

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, 2023

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 day. 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, 2023 there were 207,989,463 shares of the registrant's Subordinate Voting Shares, 3,853,100 shares of the registrant's Multiple Voting Shares (on an as converted basis) and 25,169,000 shares of the registrant's Super Voting Shares (on an as converted basis).

GREEN THUMB INDUSTRIES INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED March 31, 2023

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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; the Company may be subject to action by the U.S. federal government; state regulation of cannabis is uncertain; the Company may be subject to heightened scrutiny by Canadian regulatory authorities; 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; cannabis businesses are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services; the Company may face difficulties acquiring additional financing; the Company faces intense competition; the Company faces competition from irregulated products; the Company is dependent upon the popularity and consumer acceptance of its brand portfolio; the Company lacks access to U.S. bankruptcy protections; the Company operates in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where the Company carries on business; the Company may face difficulties in enforcing its contracts; the Company has limited trademark protection; cannabis businesses are subject to unfavorable tax treatment; cannabis businesses may be subject to civil asset forfeiture; the Company is subject to proceeds of crime statutes; the Company faces exposure to fraudulent or illegal activity; the Company’s use of joint ventures may expose it to risks associated with jointly owned investments; 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 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 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’s voting control is concentrated; the Company’s capital structure and voting control may cause unpredictability; issuances of substantial amounts of Super Voting Shares, Multiple Voting Shares or Subordinate Voting Shares may result in dilution and further information on these and other potential factors that could affect the Company’s business and financial condition and the results of operations are included in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, 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, 2023 and December 31, 2022
(Amounts Expressed in United States Dollars)

	March 31, 2023	December 31, 2022 <i>(Audited)</i>
	(in thousands)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 185,367	\$ 177,682
Accounts Receivable	30,987	30,975
Income Tax Receivable	—	7,473
Inventories	121,069	115,675
Prepaid Expenses	12,597	13,364
Other Current Assets	7,591	6,182
Total Current Assets	357,611	351,351
Property and Equipment, Net	620,656	557,873
Right of Use Assets, Net	243,926	242,357
Investments	75,668	74,169
Investments in Associates	25,490	25,508
Intangible Assets, Net	576,909	589,519
Goodwill	589,691	589,691
Deposits and Other Assets	3,216	3,060
TOTAL ASSETS	\$ 2,493,167	\$ 2,433,528
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 16,905	\$ 18,423
Accrued Liabilities	99,917	86,971
Compensation Payable	15,315	13,476
Current Portion of Notes Payable	1,052	1,037
Current Portion of Lease Liabilities	11,753	10,906
Contingent Consideration Payable	11,400	11,400
Income Tax Payable	30,595	4,358
Total Current Liabilities	186,937	146,571
Long-Term Liabilities:		
Lease Liabilities, Net of Current Portion	251,607	249,281
Notes Payable, Net of Current Portion and Debt Discount	276,775	274,631
Contingent Consideration Payable	31,274	30,543
Warrant Liability	2,878	4,520
Deferred Income Taxes	62,550	62,550
TOTAL LIABILITIES	812,021	768,096
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Subordinate Voting Shares (Shares Authorized, Issued and Outstanding at March 31, 2023: Unlimited, 207,753,464, and 207,753,464, respectively, at December 31, 2022: Unlimited, 206,991,275, and 206,991,275, respectively)		
	—	—
Multiple Voting Shares (Shares Authorized, Issued and Outstanding at March 31, 2023: Unlimited, 38,531 and 38,531, respectively, at December 31, 2022: Unlimited, 38,531 and 38,531, respectively)		
	—	—
Super Voting Shares (Shares Authorized, Issued and Outstanding at March 31, 2023: Unlimited, 251,690 and 251,690, respectively, at December 31, 2022: Unlimited, 251,690 and 251,690, respectively)		
	—	—
Share Capital	1,683,671	1,663,557
Contributed Surplus	28,959	23,233
Deferred Share Issuances	17,105	36,211
Accumulated Deficit	(48,946)	(58,085)
Equity of Green Thumb Industries Inc.	1,680,789	1,664,916
Noncontrolling interests	357	516
TOTAL SHAREHOLDERS' EQUITY	1,681,146	1,665,432
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,493,167	\$ 2,433,528

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, 2023 and 2022
(Amounts Expressed in United States Dollars, Except Share Amounts)

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Revenues, Net of Discounts	\$ 248,536	\$ 242,600
Cost of Goods Sold, Net	(123,815)	(119,660)
Gross Profit	124,721	122,940
Expenses:		
Selling, General, and Administrative	80,519	68,388
Total Expenses	80,519	68,388
Income From Operations	44,202	54,552
Other Income (Expense):		
Other Income, Net	924	11,435
Interest Income, Net	1,731	900
Interest Expense, Net	(3,816)	(6,070)
Total Other Income (Expense)	(1,161)	6,265
Income Before Provision for Income Taxes And Non-Controlling Interest	43,041	60,817
Provision For Income Taxes	33,636	31,131
Net Income Before Non-Controlling Interest	9,405	29,686
Net Income Attributable to Non-Controlling Interest	266	747
Net Income Attributable To Green Thumb Industries Inc.	\$ 9,139	\$ 28,939
Net Income Per Share - Basic	\$ 0.04	\$ 0.12
Net Income Per Share - Diluted	\$ 0.04	\$ 0.12
Weighted Average Number of Shares Outstanding - Basic	237,398,253	235,838,947
Weighted average Number of Shares Outstanding - Diluted	237,686,092	238,225,420

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, 2023 and 2022
(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, 2022	\$ 1,633,672	\$ 21,245	\$ 36,262	\$ (70,063)	\$ (1,638)	\$ 1,619,478
Noncontrolling interests adjustment for change in ownership	2,379	(17,735)	—	—	15,356	—
Issuance of shares under business combinations and investments	1,406	—	—	—	—	1,406
Contingent consideration, and other adjustments to purchase accounting	13,111	—	—	—	—	13,111
Exercise of options and RSUs	3,135	(2,195)	—	—	—	940
Stock-based compensation	—	4,651	—	—	—	4,651
Distributions to third party and limited liability company unit holders	—	—	—	—	(14,311)	(14,311)
Net income	—	—	—	28,939	747	29,686
Balance, March 31, 2022	<u>\$ 1,653,703</u>	<u>\$ 5,966</u>	<u>\$ 36,262</u>	<u>\$ (41,124)</u>	<u>\$ 154</u>	<u>\$ 1,654,961</u>
Balance, January 1, 2023	\$ 1,663,557	\$ 23,233	\$ 36,211	\$ (58,085)	\$ 516	\$ 1,665,432
Distribution of deferred shares	19,106	—	(19,106)	—	—	—
Exercise of options and RSUs	1,008	(513)	—	—	—	495
Stock-based compensation	—	6,239	—	—	—	6,239
Distributions to limited liability company unit holders	—	—	—	—	(425)	(425)
Net income	—	—	—	9,139	266	9,405
Balance, March 31, 2023	<u>\$ 1,683,671</u>	<u>\$ 28,959</u>	<u>\$ 17,105</u>	<u>\$ (48,946)</u>	<u>\$ 357</u>	<u>\$ 1,681,146</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, 2023 and 2022
(Amounts Expressed in United States Dollars)

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income attributable to Green Thumb Industries Inc.	\$ 9,139	\$ 28,939
Net income attributable to non-controlling interest	266	747
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,501	22,990
Amortization of operating lease assets	12,222	9,821
Loss on disposal of property and equipment	154	85
Loss on equity method investments	318	1,203
Bad debt expense	376	117
Stock-based compensation	6,239	4,651
Decrease (increase) in fair value of investments	351	(4,664)
Increase (decrease) in fair value of contingent consideration	731	(15,396)
(Decrease) increase in fair value of warrants	(1,642)	(7,929)
Amortization of debt discount	2,365	2,279
Changes in operating assets and liabilities:		
Accounts receivable	(388)	(5,941)
Inventories	(5,394)	(13,817)
Prepaid expenses and other current assets	(592)	12
Deposits and other assets	(155)	(395)
Accounts payable	(1,517)	9,555
Accrued liabilities	5,645	235
Operating lease liabilities	(10,618)	(8,420)
Income tax receivable and payable, net	33,710	31,304
NET CASH PROVIDED BY OPERATING ACTIVITIES	74,711	55,376
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(65,009)	(56,831)
Proceeds from disposal of property and equipment	319	32
Investments in securities and associates	(2,500)	(5,444)
Proceeds from equity investments and notes receivable	300	160
Settlement of acquisition consideration payable	—	(31,732)
Purchase of businesses, net of cash acquired	—	(6,586)
NET CASH USED IN INVESTING ACTIVITIES	(66,890)	(100,401)
CASH FLOW FROM FINANCING ACTIVITIES		
Distributions to limited liability company unit holders	(425)	(14,311)
Contributions from unconsolidated subsidiaries	—	550
Proceeds from exercise of options and warrants	495	940
Proceeds from issuance of notes payable	—	2,102
Principal repayment of notes payable	(206)	(137)
NET CASH USED IN FINANCING ACTIVITIES	(136)	(10,856)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	7,685	(55,881)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BEGINNING OF PERIOD	177,682	230,420
CASH, CASH EQUIVALENTS AND RESTRICTED CASH END OF PERIOD	\$ 185,367	\$ 174,539

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, 2023 and 2022
(Amounts Expressed in United States Dollars)

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 4,964	\$ 4,467
NONCASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures	\$ 9,138	\$ (5,366)
Noncash increase in right of use asset	\$ (5,558)	\$ (3,855)
Noncash increase in lease liability	\$ 5,558	\$ 3,855
Shares issued for purchase of noncontrolling interest	\$ —	\$ 2,379
Issuance of shares associated with contingent consideration	\$ —	\$ 13,111
Deferred share distributions	\$ (19,106)	\$ —
Issuance of shares under business combinations	\$ —	\$ 1,406
Acquisitions		
Inventories	\$ —	\$ 413
Accounts receivable	—	(116)
Prepaid expenses	—	72
Property and equipment	—	738
Right of use assets	—	743
Identifiable Intangible assets	—	14,143
Goodwill	—	7,946
Deposits and other assets	—	12
Liabilities assumed	—	(466)
Lease liabilities	—	(743)
Noncontrolling interests	—	17,735
Equity interests issued	—	(3,785)
Fair value of previously held equity interest	—	(14,500)
Deferred cash	—	(250)
Settlement of noncontrolling interests	—	(15,356)
	<u>\$ —</u>	<u>\$ 6,586</u>
ADDITIONAL SUPPLEMENTAL INFORMATION		
Decrease in fair value of investments	\$ 351	\$ 9,455
Increase in fair value of equity method investments	—	(14,119)
TOTAL DECREASE (INCREASE) IN FAIR VALUE OF INVESTMENTS	<u>\$ 351</u>	<u>\$ (4,664)</u>

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

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, to third-party retail stores across the United States as well as to Green Thumb owned retail cannabis stores. The Company also owns and operates retail cannabis stores that include a rapidly growing national chain named RISE, which sell our products and third-party products. As of March 31, 2023, Green Thumb has revenue in fifteen markets (California, Colorado, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia), employs approximately 4,000 people and serves hundreds of thousands 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, 2022 (the “2022 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) 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 2022 Form 10-K.

