

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from—to



Commission file number 000-56132

GREEN THUMB INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

British Columbia
(State or other jurisdiction of
incorporation or organization)

325 West Huron Street,
Suite 700 Chicago, Illinois
(Address of principal executive offices)

98-1437430
(I.R.S. employer
identification no.)

60654
(zip code)

Registrant's telephone number, including area code - (312) 471-6720

Securities registered pursuant to Section 12(g) of the Act:

Subordinate Voting Shares

Multiple Voting Shares

Super Voting Shares

(Title of each Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of May 1, 2025 there were 212,559,360 shares of the registrant's Subordinate Voting Shares, 37,683 shares of the registrant's Multiple Voting Shares and 206,690 shares of the registrant's Super Voting Shares outstanding.

GREEN THUMB INDUSTRIES INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2025

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Use of Names

In this Quarterly Report on Form 10-Q, unless the context otherwise requires, the terms “we,” “us,” “our,” “Company,” “Corporation” or “Green Thumb” refer to Green Thumb Industries Inc. together with its wholly-owned subsidiaries.

Currency

Unless otherwise indicated, all references to “\$” or “US\$” in this document refer to United States dollars, and all references to “C\$” refer to Canadian dollars.

Disclosure Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that we believe are, or may be considered to be, “forward-looking statements.” All statements other than statements of historical fact included in this document regarding the prospects of our industry or our prospects, plans, financial position or business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as “may,” “will,” “expect,” “intend,” “estimate,” “foresee,” “project,” “anticipate,” “believe,” “plan,” “forecast,” “continue” or “could” or the negative of these terms or variations of them or similar terms or expressions of similar meaning. Furthermore, forward-looking statements may be included in various filings that we make with the Securities and Exchange Commission (the “SEC”), and in press releases or oral statements made by or with the approval of one of our authorized executive officers. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. These known and unknown risks include, without limitation: cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change; state regulation of cannabis is uncertain; the Company may not be able to obtain or maintain necessary permits and authorizations; the Company may face limitations on ownership of cannabis licenses; the Company may become subject to U.S. Food and Drug Administration or the U.S. Bureau of Alcohol, Tobacco Firearms and Explosives regulation; as a cannabis business, the Company is subject to applicable anti-money laundering laws and regulations and has restricted access to banking and other financial services; the Company may face difficulties acquiring additional financing; the Company operates in a highly regulated sector and may not always succeed in complying fully with application regulatory requirements in all jurisdictions where the Company carries on business; the Company faces intense competition; the Company faces competition from the illicit market as well as actual or purported Farm Bill compliant hemp products; the Company is dependent upon the popularity and consumer acceptance of its brand portfolio; the Company has limited trademark protection; as a cannabis business, the Company is subject to unfavorable U.S. tax treatment and may incur significant tax liability; the Company is subject to proceeds of crime statutes; the Company faces exposure to fraudulent or illegal activity; the Company faces risks due to industry immaturity or limited comparable, competitive or established industry best practices; the Company faces risks related to its products; the Company’s business is subject to the risks inherent in agricultural operations; the Company faces an inherent risk of product liability or similar claims; the Company’s products may be subject to product recalls; the Company may face unfavorable publicity or consumer perception; the Company may adversely be impacted by rising or volatile energy costs and availability; the Company faces risks related to its information technology systems and potential cyber-attacks and security breaches; the Company relies on third-party software providers for numerous capabilities that it depends upon to operate, and a disruption of one or more systems could adversely affect the business; the Company relies on the expertise of the Company management team and other employees experienced in the cannabis industry, and the loss of key personnel could negatively affect the Company’s business, financial condition and results of operations; the Company’s voting control is concentrated; the Company’s capital structure and voting control may cause unpredictability; sales of substantial amounts of Subordinate Voting Shares by our shareholders in the public market may have an adverse effect on the market price of our Subordinate Voting Shares and could affect the Company’s business and financial condition and the results of operations. These and other risks and uncertainties are described further in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, and elsewhere in the Company’s filings with the SEC, which are available on the SEC’s website or at <https://investors.gtigrows.com>. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this document, which reflect management’s opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our reports to the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this document.

Green Thumb Industries Inc.
Unaudited Interim Condensed Consolidated Balance Sheets
As of March 31, 2025 and December 31, 2024
(Amounts Expressed in United States Dollars)

| | March 31, 2025 | December 31, 2024 <i>(Audited)</i> |
|---|---------------------|--|
| | (in thousands) | |
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 210,582 | \$ 171,687 |
| Accounts Receivable, Net | 47,458 | 52,831 |
| Income Tax Receivable | — | 688 |
| Convertible Note Receivable from Related Party | 10,000 | 10,000 |
| Inventories, Net | 155,337 | 147,162 |
| Prepaid Expenses | 13,635 | 16,856 |
| Other Current Assets | 7,893 | 4,676 |
| Total Current Assets | 444,905 | 403,900 |
| Property and Equipment, Net | 720,267 | 716,014 |
| Right of Use Assets, Net | 242,705 | 246,281 |
| Investments | 43,461 | 43,578 |
| Investments in Associates | 39,495 | 40,305 |
| Notes Receivable | 5,967 | 4,270 |
| Intangible Assets, Net | 475,713 | 488,287 |
| Goodwill | 589,691 | 589,691 |
| Deferred Tax Assets | 2,519 | 2,519 |
| Deposits and Other Assets | 4,359 | 2,167 |
| TOTAL ASSETS | \$ 2,569,082 | \$ 2,537,012 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 19,308 | \$ 24,767 |
| Accrued Liabilities | 76,709 | 86,162 |
| Compensation Payable | 29,390 | 25,350 |
| Current Portion of Notes Payable | 13,972 | 12,062 |
| Current Portion of Lease Liabilities | 14,840 | 14,296 |
| Income Tax Payable | 32,904 | 2,332 |
| Total Current Liabilities | 187,123 | 164,969 |
| Long-Term Liabilities: | | |
| Lease Liabilities, Net of Current Portion | 258,528 | 261,446 |
| Notes Payable, Net of Current Portion and Debt Discount | 238,469 | 242,896 |
| Deferred Income Taxes | 78,621 | 78,621 |
| TOTAL LIABILITIES | 762,741 | 747,932 |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY | | |
| Subordinate Voting Shares (Shares Authorized, Issued and Outstanding at March 31, 2025: Unlimited, 212,043,849, and 212,043,849, respectively, at December 31, 2024: Unlimited, 211,128,045, and 211,128,045, respectively) | — | — |
| Multiple Voting Shares (Shares Authorized, Issued and Outstanding at March 31, 2025: Unlimited, 37,623 and 37,623, respectively, at December 31, 2024: Unlimited, 37,623 and 37,623, respectively) | — | — |
| Super Voting Shares (Shares Authorized, Issued and Outstanding at March 31, 2025: Unlimited, 206,690 and 206,690, respectively, at December 31, 2024: Unlimited, 206,690 and 206,690, respectively) | — | — |
| Share Capital | 1,770,578 | 1,758,504 |
| Contributed Deficit | (22,993) | (26,854) |
| Deferred Share Issuances | — | 6,362 |
| Accumulated Earnings | 59,571 | 51,265 |
| Equity of Green Thumb Industries Inc. | 1,807,156 | 1,789,277 |
| Noncontrolling interests | (815) | (197) |
| TOTAL SHAREHOLDERS' EQUITY | 1,806,341 | 1,789,080 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 2,569,082 | \$ 2,537,012 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Green Thumb Industries Inc.
Unaudited Interim Condensed Consolidated Statements of Operations
Three Months Ended March 31, 2025 and 2024
(Amounts Expressed in United States Dollars, Except Share Amounts)

