



Green Thumb

ANNUAL REPORT

2025

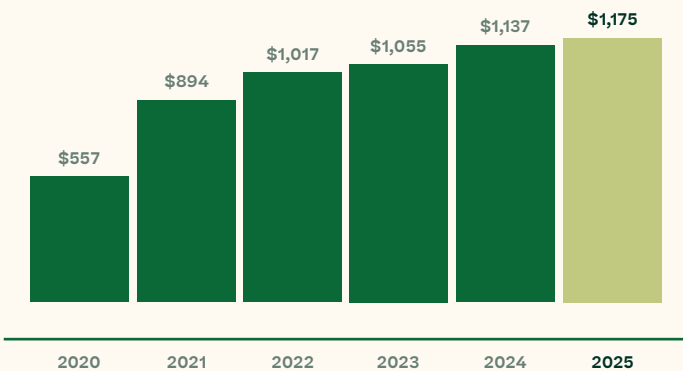


Financial Highlights

USD \$MILLIONS

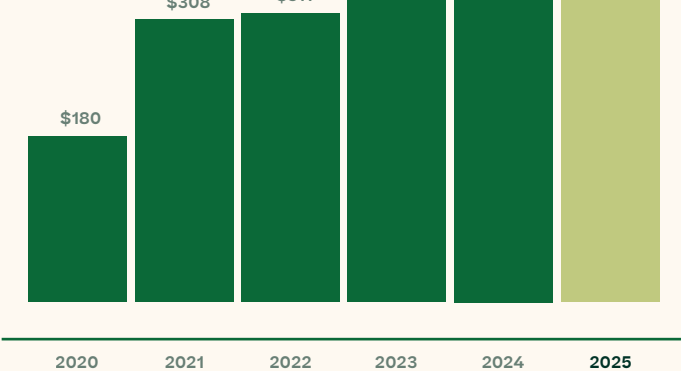
Annual Revenue

2020—2025



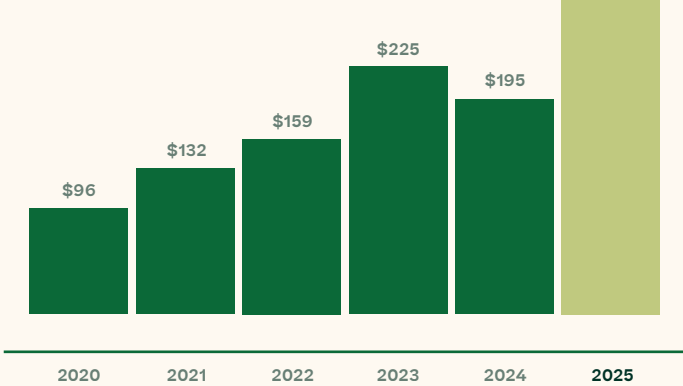
Normalized EBITDA

2020—2025



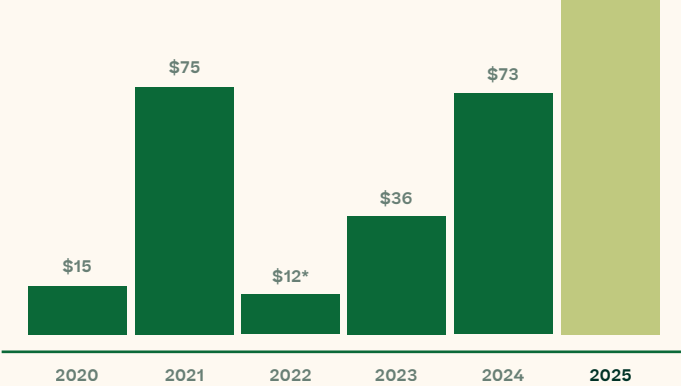
Cash Flow From Operations

2020—2025



Net Income

2020—2025



*2022 net income includes non-cash impairment charges of \$88.5 million.

SUMMARY BALANCE SHEET

USD \$000s

AS OF
DEC. 31

2025

CASH

\$274,298

USD \$000s

AS OF
DEC. 31

2025

DEBT¹

\$244,896

MORTGAGES RELATED TO OUR OPERATING LOCATIONS :

\$103,987

CREDIT FACILITY:

\$140,909

¹ Debt of \$244,896 thousand, includes Mortgages related to our operating locations of \$103,987 thousand and the Credit Facility of \$140,909 thousand as of December 31, 2025.



To you, Green Thumb Shareholders,

FROM OUR FOUNDER



Ben Kovler

CHAIRMAN
CHIEF EXECUTIVE OFFICER
FOUNDER

“Chance favors only the prepared mind.”

LOUIS PASTEUR

Successful and enduring businesses are not built in a single quarter, shaped by a single decision, or defined by a single headline. They are built over time through many small steps and thoughtful choices across every corner of the business. In 2025, while industry challenges persisted, the Green Thumb team continued to gain momentum. We generated over \$1 billion in revenue, \$295 million in operating cash flow, \$348 million in Normalized EBITDA, and \$114 million in GAAP net income. We ended the year with \$274 million in cash and delivered record fourth quarter revenue. We have also been repurchasing stock at an attractive valuation while continuing to evaluate potential M&A opportunities.



RYTHM's Queen Cola, a RISE Dispensaries exclusive, sold out in all 12 markets where it was available on 4/20 and Green Wednesday in 2025.



On September 17, 2025, RISE Dispensaries launched adult-use sales across Minnesota.

These results did not happen by accident. They are the product of daily actions across our team, grounded in the values that define Green Thumb: humility, hard work, integrity, transparency, and gratitude. This is how enduring businesses are built. In an industry and a year that forced many to pull back, Green Thumb kept moving forward. As Babe Ruth astutely pointed out, **“It is hard to beat a person who never gives up.”**

Opportunity Rewards Readiness

In cannabis, opportunity rarely arrives on a predictable timeline. Markets move to adult-use years after voters approve it. Consumer demand outpaces regulatory progress, while the federal government moves on a timeline all its own. As I write this letter in early April 2026, cannabis reform in Washington remains stalled, with little regard for clear and sustained consumer demand, meaningful economic benefits (taxes and jobs), and growing medical acceptance. This lack of progress is disappointing, but not surprising. In cannabis, it has become the norm. The companies best positioned to win are not the ones waiting for change. They are the ones prepared for opportunity before it arrives, whenever it comes.