(d) 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, 2023, the Company had 9,600,384 options, 1,094,979 restricted stock units and 3,734,555 warrants outstanding. As of March 31, 2022, the Company had 5,340,863 options, 306,724 restricted stock units and 3,835,278 warrants outstanding.

1. Overview and Basis of Presentation *(Continued)*

(d) Earnings per Share *(Continued)*

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, 2023, the computation of diluted earnings per share included 207,430 options and 80,409 restricted stock units. There were no dilutive warrants during the three months ended March 31, 2023 as the strike price was greater than the average stock price for the period. For the three months ended March 31, 2022, the computation of diluted earnings per share included 1,699,469 options, 183,763 restricted stock units and 503,241 warrants. For the three months ended March 31, 2023 and 2022, the weighted average number of anti-dilutive stock options excluded from the computation of diluted earnings per share were 2,909,924 and 842,033, respectively.

(e) Recently Issued Accounting Standards

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
(Amounts Expressed in United States Dollars, Except Where Stated Otherwise)

2. INVENTORIES

The Company's inventories include the following at March 31, 2023 and December 31, 2022:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>(in thousands)</u>	
Raw Material	\$ 2,743	\$ 3,070
Packaging and Miscellaneous	9,718	9,847
Work in Process	57,982	57,287
Finished Goods	54,728	49,268
Reserve for Obsolete Inventory	(4,102)	(3,797)
Total Inventories	\$ 121,069	\$ 115,675

3. PROPERTY AND EQUIPMENT

At March 31, 2023 and December 31, 2022, property and equipment consisted of the following:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>(in thousands)</u>	
Buildings and Improvements	\$ 180,790	\$ 176,874
Equipment, Computers and Furniture	130,499	122,568
Leasehold Improvements	147,853	135,524
Land Improvements	847	847
Capitalized Interest	21,178	16,934
Total Property and Equipment	481,167	452,747
Less: Accumulated Depreciation	(91,541)	(80,702)
Property and Equipment, net	389,626	372,045
Land	30,196	29,106
Assets Under Construction	200,834	156,722
Property and Equipment, net	\$ 620,656	\$ 557,873

Assets under construction represent construction in progress related to both cultivation and retail stores not yet completed or otherwise not ready for use.

Depreciation expense for the three months ended March 31, 2023 totaled \$10,891 thousand, of which \$7,356 thousand, is included in cost of goods sold. Depreciation expense for the three months ended March 31, 2022 totaled \$8,048 thousand, of which \$5,046 thousand, is included in cost of goods sold.

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

4. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. 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, 2023 and December 31, 2022, intangible assets consisted of the following:

	March 31, 2023			December 31, 2022		
	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	\$ 124,691	\$ 536,025	\$ 660,716	\$ 113,800	\$ 546,916
Trademarks	41,511	11,209	30,302	41,511	10,486	31,025
Customer Relationships	24,438	14,308	10,130	24,438	13,435	11,003
Non-Competition Agreements	2,565	2,113	452	2,565	1,990	575
Total Intangible Assets	\$ 729,230	\$ 152,321	\$ 576,909	\$ 729,230	\$ 139,711	\$ 589,519

The Company recorded amortization expense for the three months ended March 31, 2023 and 2022 of \$12,610 thousand and \$14,942 thousand, respectively.

The following table outlines the estimated annual amortization expense related to intangible assets as of March 31, 2023:

Year Ending December 31,	Estimated Amortization (in thousands)
Remainder of 2023	\$ 38,230
2024	50,392
2025	50,294
2026	47,332
2027	46,803
2028 and Thereafter	343,858
	\$ 576,909

As of March 31, 2023, the weighted average amortization period remaining for intangible assets was 12.07 years.

(b) Goodwill

At March 31, 2023 and December 31, 2022 the balances of goodwill, by segment, consisted of the following:

	Retail	Consumer Packaged Goods	Total
	(in thousands)		
As of December 31, 2022	\$ 273,802	\$ 315,889	\$ 589,691
As of March 31, 2023	\$ 273,802	\$ 315,889	\$ 589,691

5. INVESTMENTS

As of March 31, 2023 and December 31, 2022, the Company held various equity interests in cannabis companies as well as investments in convertible notes that had a combined fair value of \$75,668 thousand and \$74,169 thousand as of each period end, 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, 2023 and year ending December 31, 2022:

	March 31, 2023	December 31, 2022
	(in thousands)	
Beginning	\$ 74,169	\$ 94,902
Additions	2,200	5,444
Disposals	(300)	(3,571)
Fair value adjustment	(351)	(22,606)
Transfers and other	(50)	—
Ending	\$ 75,668	\$ 74,169

During the three months ended March 31, 2023, the Company recorded a fair value loss, net of \$(351) thousand, of which \$(479) thousand associated with the Company's equity investments was recorded within other income (expense) and \$128 thousand associated with various note receivable investments, was recorded to interest income, net on the unaudited interim condensed consolidated statement of operations.

(a) Equity Investments

As of March 31, 2023 and December 31, 2022, the Company held equity investments in publicly traded entities which have readily determinable fair values, which are classified as Level 1 investments, of \$2,056 thousand and \$2,535 thousand, respectively. During the three months ended March 31, 2023 and 2022, the Company recorded net losses on the change in fair value of such investments of \$(479) thousand and \$(7,897) thousand, respectively, within other income (expense) on the unaudited interim condensed consolidated statement of operations. The Company received proceeds from the sale of such investments of \$160 thousand during the three months ended March 31, 2022. There were no such sales of these investments during the three months ended March 31, 2023. These investments are classified as trading securities on the Company's unaudited interim condensed consolidated balance sheets.

As of March 31, 2023 and December 31, 2022, the Company held equity investments in privately held entities that did not have readily determinable fair values, which are classified as Level 3 investments, of \$42,330 thousand and \$40,330 thousand, respectively. For the three months ended March 31, 2023, there were no gains or losses on the change in fair value of such investments. During the three months ended March 31, 2022, the Company recorded net gains on the change in fair value of such investments of \$455 thousand, within other income (expense) on the unaudited interim condensed consolidated statement of operations. There were no sales of these investments during these periods. These investments are classified as trading securities on the Company's unaudited interim condensed consolidated balance sheets.

See Note 14 - Fair Value Measurements for additional details.

Unrealized net losses recognized on equity investments held during the three months ended March 31, 2023 and 2022 were \$(477) thousand and \$(9,477) thousand, respectively.

5. INVESTMENTS *(Continued)*

(b) Notes Receivable Instruments

During the three months ended March 31, 2023 and year ended December 31, 2022, the Company made multiple investments in various note receivable instruments, including note receivable instruments with conversion features.

As of March 31, 2023 and December 31, 2022, the Company held note receivable instruments, which were classified as a Level 1 investment as they represent public debt of a publicly traded entity, and had a fair value of \$22,214 thousand as of each period end, respectively. There were no gains or losses recognized on these investments during the three months ended March 31, 2023. During the three months ended March 31, 2022, the Company recorded net losses on the change in fair value of such investments of \$(276) thousand within other income (expense) on the unaudited interim condensed consolidated statement of operations. The notes receivable had a stated interest rate of 13% and a maturity date of April 29, 2025. The notes did not contain any conversion features and are currently classified as trading securities on the Company's unaudited interim condensed consolidated balance sheets.

As of March 31, 2023 and December 31, 2022, the Company held note receivable instruments, which were classified as Level 3 investments as they represent loans provided to privately held entities that do not have readily determinable fair values. The note receivable instruments had a combined fair value of \$9,068 thousand and \$9,090 thousand, respectively, with stated interest ranging between 0.91% - 10% and terms between 15 months to five years. There were no gains or losses recognized on these investments during the three months ended March 31, 2023. During the three months ended March 31, 2022, the Company recorded net losses on the change in fair value of such investments of \$(1,891) thousand within other income (expense) on the unaudited interim condensed consolidated statements of operations. The combined fair value amounts include the initial investment cost and combined contractual accrued interest of \$128 thousand. These notes are classified as trading securities on the Company's unaudited interim condensed consolidated balance sheets.

See Note 14 - Fair Value Measurements for additional details.

6. LEASES

(a) Operating Leases

The Company has operating leases for its retail stores and processing and cultivation facilities located throughout the U.S, as well as for corporate office space located in Illinois. 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 each real estate lease and the related 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, 2023 and 2022, the Company recorded operating lease expense of \$12,222 thousand and \$9,821 thousand, respectively.