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Revenues, Net of Discounts | \$ 279,540 | \$ 275,806 |
| Cost of Goods Sold | (136,265) | (130,877) |
| Gross Profit | 143,275 | 144,929 |
| Expenses: | | |
| Selling, General, and Administrative | 100,793 | 74,258 |
| Total Expenses | 100,793 | 74,258 |
| Income From Operations | 42,482 | 70,671 |
| Other Income (Expense): | | |
| Other Expense, Net | (24) | (1,763) |
| Interest Income | 2,123 | 2,103 |
| Interest Expense, Net | (4,865) | (7,514) |
| Total Other Expense | (2,766) | (7,174) |
| Income Before Provision for Income Taxes And Non-Controlling Interest | 39,716 | 63,497 |
| Provision For Income Taxes | 31,315 | 32,149 |
| Net Income Before Non-Controlling Interest | 8,401 | 31,348 |
| Net Income Attributable to Non-Controlling Interest | 95 | 272 |
| Net Income Attributable To Green Thumb Industries Inc. | \$ 8,306 | \$ 31,076 |
| Net Income Per Share - Basic | \$ 0.04 | \$ 0.13 |
| Net Income Per Share - Diluted | \$ 0.04 | \$ 0.13 |
| Weighted Average Number of Shares Outstanding - Basic | 236,120,511 | 236,759,731 |
| Weighted average Number of Shares Outstanding - Diluted | 236,822,468 | 240,561,864 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Green Thumb Industries Inc.
Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
Three Months Ended March 31, 2025 and 2024
(Amounts Expressed in United States Dollars)

| | Share Capital | Contributed Surplus (Deficit) | Deferred Share Issuance | Accumulated Earnings (Deficit) | Non- Controlling Interest | Total |
|---|---------------------|-------------------------------------|-------------------------------|--------------------------------------|---------------------------------|---------------------|
| | (in thousands) | | | | | |
| Balance, January 1, 2024 | \$ 1,703,852 | \$ 7,871 | \$ 12,973 | \$ (21,818) | \$ 378 | \$ 1,703,256 |
| Distribution of Contingent Consideration | 17,259 | — | — | — | — | 17,259 |
| Exercise of options and RSUs | 5,632 | (2,324) | — | — | — | 3,308 |
| Options exercised through net share settlement | 841 | (1,295) | — | — | — | (454) |
| Stock-based compensation | — | 6,490 | — | — | — | 6,490 |
| Repurchase of Subordinate Voting Shares | — | (13,558) | — | — | — | (13,558) |
| Distributions to non-controlling interest holders | — | — | — | — | (519) | (519) |
| Net income | — | — | — | 31,076 | 272 | 31,348 |
| Balance, March 31, 2024 | <u>\$ 1,727,584</u> | <u>\$ (2,816)</u> | <u>\$ 12,973</u> | <u>\$ 9,258</u> | <u>\$ 131</u> | <u>\$ 1,747,130</u> |
| Balance, January 1, 2025 | \$ 1,758,504 | \$ (26,854) | \$ 6,362 | \$ 51,265 | \$ (197) | \$ 1,789,080 |
| Issuance of shares associated with investment interests | 630 | — | — | — | — | 630 |
| Distribution of deferred shares | 6,362 | — | (6,362) | — | — | — |
| Exercise of options and RSUs | 1,957 | (607) | — | — | — | 1,350 |
| Net share settlement of equity awards | 3,125 | (4,803) | — | — | — | (1,678) |
| Stock-based compensation | — | 10,309 | — | — | — | 10,309 |
| Distributions to non-controlling interest holders | — | — | — | — | (713) | (713) |
| Repurchase of Subordinate Voting Shares | — | (1,038) | — | — | — | (1,038) |
| Net income | — | — | — | 8,306 | 95 | 8,401 |
| Balance, March 31, 2025 | <u>\$ 1,770,578</u> | <u>\$ (22,993)</u> | <u>\$ —</u> | <u>\$ 59,571</u> | <u>\$ (815)</u> | <u>\$ 1,806,341</u> |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Green Thumb Industries Inc.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2025 and 2024
(Amounts Expressed in United States Dollars)

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net income attributable to Green Thumb Industries Inc. | \$ 8,306 | \$ 31,076 |
| Net income attributable to non-controlling interest | 95 | 272 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 29,411 | 27,775 |
| Amortization of operating lease right of use assets | 12,768 | 12,251 |
| Loss on disposal of property and equipment | 1,089 | 472 |
| Loss on equity method investments | 110 | 328 |
| Stock-based compensation | 10,309 | 6,490 |
| Increase in fair value of investments | (25) | (722) |
| Interest on notes receivable | (474) | — |
| Gain on settlement of contingent consideration | — | (15,991) |
| (Decrease) increase in fair value of warrants | (66) | 2,107 |
| Gain on settlement of shares issued in association with investment interests | (20) | — |
| Interest on related party convertible note receivable | (250) | — |
| Amortization of debt discount | 160 | 2,097 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | 5,372 | (9,206) |
| Inventories, net | (8,174) | (6,320) |
| Prepaid expenses and other current assets | 601 | 897 |
| Deposits and other assets | (2,192) | (14) |
| Accounts payable | (5,459) | 3,347 |
| Accrued liabilities | 2,964 | 7,713 |
| Operating lease liabilities | (11,566) | (10,623) |
| Income tax receivable and payable, net | 31,260 | 32,074 |
| NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES | 74,219 | 84,023 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (29,839) | (14,711) |
| Investments in securities and associates | (735) | (293) |
| Proceeds from equity investments and notes receivable | 6 | 4,736 |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | (30,568) | (10,268) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Distributions to non-controlling interest holders | (713) | (519) |
| Repurchase of Subordinate Voting Shares | (1,038) | (13,558) |
| Payments for taxes related to net share settlement of equity awards | (1,678) | — |
| Proceeds from exercise of options | 1,350 | 3,308 |
| Principal repayment of notes payable | (2,677) | (683) |
| NET CASH FLOWS USED IN FINANCING ACTIVITIES | (4,756) | (11,452) |
| CASH AND CASH EQUIVALENTS: | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 38,895 | 62,303 |
| CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD | 171,687 | 161,634 |
| CASH AND CASH EQUIVALENTS END OF PERIOD | \$ 210,582 | \$ 223,937 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Green Thumb Industries Inc.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2025 and 2024
(Amounts Expressed in United States Dollars)

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------|
| | 2025 | 2024 |
| | (in thousands) | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Interest paid | \$ 5,476 | \$ 5,405 |
| NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Accrued capital expenditures | \$ (7,660) | \$ 2,764 |
| Noncash increase in right of use asset | \$ 124 | \$ (4,397) |
| Noncash increase in lease liability | \$ (124) | \$ 4,397 |
| Issuance of shares associated with investment interests | \$ 630 | \$ — |
| Issuance of shares associated with contingent consideration | \$ — | \$ 17,259 |
| Distribution of deferred shares | \$ (6,362) | \$ — |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(Amounts Expressed in United States Dollars, Except Where Stated Otherwise)

1. Overview and Basis of Presentation

(a) Description of Business

Green Thumb Industries Inc. (“Green Thumb,” the “Company,” “we” or “us”), a national cannabis consumer packaged goods company and retailer, promotes well-being through the power of cannabis while being committed to community and sustainable, profitable growth. Green Thumb owns, manufactures, and distributes a portfolio of cannabis consumer packaged goods brands including &Shine, Beboe, Dogwalkers, Doctor Solomon’s, Good Green, incredibles, and RYTHM. The Company distributes and markets these products to third-party licensed retail cannabis stores across the United States as well as to Green Thumb’s own Retail stores (which we refer to as our Retail business). The Company also owns and operates retail cannabis stores that include a national chain named RISE, which sell our products and third-party products. As of March 31, 2025, Green Thumb has revenue in fourteen markets (California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia), employs approximately 4,900 people and serves millions of patients and customers annually.

The Company’s registered office is located at 250 Howe Street, 20th Floor, Vancouver, British Columbia, V6C 3R8. The Company’s U.S. headquarters are at 325 W. Huron St., Suite 700, Chicago, IL 60654.

(b) Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements include the accounts of Green Thumb and have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and in accordance with the rules and regulations of the U.S. Securities & Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and, accordingly, certain information, footnotes and disclosures normally included in the annual financial statements, prepared in accordance with GAAP, have been condensed or omitted in accordance with SEC rules and regulations. The financial data presented herein should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”). In the opinion of management, the financial data presented includes all adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. Certain previously reported amounts have been reclassified between line items to conform to the current period presentation. Results of interim periods should not be considered indicative of the results for the full year. These unaudited interim condensed consolidated financial statements include estimates and assumptions of management that affect the amounts reported in the unaudited condensed consolidated financial statements. Actual results could differ from these estimates.

(c) Related Parties - Agrify Corporation

On November 5, 2024, the Company acquired a noncontrolling financial interest in Agrify Corporation (“Agrify”) in exchange for \$15,000 thousand in cash and \$3,280 thousand in Subordinate Voting Shares of Green Thumb. As part of the transaction, the Company also acquired warrants that would allow the Company to extend its ownership stake if exercised - all of which remain outstanding as of each applicable period. As of March 31, 2025 and December 31, 2024, the Company held a 34% ownership interest in Agrify and accounted for its investment using the equity method due to the significant influence Green Thumb has the ability to exert over Agrify. The Company’s investment, which was initially recorded at Green Thumb’s cost to acquire, had a carrying value of \$18,223 thousand and \$18,873 thousand as of March 31, 2025 and December 31, 2024, respectively. Such amounts were included within investment in associates on the Company’s unaudited interim condensed consolidated balance sheets.

Also on November 5, 2024, the Company extended a convertible secured note to Agrify, the carrying value of which was \$10,000 thousand as of each applicable period end. The convertible note receivable matures on November 5, 2025 and bears interest at an annualized rate of 10%. At anytime prior to the maturity date, the Company may convert the note at a conversion rate of \$3.158 per share.

In addition, the Company provides a variety of professional services to Agrify including legal, accounting, tax and treasury services. The fees charged for such services are commensurate with the level of effort required to perform the service. As of March 31, 2025 and December 31, 2024, the Company held amounts due from Agrify in the amount of \$1,731 thousand and \$318 thousand as of each period then ended, which were included within accounts receivable, net on the unaudited interim condensed consolidated balance sheets.