Green Thumb has stayed ready, and it has paid off. In 2025, more than two years after Minnesotans voted to legalize cannabis, our eight existing RISE Dispensaries in the state had less than 72 hours to prepare for day one of adult-use sales. Still, our team was ready to cut the ribbon and bring the RISE experience to even more Minnesotans. Minnesota was a clear example of how we approach opportunity: we focus on states with a realistic near-term path to adult-use and build a strong position before that moment arrives. That approach contributed meaningfully to fourth quarter

results and reinforced what we know well: **thoughtful preparation is an advantage.**

The same preparation will serve us well in Virginia and Pennsylvania when the time comes. In Virginia, we are hopeful the legislative process will soon be completed under Governor Spanberger's leadership. Bringing adult-use to the Commonwealth is an exciting opportunity for our team. From our production team ramping up output to our retail teams expanding their rosters, we will be ready on day one to bring well-being to more Virginians.

Our readiness mindset extends beyond our retail strategy and into how we think about capital allocation. Back in 2024, we secured a \$150 million syndicated bank loan from a conventional lending institution while retiring \$225 million in prior senior secured debt. This February, we increased that facility by an additional \$50 million, not because we needed to, but because we believe in **grabbing an umbrella when it is sunny.**

Built to Endure

We have said from day one that Green Thumb was built to succeed with or without federal change. We built for the reality we have, not the one we wish we had. In doing so, we have created a business capable of generating cash, operating with resilience, and creating long-term value even in the face of numerous external constraints.

Despite the strength of our results, Green Thumb stock trades in a structurally constrained market, and we do not believe our share price reflects the value we have created. We are bullish on our business and the opportunity ahead. As I have said before, "we believe buying back our stock at the right price is one of the best ways to create value for shareholders." While we believe our shares continue to trade at a discount to their true value, we remain patient, but not idle. Since September 2023, we have repurchased the equivalent of approximately 22 million shares for \$155 million, which includes



Green Thumb celebrated team members' 5-year anniversaries with the company at the annual holiday party.



The RYTHM Bud Ball concert series expanded to three cities in 2025: New York, Chicago, and Philadelphia, celebrating the industry with top-tier acts like The Roots and SOFI TUKKER.

repurchasing approximately 6 million shares for \$33 million in the first quarter of 2026. We believe in the underlying strength of Green Thumb, and we have acted on that belief.

Winning with Consumers

We have always believed that strong brands, quality products, and consistent execution are a winning formula, and in 2025, we saw that reflected in the data. According to BDSA's 2025 U.S. retail sales tracking, data showed Green Thumb held leadership positions across multiple key categories nationwide. Across our product portfolio, we held the No. 1 overall market share position and flower share position in the industry. RYTHM was the No. 1 flower brand in the country, and **RYTHM's Animal Face was the No. 1 selling flower unit.** Dogwalkers earned the No. 1 position in uninfused pre-rolls in the country, and incredibles held the No. 1 spot in chocolate.

These were not isolated wins in a single market or a single quarter. They were full-year, nationwide results from the leading data source in one of the most competitive consumer industries in the country. The results reflect the strength of our products, the discipline of our teams, and the trust we have built with consumers. Long-term value is built one product, one consumer, and one market at a time.

Twelve Years In

Green Thumb is now officially in its 12th year, and despite the constant headwinds and hurdles, my conviction has not dimmed. It has deepened. That conviction is grounded in many reasons, but at the top of the list, as always, is our team.

Green Thumb is no longer a startup finding its footing. We are a company with experienced leaders, a seasoned operating team, and a culture shaped over time. In an industry that has seen no shortage of



turnover, shortcuts, and noise, continuity matters. It gives us an edge. I am grateful for the talented group of leaders that I work alongside, and for the 5,000 team members who make up Green Thumb.

Our leaders and team members bring real passion to this work because we are consumers ourselves. We care about the product, the experience, and the role cannabis can play in improving lives. Our passion shows up in our stores, in our operations, and in the quality of what we bring to market.

To the Green Thumb team: thank you. You are the reason this company works. The care and support you show our patients, customers, communities, and one another is what makes Green Thumb special. The way you show up every day and the work you do make a difference. Thank you for your passion and for always rising to the occasion.

The Road Ahead

The road ahead is not without uncertainty, but uncertainty is not new to us. We have navigated it before, and we have prepared for it time and time again. Sometimes uncertainty creates challenges. Other times, it creates opportunity. In both cases, our focus remains the same: stay disciplined, listen to the consumer, and keep building.

That is what we will keep doing, and we are grateful for your continued trust and support.

**ON BEHALF OF THE ENTIRE
GREEN THUMB TEAM—**

Thank you & be well,



Ben Kovler

Chairman | Chief Executive Officer | Founder

April 25, 2026



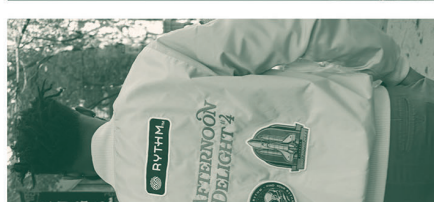
Green Thumb reached 5,000 team members in 2025.





humble
hardworking
grateful
transparent
integrity





**BUILDING OUR
BRANDS**



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

FORM 10-K

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from to



Commission file number 000-56132

GREEN THUMB INDUSTRIES INC.

(Exact name of registrant as specified in its charter)

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

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

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

60654
(zip code)

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

Securities registered pursuant to Section 12(b) of the Act: None

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of February 20, 2026, there were 207,620,374 shares of the registrant's Subordinate Voting Shares, 37,472 shares of the registrant's Multiple Voting Shares and 201,690 shares of the registrant's Super Voting Shares outstanding.