Other information related to operating leases as of March 31, 2023 and December 31, 2022 were as follows:

	March 31, 2023	December 31, 2022
Weighted average remaining lease term (years)	11.49	11.64
Weighted average discount rate	12.40%	12.42%

Maturities of lease liabilities for operating leases as of March 31, 2023 were as follows:

Year Ending December 31,	Maturities of Lease Liability		
	Third Party	Related Party (in thousands)	Total
Remainder of 2023	\$ 32,391	\$ 428	\$ 32,819
2024	43,261	437	43,698
2025	40,995	343	41,338
2026	39,316	350	39,666
2027	39,575	357	39,932
2028 and Thereafter	352,294	1,728	354,022
Total Lease Payments	547,832	3,643	551,475
Less: Interest	(286,716)	(1,399)	(288,115)
Present Value of Lease Liability	\$ 261,116	\$ 2,244	\$ 263,360

(b) Related Party Operating Leases

The Company has leasing arrangements that are related party transactions including for certain facilities in Maryland, Massachusetts and Nevada. Wendy Berger, a director of the Company, is a principal of WBS Equities, LLC, which is the Manager of Mosaic Real Estate, LLC, and owns the facilities leased by the Company. Additionally, Mosaic Real Estate, LLC is indirectly owned in part by Ms. Berger (through the Wendy Berger 1998 Revocable Trust), Benjamin Kovler, the Chairman and a 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). The terms of these leases range from 7 years to 15 years. For the three months ended March 31, 2023 and 2022, the Company recorded lease expense of \$139 thousand and \$295 thousand, respectively.

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7. NOTES PAYABLE

At March 31, 2023 and December 31, 2022, notes payable consisted of the following:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<u>(in thousands)</u>	
Charitable Contributions ¹	\$ 716	\$ 764
Private placement debt dated April 30, 2021 ²	240,071	237,795
Mortgage notes ³	37,040	37,109
Total notes payable	277,827	275,668
Less: current portion of notes payable	(1,052)	(1,037)
Notes payable, net of current portion	\$ 276,775	\$ 274,631

¹ In connection with acquisitions completed in 2017 and 2019, the Company is required to make quarterly charitable contributions of \$50 thousand through October 2024 and annual charitable contributions of \$250 thousand through May 2024, respectively. The net present value of these required payments has been recorded as a liability with interest rates ranging between 2.17% - 7.00%.

² The April 30, 2021 private placement debt, and amendment on October 21, 2021, was issued in total amount of \$249,934 thousand with an interest rate of 7.00%, maturing on April 30, 2025. The debt was issued at a discount, the carrying value of which was \$9,863 thousand and \$12,139 thousand as of March 31, 2023 and December 31, 2022, respectively.

³ Mortgage notes with an initial value of \$38,292 thousand were issued by the Company in connection with various operating properties, and were recorded at such gross value as of March 31, 2023 and December 31, 2022. These mortgage notes mature between August 20, 2025 and June 5, 2035 and were issued at a discount, the carrying value of which was \$348 thousand and \$437 thousand, respectively, and are presented net of principal payments of \$904 thousand and \$746 thousand as of March 31, 2023 and December 31, 2022, respectively.

(a) Related Parties

A portion of the April 30, 2021 Notes are held by related parties, as well as unrelated third-party lenders at a percentage of approximately 1% and 99%, respectively. The related parties consist of Benjamin Kovler, the Chairman and Chief Executive Officer of the Company (held through KP Capital, LLC and Outsiders Capital, LLC); Andrew Grossman, the Executive Vice President of Capital Markets of the Company (held through AG Funding Group, LLC); Anthony Georgiadis, the President and a director of the Company (held through Three One Four Holdings, LLC); and Anthony Georgiadis and William Gruver, a former director of the Company (held through ABG, LLC).

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8. WARRANTS

As part of the terms of the Company's issuance of the April 30, 2021 Notes, as well as other financing arrangements, the Company issued warrants to related parties, as well as unrelated third parties, which allow the holders to purchase Subordinate Voting Shares at an exercise price determined at the time of issuance.

The following table summarizes the number of warrants outstanding as of March 31, 2023 and December 31, 2022:

	Liability Classified			Equity Classified		
	Number of Shares	Weighted Average Exercise Price (C\$)	Weighted Average Remaining Contractual Life	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Remaining Contractual Life
Balance as of December 31, 2022	1,997,208	C\$ 18.03	1.50	1,737,347	\$ 31.83	3.38
Balance as of March 31, 2023	1,997,208	C\$ 18.03	1.26	1,737,347	\$ 31.83	3.13

(a) Liability Classified Warrants Outstanding

The following table summarizes the fair value of the liability classified warrants at March 31, 2023 and December 31, 2022:

Warrant Liability	Strike Price	Warrants Outstanding	Fair Value		
			March 31, 2023	December 31, 2022	Change
(in thousands)					
Private Placement Financing Warrants Issued May 2019	C\$19.39	1,606,533	\$1,852	\$3,125	\$(1,273)
Modification Warrants Issued November 2019	C\$12.04	316,947	831	1,139	(308)
Additional Modification Warrants Issued May 2020	C\$14.03	73,728	195	256	(61)
Totals		1,997,208	\$2,878	\$4,520	\$(1,642)

During the three months ended March 31, 2023 and 2022, the Company recorded gains of \$1,642 thousand and \$7,929 thousand, respectively, on the change in the fair value of the warrant liability within other income (expense) on the unaudited interim condensed consolidated statements of operations.

The following table summarizes the significant assumptions used in determining the fair value of the warrant liability as of each reporting date (see Note 13 - Fair Value Measurements for additional details):

Significant Assumptions	March 31, 2023	December 31, 2022
Volatility	71.15% - 75.98%	70.44% - 78.21%
Remaining Term	1.15 - 2.15 years	1.39 - 2.39 years
Risk Free Rate	3.51% - 3.78%	3.82% - 4.07%

8. WARRANTS (Continued)

(b) Equity Classified Warrants Outstanding

The Company's equity classified warrants were recorded at fair value at each respective date of issuance. Equity classified warrants are not remeasured at fair value on a recurring basis and are carried at their issuance date fair value. The following table summarizes the carrying amounts of the Company's equity classified warrants at March 31, 2023 and December 31, 2022:

<i>Warrants Included in Contributed Surplus</i>	Strike Price	Warrants Outstanding	Issuance Date Fair Value	
			March 31, 2023	December 31, 2022
(in thousands)				
Mortgage Warrants Issued June 2020	\$ 9.10	35,000	\$ 181	\$ 181
Private Placement Refinance Warrants Issued April 2021	\$ 32.68	1,459,044	22,259	22,259
Private Placement Refinance Warrants Issued October 2021	\$ 30.02	243,303	2,616	2,616
Totals		1,737,347	\$ 25,056	\$ 25,056

The equity warrants were valued as of the date of issuance using a Black Scholes Option Pricing model. The following table summarizes the significant assumptions used in determining the fair value of the warrants as of each respective issuance date:

<i>Significant Assumptions</i>	Private Placement Refinancing Warrants	Private Placement Refinancing Warrants	Dispensary Mortgage Warrants
Date of Issuance	October 15, 2021	April 30, 2021	June 5, 2020
Volatility	73%	73%	80%
Estimated Term	4 years	4 years	5 years
Risk Free Rate	1.12%	0.74%	0.37%

9. 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 Standard 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. During the three months ended March 31, 2023, no Multiple Voting Shares were converted into 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. At March 31, 2023, the Company had 38,531 issued and outstanding Multiple Voting Shares, which convert into 3,853,100 Subordinate Voting Shares. The Company is authorized to issue an unlimited number of Multiple Voting Shares. During the three months ended March 31, 2023, no Multiple Voting Shares were converted into Subordinate 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. At March 31, 2023, the Company had 251,690 issued and outstanding Super Voting Shares which convert into 25,169,000 Subordinate Voting Shares. The Company is authorized to issue an unlimited number of Super Voting Shares. During the three months ended March 31, 2023, no Super Voting Shares were converted into Multiple 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, 2023	206,991,275	38,531	251,690
Distribution of deferred shares	615,819	—	—
Issuance of shares upon exercise of options and warrants	70,750	—	—
Issuances of shares upon vesting of RSUs	75,620	—	—
As at March 31, 2023	207,753,464	38,531	251,690

9. SHARE CAPITAL *(Continued)*

(b) Issued and Outstanding *(Continued)*

(i) Distribution of Deferred Shares

Liberty Compassion, Inc.

As part of the consideration exchanged in the Company's 2021 acquisition of Liberty Compassion, Inc. ("Liberty"), the Company withheld 214,768 Subordinate Voting Shares for a period of eighteen months for the purpose of indemnifying the Company for post-acquisition costs incurred subsequent to the close of the transaction. The Company released the 214,768 Subordinate Voting Shares to the previous owners of Liberty. The deferred shares had a fair value of \$6,460 thousand which was based upon the closing price of Green Thumb's Subordinate Voting Shares as traded on the Canadian Securities Exchange ("CSE") on the date of the transaction.

Dharma Pharmaceuticals, LLC

As part of the consideration exchanged in the Company's 2021 acquisition of Dharma Pharmaceuticals, Inc. ("Dharma"), the Company withheld 229,878 Subordinate Voting Shares for a period of eighteen months for the purpose of indemnifying Green Thumb for post-acquisition costs incurred subsequent to the close of the transaction. The Company released the 229,878 Subordinate Voting Shares to the previous owners of Dharma. The deferred shares had a fair value of \$7,590 thousand which was based upon the closing price of Green Thumb's Subordinate Voting Shares as traded on the CSE on the date of the transaction.

GreenStar Herbals, Inc.

As part of the consideration exchanged in the Company's 2021 acquisition of GreenStar Herbals, Inc. ("GreenStar"), the Company withheld 161,306 Subordinate Voting Shares for a period of eighteen months for the purpose of indemnifying Green Thumb for post-acquisition costs incurred subsequent to the close of the transaction. The Company released the 161,306 Subordinate Voting Shares to the previous owners of GreenStar. The deferred shares had a fair value of \$4,762 thousand which was based upon the closing price of Green Thumb's Subordinate Voting Shares as traded on the CSE on the date of the transaction.

(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 and Amendment No. 2 thereto (as amended, the "Plan"). The maximum number of Restricted Stock Units ("RSUs") and options issued under the Plan shall not exceed 10% of the 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 share 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.