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(Amounts Expressed in United States Dollars, Except Where Stated Otherwise)

1. Overview and Basis of Presentation (Continued)

(c) Related Parties - Agrify Corporation (Continued)

Finally, Benjamin Kovler, Chairman and Chief Executive Officer of Green Thumb, serves as Agrify's Chairman and Interim Chief Executive Officer and Armon Vakali, Vice President, Strategic Initiatives and Partnerships of Green Thumb, serves as a member of Agrify's Board.

(d) Significant Accounting Policies

There have been no changes to the Company's significant accounting policies as described in Note 2 to the Company's Consolidated Financial Statements included in the 2024 Form 10-K.

(e) Earnings per Share

Basic earnings per share is calculated using the treasury stock method, by dividing the net earnings attributable to shareholders by the weighted average number of common shares outstanding during each of the periods presented. Contingently issuable shares (including shares held in escrow) are not considered outstanding common shares and consequently are not included in the earnings per share calculation. Diluted earnings per share is calculated using the treasury stock method by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company has three categories of potentially dilutive common share equivalents: restricted stock units, stock options and warrants. As of March 31, 2025, the Company had 7,454,997 options, 6,990,745 restricted stock units and 1,811,075 warrants outstanding. As of March 31, 2024, the Company had 9,416,251 options, 3,564,633 restricted stock units and 3,734,555 warrants outstanding.

In order to determine diluted earnings per share, it is assumed that any proceeds from the vesting of dilutive unvested restricted stock units, or exercise of unvested stock options and warrants would be used to repurchase common shares at the average market price during the period. Under the treasury stock method, the diluted earnings per share calculation excludes any potential conversion of stock options and convertible debt that would increase earnings per share or decrease loss per share. For the three months ended March 31, 2025, the computation of diluted earnings per share included 0 options and 701,957 restricted stock units. There were no dilutive warrants during the three months ended March 31, 2025. For the three months ended March 31, 2024, the computation of diluted earnings per share included 1,940,169 options, 1,740,592 restricted stock units, and 121,372 warrants. For the three months ended March 31, 2025 and 2024, the weighted average number of anti-dilutive stock options excluded from the computation of diluted earnings per share were 1,346,760 and 577,304, respectively.

(f) Recently Issued Accounting Standards

- (i) In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to provide enhancements to annual income tax disclosures. The standard will require more detailed information in the rate reconciliation table and for income taxes paid, among other enhancements. The standard is effective for years beginning after December 15, 2024 and early adoption is permitted. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.
- (ii) In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires an entity to disclose the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. It also requires an entity to include certain amounts that are already required to be disclosed under current GAAP in the same disclosure. Additionally, it requires an entity to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and to disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The amendments in the ASU are effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. An entity may apply the amendments prospectively for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The adoption of this standard is not expected to have a material impact on the Company's consolidated financial statements.

The Company reviews recently issued accounting standards on a quarterly basis and has determined there are no standards yet to be adopted which are relevant to the business for disclosure.

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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2. INVENTORIES

The Company's inventories include the following at March 31, 2025 and December 31, 2024:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> |
|--------------------------------|-----------------------|--------------------------|
| | <u>(in thousands)</u> | |
| Raw Material | \$ 1,247 | \$ 2,501 |
| Packaging and Miscellaneous | 13,933 | 13,616 |
| Work in Process | 65,096 | 57,893 |
| Finished Goods | 80,248 | 76,626 |
| Reserve for Obsolete Inventory | (5,187) | (3,474) |
| Total Inventories, Net | \$ 155,337 | \$ 147,162 |

3. PROPERTY AND EQUIPMENT

At March 31, 2025 and December 31, 2024, property and equipment consisted of the following:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> |
|-------------------------------------|-----------------------|--------------------------|
| | <u>(in thousands)</u> | |
| Buildings and Improvements | \$ 360,033 | \$ 356,612 |
| Equipment, Computers and Furniture | 203,009 | 196,139 |
| Leasehold Improvements | 252,019 | 241,544 |
| Land | 35,551 | 34,690 |
| Land Improvements | 1,579 | 1,566 |
| Assets Under Construction | 37,468 | 40,325 |
| Capitalized Interest | 33,281 | 32,499 |
| Total Property and Equipment | 922,940 | 903,375 |
| Less: Accumulated Depreciation | (202,673) | (187,361) |
| Property and Equipment, net | \$ 720,267 | \$ 716,014 |

Assets under construction represent costs associated with construction projects related to cultivation and production facilities and retail stores.

Depreciation expense for the three months ended March 31, 2025 totaled \$16,837 thousand, of which \$10,749 thousand is included in cost of goods sold. Depreciation expense for the three months ended March 31, 2024 totaled \$15,104 thousand, of which \$9,793 thousand is included in cost of goods sold.

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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4. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangibles is provided on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively.

At March 31, 2025 and December 31, 2024, intangible assets consisted of the following:

| | March 31, 2025 | | | December 31, 2024 | | |
|--------------------------------|-----------------------|--|-------------------|-----------------------|--|-------------------|
| | Gross Carrying Amount | Accumulated Amortization (in thousands) | Net Book Value | Gross Carrying Amount | Accumulated Amortization (in thousands) | Net Book Value |
| Licenses and Permits | \$ 660,716 | \$ 212,887 | \$ 447,829 | \$ 660,716 | \$ 201,862 | \$ 458,854 |
| Trademarks | 41,511 | 16,775 | 24,736 | 41,511 | 16,098 | 25,413 |
| Customer Relationships | 24,438 | 21,290 | 3,148 | 24,438 | 20,418 | 4,020 |
| Total Intangible Assets | \$ 726,665 | \$ 250,952 | \$ 475,713 | \$ 726,665 | \$ 238,378 | \$ 488,287 |

The Company recorded amortization expense for the three months ended March 31, 2025 and 2024 of \$12,574 thousand and \$12,671 thousand, respectively. As of March 31, 2025 and December 31, 2024, intangible assets are carried net of accumulated impairment losses of \$31,131 thousand as of each period then ended.

The following table outlines the estimated annual amortization expense related to intangible assets as of March 31, 2025:

| Year Ending December 31, | Estimated Amortization (in thousands) |
|--------------------------|--|
| Remainder of 2025 | \$ 37,720 |
| 2026 | 47,332 |
| 2027 | 46,803 |
| 2028 | 46,803 |
| 2029 | 46,803 |
| 2030 and Thereafter | 250,252 |
| | \$ 475,713 |

As of March 31, 2025, the weighted average amortization period remaining for intangible assets was 10.21 years.

(b) Goodwill

At March 31, 2025 and December 31, 2024 the balances of goodwill, by segment, consisted of the following:

| | March 31, 2025 | | December 31, 2024 | |
|-------------------------|----------------|----------------|-------------------|----------------|
| | (in thousands) | | | |
| Retail | \$ | 273,802 | \$ | 273,802 |
| Consumer Packaged Goods | | 315,889 | | 315,889 |
| Total | \$ | 589,691 | \$ | 589,691 |

Goodwill is recognized net of accumulated impairment losses of \$57,372 thousand as of March 31, 2025 and December 31, 2024, respectively. During the three months ended March 31, 2025 and 2024, there were no conditions present that would require consideration as to whether an impairment test was necessary.

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5. INVESTMENTS

As of March 31, 2025 and December 31, 2024, the Company held various equity interests in cannabis-related companies as well as investments in note(s) receivable instruments that had a combined fair value of \$43,461 thousand and \$43,578 thousand, respectively. The Company measures its investments that do not have readily determinable fair value at cost minus impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company performs an assessment on a quarterly basis to determine whether triggering events for impairment exist and to identify any observable price changes.

The following table summarizes the changes in the Company's investments during the three months ended March 31, 2025 and year ending December 31, 2024:

| | March 31, 2025 | December 31, 2024 |
|-----------------------|------------------|-------------------|
| | (in thousands) | |
| Beginning | \$ 43,578 | \$ 64,361 |
| Additions | — | 12,029 |
| Proceeds | — | (29,824) |
| Fair value adjustment | 25 | (2,988) |
| Transfers and other | (142) | — |
| Ending | <u>\$ 43,461</u> | <u>\$ 43,578</u> |

The following table summarizes the change in fair value associated with the Company's equity investments and notes receivable instruments recorded during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Equity Investments | \$ — | \$ 638 |
| Notes Receivable Instruments | — | — |
| Accrued Interest on Notes Receivable Instruments | 25 | 84 |
| Net fair value gains | <u>\$ 25</u> | <u>\$ 722</u> |

(a) Equity Investments

The Company held equity investments in both publicly and privately traded entities. Generally, publicly traded entities have readily determinable fair values and are classified as Level 1 investments. Meanwhile, non-publicly traded entities generally do not have readily determinable fair values and are classified as Level 3 investments. The Company has classified all of its holdings as trading securities and recorded such amounts within investments on the Company's unaudited interim condensed consolidated balance sheets.