The aggregate market value of the Subordinate Voting Shares, and Multiple Voting Shares, and Super Voting Shares (on an as converted basis, based on the closing price of these Subordinate Voting Shares on the Canadian Stock Exchange) on June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, held by nonaffiliates was \$1,161,708 thousand.

DOCUMENTS INCORPORATED BY REFERENCE

Part I of this Annual Report on Form 10-K incorporates certain information by reference from the Registrant's Amendment No. 2 Registration Statement on Form S-1 (No. 333-248213) to the extent stated herein under the heading "History of the Company."

Part III of this Annual Report on Form 10-K incorporates certain information by reference from the definitive proxy statement to be filed by the registrant in connection with the 2026 Annual General Meeting of Shareholders (the "2026 Proxy Statement"). The 2026 Proxy Statement will be filed by the registrant with the Securities and Exchange Commission not later than 120 days after December 31, 2025, the end of the registrant's fiscal year.

GREEN THUMB INDUSTRIES INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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Use of Names

In this Annual Report on Form 10-K, 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 Annual Report on Form 10-K 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,” “potential,” “anticipate,” “risk,” “believe,” “plan,” “forecast,” “continue” or “could” or the negative of these terms or variations of them or similar terms. 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. 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.

PART I

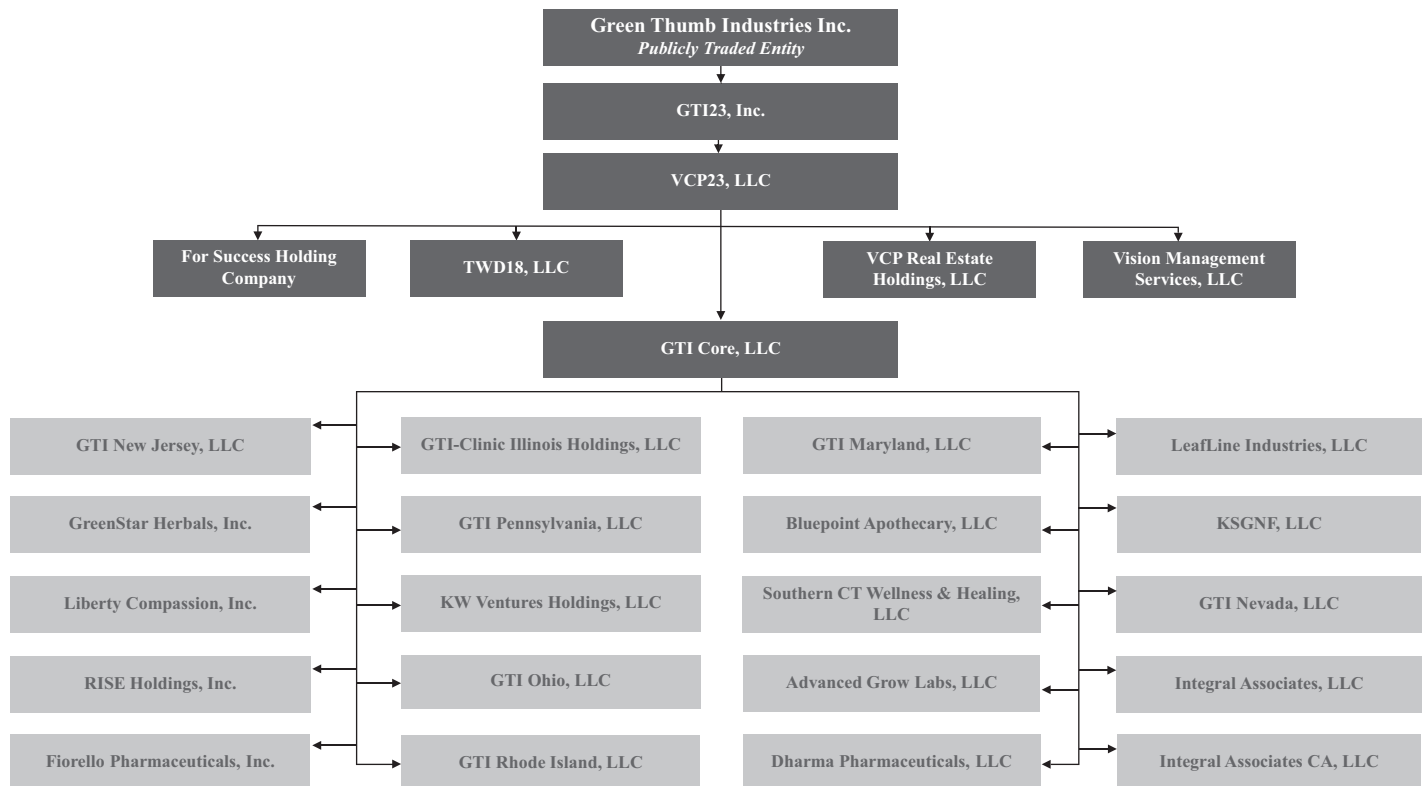
ITEM 1. BUSINESS

Background

Green Thumb Industries Inc. is a reporting issuer in the United States and Canada and the Company's Subordinate Voting Shares (as hereinafter defined) are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "GTII." The Company's Subordinate Voting Shares are also traded in the United States on the OTCQX Best Market (the "OTCQX") under the symbol "GTBIF."

Originally founded in 2014, Green Thumb began operations in 2015 upon the award of a medical marijuana license for cultivation/processing and retail sale of cannabis in Illinois. The Company has since expanded its operational footprint to fourteen U.S. markets, including California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia. Currently, Green Thumb manufactures and distributes a portfolio of cannabis consumer packaged goods brands (which we refer to as our Consumer Packaged Goods business), including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles and RYTHM, to third-party retail stores across the United States as well as to Green Thumb owned retail stores. The Company also owns and operates retail cannabis stores that include a national chain called RISE Dispensaries, as well as retail stores operating under other names (which we refer to as our Retail business). Our retail stores sell a combination of our products and third-party products.