Option and RSU awards generally vest over three years, and options typically have a life of five to ten years. Option grants 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.

9. SHARE CAPITAL *(Continued)*

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

Stock option activity is summarized as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Balance as of December 31, 2022	9,577,947	\$12.71	4.80
Granted	331,222	8.62	6.81
Exercised	(70,750)	7.01	
Forfeited	(238,035)	10.00	
Balance as of March 31, 2023	9,600,384	\$12.67	4.29
Vested	5,281,364	\$13.49	
Exercisable of March 31, 2023	4,052,823	\$7.94	3.15

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the Company's closing stock price on March 31, 2023 and December 31, 2022, respectively, and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their in-the-money options on March 31, 2023 and December 31, 2022. This amount will change in future periods based on the fair market value of the Company's Subordinate Voting Shares and the number of options outstanding.

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, 2023 and the year ended December 31, 2022, using the following ranges of assumptions:

	March 31, 2023	December 31, 2022
Risk-free interest rate	3.06% - 3.64%	1.18% - 3.54%
Expected dividend yield	0%	0%
Expected volatility	64%	60% - 64%
Expected option life	3 – 4.5 years	3 – 4.5 years

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

9. SHARE CAPITAL *(Continued)*

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

The following table summarizes the number of unvested RSU awards as of March 31, 2023 and December 31, 2022 and the changes during the three months ended March 31, 2023:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested Shares at December 31, 2022	947,502	\$ 17.91
Granted	256,940	8.53
Forfeited	(33,843)	18.31
Vested	(75,620)	9.36
Unvested Shares at March 31, 2023	1,094,979	\$ 16.28

The stock-based compensation expense for the three months ended March 31, 2023 and 2022 was as follows:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Stock options expense	\$ 4,483	\$ 3,207
Restricted Stock Units	1,756	1,444
Total Stock Based Compensation Expense	\$ 6,239	\$ 4,651

As of March 31, 2023, \$34,546 thousand of total unrecognized expense related to stock-based compensation awards is expected to be recognized over a weighted-average period of 1.86 years.

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10. INCOME TAX EXPENSE

The following table summarizes the Company's income tax expense and effective tax rates for the three months ended March 31, 2023 and 2022:

	<u>Three Months Ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Income before Income Taxes	\$ 43,041	\$ 60,817
Income Tax Expense	33,636	31,131
Effective Tax Rate	78.1%	51.2%

The effective tax rates for the three months ended March 31, 2023 and 2022 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, 2023 and 2022 were \$159 thousand and \$132 thousand, respectively.

11. OTHER INCOME (EXPENSE)

For the three months ended March 31, 2023 and 2022 other income (expense) was comprised of the following:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Fair value adjustments on equity investments	\$ (479)	\$ (9,609)
Fair value adjustments on equity method investments	—	14,119
Fair value adjustments on warrants issued	1,642	7,929
Earnings (loss) from equity method investments	(318)	(1,203)
Other	79	199
Total Other Income (Expense)	\$ 924	\$ 11,435

12. 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 reliably 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 statement 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. As of March 31, 2023, the following matter was being appealed by the Company:

Cresco Labs New York, LLC and Cresco Labs LLC (“Plaintiffs”) filed an amended complaint against one of the Company’s subsidiaries, Fiorello Pharmaceuticals, Inc. (“Defendant”) on November 20, 2018, in the Supreme Court of the State of New York, NY County alleging Defendant breached the parties’ Equity Purchase Agreement Letter of Intent (“LOI”) relating to the acquisition of Defendant by Plaintiffs. In December 2022, the trial court granted Plaintiffs’ motion for summary judgment on their claim that Defendant breached the LOI. Defendant disputes any liability and is vigorously appealing the trial court’s decision. The Company believes a successful appeal is probable, and as such, as of March 31, 2023 and December 31, 2022, a \$900 thousand loss contingency was recorded within accrued liabilities on the unaudited interim condensed consolidated balance sheets as of each period end. In the event that the Defendant’s appeal is unsuccessful, any damages will be determined by further legal proceedings. The Company has estimated that the possible range of loss is between \$900 thousand and \$72,915 thousand.

At March 31, 2023, other than as discussed above, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company’s consolidated operations. 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, 2023, the Company held approximately \$47,900 thousand of open construction commitments to contractors on work being performed.

13. 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, warrant liability, and contingent consideration payable.

It was not practicable to estimate the fair value of the Company's long-term notes payable, which consist of charitable contributions, private placement debt and mortgage notes, since there were no quoted market prices or active trading markets. The carrying amount of notes payable at March 31, 2023 and December 31, 2022 was \$277,827 thousand and \$275,668 thousand, which includes \$1,052 thousand and \$1,037 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, 2023				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 185,367	\$ —	\$ —	185,367
Investments	24,270	—	51,398	75,668
Contingent Consideration Payable	—	—	(42,674)	(42,674)
Warrant Liability	—	—	(2,878)	(2,878)
	\$ 209,637	\$ —	\$ 5,846	215,483

As of December 31, 2022				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 177,682	\$ —	\$ —	177,682
Investments	24,749	—	49,420	74,169
Contingent Consideration Payable	—	—	(41,943)	(41,943)
Warrant Liability	—	—	(4,520)	(4,520)
	\$ 202,431	\$ —	\$ 2,957	205,388

14. 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 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, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
<i>Revenues, Net of Discounts</i>		
Retail	\$ 188,878	\$ 172,586
Consumer Packaged Goods	125,617	120,412
Intersegment Eliminations	(65,959)	(50,398)
Total Revenues, Net of Discounts	\$ 248,536	\$ 242,600
<i>Depreciation and Amortization</i>		
Retail	\$ 8,832	\$ 9,833
Consumer Packaged Goods	14,669	13,157
Intersegment Eliminations	—	—
Total Depreciation and Amortization	\$ 23,501	\$ 22,990
<i>Income Taxes</i>		
Retail	\$ 19,011	\$ 18,190
Consumer Packaged Goods	14,625	12,941
Intersegment Eliminations	—	—
Total Income Taxes	\$ 33,636	\$ 31,131

Goodwill assigned to the Consumer Packaged Goods segment as of March 31, 2023 and December 31, 2022 was \$315,889 thousand and \$315,889 thousand, respectively. Intangible assets, net assigned to the Consumer Packaged Goods segment as of March 31, 2023 and December 31, 2022 was \$280,278 thousand and \$286,922 thousand, respectively.

Goodwill assigned to the Retail segment as of March 31, 2023 and December 31, 2022 was \$273,802 thousand and \$273,802 thousand, respectively. Intangible assets, net assigned to the Retail segment as of March 31, 2023 and December 31, 2022 was \$296,631 thousand and \$302,597 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, 2023 and 2022. It is supplemental to, and should be read in conjunction with, the Company’s unaudited interim condensed consolidated financial statements as of March 31, 2023 and the consolidated financial statements for the year ended December 31, 2022 included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission on March 1, 2023 (the “2022 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 II, Item 1A, “Risk Factors of the 2022 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 promotes well-being through the power of cannabis through branded consumer packaged goods and people-first retail experiences, while giving back to the communities in which it serves. As of March 31, 2023, Green Thumb has operations in 15 U.S. markets, employs approximately 4,000 people and serves millions of patients and customers annually.

Green Thumb’s core business is manufacturing, distributing and marketing a portfolio of owned 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).

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 18 manufacturing facilities. This portfolio consists of stock keeping units (“SKUs”) across a range of cannabis product categories, including flower, pre-rolls, concentrates, vape, capsules, tinctures, edibles, topicals and other cannabis-related products (none of which product categories are individually material to the Company). These Consumer Packaged Goods products are sold in retail locations throughout the U.S. including at Green Thumb’s own RISE and other stores.

Green Thumb owns and operates a national cannabis retail chain called RISE that provides relationship-centric retail experiences aimed to deliver a superior level of customer service through high-engagement consumer interaction, a consultative, transparent and education-forward selling approach and a consistently available assortment of cannabis products. In addition, Green Thumb owns stores under other names, primarily where naming is subject to licensing or similar restrictions or in certain instances where we co-own the store. 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). The RISE stores currently are located in 13 of the states in which we operate. As of March 31, 2023, the Company had 77 open and operating retail locations. 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.

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, 2023 and 2022 and (ii) unaudited interim condensed consolidated balance sheet as of March 31, 2023 and December 31, 2022 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 U.S. 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	
	2023	2022	\$	%
	(in thousands, except share and per share amounts)			
Revenues, Net of Discounts	\$ 248,536	\$ 242,600	\$ 5,936	2%
Cost of Goods Sold, Net	(123,815)	(119,660)	(4,155)	(3)%
Gross Profit	124,721	122,940	1,781	1%
Expenses:				
Selling, General, and Administrative	80,519	68,388	12,131	18%
Total Expenses	80,519	68,388	12,131	18%
Income From Operations	44,202	54,552	(10,350)	(19)%
Total Other Income (Expense)	(1,161)	6,265	(7,426)	(119)%
Income Before Provision for Income Taxes And Non-Controlling Interest	43,041	60,817	(17,776)	(29)%
Provision for Income Taxes	33,636	31,131	2,505	8%
Net Income Before Non-Controlling Interest	9,405	29,686	(20,281)	(68)%
Net Income Attributable to Non-Controlling Interest	266	747	(481)	(64)%
Net Income Attributable To Green Thumb Industries Inc.	\$ 9,139	\$ 28,939	\$ (19,800)	(68)%
Net Income Per Share - Basic	\$ 0.04	\$ 0.12	\$ (0.08)	(67)%
Net Income Per Share - Diluted	\$ 0.04	\$ 0.12	\$ (0.08)	(67)%
Weighted Average Number of Shares Outstanding – Basic	237,398,253	235,838,947		
Weighted Average Number of Shares Outstanding – Diluted	237,686,092	238,225,420		

	March 31, 2023	December 31, 2022
	(in thousands)	
Total Assets	\$ 2,493,167	\$ 2,433,528
Long-Term Liabilities	\$ 625,084	\$ 621,525

Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

Revenues, net of Discounts

Revenue for the three months ended March 31, 2023 was \$248,536 thousand, up 2% from \$242,600 thousand for the three months ended March 31, 2022, driven primarily by the operations of the Retail segment. Key performance drivers for the period included: (i) legalization of adult-use sales in New Jersey, which began on April 21, 2022, (ii) legalization of adult-use sales in Rhode Island, which began on December 1, 2022, (iii) legalization of adult-use sales in Connecticut, which began on January 10, 2023, and (iv) increased store traffic to Green Thumb's open and operating retail stores, particularly in Virginia, Minnesota and Maryland.