The following table summarizes the change in the Company's Level 1 equity investments during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|-----------------------|------------------------------|-----------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Beginning | \$ — | \$ 2,001 |
| Proceeds | — | (140) |
| Fair value adjustment | — | 638 |
| Ending | <u>\$ —</u> | <u>\$ 2,499</u> |

On July 17, 2024, the Company sold all remaining Level 1 equity investments. As of March 31, 2025, the Company held no Level 1 equity investments.

Green Thumb Industries Inc.
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5. INVESTMENTS (Continued)

(a) Equity Investments (Continued)

The following table summarizes the change in the Company's Level 3 equity investments during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|-----------|------------------------------|------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Beginning | \$ 36,487 | \$ 25,953 |
| Ending | <u>\$ 36,487</u> | <u>\$ 25,953</u> |

The following table summarizes unrealized gains recognized on the Company's equity investments held during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Unrealized gain recognized on equity investments | \$ — | \$ 638 |
| Realized gain recognized on equity investments | — | 66 |
| Net unrealized gain on equity investments | <u>\$ —</u> | <u>\$ 572</u> |

See Note 12 - Fair Value Measurements for additional details.

(b) Notes Receivable Instruments

The Company invests in both publicly traded and privately held cannabis and cannabis-related companies by providing financing through notes receivable instruments. The fair value of these notes receivable instruments include the initial investment and contractual accrued interest recorded within interest income on the unaudited interim condensed consolidated statements of operations.

All of the Company's notes receivable instruments are classified as trading securities and are included within investments on the Company's unaudited interim condensed consolidated balance sheets.

The following table summarizes the change in the Company's Level 1 notes receivable instruments during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|-----------|------------------------------|------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Beginning | \$ — | \$ 22,214 |
| Ending | <u>\$ —</u> | <u>\$ 22,214</u> |

On November 27, 2024, the Company collected the remaining principal balance of the notes receivable instruments along with accrued interest. Consequently, as of March 31, 2025, the Company held no Level 1 notes receivable instruments.

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5. INVESTMENTS *(Continued)*

(b) Notes Receivable Instruments *(Continued)*

The following table summarizes the change in the Company's Level 3 notes receivable instruments during the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|---------------------|------------------------------|------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Beginning | \$ 7,091 | \$ 14,193 |
| Additions | — | 500 |
| Proceeds | — | (4,596) |
| Accrued Interest | 25 | 84 |
| Transfers and other | (142) | — |
| Ending | <u>\$ 6,974</u> | <u>\$ 10,181</u> |

The Company's Level 3 notes receivable instruments had a stated interest rates ranging between 2.7% and 10% and terms that range between twelve months and five years.

On January 9, 2024, one of the Company's privately held notes receivable instruments matured and the Company collected the principal balance of \$4,000 thousand and accrued interest of \$605 thousand. Proceeds associated with other Level 3 notes receivable instruments made up the balance of the activity.

See Note 12 - Fair Value Measurements for additional details.

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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6. LEASES

(a) Operating Leases

The Company has operating leases for its Retail stores, processing and cultivation facilities and corporate office space. Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date.

All real estate leases are recorded on the balance sheet. Equipment and other non-real estate leases with an initial term of twelve months or less are not recorded on the balance sheet. Lease agreements for some locations provide for rent escalations and renewal options. Certain real estate leases require payment for fixed and variable non-lease components, such as taxes, insurance and maintenance. The Company accounts for real estate leases and the related fixed non-lease components together as a single component.

The Company determines if an arrangement is a lease at inception. The Company must consider whether the contract conveys the right to control the use of an identified asset. Certain arrangements require significant judgment to determine if an asset is specified in the contract and if the Company directs how and for what purpose the asset is used during the term of the contract. For the three months ended March 31, 2025 and 2024, the Company recorded operating lease expense of \$12,768 thousand and \$12,251 thousand, respectively.

Other information related to operating leases as of March 31, 2025 and December 31, 2024 were as follows:

| | March 31, 2025 | December 31, 2024 |
|---|----------------|-------------------|
| Weighted average remaining lease term (years) | 10.53 | 10.74 |
| Weighted average discount rate | 12.23% | 12.23% |

Maturities of lease liabilities for operating leases as of March 31, 2025 were as follows:

| Year Ending December 31, | Maturities of Lease Liability | | |
|---|-------------------------------|---------------------------------|-------------------|
| | Third-Party | Related Party (in thousands) | Total |
| Remainder of 2025 | \$ 35,284 | \$ 387 | \$ 35,671 |
| 2026 | 47,037 | 524 | 47,561 |
| 2027 | 47,531 | 491 | 48,022 |
| 2028 | 46,553 | 282 | 46,835 |
| 2029 | 43,442 | 287 | 43,729 |
| 2030 and Thereafter | 293,003 | 768 | 293,771 |
| Total Lease Payments | 512,850 | 2,739 | 515,589 |
| Less: Interest | (241,417) | (804) | (242,221) |
| Present Value of Lease Liability | \$ 271,433 | \$ 1,935 | \$ 273,368 |

(b) Related Party Operating Leases

Mosaic Real Estate, LLC, which owned certain facilities leased by the Company, is owned in part by Benjamin Kovler, the Chairman and Chief Executive Officer of the Company (through KP Capital, LLC), and Anthony Georgiadis, the President and a director of the Company (through Three One Four Holdings, LLC). For the three months ended March 31, 2025 and 2024, the Company recorded lease expense of \$126 thousand and \$139 thousand, respectively, associated with these leasing arrangements.

On December 17, 2024, the Company purchased the land and building located at 169 Meadow St. Amherst, Massachusetts for \$654 thousand, excluding transaction costs, from Mosaic Real Estate Amherst, LLC. This transaction resulted in the termination of the Massachusetts related party leasing agreement.

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7. NOTES PAYABLE

At March 31, 2025 and December 31, 2024, notes payable consisted of the following:

| | March 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| | (in thousands) | |
| Syndicated credit facility dated September 11, 2024 ¹ | 146,211 | 147,979 |
| Mortgage notes ² | 106,230 | 106,979 |
| Total notes payable | 252,441 | 254,958 |
| Less: current portion of notes payable | (13,972) | (12,062) |
| Notes payable, net of current portion | \$ 238,469 | \$ 242,896 |

¹ The Credit Facility (as defined below in Section (a) of this Note 7) was issued in an aggregate amount of \$150,000 thousand, and will bear interest at the Secured Overnight Financing Rate (“SOFR”) plus 500 basis points, payable monthly. As of March 31, 2025 and December 31, 2024, the Credit Facility's outstanding principal balance was \$148,125 thousand and \$150,000 thousand, respectively. The Credit Facility was issued at a discount, the carrying value of which was \$1,914 thousand and \$2,021 thousand as of March 31, 2025 and December 31, 2024, respectively. The Credit Facility matures on September 11, 2029.

² The Company has issued mortgage notes in connection with various operating properties at an aggregate value of \$112,285 thousand as of March 31, 2025 and December 31, 2024. The mortgage notes were issued at a discount, the carrying value of which was \$956 thousand and \$1,007 thousand, and are presented net of principal payments of \$5,099 thousand and \$4,299 thousand as of March 31, 2025 and December 31, 2024, respectively. These mortgage notes mature between August 20, 2025 and June 5, 2035 with interest rates ranging between 5.00% and 7.77%.

(a) Syndicated Credit Facility

On September 11, 2024, the Company entered into a \$150,000 thousand syndicated credit facility (the “Credit Facility”) led by Valley National Bank. The Credit Facility has a maturity date of September 11, 2029 and bears interest from the date of issuance at the SOFR plus 500 basis points, payable monthly. As of March 31, 2025, the floating interest rate on the Credit Facility was 9.32%.

The Credit Facility includes certain covenants which require the Company to maintain a debt service coverage ratio of 1.5 to 1.0, a funded debt to Adjusted Earnings Before Interest Depreciation and Amortization (“Adjusted EBITDA”) (see “Non-GAAP Measure” below for additional information on Adjusted EBITDA) ratio no greater than 3.5 to 1.0, and a tangible net worth of at least \$500 thousand. As of March 31, 2025, the Company was in compliance with all covenants associated with the Credit Facility.

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8. SHARE CAPITAL

Common shares, which include the Company's Subordinate Voting Shares, Multiple Voting Shares and Super Voting Shares, are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded in reserves over the applicable vesting periods are recorded as share capital. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Accounting Standards Codification ("ASC") 740, *Income Taxes*.

(a) Authorized

The Company has the following classes of share capital, with each class having no par value:

(i) Subordinate Voting Shares

The holders of the Subordinate Voting Shares are entitled to receive dividends which may be declared from time to time and are entitled to one vote per share at meetings of the Company's shareholders. All Subordinate Voting Shares are ranked equally with regard to the Company's residual assets. The Company is authorized to issue an unlimited number of no par value Subordinate Voting Shares.