The Company, through its subsidiaries, owns state-licensed medical and/or adult-use cannabis businesses in California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia. The following organizational chart describes the organizational structure of the Company as of December 31, 2025. See Exhibit 21.1 to this document for a list of significant subsidiaries of the Company. All lines represent 100% ownership of outstanding securities of the applicable subsidiary unless otherwise noted in Exhibit 21.1. In part, the complexity of our organization structure is due to state licensing requirements that mandate that we maintain the corporate identity of our operating license holders.



The registered office of the Company is located at 250 Howe Street, 20th Floor, Vancouver, British Columbia V6C 3R8. The headquarters is located at 325 W. Huron Street, Suite 700, Chicago, Illinois 60654.

History of the Company

For information on the history of the Company and the development of the business prior to June 13, 2018, the day our Subordinate Voting Shares began trading on the CSE, see the information set forth under the headings “Business – Our History” and “Business – General Development of the Business” in Amendment No. 2 to our Registration Statement on Form S-1 that was filed with the SEC on February 2, 2021 with Registration No. 333-248213.

Financing Activities

(i) Syndicated Credit Facility

On September 11, 2024, the Company entered into a \$150,000 thousand syndicated credit facility (the “Credit Facility”) led by Valley National Bank. The Credit Facility has a maturity date of September 11, 2029 and bears interest from the date of issuance at the Secured Overnight Financing Rate (“SOFR”) plus 500 basis points, payable monthly. The interest rate on the closing date was 10.10% per annum. The floating interest rate as of December 31, 2025 was 8.76% per annum.

Subsequent to the quarter. on February 19, 2026, the Company amended its existing syndicated credit facility agreement, for the purpose of borrowing an additional \$50,000 thousand (issued as “Amended Credit Facility”), as permitted under the original agreement. The Amended Credit Facility has terms which are consistent with the terms under the existing syndicated credit facility, which include, an interest rate at SOFR plus 500 basis points. The Amended Credit Facility increased the total amount borrowed to \$200,000 thousand with a current principal balance of \$188,750 thousand as of the date of the transaction.

(ii) Mortgage Financing Arrangement

Warwick, New York Mortgage Note

On September 4, 2024, the Company entered into a \$23,500 thousand mortgage note associated with its Warwick, New York CPG facility bearing an interest rate of 7.75% per annum, with a maturity date of September 4, 2029.

See Note 9 - Notes Payable for details.

Description of the Business

Overview of the Company

Established in 2014 and headquartered in Chicago, Illinois, Green Thumb, a national cannabis consumer packaged goods company and retailer, promotes well-being through the power of cannabis, while being committed to community and sustainable, profitable growth. As of December 31, 2025, Green Thumb has operations across fourteen U.S. markets, employs approximately 5,000 people and serves millions of patients and customers annually.

Green Thumb's core business is manufacturing, distributing and marketing a portfolio of cannabis consumer packaged goods brands (which we refer to as our Consumer Packaged Goods business), including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles and RYTHM. These brands were developed and acquired over the course of the Company's operating history and then, in transactions that closed on May 20, 2025 and August 27, 2026, the Company, through sales of the equity interests of indirectly owned subsidiaries, sold the intellectual property related to those consumer packaged goods brands to RYTHM, Inc. (formerly known as Agrify Corporation, and referred to herein as "RYM"). In connection with this sale, the Company entered into licensing arrangements with RYM for the Company's continued, exclusive use of these brands for cannabis products in its existing markets. As of December 31, 2025, the Company owns approximately 33% of the outstanding shares of common stock of RYM. The Company distributes and markets these products to third-party licensed retail cannabis stores across the United States as well as to Green Thumb's own retail stores (which we refer to as our Retail business).

The Company's Consumer Packaged Goods portfolio is primarily generated from plant material that Green Thumb grows and processes and then uses to produce our consumer packaged goods in twenty owned and operated manufacturing facilities. This portfolio consists of cannabis product categories, including flower, pre-rolls, concentrates, vape, capsules, tinctures, edibles, topicals and other cannabis-related products across a range of stock keeping units ("SKUs") (none of which are individually material to the Company). These Consumer Packaged Goods products are sold in retail locations throughout the fourteen U.S. markets Green Thumb operates in including Green Thumb's own RISE Dispensaries and other retail dispensaries.

Green Thumb owns and operates a national cannabis retail chain called RISE Dispensaries that aims to bring patients and customers high-quality products that they value while providing superior customer service. In addition, we own and operate stores under other names subject to licensing or similar restrictions. The income from Green Thumb's retail stores is derived primarily 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 (less than 10%) portion of this income resulting from the sale of other merchandise (such as t-shirts and accessories for cannabis use). RISE Dispensaries currently are located in all fourteen of the states in which we operate. As of December 31, 2025, the Company had 113 open and operating retail locations. The Company's new store opening plans will remain fluid depending on market conditions, our ability to obtain local licensing, construction and other permissions and subject to the Company's capital allocation plans.

Financial Highlights and Revenue Streams

The Company has generated revenues through its operating businesses from the manufacture, sale and distribution of branded cannabis products to third-party licensed retail customers as well as the sale of finished products to consumers in its retail stores.

The percentage of total revenue contributed by the Retail segment was 71%, 73% and 75% for the years ended December 31, 2025, 2024 and 2023, respectively. The percentage of total revenue contributed by operations of the Consumer Packaged Goods segment was 29%, 27% and 25% for the years ended December 31, 2025, 2024 and 2023, respectively. See Item 7—"Management Discussion and Analysis of Financial Conditions and Results of Operations" for details on key financial highlights.

As of the year ended December 31, 2025, Green Thumb has operating revenue in fourteen markets (California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia).

Geographic Information

Green Thumb operates in fourteen U.S. states: California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia.



Product Research, Design and Development

The Company's branded products portfolio includes SKUs across a range of product categories, including flower, pre-rolls, concentrates, vape, tinctures, edibles, topicals and other cannabis-related products. Green Thumb engages in research and development activities focused on developing new extracted or infused cannabis consumer packaged products.