The Company generated revenue from 77 Retail stores during the quarter compared to 76 in the same quarter of the prior year. Retail revenues made up 76% of total revenues during the three months ended March 31, 2023 as compared to 71% during the three months ended March 31, 2022. From March 31, 2022 until March 31, 2023, the Company opened one new Retail store in Minnesota.

Consumer Packaged Goods revenues made up 24% of total revenues during the three months ended March 31, 2023 as compared to 29% during the three months ended March 31, 2022.

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, 2023 was \$123,815 thousand, up 3% from \$119,660 thousand for the three months ended March 31, 2022, driven by increased demand stemming from the launch of adult-use sales in New Jersey, Rhode Island, and Connecticut as noted above, as well as increased sales volume at the Company's open and operating retail stores.

Gross Profit

Gross profit for the three months ended March 31, 2023 was \$124,721 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 50%. This is compared to gross profit for the three months ended March 31, 2022 of \$122,940 thousand, or a 51% gross margin. The increase in gross profit (dollars) was directly attributable to the revenue increase as described above. The decline in gross margin (percent) was primarily driven by price compression.

Total Expenses

Total expenses for the three months ended March 31, 2023 were \$80,519 thousand, or 32% of revenues, net of discounts, resulting in an increase of \$12,131 thousand. Total expenses for the three months ended March 31, 2022 were \$68,388 thousand or 28% of revenues, net of discounts. The increase in total expenses was attributable to favorable fair value adjustments associated with the Company's contingent consideration arrangements recorded during the three months ended March 31, 2022. No such fair value adjustments were recorded during the three months ended March 31, 2023.

Total Other Income (Expense)

Total other income (expense) for three months ended March 31, 2023 was \$(1,161) thousand, a change of \$(7,426) thousand, primarily due to a favorable fair value adjustment associated with the Company's acquisition of the remaining 50% ownership interest in ILDISP, LLC from the Company's former membership interest partner during the three months ended March 31, 2022, partially offset by unfavorable fair value adjustments on equity investments during the three months ended March 31, 2022.

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, 2023 was \$43,041 thousand, a decrease of \$17,776 thousand compared to the three months ended March 31, 2022.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of \$6,239 thousand and \$4,651 thousand in the three months ended March 31, 2023 and 2022, respectively, and other nonoperating expenses (income), of \$2,292 thousand and \$(15,154) thousand in the three months ended March 31, 2023 and 2022, respectively, adjusted earnings before interest, depreciation, and amortization ("EBITDA") was \$76,234 thousand and \$67,039 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, 2023, federal and state income tax expense totaled \$33,636 thousand compared to expense of \$31,131 thousand for the three months ended March 31, 2022.

Results of Operation by Segment

The following table summarizes revenues, net of discounts by segment for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,		2023 vs. 2022	
	2023	2022	\$ Change	% Change
	(in thousands)			
Retail	\$ 188,878	\$ 172,586	\$ 16,292	9%
Consumer Packaged Goods	125,617	120,412	5,205	4%
Intersegment Eliminations	(65,959)	(50,398)	(15,561)	31%
Total Revenues, Net of Discounts	\$ 248,536	\$ 242,600	\$ 5,936	2%

Three Months Ended March 31, 2023 Compared with the Three Months Ended March 31, 2022

Revenues, net of discounts, for the Retail segment were \$188,878 thousand, an increase of \$16,292 thousand or 9%, compared to the three months ended March 31, 2022. The increase in Retail revenues, net of discounts, was primarily driven by: (i) the legalization of adult-use sales in New Jersey, which began on April 21, 2022, (ii) legalization of adult-use sales in Rhode Island, which began on December 1, 2022, (iii) legalization of adult-use sales in Connecticut, which began on January 10, 2023, and (iv) increased store traffic to Green Thumb's open and operating retail stores, particularly in Virginia, Minnesota and Maryland.

Revenues, net of discounts, for the Consumer Packaged Goods Segment were \$125,617 thousand, an increase of \$5,205 thousand or 4%, compared to the three months ended March 31, 2022. The increase in Consumer Packaged Goods revenues, net of discounts, was primarily driven by the legalization of adult-use sales in New Jersey, which began on April 21, 2022.

Intersegment eliminations associated with the Consumer Packaged Goods Segment were \$(65,959) thousand, an increase of \$(15,561) thousand or 31% compared to the three months ended March 31, 2022. The increase in intersegment eliminations was driven by increased intercompany sales, primarily to Company-owned Retail stores in New Jersey, Illinois, and Pennsylvania. Consumer Packaged Goods revenues, net of intersegment eliminations, made up 24% of total revenues during the three months ended March 31, 2023 as compared to 29% during the three months ended March 31, 2022.

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, 2023, revenue was contributed from Consumer Packaged Goods and Retail sales across California, Colorado, 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, 2023, the Company continued to be focused on creating sustainable, profitable growth of the Company's business within its current markets while considering strategic acquisition and partnership opportunities.

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 locations begin operations, these locations generally experience higher selling costs as a percentage of revenue compared to more established locations, 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 locations and increase in the newer locations as business continues to grow.

General and administrative expenses also 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 to support the business by attracting and retaining top-tier talent. Furthermore, the Company anticipates an increase in stock-based compensation expenses related to recruiting and hiring talent, along with legal and professional fees associated with being a publicly traded company in Canada and registered with the U.S. Securities and Exchange Commission.

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 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,	
	2023	2022
	(in thousands)	
Net Income Before Non-Controlling Interest	\$ 9,405	\$ 29,686
Interest Income, net	(1,731)	(900)
Interest Expense, net	3,816	6,070
Provision For Income Taxes	33,636	31,131
Other Income, Net	(924)	(11,435)
Depreciation and amortization	23,501	22,990
Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-GAAP measure)	\$ 67,703	\$ 77,542
Stock-based compensation, non-cash	6,239	4,651
Acquisition, transaction and other non-operating (income) costs	2,292	(15,154)
Adjusted EBITDA (non-GAAP measure)	\$ 76,234	\$ 67,039

Liquidity, Financing Activities During the Period, and Capital Resources

As of March 31, 2023, and December 31, 2022 the Company had total current liabilities of \$186,937 thousand and \$146,571 thousand, respectively, and cash and cash equivalents of \$185,367 thousand and \$177,682 thousand, respectively to meet its current obligations. The Company had working capital of \$170,674 thousand as of March 31, 2023, a decrease of \$(34,106) thousand as compared to December 31, 2022. This decrease in working capital was primarily driven by an increase in income taxes payable which will be paid during the second quarter.

The Company is an early-stage growth company, generating cash from revenues deploying 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 Used in Operating Activities, Investing and Financing Activities

Net cash provided by (used in) operating, investing and financing activities for the three months ended March 31, 2023 and 2022, were as follows:

	Three Months Ended March 31,	
	2023	2022
	(in thousands)	
Net Cash Provided by Operating Activities	\$ 74,711	\$ 55,376
Net Cash Provided by Investing Activities	\$ (66,890)	\$ (100,401)
Net Cash Used in Financing Activities	\$ (136)	\$ (10,856)

Off-Balance Sheet Arrangements

As of March 31, 2023, 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 2022 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 2022 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, 2023.

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 2023 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

The Company is a party to a variety of legal proceedings that arise out of operations in the normal course of business. While the results of these legal proceedings cannot be predicted with certainty, the Company believes that the final outcome of these proceedings will not have a material adverse effect, individually or in the aggregate, on our results of operations or financial condition.

ITEM 1A. RISK FACTORS

For a discussion of our potential risks and uncertainties, see the information under the heading “Risk Factors” in our 2022 Form 10-K.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES

Recent Sales of Unregistered Securities

Subordinate Voting Shares

Between January 1, 2023 and March 31, 2023, the Company issued a total of 615,819 deferred shares associated with the Company's previous acquisitions of various privately held Companies.

Multiple Voting Shares

None.

Super Voting Shares

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed with this report:

10.1	<u>Amendment No. 2 to the Green Thumb Industries Inc. 2018 Stock and incentive Plan</u>
10.2	<u>2023 Form of Option Grant Agreement</u>
10.3	<u>2023 Form of RSU Grant Agreement</u>
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 4, 2023

GREEN THUMB INDUSTRIES INC.

/s/Mathew Faulkner

By: Mathew Faulkner

Title: Chief Financial Officer

Date: May 4, 2023

AMENDMENT NO. 2 TO
THE GREEN THUMB INDUSTRIES INC.
2018 STOCK AND INCENTIVE PLAN

Effective April 7, 2023, the Green Thumb Industries Inc. 2018 Stock and Incentive Plan (the “Plan”) is amended as follows:

1. Section 4(a) shall be deleted and replaced in its entirety with the following:

Shares Available. Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under all Awards under the Plan shall be 10% of the number of Shares outstanding at the time of granting of Awards, and for clarity, including the number of Shares issuable on conversion of the Super Voting Shares and the Multiple Voting Shares.

2. Section 4(b)(i) shall be deleted and replaced in its entirety with the following:

Shares Added Back to Reserve. If any Shares covered by an Award or to which an Award relates are: (i) not purchased or are forfeited or are reacquired by the Company (including any Shares withheld by the Company or Shares tendered to satisfy any tax withholding obligation on Awards or Shares covered by an Award that are settled in cash); (ii) terminated or cancelled without delivery of any Shares, or (iii) exercised or, in the case of RSUs, vested in accordance with the terms of the Award, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination, exercise, vesting or cancellation, shall again be available for granting Awards under the Plan.