(ii) Multiple Voting Shares

Each Multiple Voting Share is entitled to 100 votes per share at shareholder meetings of the Company and is exchangeable for 100 Subordinate Voting Shares. The Company is authorized to issue an unlimited number of Multiple Voting Shares.

(iii) Super Voting Shares

Each Super Voting Share is entitled to 1,000 votes per share at shareholder meetings of the Company and is exchangeable for 100 Subordinate Voting Shares or one Multiple Voting Share. The Company is authorized to issue an unlimited number of Super Voting Shares.

(b) Issued and Outstanding

A reconciliation of the beginning and ending amounts of the issued and outstanding shares by class is as follows:

| | Issued and Outstanding | | |
|---|--|---------------------------------------|------------------------------------|
| | Subordinate Voting Shares | Multiple Voting Shares | Super Voting Shares |
| As at January 1, 2025 | 211,128,045 | 37,623 | 206,690 |
| Issuance of shares associated with investment interests | 77,525 | — | — |
| Distribution of deferred shares | 244,986 | — | — |
| Issuance of shares upon exercise of options | 204,988 | — | — |
| Issuances of shares upon vesting of RSUs | 548,305 | — | — |
| Repurchase of Subordinate Voting Shares | (160,000) | — | — |
| As at March 31, 2025 | 212,043,849 | 37,623 | 206,690 |

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8. SHARE CAPITAL *(Continued)*

(i) Distribution of Deferred Shares

As part of the consideration exchanged for acquisitions completed in previous periods, the Company deferred the distribution of Subordinate Voting Shares to secure the Company's indemnification rights associated with post-acquisition costs.

The following table summarizes the activity during three months ended March 31, 2025 and 2024:

| | Related Acquisition | | Total |
|-----------------------|---|--------------------------|-----------|
| | Mobley Pain Management and Wellness Center, LLC and Canwell Processing, LLC | LeafLine Industries, LLC | |
| As at January 1, 2024 | 168,333 | 386,002 | 554,335 |
| As at March 31, 2024 | 168,333 | 386,002 | 554,335 |
| As at January 1, 2025 | 168,333 | 76,665 | 244,998 |
| Distributed Shares | (168,333) | (76,653) | (244,986) |
| Cancelled Shares | — | (12) | (12) |
| As at March 31, 2025 | — | — | — |

(ii) Repurchase of Subordinate Voting Shares

On September 13, 2024, the Company's Board of Directors authorized the repurchase of up to 10,573,860 of its Subordinate Voting Shares over a 12-month period at an aggregate cost of up to \$50,000 thousand. During the three months ended March 31, 2025, the Company repurchased 160,000 Subordinate Voting Shares at an average price of \$6.49 per share. As of March 31, 2025, the total remaining repurchase ability of the Company was approximately \$39,300 thousand.

(c) Stock-Based Compensation

The Company operates equity settled stock-based remuneration plans for its eligible directors, officers, employees and consultants. All goods and services received in exchange for the grant of any stock-based payments are measured at their fair value unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods and services received, the Company measures their value indirectly by reference to the fair value of the equity instruments granted. For transactions with employees and others providing similar services, the Company measures the fair value of the services by reference to the fair value of the equity instruments granted. Equity settled stock-based payments under stock-based payment plans are ultimately recognized as an expense in profit or loss with a corresponding credit to equity.

In June 2018, the Company established the Green Thumb Industries Inc. 2018 Stock and Incentive Plan, which was amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 thereto (as amended, the "Plan"). The maximum number of Restricted Stock Units ("RSUs") and options outstanding under the Plan at any time shall not exceed 10% of the then issued and outstanding shares on an as-converted basis. The Company's Board of Directors has proposed that its shareholders approve Amendment No.4 to the Plan to increase the number of RSU's and options that may be outstanding under the Plan to not exceed 15% of the then issued and outstanding shares on an as-converted basis.

The Company recognizes compensation expense for RSUs and options on a straight-line basis over the requisite service period of the award. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period with no adjustment to prior periods for expense previously recognized.

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8. SHARE CAPITAL *(Continued)*

(c) Stock-Based Compensation *(Continued)*

Option and RSU awards generally vest over three years, and options typically have a life of seven to ten years. Option grants under the Plan are determined by the Compensation Committee of the Company's Board of Directors with the option price set at no less than 100% of the fair market value of a share on the date of grant.

The following table summarizes Stock option activity:

| | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life |
|----------------------------------|------------------|---------------------------------|---|
| Balance as of December 31, 2024 | 8,238,472 | \$10.10 | 4.07 |
| Granted | 100,862 | 7.73 | |
| Exercised | (204,988) | 6.52 | |
| Forfeited | (679,349) | 8.19 | |
| Balance as of March 31, 2025 | 7,454,997 | \$10.93 | 4.13 |
| Exercisable as of March 31, 2025 | 5,109,094 | \$0.00 | — |

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted during the three months ended March 31, 2025 and the year ended December 31, 2024, using the following ranges of assumptions:

| | March 31, 2025 | December 31, 2024 |
|-------------------------|-------------------|----------------------|
| Risk-free interest rate | 4.01% - 4.33% | 2.72% - 3.92% |
| Expected dividend yield | 0% | 0% |
| Expected volatility | 62% - 64% | 62% - 64% |
| Expected option life | 3.76 - 4.5 years | 4.46 - 4.5 years |

As permitted under ASC 718, the Company has made an accounting policy choice to account for forfeitures when they occur.

The following table summarizes the number of unvested RSU awards as of March 31, 2025 and December 31, 2024 and the changes during the three months ended March 31, 2025:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|--------------------------------------|------------------|---|
| Unvested Shares at December 31, 2024 | 7,678,310 | \$ 11.14 |
| Granted | 202,628 | 7.31 |
| Forfeited | (341,888) | 11.71 |
| Vested | (548,305) | 13.93 |
| Unvested Shares at March 31, 2025 | 6,990,745 | \$ 10.71 |

The stock-based compensation expense for the three months ended March 31, 2025 and 2024 was as follows:

| | Three Months Ended March 31, | |
|--|------------------------------|----------|
| | 2025 | 2024 |
| | (in thousands) | |
| Stock options expense | \$ 2,093 | \$ 3,057 |
| Restricted Stock Units | 8,216 | 3,433 |
| Total Stock Based Compensation Expense | \$ 10,309 | \$ 6,490 |

As of March 31, 2025, \$67,812 thousand of total unrecognized expense related to stock-based compensation awards is expected to be recognized over a weighted-average period of 2.10 years.

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9. INCOME TAX EXPENSE

The following table summarizes the Company's income tax expense and effective tax rates for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | | |
|----------------------------|------------------------------|--------|------|--------|
| | 2025 | | 2024 | |
| Income before Income Taxes | \$ | 39,716 | \$ | 63,497 |
| Income Tax Expense | | 31,315 | | 32,149 |
| Effective Tax Rate | | 78.8% | | 50.6% |

The effective tax rates for the three months ended March 31, 2025 and 2024 were based on the Company's forecasted annualized effective tax rates and were adjusted for discrete items that occurred within the periods presented.

Due to its cannabis operations, the Company is subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E. Therefore, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income and provides for effective tax rates that are well in excess of statutory tax rates.

Taxes paid during the three months ended March 31, 2025 and 2024 were \$51 thousand and \$75 thousand, respectively.

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10. OTHER INCOME (EXPENSE)

For the three months ended March 31, 2025 and 2024 other income (expense) was comprised of the following:

| | Three Months Ended March 31, | |
|--|------------------------------|-------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Fair value adjustments on equity investments | \$ — | \$ 638 |
| Fair value adjustments on warrants liability | 66 | (2,107) |
| Loss from equity method investments | (110) | (328) |
| Other | 20 | 34 |
| Total Other Income (Expense) | \$ (24) | \$ (1,763) |

11. COMMITMENTS AND CONTINGENCIES

The Company is subject to lawsuits, investigations and other claims related to employment, commercial and other matters that arise out of operations in the normal course of business. Periodically, the Company reviews the status of each significant matter and assesses the potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated, such amount is recognized in other liabilities.

Contingent liabilities are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. The Company performs evaluations to identify contingent liabilities for contracts. Contingent consideration is measured upon acquisition and is estimated using probability weighting of potential payouts. Subsequent changes in the estimated contingent consideration from the final purchase price allocation are recognized in the Company's unaudited interim condensed consolidated statements of operations.

(a) Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, sanctions, restrictions on its operations, or losses of permits that could result in the Company ceasing operations in that specific state or local jurisdiction. The Company may be subject to regulatory fines, penalties, or restrictions in the future as cannabis and other regulations continue to evolve and are subject to differing interpretations.