Manufacturing

Our branded products are produced in manufacturing facilities across thirteen U.S. states where we cultivate, process and manufacture cannabis consumer packaged goods. Our finished goods production is manufactured by our owned production facilities.

We aim to maintain strict brand and quality assurance standards and have implemented standard operating procedures across all production facilities to ensure continuity of product and consistent consumer experience across all operating markets.

Licensing/Branding

During 2025, the Company, via the sale of certain subsidiaries, sold the intellectual property rights for its Consumer Packaged Goods Brands, including its 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, incredible and RYTHM, to RYM. In connection with this sale, the Company entered into licensing arrangements with RYM for the Company's continued, exclusive use of these brands for cannabis products in its existing markets, in exchange for license fees.

Sources and Availability of Materials

Almost all of the raw material input, except packaging materials, used by the Company to produce finished cannabis consumer packaged goods are cultivated or processed internally for further use in the manufacturing process.

Significant Customers

Customers of our Consumer Packaged Goods business include legal state-licensed cannabis stores within each U.S. state in which we operate. Green Thumb is not dependent upon a single customer, or a few customers, and the loss of any one or more of our

customers would not have a material adverse effect on the business. No customer accounted for 10% or more of our consolidated net revenue during the fiscal years ended December 31, 2025, 2024 or 2023, respectively.

Merchandise

To meet the array of unique patient and customer needs, we offer a variety of cannabis products at each of our RISE and other retail dispensaries, totaling thousands of SKUs in managed inventory, covering a comprehensive list of packaged product categories including flower, concentrates, topicals and edibles.

We leverage our own retail channel, RISE, and our other stores to distribute our branded product portfolio, such as &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles, and RYTHM.

All cannabis products we sell have passed state-mandated third party testing as required by applicable law to help assure that they do not contain impermissible levels of toxins, microbes or other harmful substances, and that they meet the Company's vendor requirements for quality assurance and reliability. Cannabis products are inventoried in a comprehensive seed-to-sale tracking software to minimize product slippage and inventory deviation.

Omnichannel Distribution

Our primary retail presence is traditional brick and mortar. However, as regulations allow, we expect to continue to expand our e-commerce, in-store guest pick-up and direct to consumer delivery capabilities as part of our commitment to providing a consistent retail brand experience no matter where the consumer might be.

Intellectual Property – Patents and Trademarks

We believe that brand protection is critical to our business strategy. We regularly seek to protect our intellectual property rights in connection with our operating names (e.g., Green Thumb and RISE), and certain patentable goods and services. We also sought to protect the intellectual property for our consumer packaged goods brands (e.g., &Shine, Beboe, Dogwalkers, Dr. Solomon's, Good Green, incredibles (including Snoozzeberry) & RYTHM) prior to their sale to RYM in 2025; subsequent to the sale, our licensing arrangements with RYM require us to continue to protect those brands with the same vigor we previously exercised. The U.S. trademark statute, The Lanham Act, allows for the protection of trademarks and service marks on products and services used, or intended for use, lawfully. Because cannabis-related products and services remain illegal at the federal level under the Controlled Substances Act (21 U.S.C. § 811), neither we nor RYM are able to protect all our intellectual property at the federal level. Instead, we (and RYM) seek federal trademark protections in some cases and state trademark protections in others. Nonetheless, our success depends upon other areas of our business such as product development and design, production and marketing and not exclusively upon trademarks, patents and trade secrets. The Company also licenses certain intellectual property to and from third parties for the manufacture and sale of consumer products.

As the Company became licensed to cultivate cannabis, we have developed proprietary cultivation techniques. The Company has also developed certain proprietary intellectual property for operating hydrocarbon extraction, carbon dioxide extraction, ethanol extraction and solventless extraction, including production best practices, procedures and methods. This requires specialized skills in cultivation, extraction and refining.

The Company relies on its code of conduct agreements to protect its intellectual property rights. To the extent that the Company describes or discloses its proprietary cultivation or extraction techniques in its applications for cultivation or processing licenses, the Company redacts or requests redaction of such information prior to public disclosure.

Where commercially reasonable, we will seek (or will require RYM to seek) further U.S. patent protection on other eligible products and services. The Company owns several website domains, including www.gtigrows.com, numerous social media accounts across major platforms, and various phone and web application platforms.

The Company has successfully registered over 200 trademarks (approximately two-thirds of which have now been sold to RYM) across the United States and has additional trademark applications pending. The Company anticipates feedback on outstanding submitted applications on a rolling basis. As such, the Company will continue to rely on common law protection for these brands during the trademark registration process. Moreover, the Company will proactively seek intellectual property protection for brand expansions in current markets as well as any new market expansion. For additional details on the risks associated with the lack of trademark protection, see Item 1A—"Risk Factors" with respect to intellectual property.

Joint Ventures

We utilize joint ventures and make equity investments in non-affiliated third parties to both comply with state regulatory requirements in certain states and advance our mission to promote a more equitable, diverse cannabis industry. Partnering with one or more non-affiliated third parties provides the Company with the opportunity to mitigate certain operational and financial risks while ensuring continued compliance with the applicable regulatory guidelines. As of December 31, 2025, the Company holds minority interests in several non-affiliated third parties for the operation of dispensaries in Connecticut and Massachusetts, as well as the production, distribution and development of various products. None of these investments or ventures are material to the Company.

Working Capital

Effective inventory management is critical to the Company's ongoing success and the Company uses a variety of demand and supply forecasting, planning and replenishment techniques. The Company strives to maintain sufficient levels of inventory of core product categories, maintain positive vendor and customer relationships and carefully plan to minimize markdowns and inventory write-offs.

For additional details on liquidity and Capital Resources, see Item 7—"Management's Discussion and Analysis of Financial Condition and Results of Operations."