2023 FORM OF RSU AGREEMENT

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

GREEN THUMB INDUSTRIES INC. 2018 STOCK AND INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This RESTRICTED STOCK UNIT AWARD AGREEMENT (the "Agreement") is made this ____ day of ____, 20____ (the "Effective Date"), by and between Green Thumb Industries Inc., a British Columbia, Canada corporation (the "Company") and ____ ("Participant").

1. Award. The Company hereby grants to Participant a restricted stock unit award covering ____ Subordinate Voting Shares (the "Shares") of the Company according to the terms and conditions set forth herein and in the Green Thumb Industries Inc. 2018 Stock and Incentive Plan, including, without limitation, any amendments thereto adopted at any time and from time to time (the "Plan"). Each restricted stock unit (a "Unit") represents the right to receive one Subordinate Voting Share, subject to the terms of this Agreement, including the vesting requirements, and the terms of the Plan. The Units are granted under Section 6(c) of the Plan. This Agreement is subject in all respects to the terms and provisions of the Plan. The Participant acknowledges having received a copy of the Plan and that the Participant has read the Plan carefully and understands its content. The provisions of the Plan are incorporated into this Agreement by reference, and in the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

2. Vesting. Except as otherwise provided in this Agreement, the Units shall vest in accordance with the following schedule:

Table with 2 columns: On or after each of the following dates, Number of Units Vested. Includes horizontal lines for input.

3. Restrictions on Transfer. The Units may not be sold, assigned, transferred or pledged, other than by will or the laws of descent and distribution, and any such attempted transfer shall be void.

4. Forfeiture and Early Vesting.

(a) In General. All vesting set forth in Section 2 shall be subject to the Participant's continued service with the Company or an Affiliate through the applicable vesting date(s). Any Units that are not vested pursuant to Section 2 or Section 4 hereof as of the date of the Participant's termination of service with the Company or any Affiliate for any reason (other than due to death) shall be immediately and irrevocably forfeited.

Updated April 2023

(b) Change in Control. If within 12 months following a Change in Control (as defined below), the Company terminates the Participant's service with the Company for reasons other than for Cause, all Units granted hereunder not already forfeited under operation of this Section 4 shall become fully vested with all restrictions lifted, and be issued pursuant to Section 5(a) hereof. Upon forfeiture, Participant will no longer have any rights relating to the unvested Units.

(c) Death. In the event of the Participant's death, all of the Units shall immediately vest as of the date of death.

5. For purposes of this Agreement:

(a) "*Cause*" shall mean a (i) repeated failure to competently and diligently perform duties of Participant's position with the Company (other than due to physical or mental illness); (ii) conviction of guilty or nolo contendere plea to, a misdemeanor which is materially and demonstrably injurious to the Company or any of its subsidiaries or Affiliates, or any felony; (iii) commission of an act, or a failure to act, that constitutes fraud, gross negligence or willful misconduct (including without limitation, embezzlement, misappropriation or breach of fiduciary duty resulting or intending to result in personal gain at the expense of the Company or any of its subsidiaries); and (iv) violation of any applicable laws, rules or regulations or failure to comply with applicable confidentiality, non solicitation and non competition obligations to the Company or any of its subsidiaries, corporate code of business conduct or other material policies of the Company or any of its subsidiaries in connection with or during performance of the Participant's duties to the Company or any of its subsidiaries that could, in the Board's opinion, cause material injury to the Company or any of its subsidiaries; and (v) failure to maintain applicable professional licenses or certifications. In the case of a violation or failure under (i), (iv) or (v), if such violation or failure is curable, such violation or failure shall only constitute "*Cause*" if it is not cured within thirty (30) days after notice thereof to the Participant.

(b) "*Change in Control*" shall mean:

(i) the occurrence of any of the following events (each, a "Business Combination"): (a) the sale of securities of the Company representing 50% or more of the combined economic interests of the Company's then outstanding equity securities on a combined, fully diluted basis in a single transaction or in a series of transactions occurring during a period of not more than twelve months to any "person" or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (a "**Person**") other than to a Qualified Affiliate or a Permitted Holder; (b) a Person becomes the beneficial owner, as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities representing 50% or more of the combined economic interests of the Company's then outstanding equity securities, other than an acquisition by (1) one or more Qualified Affiliates or (2) a Permitted Holder; (c) the Company is merged, amalgamated or consolidated with another corporation; or (d) a sale of substantially all of the assets of the Company to another entity, unless, following any of the foregoing Business Combinations in (a) through (d) above, all or substantially all of the individuals and entities that were the beneficial owners of the Company's outstanding voting securities immediately prior to such Business Combination beneficially own immediately after the transaction or transactions, directly or indirectly, securities representing 50% or more of the combined economic interests of the then outstanding voting equity securities (or comparable interests) of the entity resulting from such Business Combination (including an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more Affiliates) in substantially the same proportions as their

ownership of the Company's voting equity securities immediately prior to such Business Combination; or

(ii) in any twelve (12) month period, the individuals who, as of the beginning of the 12-month period, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the Effective Date whose election or appointment, or nomination for election by Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors.

Notwithstanding the foregoing, with respect to any Award that is characterized as "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of payment of such Award unless such event is also a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A of the Code.

(c) "*Permitted Holder*" shall mean any Person that includes Ben Kovler.

(d) "*Qualified Affiliate*" shall mean (i) any Person that is part of a controlled group or under common control with the Company; or (ii) any employee benefit plan (or related trust) sponsored or maintained by the Company or by any entity controlled by the Company.

6. Miscellaneous.

(a) Issuance of Shares. As soon as administratively practicable following the Participant's vesting date under Section 2 or Section 4 hereof, as applicable, and the Participant's satisfaction of any required Withholding Obligations (but in no event later than 60 days following the vesting date), the Company shall cause to be issued and delivered to the Participant a certificate or certificates evidencing Shares registered in the name of the Participant (or in the name of the Participant's legal representatives, beneficiaries or heirs, as the case may be) or to instruct the Company's transfer agent to electronically deliver such shares to the respective Participant. The number of Shares issued shall equal the number of Units vested, reduced as necessary to cover applicable withholding obligations in accordance with Section 5(c) hereof. If it is administratively impracticable to issue Shares within the time frame described above because issuances of Shares are prohibited or restricted pursuant to the policies of the Company that are reasonably designed to ensure compliance with applicable securities laws or stock exchange rules, then such issuance shall be delayed until such prohibitions or restrictions lapse.

(b) Rights as Shareholder. Units are not actual Shares, but rather, represent a right to receive Shares according to the terms and conditions set forth herein and the terms of the Plan. Accordingly, the issuance of a Unit shall not entitle the Participant to any of the rights or benefits generally accorded to stockholders unless and until a Share is actually issued under Section 5(a) hereof and the Shares in question have been registered in the Company's register of shareholders.

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(c) Taxes. The Participant hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the “Withholding Obligations”) that arise in connection with this Agreement. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Notwithstanding anything else contained herein and except as otherwise determined by the Committee, the Withholding Obligations shall be satisfied by selling on the Participant’s behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Securities issued in payment of the Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations. To the extent permitted by the Committee, the Participant hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Shares otherwise to be issued in payment of the Units having a value equal to the amount of Withholding Obligation in accordance with such rules as the Company may from time to time establish; or (2) withholding from the wages and other cash compensation payable to the Participant or by causing the Participant to tender a cash payment or other Shares to the Company. The Participant shall be responsible for all brokerage fees and other costs of sale, and the Participant further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Shares if the Participant fails to comply with the Participant’s obligations in connection with the Withholding Obligations described in this paragraph. The Participant agrees to pay to the Company or its applicable Affiliate, any amount of Withholding Obligations that the Company or its applicable Affiliate may be required to withhold or account for as a result of Participant’s participation in the Plan that cannot be satisfied by the means described in this Agreement. The Company may refuse to issue or deliver the Shares, cash or the proceeds of the sale of Shares, if the Participant fails to comply with the Participant’s obligations in connection with the Withholding Obligations.

(d) Award Subject to Plan. This Award is subject to the terms and conditions of the Plan, but the terms of the Plan shall not be considered an enlargement of any benefits under this Agreement. In addition, this Award is subject to the rules and regulations promulgated pursuant to the Plan, now or hereafter in effect. Participant acknowledges receipt of a copy of the Plan.

(e) No Right to Continued Service. This Agreement shall not confer on the Participant any right with respect to continuance of service to the Company, nor will it interfere in any way with the right of the Company to terminate such service at any time. Any questions as to whether and when there has been a termination of service and the cause of such termination shall be determined in the sole discretion of the Committee.

(f) Governing Law. The validity, construction and effect of the Plan and the Agreement, and any rules and regulations relating to the Plan and the Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Delaware.

(g) Severability. If any provision of the Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Agreement, such provision shall be stricken as to such jurisdiction or the Agreement, and the remainder of the Agreement shall remain in full force and effect.

(h) No Trust or Fund Created. Neither the Plan nor the Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Participant or any other person.

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(i) Section 409A Provisions. The payment of Shares under this Agreement are intended to be exempt from the application of section 409A of the Internal Revenue Code, as amended (“*Section 409A*”) by reason of the short-term deferral exemption set forth in Treasury Regulation §1.409A-1(b)(4). Notwithstanding anything in the Plan or this Agreement to the contrary, to the extent that any amount or benefit hereunder that constitutes “deferred compensation” to the Participant under section 409A and applicable guidance thereunder is otherwise payable or distributable to the Participant under the Plan or this Agreement solely by reason of the occurrence of a Change in Control or due to the Participant’s Disability or termination of employment, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such Change in Control, Disability or separation from service meet the definition of a change in ownership or control, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise (including, but not limited to, a payment made pursuant to an involuntary separation arrangement that is exempt from Section 409A under the “short-term deferral” exception). Any payment or distribution that otherwise would be made to a Participant who is a specified employee as defined in Section 409A(a)(2)(B) of the Code on account of separation from service may not be made before the date which is six months after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short term deferral exemption or otherwise.