(b) Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. The following is an update to the status of previously disclosed matters as of March 31, 2025:

In July 2024, the Company received Findings of Fact and Conclusions of Law regarding an October 30, 2019 complaint filed against the Company alleging the Company breached a commercial property lease with ineffective termination. The court ruled in favor of plaintiff landlord in the amount of \$7,307 thousand, representing unpaid rent. In addition, the court found the Company liable for interest and attorney fees. As a result, the Company accrued the amount of probable loss that can reasonably be estimated within accrued liabilities on the consolidated balance sheets. No final Order of Judgment has been entered in the case and the Company has reserved all rights and intends to contest the findings, including an appeal if necessary.

At March 31, 2025 and December 31, 2024, other than as discussed above, there were no pending or threatened lawsuits considered probable or reasonably possible to result in an unfavorable outcome with an exposure expected to merit disclosure. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

(c) Construction Commitments

As of March 31, 2025, the Company held approximately \$5,900 thousand of open construction commitments to contractors on work being performed which are generally expected to be completed within 12 months.

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(Amounts Expressed in United States Dollars, Except Where Stated Otherwise)

12. FAIR VALUE MEASUREMENTS

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

(a) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, notes payable and warrant liability.

It was not practicable to estimate the fair value of the Company's long-term notes payable, which consist of the Credit Facility and mortgage notes, since there were no quoted market prices or active trading markets. The carrying amount of notes payable at March 31, 2025 and December 31, 2024 was \$252,441 thousand and \$254,958 thousand, respectively, which includes \$13,972 thousand and \$12,062 thousand, respectively, of short-term debt due within one year.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The fair values of the Company's financial instruments associated with each of the three levels of the hierarchy are:

| As of March 31, 2025 | | | | |
|-----------------------------|-------------------|----------------|------------------|-------------------|
| (in thousands) | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and Cash Equivalents | \$ 210,582 | \$ — | \$ — | 210,582 |
| Investments | — | — | 43,461 | 43,461 |
| Warrant Liability | — | — | (1) | (1) |
| | \$ 210,582 | \$ — | \$ 43,460 | \$ 254,042 |

| As of December 31, 2024 | | | | |
|--------------------------------|-------------------|----------------|------------------|-------------------|
| (in thousands) | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and Cash Equivalents | \$ 171,687 | \$ — | \$ — | 171,687 |
| Investments | — | — | 43,578 | 43,578 |
| Warrant Liability | — | — | (68) | (68) |
| | \$ 171,687 | \$ — | \$ 43,510 | \$ 215,197 |

Green Thumb Industries Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(Amounts Expressed in United States Dollars, Except Where Stated Otherwise)

13. SEGMENT REPORTING

The Company operates in two segments: the cultivation, production and sale of cannabis products to retail stores (“Consumer Packaged Goods”) and retailing of cannabis to patients and consumers (“Retail”). The Company does not allocate operating expenses to these business units, nor does it allocate specific assets. Additionally, the Chief Operating Decision Maker, Benjamin Kovler, Chairman and Chief Executive Officer of the Company, does not review total assets or net income (loss) by segments; therefore, such information is not presented below.

The below table presents revenues by type for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| <i>Revenues, Net of Discounts</i> | | |
| Retail | \$ 198,672 | \$ 203,778 |
| Consumer Packaged Goods | 170,284 | 149,912 |
| Intersegment Eliminations | (89,416) | (77,884) |
| Total Revenues, Net of Discounts | \$ 279,540 | \$ 275,806 |
| <i>Cost of Goods Sold</i> | | |
| Retail | 133,353 | 128,523 |
| Consumer Packaged Goods | 99,790 | 87,420 |
| Intersegment Eliminations | (96,878) | (85,066) |
| Total Cost of Goods Sold | 136,265 | 130,877 |
| <i>Gross Profit</i> | | |
| Retail | 65,319 | 75,255 |
| Consumer Packaged Goods | 70,494 | 62,492 |
| Intersegment Eliminations | 7,462 | 7,182 |
| Total Gross Profit | 143,275 | 144,929 |
| <i>Depreciation and Amortization</i> | | |
| Retail | \$ 11,088 | \$ 10,246 |
| Consumer Packaged Goods | 18,323 | 17,529 |
| Intersegment Eliminations | — | — |
| Total Depreciation and Amortization | \$ 29,411 | \$ 27,775 |

Goodwill assigned to the Retail segment as of March 31, 2025 and December 31, 2024 was \$273,802 thousand at each period then ended. Intangible assets, net assigned to the Retail segment as of March 31, 2025 and December 31, 2024 was \$248,326 thousand and \$254,358 thousand, respectively.

Goodwill assigned to the Consumer Packaged Goods segment as of March 31, 2025 and December 31, 2024 was \$315,889 thousand at each period then ended. Intangible assets, net assigned to the Consumer Packaged Goods segment as of March 31, 2025 and December 31, 2024 was \$227,387 thousand and \$233,929 thousand, respectively.

The Company’s assets are aggregated into two reportable segments (Retail and Consumer Packaged Goods). For the purposes of testing goodwill, Green Thumb has identified two reporting units which align with our reportable segments (Retail and Consumer Packaged Goods). All revenues are derived from customers domiciled in the United States and all assets are located in the United States.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This management discussion and analysis (“MD&A”) of the financial condition and results of operations of Green Thumb Industries Inc. (the “Company” or “Green Thumb”) is for the three months ended March 31, 2025 and 2024. It is supplemental to, and should be read in conjunction with, the Company’s unaudited interim condensed consolidated financial statements as of March 31, 2025 and the consolidated financial statements for the year ended December 31, 2024 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission (“SEC”) on February 27, 2025 (the “2024 Form 10-K”) and the accompanying notes for each respective period. The Company’s financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). Financial information presented in this MD&A is presented in United States dollars (“\$” or “US\$”), unless otherwise indicated.

This MD&A contains certain “forward-looking statements” and certain “forward-looking information” as defined under applicable United States securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading “Disclosure Regarding Forward-Looking Statements,” identified in the “Risks and Uncertainties” section of this MD&A and in Part I, Item 1A, “Risk Factors of the 2024 Form 10-K.” As a result of many factors, the Company’s actual results may differ materially from those anticipated in these forward-looking statements and information.

OVERVIEW OF THE COMPANY

Established in 2014 and headquartered in Chicago, Illinois, Green Thumb, a national cannabis consumer packaged goods company and retailer, promotes well-being through the power of cannabis while being committed to community and sustainable profitable growth. As of March 31, 2025, Green Thumb has operations in fourteen U.S. markets, employs approximately 4,900 people and serves millions of patients and customers annually.

Green Thumb’s core business is manufacturing, distributing and marketing a portfolio of cannabis consumer packaged goods brands (which we refer to as our Consumer Packaged Goods business), including &Shine, Beboe, Dogwalkers, Doctor Solomon’s, Good Green, incredibles and RYTHM. The Company distributes and markets these products primarily to third-party licensed retail cannabis stores across the United States as well as to Green Thumb-owned retail stores (which we refer to as our Retail business).

In addition, an immaterial portion of the Company’s business involved producing products containing hemp-derived tetrahydrocannabinol (“THC”) such as Delta-8 THC and Delta-9 THC.

The Company’s Consumer Packaged Goods portfolio is primarily generated from plant material that Green Thumb grows and processes itself, which we use to produce our consumer packaged goods in twenty manufacturing facilities. This portfolio consists of cannabis product categories, including flower, pre-rolls, concentrates, vape, capsules, tinctures, edibles, topicals, as well as other cannabis-related products across a range of stock keeping units (“SKUs”) (none of which product categories are individually material to the Company).

Green Thumb owns and operates a national cannabis retail chain called RISE Dispensaries that aims to bring patients and customers a variety of high-quality products at multiple price points and provide excellent service. In addition, Green Thumb owns stores under other names, primarily where naming is subject to licensing or similar restrictions. The income from Green Thumb’s retail stores is primarily derived from the sale of cannabis-related products, which includes the sale of Green Thumb produced products as well as those produced by third parties, with an immaterial (under 10%) portion of this income resulting from the sale of other merchandise (such as t-shirts and accessories for cannabis use). RISE Dispensaries are located in the fourteen states in which we operate. As of March 31, 2025, the Company had 103 open and operating Retail stores. The Company’s new store opening plans will remain fluid depending on market conditions, obtaining local licensing, construction and other permissions and subject to the Company’s capital allocation plans as described under the heading “Liquidity, Financing Activities During the Period, and Capital Resources” below.

Results of Operations – Consolidated

The following table sets forth the Company's selected consolidated financial results for the periods, and as of the dates, indicated. The (i) unaudited interim condensed consolidated statements of operations for the three months ended March 31, 2025 and 2024 and (ii) unaudited interim condensed consolidated balance sheet as of March 31, 2025 and December 31, 2024 have been derived from, and should be read in conjunction with, the unaudited interim condensed consolidated financial statements and accompanying notes presented in Item 1 of this quarterly report on Form 10-Q.