Human Capital Management

As of December 31, 2025, Green Thumb employs approximately 5,000 team members including corporate, retail and cultivation and processing, both full- and part-time employees, and including but not limited to: finance and accounting, legal and compliance, supply chain and operations, sales and marketing, commercial and cannabis agriculture, chemists, customer service, construction and project management, real estate, information technology and human resources. We offer a comprehensive package of company-sponsored benefits to our team. Eligibility depends on the full-time or part-time status, employee location and other factors, and benefits include participation in a 401(k) retirement savings plan, medical and dental plans, disability insurance, employee assistance programs and life insurance. Additionally, we believe in aligned incentives and use our employee stock and incentive plan for a competitive total rewards program.

Our employees are split across the Company approximately as follows:

Corporate:	500
Retail:	2,500
Cultivation and Processing:	2,000
Total	5,000

As of December 31, 2025, approximately 1,000 of our employees at various cultivation and retail facilities have elected to be represented by a labor organization for purposes of collective bargaining.

Environmental Compliance

Expenditures for compliance with federal, state and local environmental laws and regulations are consistent from year to year and are not material to the Company's financials. The Company is compliant with all applicable regulations and does not use materials that would pose any known risk under normal conditions.

Competitive Conditions and the Company's Position in the Industry

Competition

The markets in which the Company distributes its products and operates retail stores are highly competitive. Some of those markets have relatively high barriers to entry due to the licensing requirements. The Company competes directly with other cannabis producers and retailers, some of which operate only in a specific market and some of which operate across several U.S. markets. More broadly, Green Thumb views manufacturers of other consumer products, such as consumable hemp, including consumable hemp-derived tetrahydrocannabinol ("THC") variants such as Delta-8 THC and, Delta-9 THC ("hemp-derived THC products") as direct competitors. In addition, the Company experiences significant competition for its product from illicit operators who are not licensed pursuant to state cannabis laws and regulations. Product quality, performance, new product innovation and development, packaging, customer experience and consumer price/value are important differentiating factors.

The Company faces competition from other companies that may have a longer operating history, a higher capitalization, additional financial resources, more manufacturing and marketing experience, greater access to public equity and debt markets and more experienced management than the Company. Increased competition by larger and better financed competitors could materially affect the business, financial condition and results of operations of the Company. Some of the manufacturing and retail competitors in our markets consist of localized businesses (i.e. doing business in only a single state market). There are also multistate operators with whom the Company competes directly in several of the Company's operating markets. Aside from this direct competition, out-of-state operators that are capitalized well enough to enter these markets through acquisitions are also part of the competitive landscape. Similarly, as the Company executes its national U.S. growth strategy, operators in any state markets we may enter in the future will inevitably become direct competitors.

Because of the early stage of the industry in which the Company operates, the Company faces additional competition from new entrants. If the number of consumers of medical and adult-use cannabis in the states in which the Company operates its business increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing quantity and variety of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and customer support. The Company may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis, which could materially and adversely affect the business, financial condition and results of its operations.

Moreover, markets across the United States have seen the widespread proliferation of hemp-derived THC products. While the Agricultural Improvement Act of 2018 (the "2018 Farm Bill") both defined and legalized hemp under federal law, the subsequent use of hemp to make THC consumer products was reportedly not anticipated by legislators. Those products are similar in composition to certain state-legal and federally illegal cannabis consumer products, but are not controlled substances and thus can be shipped via interstate commerce. Their legal status at the federal level also means that they do not fall under the same state regulatory schemes or have the same heavy tax burdens that state legal cannabis products do. As the industry expanded, lawmakers at the state level have begun to regulate such products, including with age limits and manufacturing standards; however, federal, state, and local lawmakers have also raised concerns about minors' access to some of these products, inadequate testing, and the need for more consistent regulations governing the manufacturing, marketing, testing, sale, and transportation of hemp-derived THC products. As a result, some states have passed laws regulating, restricting or prohibiting hemp-derived THC products.

Passed on November 12, 2025, the Continuing Appropriations and Extensions Act of 2026 (H.R. 5371) (the "2026 Appropriations Act"), includes a provision (section 781) to amend the definition of hemp in the 2018 Farm Bill to effectively prohibit the currently commercialized hemp-derived THC products, although the change does not become effective until November 12, 2026. Efforts are underway to repeal, replace, or delay this amendment, but whether any change will occur is uncertain.

Given the pricing differential, the absence of the application of Section 280E of the U.S. Internal Revenue Code, as amended ("Section 280E") and state cannabis excise taxes, the continued proliferation of unregulated hemp-derived THC products through unlicensed distribution points could ultimately alter certain elements of the current U.S. cannabis market, at least in the short term. It is unclear how the states, many of which have promulgated regulations permitting the sale and/or production of these products, will respond to federal prohibition. If federal prohibition becomes effective in November 2026, however, the potential impact of hemp-derived THC products on the cannabis market could be blunted.

Finally, Green Thumb views manufacturers of other consumer products, such as those in the pharmaceuticals, alcohol, tobacco, health and beauty, and functional wellness industries, as potential competitors. On December 18, 2025, President Trump issued an Executive Order directing that cannabis be rescheduled from Schedule I to Schedule III (which we refer to as

“rescheduling”). The Order directs the Attorney General to “take all necessary steps to complete the rulemaking process related to rescheduling marijuana to Schedule III of the Controlled Substances Act in the most expeditious manner.” Rescheduling may have far reaching implications that are not yet fully understood. For example, rescheduling may increase competitors in this space if non-cannabis companies who have previously avoided the space now decide to enter the market or compete through alternative pathways. Such other companies may have a longer operating history, a higher capitalization, additional financial resources, more manufacturing and marketing experience, greater access to public equity and debt markets and more experienced management than the Company. Increased competition by larger and better financed competitors could materially affect the business, financial condition and results of operations of the Company.

See Item 1A—“Risk Factors” for more information with respect to competition.

Federal and State Regulation of Cannabis

Below is a discussion of the federal and state-level regulatory regimes in the jurisdictions where the Company is currently operating through its subsidiaries.