(j) Insider Trading / Market Abuse Laws. By participating in the Plan, the Participant agrees to comply with the Company’s policy on insider trading as in effect at any given time. The Participant further acknowledges that the Participant may be subject to local insider trading and/or market abuse laws and regulations that are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is the Participant’s personal responsibility to comply with any applicable restrictions, and that the Participant should consult the Participant’s personal advisor on this matter.

(k) Electronic Delivery. The Company may, in its sole discretion, deliver by electronic means any documents related to the Units or the Participant’s future participation in the Plan. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. To the extent that this Agreement is manually signed, instead of electronically accepted by the Participant (if permitted by the Company), it may be signed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(l) Legend on Certificates. Any Shares issued or transferred to the Participant pursuant to this Agreement shall be subject to such stop transfer orders and other restrictions as the Board of Directors of the Company or the Compensation Committee thereof may deem advisable under the Plan or the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, the British Columbia Securities Commission, or any other applicable regulator, or any stock exchange upon which such Shares are listed, any applicable Canadian Federal or provincial, or U.S. Federal or state laws or relevant securities laws of the jurisdiction of the domicile of the Participant or to ensure compliance with any additional transfer restrictions that may be in effect from time to time, and the Board of Directors of the Company or the Compensation Committee thereof may cause a legend or legends to be put on any certificates representing such Shares to make appropriate reference to such restrictions.

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(m) Rule 16b-3. If the Participant has been designated by the Company's Board of Directors as a "Section 16 Officer" as of the Date of Grant, the grant of the Units to the Participant hereunder is intended to be exempt from the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended from time to time (the "*Exchange Act*") pursuant to Rule 16b-3 promulgated under the Exchange Act.

(n) Headings. Headings are given to the Sections and subsections of the Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Agreement or any provision thereof.

(o) Compliance with Laws. The issuance of the Shares upon settlement of the Units pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any Canadian Federal or provincial, or U.S. Federal or state securities laws, rules and regulations (including, without limitation, the provisions of the CSE, the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue any Shares pursuant to this Agreement if any such issuance would violate any such requirements.

(p) Entire Agreement; Amendment. This Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant.

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement on the date set forth in the first paragraph.

GREEN THUMB INDUSTRIES INC.

By: _____

[NAME]

[TITLE]

PARTICIPANT

Print Name: _____

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2023 FORM OF OPTION AGREEMENT

GREEN THUMB INDUSTRIES INC. 2018 STOCK AND INCENTIVE PLAN NOTICE OF STOCK OPTION GRANT

You have been granted the following option to purchase Subordinate Voting Shares of Green Thumb Industries Inc. (the "**Company**):

Name of Optionee: _____
Total Number of Shares Granted: _____
Type of Option: Non-Qualified Stock Option
Exercise Price Per Share: CDN\$ _____ or US\$ _____
Date of Grant: _____
Vesting Terms: _____
Expiration Date: _____

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Company's 2018 Stock and Incentive Plan, as amended and the attached Stock Option Agreement, both of which are made a part of this document.

OPTIONEE:

GREEN THUMB INDUSTRIES INC.

By: _____

Title: _____

Print Name

STOCK OPTION AGREEMENT

SECTION 1. GRANT OF OPTION.

(a)**Option.** On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. This option is intended to be a Non-Qualified Stock Option (NSO), as provided in the Notice of Stock Option Grant.

(b)**Stock Plan and Defined Terms.** This Agreement is subject in all respects to the terms and provisions of the Green Thumb Industries Inc. 2018 Stock and Incentive Plan, including, without limitation, any amendments thereto adopted at any time and from time to time (the "**Plan**"). The Optionee acknowledges having received a copy of the Plan and that the Participant has read the Plan carefully and understands its content. The provisions of the Plan are incorporated into this Agreement by reference, and in the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. Capitalized terms are defined in Section 9 of this Agreement, unless otherwise defined elsewhere herein or in Section 2 of the Plan.

SECTION 2. RIGHT TO EXERCISE.

(a)**In General.** All vesting set forth in the Notice of Stock Option Grant shall be subject to the Optionee's continued service with the Company or an Affiliate through the applicable vesting date(s). Except as set forth below and subject to any other conditions of this Agreement, all or part of this option may be exercised only to the extent such option is vested and only prior to its expiration.

(b)**Change in Control.** If within 12 months following a Change in Control, the Company terminates the Optionee's service with the Company for reasons other than for Cause, then the option shall become immediately exercisable in full on the date of such termination, and the Optionee may exercise all or part of this option at any time before the Expiration Date set forth in the Notice of Stock Option Grant.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a)**Notice of Exercise.** The Optionee or the Optionee's representative may exercise this option by giving written notice to the Company, which notice may be electronic and/or delivered through the Company's share plan portal. The notice shall specify the election to exercise this option, the number of Shares for which it is being exercised and the form of payment. The notice shall be signed by the person exercising this option. In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. The Optionee or the Optionee's representative shall deliver to the Company, at the time of giving the notice, payment in a form permissible under Section 5 of this Agreement for the full amount of the Purchase Price.

(b)**Applicable Exercise Price.** The options granted hereby include a Canadian Dollar and U.S. Dollar Exercise Price that are equivalent as of the Date of Grant. The Company shall have the sole authority, to be exercised in its sole discretion, to determine to apply the U.S. Dollar or Canadian Dollar Exercise Price based on the Company's share plan administration procedures.

(c)**Issuance of Shares.** After receiving a proper notice of exercise, the Company shall cause to be issued Shares (either in certificate or book entry form, as determined by the Company) as to which this option has been exercised, registered in the name of the person exercising this option (or in the names of such person and his or her spouse as community property or as joint tenants with right of survivorship). If the Optionee is a resident of the United States, the Optionee acknowledges that any securities (the "*Securities*") issued hereunder may be "restricted securities", as such term is defined under Rule 144 under the Securities Act of 1933, as amended, (the "*U.S. Securities Act*") and the Optionee agrees that if it decides to offer, sell or otherwise transfer, pledge or hypothecate all or any part of the Securities, it will not offer, sell or otherwise transfer, pledge or hypothecate any or any part of the Securities other than pursuant to an effective registration statement under the U.S. Securities Act or pursuant to an exception to any applicable restrictions imposed thereby, directly or indirectly. Participant further, acknowledges that, if the Securities are not registered pursuant to a valid registration statement, a legend to the foregoing effect will be affixed to any certificates representing the Securities.

(d)**Taxes.** The Optionee hereby agrees to make adequate provision for any sums required to satisfy the applicable federal, state, local or foreign employment, social insurance, payroll, income or other tax withholding obligations (the "*Withholding Obligations*") that arise in connection with this Agreement, the option, the exercise of the option or any portion thereof and the sale of any Securities acquired pursuant to the exercise of the option or any portion thereof. The Company may establish procedures to ensure satisfaction of all applicable Withholding Obligations arising in connection with this Agreement, including any means permitted in Section 8 of the Plan. Notwithstanding anything else contained herein and except as otherwise determined by the Committee, the Withholding Obligations shall be satisfied by selling on the Optionee's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Securities issued in connection with the exercise of the option (or any portion thereof) as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Obligations. To the extent permitted by the Committee, the Optionee hereby authorizes the Company, at its sole discretion and subject to any limitations under applicable law, to satisfy any such Tax Obligations by (1) withholding a portion of the Securities otherwise to be issued pursuant to the exercise of the option (or any portion thereof) having a value equal to the amount of Withholding Obligation in accordance with such rules as the Company may from time to time establish; or (2) withholding from the wages and other cash compensation payable to the Optionee or by causing the Optionee to tender a cash payment or other Securities to the Company. The Optionee shall be responsible for all brokerage fees and other costs of sale, and the Optionee further agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale. The Company may refuse to deliver Securities if the Optionee fails to comply with the Optionee's obligations in connection with the Withholding Obligations described in this paragraph. The Optionee agrees to pay to the Company or its applicable Affiliate, any amount of Withholding Obligations that the Company or its applicable Affiliate may be required to withhold or account for as a result of Optionee's participation in the Plan that cannot be satisfied by the means described in this Agreement. The Company may refuse to issue or deliver the Shares, cash or the proceeds of the sale of Shares, if the Optionee fails to comply with the Optionee's obligations in connection with the Withholding Obligations.

SECTION 5. PAYMENT FOR STOCK.

(a)**Exercise/Sale.** Notwithstanding anything else contained herein and except as otherwise determined by the Committee, if Shares are publicly traded, the Purchase Price shall be satisfied by selling on the Optionee's behalf (using any brokerage firm determined acceptable to the Company for such purpose) a portion of the Securities issued in connection with the exercise of the option (or any portion thereof) as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Purchase Price. Any other permitted method of payment of the Purchase Price shall be subject to approval by the Committee.

(b)**Cash.** The Committee may permit that all or part of the Purchase Price may be paid in cash or cash equivalents, as permitted by the Company's share plan administration procedures.

(c)**Surrender of Stock.** Subject to applicable corporate and securities laws, and stock exchange requirements, the Committee may permit that all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for cancellation and shall be valued at their Fair Market Value on the date when this option is exercised. The Optionee shall not surrender, or attest to the ownership of, Shares in payment of the Purchase Price if such action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to this option for financial reporting purposes.

(d)**Net Exercise.** The Committee may, in its discretion, permit an Option to be exercised by delivering to the Optionee a number of Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Shares underlying the Option being exercised on the date of exercise, over the Purchase Price of the Option for such Shares.

SECTION 6. TERM AND EXPIRATION.

(a)**Basic Term.** This option shall in any event expire on the Expiration Date set forth in the Notice of Stock Option Grant, which date shall not exceed seven years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant, and the Optionee is a 10% owner as described in Section 6 of the Plan).