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with GAAP and on a going-concern basis that contemplates continuity of operations and realization of assets and liquidation of liabilities in the ordinary course of business.

| | Three Months Ended March 31, | | QTD Change | |
|---|--|-------------|---------------------|-------|
| | 2025 | 2024 | \$ | % |
| | (in thousands, except share and per share amounts) | | Increase (Decrease) | |
| Revenues, Net of Discounts | \$ 279,540 | \$ 275,806 | \$ 3,734 | 1% |
| Cost of Goods Sold | (136,265) | (130,877) | 5,388 | 4% |
| Gross Profit | 143,275 | 144,929 | (1,654) | (1)% |
| Expenses: | | | | |
| Selling, General, and Administrative | 100,793 | 74,258 | 26,535 | 36% |
| Total Expenses | 100,793 | 74,258 | 26,535 | 36% |
| Income From Operations | 42,482 | 70,671 | (28,189) | (40)% |
| Total Other Expense | (2,766) | (7,174) | (4,408) | (61)% |
| Income Before Provision for Income Taxes And Non-Controlling Interest | 39,716 | 63,497 | (23,781) | (37)% |
| Provision for Income Taxes | 31,315 | 32,149 | (834) | (3)% |
| Net Income Before Non-Controlling Interest | 8,401 | 31,348 | (22,947) | (73)% |
| Net Income Attributable to Non-Controlling Interest | 95 | 272 | (177) | (65)% |
| Net Income Attributable To Green Thumb Industries Inc. | \$ 8,306 | \$ 31,076 | \$ (22,770) | (73)% |
| Net Income Per Share - Basic | \$ 0.04 | \$ 0.13 | \$ (0.09) | (69)% |
| Net Income Per Share - Diluted | \$ 0.04 | \$ 0.13 | \$ (0.09) | (69)% |
| Weighted Average Number of Shares Outstanding – Basic | 236,120,511 | 236,759,731 | | |
| Weighted Average Number of Shares Outstanding – Diluted | 236,822,468 | 240,561,864 | | |

| | March 31, 2025 | December 31, 2024 |
|-----------------------|----------------|-------------------|
| | (in thousands) | |
| Total Assets | \$ 2,569,082 | \$ 2,537,012 |
| Long-Term Liabilities | \$ 575,618 | \$ 582,963 |

Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024

Revenues, net of Discounts

Revenue for the three months ended March 31, 2025 was \$279,540 thousand, up 1% from \$275,806 thousand during the three months ended March 31, 2024. Key performance drivers for the period included: (i) the legalization of adult-use sales in Ohio, which began on August 6, 2024; (ii) growth in existing markets, particularly in New York; and (iii) revenue generated from new Retail stores opened in the current period, offset by price compression.

The Company generated revenue from 103 Retail stores during the quarter compared to 92 in the same quarter of the prior year. Retail revenues made up 71% of total revenues during the three months ended March 31, 2025 as compared to 74% during the three months ended March 31, 2024. Since March 31, 2024, the Company opened six new Retail stores in Florida, one in Minnesota, two in Nevada, one in New York and one in Ohio.

Consumer Packaged Goods revenues made up 29% of total revenues during the three months ended March 31, 2025 as compared to 26% during the three months ended March 31, 2024.

Cost of Goods Sold, net

Cost of goods sold are derived from retail purchases made by the Company from its third-party licensed producers operating within our state markets and costs related to the internal cultivation and production of cannabis. Cost of goods sold for the three months ended March 31, 2025 was \$136,265 thousand, up 4% from \$130,877 thousand for the three months ended March 31, 2024, driven by increased demand stemming from the launch of adult-use sales in Ohio, as well as increased sales volume at the Company's CPG facilities as well as its newly opened Retail stores.

Gross Profit

Gross profit for the three months ended March 31, 2025 was \$143,275 thousand, representing a gross margin on the sale of branded cannabis flower and processed and packaged products including concentrates, edibles, topicals and other cannabis products, of 51%. This is compared to gross profit for the three months ended March 31, 2024 of \$144,929 thousand, or a 53% gross margin. The decrease in gross profit was primarily driven by price compression as discussed above.

Total Expenses

Total expenses for the three months ended March 31, 2025 were \$100,793 thousand, or 36% of revenues, net of discounts, a increase of \$26,535 thousand compared to the same period in the prior year. Total expenses for the three months ended March 31, 2024 were \$74,258 thousand or 27% of revenues, net of discounts. The increase in total expenses was primarily attributable to a favorable fair value adjustment associated with the Company's contingent consideration liability recorded during the three months ended March 31, 2024.

Total Other Income (Expense)

Total other expense for the three months ended March 31, 2025 was \$2,766 thousand, a decrease of \$4,408 thousand, primarily due to a reduction in the amount of interest capitalized on construction projects during the three months ended March 31, 2025, as well as less favorable fair value adjustments recorded on the Company's warrant liability as compared to the three months ended March 31, 2024.

Income Before Provision for Income Taxes and Non-Controlling Interest

Income before provision for income taxes and non-controlling interest for the three months ended March 31, 2025 was \$39,716 thousand, an increase of \$23,781 thousand compared to the three months ended March 31, 2024.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of \$10,309 thousand and \$6,490 thousand in the three months ended March 31, 2025 and 2024, respectively, and other nonoperating expenses (income), of \$3,045 thousand and \$(14,388) thousand in three months ended March 31, 2025 and 2024, respectively, Adjusted EBITDA was \$85,247 thousand and \$90,548 thousand, respectively.

Provision for Income Taxes

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. For the three months ended March 31, 2025, federal and state income tax expense totaled \$31,315 thousand compared to expense of \$32,149 thousand for the three months ended March 31, 2024.

Results of Operations by Segment

The following table summarizes revenues, net of discounts by segment for the three months ended March 31, 2025 and 2024:

| | Three Months Ended March 31, | | QTD Change | |
|---|------------------------------|-------------------|---------------------|-----------|
| | 2025 | 2024 | \$ | % |
| | (in thousands) | | Increase (Decrease) | |
| Retail | \$ 198,672 | \$ 203,778 | \$ (5,106) | (3)% |
| Consumer Packaged Goods | 170,284 | 149,912 | 20,372 | 14% |
| Intersegment Eliminations | (89,416) | (77,884) | 11,532 | 15% |
| Total Revenues, Net of Discounts | \$ 279,540 | \$ 275,806 | \$ 3,734 | 1% |

Three Months Ended March 31, 2025 Compared with the Three Months Ended March 31, 2024

Revenues, net of discounts, for the Retail segment were \$198,672 thousand, a decrease of \$5,106 thousand or 3%, compared to the three months ended March 31, 2024. The decrease in Retail revenues, net of discounts, was primarily driven by price compression.

Revenues, net of discounts, for the Consumer Packaged Goods Segment were \$170,284 thousand, an increase of \$20,372 thousand or 14%, compared to the three months ended March 31, 2024. The increase in Consumer Packaged Goods revenues, net of discounts, was primarily driven by the legalization of adult-use sales in Ohio, which began on August 6, 2024 as well as growth in existing markets, particularly in New York.

Intersegment eliminations associated with the Consumer Packaged Goods Segment were \$89,416 thousand, an increase of \$11,532 thousand or 15% compared to the three months ended March 31, 2024. The increase in intersegment eliminations was driven by increased intercompany sales, primarily to Company-owned Retail stores in New York, Ohio and Pennsylvania. Consumer Packaged Goods revenues, net of intersegment eliminations, made up 29% of total revenues during the three months ended March 31, 2025 as compared to 26% during the three months ended March 31, 2024.

Due to the vertically integrated nature of the business, the Company reviews its revenue at the Retail and Consumer Packaged Goods level while reviewing its operating results on a consolidated basis.

Drivers of Results of Operations

Revenue

The Company derives its revenue from two revenue streams: a Consumer Packaged Goods business in which it manufactures, sells and distributes its portfolio of Consumer Packaged Goods brands including Beboe, Dogwalkers, Dr. Solomon's, Good Green, incredibles, and RYTHM, primarily to third-party customers; and a Retail business in which it sells finished goods sourced primarily from third-party cannabis manufacturers in addition to the Company's own Consumer Packaged Goods products direct to the end consumer in its Retail stores, as well as direct-to-consumer delivery where applicable by state law.

For the three months ended March 31, 2025, revenue was contributed from Consumer Packaged Goods and Retail sales across California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia.

Gross Profit

Gross profit is revenue less cost of goods sold. Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, edibles, and concentrates, as well as packaging and other supplies, fees for services and processing, and allocated overhead which includes allocations of rent, utilities and related costs. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes. Gross margin measures our gross profit as a percentage of revenue.

During the three months ended March 31, 2025, the Company continued to focus on creating sustainable, profitable growth of the Company's business while pursuing expansion. Green Thumb expects to continue its growth strategy for the foreseeable future as the Company expands its Consumer Packaged Goods and Retail footprint within its current markets with acquisitions and partnerships, and scales resources into new markets.

Total Expenses

Total expenses other than the cost of goods sold consist of selling costs to support customer relationships and marketing and branding activities. It also includes a significant investment in the corporate infrastructure required to support the Company's ongoing business.