Federal illegality of Cannabis

The U.S. federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is currently classified as a Schedule I controlled substance. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. Schedule I controlled substances are federally illegal and the manufacturing, sale and use of cannabis is a violation of federal law. Despite the federal prohibition, forty states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana have legalized some form of cannabis use for certain medical purposes. Twenty-four of those states, the District of Columbia, Guam and Northern Mariana have legalized cannabis for adults for non-medical purposes as well (sometimes referred to as adult or recreational use). Eight additional states have legalized forms of low-potency cannabis, for select medical conditions. Only two states continue to prohibit cannabis entirely.

Due to the conflicting views between state legislatures and the federal government regarding cannabis (which will continue even if rescheduling occurs), cannabis businesses are subject to inconsistent laws and regulations. The federal government has expressly chosen to deprioritize and forgo prosecution of cannabis companies, or those who do business with them, for activities that are in compliance with state law. In 2013, Deputy Attorney General James Cole issued a memorandum (the "Cole Memorandum") providing that the Department of Justice ("DOJ") should not prioritize prosecuting conduct in compliance with state cannabis laws. Although the Cole Memorandum was rescinded in 2018, the federal government has maintained this policy of nonenforcement.

In October 2022, President Joseph R. Biden, announced that cannabis scheduling under federal law would be reviewed, noting that cannabis is scheduled as more dangerous than fentanyl and methamphetamine, two substances that are driving an overdose epidemic in the country. In October 2022, President Biden also announced a mass pardon of persons who had been convicted of simple marijuana possession under federal law. In December 2022, President Biden signed the Medical Marijuana and Cannabidiol Research Expansion Act into law, which provides for significantly broader opportunities to study cannabis.

On August 29, 2023, and in response to President Biden's directive to review cannabis's scheduling, the Department of Health and Human Services ("HHS") formally presented its recommendation to the Drug Enforcement Administration ("DEA") that cannabis be rescheduled to Schedule III from Schedule I. Section 280E does not apply to those trafficking in Schedule III controlled substances. The process to reschedule was initiated but stalled in January 2025 when the Administrative Law Judge issued an order canceling the scheduled hearing on the topic. On December 18, 2025, President Trump issued an Executive Order directing the Attorney General to "take all necessary steps to complete the rulemaking process related to rescheduling marijuana to Schedule III of the Controlled Substances Act in the most expeditious manner." While rescheduling would likely have far reaching, though not yet fully understood, implications, it will not immediately impact the legal status of the state cannabis programs under which the Company operates.

As an industry best practice, the Company continues to employ the policies to ensure compliance with state laws and the prior guidance provided by the Cole Memorandum, including:

- Our operations and our subsidiaries' operations are believed to be materially compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough and other political/administrative divisions; to this end, we retain appropriately experienced legal counsel to help ensure compliance of such operations with all applicable licensing requirements;
- The cannabis-related activities adhere to the scope of the licensing obtained - for example, in states where only medical cannabis is permitted, the products are only sold to patients who hold the appropriate medical licensing to permit the possession of cannabis; in states where cannabis is permitted for adult-use, the products are only sold to individuals who meet the requisite age requirements;
- Our operating subsidiaries must pass a range of requirements, adhere to strict business practice standards and be subject to strict regulatory oversight to ensure that no revenue is distributed to criminal enterprises, gangs or cartels;

- We have implemented an inventory tracking system and necessary procedures to help ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products, and we employ strict customer identification protocols to prevent sales to minors;
- Our state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, and we are not engaged in any other illegal activity; and
- We conduct reviews of products and product packaging to ensure that such products and product packaging comply with applicable regulations and contain necessary disclaimers about the contents of the products.

There have been efforts at reforming federal cannabis law. As of December 31, 2025, there were more than a dozen proposed congressional bills addressing a myriad of issues regarding the cannabis industry, from banking and tax reform to full legalization. However, none have passed into law.

There does exist a legislative safeguard for the medical cannabis industry, appended to the federal budget bill. For each year since 2015, Congress has adopted a so-called “rider” provision to the Consolidated Appropriations Acts (formerly referred to as the Joyce Amendment and currently referred to as the Rohrabacher-Blumenauer Amendment) to prevent the federal government from using congressionally appropriated funds to enforce federal law against regulated medical cannabis actors operating in compliance with state and local law. The rider has been consistently renewed and is included in the Commerce-Justice-Science (CJS) appropriations package for 2026 (H.R. 6938), which has passed the House of Representatives but is still awaiting a vote in the Senate. If passed with the rider intact, it will continue to be effective through September 30, 2026.

The sheer size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale federal enforcement operation would more than likely create unwanted political backlash for the Department of Justice and the current administration. Regardless, cannabis remains illegal at the federal level. The U.S. federal government has always reserved the right to enforce federal law over the sale and disbursement of medical or adult-use cannabis, even if state law authorizes such sale and disbursement. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will remain in place or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless cannabis is removed from the Controlled Substances Act completely (by descheduling), there is a risk that federal authorities will enforce current U.S. federal law criminalizing cannabis.

We will continue to monitor compliance on an ongoing basis in accordance with our compliance program and standard operating procedures. While our operations are in compliance with all applicable state laws, regulations and licensing requirements, such activities remain illegal under federal law. For the reasons described above and the risks further described in the section entitled “Risk Factors,” there are significant risks associated with our business. Readers of this Form are strongly encouraged to carefully read all of the risk factors contained in Item 1A—“Risk Factors.”

Federal Law and Ability to Access Public and Private Capital

Due to the present state of the laws and regulations governing financial institutions in the U.S., banks often refuse to provide services to businesses involved in the cannabis industry and U.S. multistate operators are currently not permitted to list securities on the U.S. securities exchanges. Consequently, it may be difficult for us to obtain financing from large U.S. financial institutions.

We have historically, and continue to have, access to equity and debt financing from non-public (i.e., private placement) markets and state-chartered financial institutions. Our executive team and members of our Board of Directors (our or the “Board”) also have extensive relationships with sources of capital (such as funds and high net worth individuals).

