ("IFRS 16"), which replaced IAS 17, *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard is effective for annual periods beginning on or after January 1, 2019.

The Company has applied this standard on a modified retrospective basis, where the cumulative effect of initially applying the standard is recognized as an adjustment to the opening balance of retained earnings and comparative balances are not restated.

Conference Call and Webcast

GTI will host a conference call on Thursday, May 30, 2019 at 5:00 pm ET to discuss its financial results for the first quarter ended March 31, 2019. The conference call may be accessed by dialing 877-273-8145 (Toll-Free) or 647-689-5400 (International) with conference ID: 9458208. A live audio webcast of the call will also be available on the Investor Relations section of GTI's website at https://investors.gtigrows.com/investors and will be archived for replay.

About Green Thumb Industries:

Green Thumb Industries (GTI), a national cannabis consumer packaged goods company and retailer, is dedicated to providing dignified access to cannabis while giving back to the communities in which they serve. GTI manufactures and distributes a portfolio of branded cannabis products including Rythm, Dogwalkers, The Feel Collection, and Beboe, among others. The company also owns and operates a rapidly growing national chain of retail cannabis stores called Rise™. Headquartered in Chicago, Illinois, GTI has 11 manufacturing facilities, licenses for 78 retail locations and operations across 12 U.S. markets. Established in 2014, GTI employs approximately 800 people and serves thousands of patients and customers each year. GTI was named a Best Workplace 2018 by Crain's Chicago Business. More information is available at GTIgrows.com.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which may constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of GTI with respect to future business activities. Forward-looking information is often identified by the words “may,” “would,” “could,” “should,” “will,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “expect,” or similar expressions and include information regarding the future direction and business objectives of GTI (including proposed acquisitions and plans for expansion) The forward-looking information in this news release is based upon the expectations, estimates, projections, assumptions and views of future events which management believes to be reasonable in the circumstances, including those relating to the ability of GTI to complete the acquisition of Integral Associates on the current terms and the timing of such acquisition, and expectations relating to general economic and market conditions. Any forward-looking information speaks only as of the date on which it is made, and, except as required by law, GTI does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information in this news release is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those express or implied. When considering these forward-looking statements, readers should keep in mind the risk factors and other cautionary statements in GTI’s public filings with the applicable securities regulatory authorities on SEDAR at www.sedar.com, including the risk factors set out in GTI’s annual information form dated July 10, 2018.

No securities regulatory authority has in any way passed upon the merits of the proposed transactions described in this news release or has approved or disapproved of the contents of this news release.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

Investor Contact:	**Media Contact:**
Jennifer Dooley	Linda Marsicano
Chief Strategy Officer	VP, Corporate Communications
InvestorRelations@gtigrows.com	lmarsicano@gtigrows.com
310-622-8257	773-354-2004

Source: Green Thumb Industries

Highlights from Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Amounts Expressed in United States Dollars)

	Three Months Ended March 31, 2019	2018
Revenues, net of discounts	$ 27,913,163	$ 10,925,898
Cost of Goods Sold, net	(14,811,489)	(6,212,963)
Gross Profit before Biological Asset Adjustment	13,101,674	4,712,935
Net Effect of Changes in Fair Value of Biological Assets	258,478	151,045
Gross Profit	13,360,152	4,863,980
Expenses:		
General and Administrative	22,591,335	5,851,896
Sales and Marketing	688,293	170,113
Depreciation and Amortization	3,275,915	233,629
Total Expenses	26,555,543	6,255,638

Loss From Operations	(13,195,391)	(1,391,658)
Other Income (Expense):		
Other Income (Expense), net	5,256,653	233,344
Interest Income	356,830	600,000
Interest Expense	(943,878)	(371,105)
Total Other Income (Expense)	4,669,605	462,239
Income (Loss) Before Provision for Income Taxes And Non-Controlling Interest	(8,525,786)	(929,419)
Provision For Income Taxes	1,307,000	35,000
Net Income (Loss) and Comprehensive Income (Loss) Before Non-Controlling Interest	(9,832,786)	(964,419)
Net Income (Loss) and Comprehensive Income (Loss) A ttributable To Non-Controlling Interest	(140,999)	616,550
Net Loss and Comprehensive Loss Attributable To Green Thumb Industri es Inc.	$ (9,691,787)	$ (1,580,969)
Net Loss per share - basic and diluted	$ (0.06)	
Weighted average number of shares outstanding - basic and diluted	170,931,608	
Net Loss per membership unit		$ (0.01)
Membership units		249,702,041

Highlights from Unaudited Interim Condensed Consolidated Statements of Financial Position
(Amounts Expressed in United States Dollars)

	March 31, 2019	December 31, 2018
Cash and cash equivalents	$ 117,081,967	$ 145,986,072
Other current assets	33,988,108	28,409,968
Property and equipment, net	83,891,080	65,324,080
Intangible assets, net	184,317,138	91,565,678
Goodwill	156,449,153	29,324,360
Other long-term assets	85,723,406	56,392,427
Total assets	$ 661,450,852	$ 417,002,585
Total current liabilities	$ 83,171,666	$ 47,619,512
Notes payable, net of current portion	5,174,628	5,733,797
Other long-term liabilities	38,229,277	14,769,377
Total equity	534,875,281	348,879,899
Total liabilities and equity	$ 661,450,852	$ 417,002,585

Supplemental Information (Unaudited) Regarding Non-IFRS Financial Measures

EBITDA, Adjusted Operating EBITDA, and Adjusted EBITDA are non-IFRS measures and do not have standardized definitions under IFRS. The following information provides reconciliations of the supplemental non-IFRS financial measures, presented in this press release to the most directly comparable financial measures calculated and presented in accordance with International Financial Reporting Standards. The Company has provided the non-IFRS financial measures in the press release, which are not calculated or presented in accordance with IFRS, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. These supplemental non-IFRS financial measures are presented because management has evaluated the Company's financial results both including and excluding the adjusted items and believe that the supplemental non-IFRS financial measures presented provide additional perspective and insights when analyzing the core operating performance of the Company's business. These supplemental non-IFRS financial measures should not be considered superior to, as a substitute for or as an alternative to, and should be considered in conjunction with, the IFRS financial measures presented in the press release.

Adjusted EBITDA

(Amounts Expressed in United States Dollars)

	Three Months Ended March 31,	
	2019	**2018**
Net income (loss) before noncontrolling interest (IFRS)	$ (9,832,786)	$ (964,419)
Interest income	(356,830)	(600,000)
Interest expense	943,878	371,105
Income taxes	1,307,000	35,000
Depreciation and amortization	3,915,896	344,305
Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-IFRS measure)	**$ (4,022,842)**	**$ (814,009)**
Other income	(5,256,653)	(233,344)
Share-based compensation, non-cash	6,473,462	-
Nonrecurring acquisition related expenses	2,407,482	-
Adjusted Operating EBITDA (non-IFRS mea sure)	**$ (398,551)**	**$ (1,047,353)**
Adjustment for investment fair value adjustments attributable to Green Thumb Industries Inc.	5,256,653	-
Adjusted EBITDA (non-IFRS measure)	**$ 4,858,102**	**$ (1,047,353)**

Source: Green Thumb Industries