(b)**Termination of Service (Except by Death).** If the Optionee's service terminates prior to the expiry date of Optionee's service contract, if applicable, for any reason other than death, then this option shall expire on the earliest of the following occasions:

- (i) The expiration date determined pursuant to Subsection (a) above;
- (ii) The date three months after the termination of the Optionee's service for any reason other than Cause except as provided for in Section 2(b); or
- (iii) The date of termination of the Optionee's service for Cause (or the date the Company determines that Optionee could have been terminated for Cause).

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option is then vested and exercisable. In the event that the Optionee dies after termination of service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's death. For avoidance of doubt, if the Optionee is employed by an Affiliate that is sold or otherwise ceases to be an Affiliate of the Company, the Optionee shall incur a termination of service.

(c)Death of the Optionee. If the Optionee dies while in service, then any unvested portions of the option shall immediately vest and become exercisable in full upon the date of death, and this option shall expire on the earlier of the following dates:

- (i) The expiration date determined pursuant to Subsection (a) above; or
- (ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before, or on account of, the Optionee's death.

(d)Leaves of Absence and Determination of Service Termination. For any purpose under this Agreement, service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of service for such purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company). Any questions as to whether and when there has been a termination of service and the cause of such termination shall be determined in the sole discretion of the Committee.

SECTION 7.ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 4(c) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 4(c) of the Plan. In the event that the Company is a party to any corporate transaction, this option shall be subject to amendment as provided in Section 7(b) of the Plan.

SECTION 8.MISCELLANEOUS PROVISIONS.

(a)Rights as a Shareholder. Neither the Optionee nor the Optionee's representative shall have any rights as a shareholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5 of this Agreement.

(b)Compliance Matters. The Company may require from the Optionee such investment representation, undertaking or agreement, if any, as the Company may consider necessary in order to comply with applicable laws and policies of any applicable exchange. The Optionee understands and acknowledges that Shares to be issued upon exercise of this option may be issued subject to any restrictive legend or other transfer restrictions as may be required by applicable securities laws and stock exchange requirements.

(c)**No Retention Rights.** Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Affiliate employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her service at any time and for any reason, with or without Cause. Any questions as to whether and when there has been a termination of service and the cause of such termination shall be determined in the sole discretion of the Committee.

(d)**Notice.** Any notice required by the terms of this Agreement shall be given in writing and notice to the Company shall be deemed effective upon receipt by the Company (i) upon personal delivery, (ii) through registered or certified mail with postage and fees prepaid; or (iii) through electronic notification using a form and process approved by the Company. If mailed or delivered, notice to the Company shall be addressed to the Company at its principal executive office and notice to the Optionee shall be addressed to the address that he or she most recently provided to the Company.

(e)**Entire Agreement.** The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

(f)**Choice of Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State and without regard to the choice of law principles thereof.

(g)**Insider Trading / Market Abuse Laws.** By participating in the Plan, the Optionee agrees to comply with the Company's policy on insider trading as in effect at any given time. The Optionee further acknowledges that the Optionee may be subject to local insider trading and/or market abuse laws and regulations that are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Optionee acknowledges that it is the Optionee's personal responsibility to comply with any applicable restrictions, and that the Optionee should consult the Optionee's personal advisor on this matter.

(h)**Electronic Delivery.** The Company may, in its sole discretion, deliver by electronic means any documents related to the option or the Optionee's future participation in the Plan. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. To the extent that this Agreement is manually signed, instead of electronically accepted by the Optionee (if permitted by the Company), it may be signed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(i)**Legend on Certificates.** Any Shares issued or transferred to the Optionee pursuant to this Agreement shall be subject to such stop transfer orders and other restrictions as the Board of Directors of the Company or the Compensation Committee thereof may deem advisable under the Plan or the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, the British Columbia Securities Commission, or any other applicable regulator, or any stock exchange upon which such Shares are listed, any applicable Canadian Federal or provincial, or U.S. Federal or state laws or relevant securities laws of the jurisdiction of the domicile of the Optionee or to ensure compliance with any additional transfer restrictions that may be in effect from time to time, and the Board of Directors of the Company or the Compensation Committee thereof may cause a legend or legends to be put on any certificates representing such Shares to make appropriate reference to such restrictions.

(j)**No Rights of a Shareholder.** The Optionee pant shall not have any rights as a shareholder of the Company until the Shares in question have been registered in the Company’s register of shareholders.

(k)**Acknowledgement of Exchange Rate Risks.** By accepting the award, the Optionee acknowledges that the Company has the authority to elect the U.S. Dollar or Canadian Dollar Exercise Price in its sole discretion, and that fluctuations in the exchange rate for U.S. Dollars and Canadian Dollars may impact the value of the Options pursuant to the exercise of the options or the subsequent sale of any Shares acquired in connection therewith. The Optionee accepts all foreign exchange risk and understands that the Company shall have no liability with respect to any changes in the value of the options (including if the options have no value) due to currency fluctuations, and has no obligation to elect to administer the awards in any currency or the currency most favorable to the Optionee.

(l)**Rule 16b-3.** If the Optionee has been designated by the Company’s Board of Directors as a “Section 16 Officer” as of the Date of Grant, the grant of the option to the Optionee hereunder is intended to be exempt from the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended from time to time (the “*Exchange Act*”) pursuant to Rule 16b-3 promulgated under the Exchange Act.

(m)**Compliance with Laws.** The issuance of the option (and the Shares upon exercise of the option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any Canadian Federal or provincial, or U.S. Federal or state securities laws, rules and regulations (including, without limitation, the provisions of the CSE, the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the option or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

SECTION 9.DEFINITIONS.

In addition to the definitions set forth in the Plan, the following terms shall have the meanings ascribed herein (in the event a conflict exists, the meaning set forth in this Agreement shall prevail):

(a)“**Agreement**” shall mean this Stock Option Agreement.

(b)“**Cause**” shall mean a (i) willful and repeated failure to perform duties or contravention in any material respect of specific written lawful directions related to a material duty or responsibility which is directed to be undertaken by the Board (other than due to physical or mental illness); (ii) conviction of guilty or *nolo contendere plea* to, a misdemeanor which is materially and demonstrably injurious to the Company or any of its subsidiaries or any felony; (iii) commission of an act, or a failure to act, that constitutes fraud, gross negligence or willful misconduct (including without limitation, embezzlement, misappropriation or breach of fiduciary duty resulting or intending to result in personal gain at the expense of the Company or any of its subsidiaries); and (iv) violation of any applicable laws, rules or regulations or failure to comply with applicable confidentiality, non-solicitation and non-competition obligations to the Company or any of its subsidiaries, corporate code of business conduct or other material policies of the Company or any of its subsidiaries in connection with or during performance of the Optionee’s duties to the Company or any of its subsidiaries that could, in the Board’s opinion, cause material injury to the Company or any of its subsidiaries; and (v) failure to maintain applicable professional licenses or certifications. In the case of a violation or failure under (iv) or (v), if such violation or failure is curable, such violation or failure shall only constitute “Cause” if it is not cured within thirty (30) days after notice thereof to the Optionee.

(c) “**Change in Control**” shall mean:

(i) the occurrence of any of the following events (each, a “Business Combination”): (a) the sale of securities of the Company representing 50% or more of the combined economic interests of the Company’s then outstanding equity securities on a combined, fully diluted basis in a single transaction or in a series of transactions occurring during a period of not more than twelve months to any “person” or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (a “**Person**”) other than to a Qualified Affiliate or a Permitted Holder; (b) a Person becomes the beneficial owner, as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities representing 50% or more of the combined economic interests of the Company’s then outstanding equity securities, other than an acquisition by (1) one or more Qualified Affiliates or (2) a Permitted Holder; (c) the Company is merged, amalgamated or consolidated with another corporation; or (d) a sale of substantially all of the assets of the Company to another entity, unless, following any of the foregoing Business Combinations in (a) through (d) above, all or substantially all of the individuals and entities that were the beneficial owners of the Company’s outstanding voting securities immediately prior to such Business Combination beneficially own immediately after the transaction or transactions, directly or indirectly, securities representing 50% or more of the combined economic interests of the then outstanding voting equity securities (or comparable interests) of the entity resulting from such Business Combination (including an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more Affiliates) in substantially the same proportions as their ownership of the Company’s voting equity securities immediately prior to such Business Combination; or

(ii) in any twelve (12) month period, the individuals who, as of the beginning of the 12-month period, constitute the Board of Directors (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the Effective Date whose election or appointment, or nomination for election by Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors.

Notwithstanding the foregoing, with respect to any Award that is characterized as “nonqualified deferred compensation” within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of payment of such Award unless such event is also a “change in ownership,” a “change in effective control” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code.

(d) “**Date of Grant**” shall mean the date specified in the Notice of Stock Option Grant.

(e) “**Exercise Price**” shall mean the amount for which one Share may be purchased upon exercise of this option, as specified in the Notice of Stock Option Grant.

(f) “**Notice of Stock Option Grant**” shall mean the document so entitled to which this Agreement.

(g)“**Optionee**” shall mean the individual named in the Notice of Stock Option Grant.

(h)“**Permitted Holder**” shall mean any Person that includes Ben Kovler.

(i)“**Purchase Price**” shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(j)“**Qualified Affiliate**” shall mean (i) any Person that is part of a controlled group or under common control with the Company; or (ii) any employee benefit plan (or related trust) sponsored or maintained by the Company or by any entity controlled by the Company.

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.
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.

GREEN THUMB INDUSTRIES INC.

/s/Benjamin Kovler

By: Benjamin Kovler
Title: Chief Executive Officer

Date: May 4, 2023

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.
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.

GREEN THUMB INDUSTRIES INC.

/s/Mathew Faulkner

By: Mathew Faulkner
Title: Chief Financial Officer

Date: May 4, 2023

**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, 2023 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.

GREEN THUMB INDUSTRIES INC.

/s/Benjamin Kovler

By: Benjamin Kovler

Title: Chief Executive Officer

Date: May 4, 2023

**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, 2023 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.

GREEN THUMB INDUSTRIES INC.

/s/Mathew Faulkner

By: Mathew Faulkner

Title: Chief Financial Officer

Date: May 4, 2023