Retail selling costs generally correlate to revenue. As new stores begin operations, these stores generally experience higher selling costs as a percentage of revenue compared to more established stores, which experience a more constant rate of selling costs. As a percentage of sales, the Company expects selling costs to remain constant in the more established stores and increase in the newer stores as business continues to grow.

General and administrative expenses include costs incurred at the Company's corporate offices, primarily related to back office personnel costs, including salaries, incentive compensation, benefits, stock-based compensation and other professional service costs, and fair value adjustments on the Company's contingent consideration arrangements. The Company expects to continue to invest considerably in this area, in particular, stock-based compensation expense is expected to continue to increase in order to support the business by attracting and retaining top-tier talent. General and administrative expenses also include professional fees associated with being a publicly traded company in Canada and registered with the SEC.

Provision for Income Taxes

The Company is subject to income taxes in the jurisdictions in which it operates, and consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As the Company operates in the federally illegal cannabis industry, it is subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E, under which taxpayers are only allowed to deduct expenses directly related to sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and a higher effective tax rate than most industries. Therefore, the effective tax rate can be highly variable and may not necessarily correlate to pre-tax income or loss.

Non-GAAP Measures

EBITDA, and Adjusted EBITDA are non-GAAP measures and do not have standardized definitions under GAAP. The following information provides reconciliations of the supplemental non-GAAP financial measures, presented herein to the most directly comparable financial measures calculated and presented in accordance with GAAP. The Company has provided the non-GAAP financial measures, which are not calculated or presented in accordance with GAAP, as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These supplemental non-GAAP financial measures are presented because management has evaluated the financial results both including and excluding the adjusted items and believe that the supplemental non-GAAP financial measures presented provide additional perspective and insights when analyzing the core operating performance of the business. These supplemental non-GAAP 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 GAAP financial measures presented.

| | Three Months Ended March 31, | |
|---|------------------------------|------------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Net Income Before Non-Controlling Interest | \$ 8,401 | \$ 31,348 |
| Interest Income | (2,123) | (2,103) |
| Interest Expense, net | 4,865 | 7,514 |
| Provision for Income Taxes | 31,315 | 32,149 |
| Total Other (Income) Expense | 24 | 1,763 |
| Depreciation and Amortization | 29,411 | 27,775 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-GAAP measure) | \$ 71,893 | \$ 98,446 |
| Stock-based Compensation, Non-cash | 10,309 | 6,490 |
| Acquisition, Transaction and Other Non-operating Costs (Income) | 3,045 | (14,388) |
| Adjusted EBITDA (Non-GAAP Measure) | \$ 85,247 | \$ 90,548 |

Liquidity, Financing Activities During the Period, and Capital Resources

As of March 31, 2025, and December 31, 2024 the Company had total current liabilities of \$187,123 thousand and \$164,969 thousand, respectively, and cash and cash equivalents of \$210,582 thousand and \$171,687 thousand, respectively, to meet its current obligations. The Company had working capital of \$257,782 thousand as of March 31, 2025, an increase of \$18,851 thousand as compared to December 31, 2024. This increase in working capital was primarily driven by a reduction in capital expenditures associated with construction projects which were completed during 2024.

The Company generates cash from its operations and deploys its capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and long term. Capital reserves are primarily being utilized for capital expenditures, facility improvements, strategic investment opportunities, product development and marketing, as well as customer, supplier, and investor and industry relations.

The Company takes a cautious approach in allocating its capital to maximize its returns while ensuring appropriate liquidity. Given the current uncertainty of the future economic environment, the Company has taken additional measures in monitoring and deploying its capital to minimize the negative impact on its current operations and expansion plans.

Cash Flows

Cash Provided by (Used in) Operating, Investing and Financing Activities

Net cash provided by (used in) operating, investing and financing activities for the three months ended March 31, 2025 and 2024 were as follows:

| | Three Months Ended March 31, | |
|---|------------------------------|-------------|
| | 2025 | 2024 |
| | (in thousands) | |
| Net Cash Flows Provided by Operating Activities | \$ 74,219 | \$ 84,023 |
| Net Cash Flows Used in Investing Activities | \$ (30,568) | \$ (10,268) |
| Net Cash Flows Used in Financing Activities | \$ (4,756) | \$ (11,452) |

Off-Balance Sheet Arrangements

As of March 31, 2025, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Changes in or Adoption of Accounting Practices

Refer to the discussion of recently adopted/issued accounting pronouncements under Part I, Item 1, Notes to Unaudited Interim Condensed Consolidated Financial Statements, Note 1—Overview and Basis of Presentation.

Critical Accounting Policies and Significant Judgments and Estimates

There were no material changes to our critical accounting policies and estimates from the information provided in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included in our 2024 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk disclosures as set forth in Part II Item 7A of our 2024 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

The Company's management carried out an evaluation under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Based upon that evaluation, management concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the first quarter of 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Control Systems

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, will be or have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. The following is an update to the status of previously disclosed matters as of March 31, 2025:

In July 2024, the Company received Findings of Fact and Conclusions of Law regarding an October 30, 2019 complaint filed against the Company alleging the Company breached a commercial property lease with ineffective termination. The court ruled in favor of plaintiff landlord in the amount of \$7,307 thousand, representing unpaid rent. In addition, the court found the Company liable for interest and attorney fees. As a result, the Company accrued the amount of probable loss that can reasonably be estimated within accrued liabilities on the consolidated balance sheets. No final Order of Judgment has been entered in the case and the Company has reserved all rights and intends to contest the findings, including an appeal if necessary.

At March 31, 2025 and December 31, 2024, other than as discussed above, there were no pending or threatened lawsuits considered probable or reasonably possible to result in an unfavorable outcome with an exposure expected to merit disclosure. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

ITEM 1A. RISK FACTORS

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our 2024 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

Subordinate Voting Shares

- During the three months ended March 31, 2025, the Company issued a total of 77,525 Subordinate Voting Shares to CP Acquisitions in association with the Company's November 2024 investment in Agrify Corporation.

- During the three months ended March 31, 2025, the Company released from escrow 76,653 Subordinate Voting Shares associated with the Company's December 2021 acquisition of LeafLine Industries, LLC

Multiple Voting Shares

- None.

Super Voting Shares

- None.

Recent Issuer Purchases of Equity Securities

The following table sets forth repurchases of our Subordinate Voting Shares during the three months ended March 31, 2025:

(Dollars in thousands except per share amounts)

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program ⁽¹⁾ | Approximate Dollar Value of Shares that may yet be Purchased Under the Program |
|--|----------------------------------|------------------------------|---|--|
| January 1, 2025 through January 31, 2025 | — | — | — | 40,400 |
| February 1, 2025 through February 28, 2025 | — | — | — | 40,400 |
| March 1, 2025 through March 31, 2025 | 160,000 | 6.49 | 160,000 | 39,300 |
| | 160,000 | \$ 6.49 | 160,000 | \$ 39,300 |

⁽¹⁾On September 13, 2024, the Company's Board of Directors authorized the repurchase of up to 10,573,860 of its Subordinate Voting Shares over a 12-month period at an aggregate cost of up to \$50,000 thousand. During the three months ended March 31, 2025, the Company repurchased 160,000 Subordinate Voting Shares at an average price of \$6.49 per share, bringing the total remaining repurchase ability to approximately \$39,300 thousand.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed with this report:

| | |
|---------|---|
| 31.1 | <u>CERTIFICATE OF CHIEF EXECUTIVE OFFICER</u> |
| 31.2 | <u>CERTIFICATE OF CHIEF FINANCIAL OFFICER</u> |
| 32.1 | <u>CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002</u> |
| 32.2 | <u>CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002</u> |
| 101.INS | Inline XBRL Instance Document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (embedded with Inline XBRL File) |

SIGNATURES

Pursuant to requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GREEN THUMB INDUSTRIES INC.

/s/Benjamin Kovler

By: Benjamin Kovler
Title: Chief Executive Officer

Date: May 8, 2025

GREEN THUMB INDUSTRIES INC.

/s/Mathew Faulkner

By: Mathew Faulkner
Title: Chief Financial Officer

Date: May 8, 2025

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

I, Benjamin Kovler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Thumb Industries Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/Benjamin Kovler

By: Benjamin Kovler
Title: Chief Executive Officer

Date: May 8, 2025

CERTIFICATE OF CHIEF FINANCIAL OFFICER

I, Mathew Faulkner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Thumb Industries Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/Mathew Faulkner

By: Mathew Faulkner
Title: Chief Financial Officer

Date: May 8, 2025

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Green Thumb Industries Inc. (the “Company”) on Form 10-Q for the three months ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Benjamin Kovler, Chief Executive Officer, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Benjamin Kovler

By: Benjamin Kovler
Title: Chief Executive Officer

Date: May 8, 2025

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Green Thumb Industries Inc. (the "Company") on Form 10-Q for the three months ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mathew Faulkner, Chief Financial Officer, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Mathew Faulkner

By: Mathew Faulkner
Title: Chief Financial Officer

Date: May 8, 2025