In addition to our working capital, we continue to generate adequate cash to fund our operations from capital raising transactions. Our business plan continues to include growth, in the form of acquisitions and through facility expansion and improvements.

However, there can be no assurance that additional financing will be available to us when needed or on terms that are acceptable.

Restricted Access to Banking and Other Financial Services

The United States Department of the Treasury's Financial Crimes Enforcement Networks, which we refer to as "FinCEN", issued the FinCEN Memorandum on February 14, 2014, outlining the pathways for financial institutions to bank cannabis businesses in compliance with federal enforcement priorities. These guidelines include burdensome due diligence expectations and reporting requirements. The FinCEN Memorandum outlines the pathways for financial institutions to bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum and states that, in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. Despite the rescission of the Cole Memorandum, the FinCEN guidelines are still in effect. Under these guidelines, financial institutions must submit a Suspicious Activity Report in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws.

However, the FinCEN Memorandum does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the Department of Justice, FinCEN or other federal regulators for banks and other financial institutions and can be amended or revoked at any time. Thus, most banks and other financial institutions in the United States do not appear comfortable relying on this guidance to provide banking services to the cannabis industry. Banks and/or card networks may also refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. In addition, federal money laundering statutes and regulations under the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state in which it operates permits cannabis sales. The inability or limitation on our ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for us to operate and conduct our business as planned or to operate efficiently.

On March 7, 2019, Democratic U.S. representative Ed Perlmutter of Colorado introduced the SAFE Banking Act, which would protect banks and their employees from punishment for providing services to cannabis businesses that are legal on a state level. The bill passed with strong bipartisan support in the House of Representatives on September 25, 2019. The House passed the SAFE Banking Act numerous times since then, but it has not passed in the U.S. Senate. On September 27, 2023, the Senate Banking Committee did pass its own version, the SAFER Banking Act on a bipartisan vote of 14-9. While the bill has yet to be brought to the Senate floor, the committee vote represents the first occasion a Senate Committee has successfully passed cannabis banking legislation. The bills face an uncertain future in the current House of Representatives, the Senate and under President Trump. There can be no assurance that the SAFE Banking Act, the SAFER Banking Act, or any similar legislation will be passed as previously proposed or at all.

State Cannabis Law

State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in conflict with federal law. Although certain states and territories of the U.S. authorize medical and/or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation and transfer of cannabis and any related drug paraphernalia are criminal acts under the Controlled Substances Act. Although the Company's activities are believed to be materially compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide an absolute defense to any federal proceeding that may be brought against the Company.

As of December 31, 2025, 40 states (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands and the District of Columbia), have legalized the cultivation and sale of cannabis for medical purposes. In 24 of those states, the sale and possession of cannabis is legal for both medical and adult-use, and the District of Columbia has legalized adult-use but not commercial sale.

Eight additional states have legalized forms of low-potency cannabis, for select medical conditions. Only two states continue to prohibit cannabis entirely. In 2025, at least three ballot initiatives (Arizona, Massachusetts and Maine) were introduced to repeal all or some portion of each state's laws permitting adult use sales.

The risk of federal enforcement and other risks associated with the Company's business are described in Item 1A—"Risk Factors."

Company's Medical-Only Markets

All of the medical-only markets in which the Company does business (Florida and Pennsylvania) have written regulations that impose limitations on the number of cannabis business licenses that can be awarded by the state. In each of these markets, we have a proven track record of: (i) entering the market through state-granted awards based on the merit of our application and business plans; and/or (ii) expanding market reach through accretive mergers, acquisitions, and partnership ventures. Each medical use market that also has a legal adult-use market (including Illinois, California, Connecticut, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio and Rhode Island) has regulations specifying which medical conditions qualify a patient for a license to purchase cannabis, and generally require the approval from a physician.

Company's Adult-Use Markets

The Company has adult-use operations in California, Connecticut, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio and Rhode Island. Many of the adult-use markets in which the Company operates have fewer barriers to entry and more closely reflect free market dynamics typically seen in mature retail and manufacturing industries. The growth of these markets poses a risk of increased competition. However, management views the Company's market share as less at risk than operators without a current operating footprint due to our established brand recognition and supply and distribution chains. Purchasers of adult-use cannabis generally are subject to higher sales taxes than those that apply to purchasers who are authorized for medical purposes. However, anecdotal evidence suggests that some consumers who meet the criteria to apply for medical licenses make adult-use purchases and avoid pursuing a state's medical registration/qualification process.

Regulatory Environment in States Where We Operate

The risk of federal enforcement and other risks associated with the Company's business are described in Item 1A—"Risk Factors."

Regulation of the Cannabis Market at State and Local Level

Following the thesis that distributing brands at scale will win, we enter markets where we believe that we can profitably and sustainably operate and command significant market share, and thus maximize consumer and brand awareness.

Each state in which we operate specifies the types of cannabis licenses that are required for the various activities in which we engage. There are three primary types of licenses: cultivation, processing, and retail/dispensary. Cultivation licenses generally permit the holder to acquire and cultivate cannabis and sell that cannabis to dispensaries or processors. Some states allow cultivation license holders to process cannabis into cannabis-infused products as well, while other states require a separate processing license for this activity. Retail dispensary licenses permit the holder to purchase cannabis from cultivation or processing facilities and sell those products to individuals approved under their state's medical cannabis program or, where adult-use is permitted, to adults over the age of 21. Additionally, states may have additional license types for distribution, such as transporter licenses in Illinois, testing lab license or micro-licenses that are generally only available to certain protected classes of applicants. Finally, some states require a separate license for each activity, while others issue a single vertically integrated license that allows the holder to cultivate, process, and sell cannabis.

Below is a summary overview of the regulatory and competitive frameworks in each of our operating markets.

California

California was the first state to legalize medical cannabis through Proposition 215, the Compassionate Use Act of 1996.

In September 2015, the California legislature passed three bills collectively known as the Medical Cannabis Regulation and Safety Act. In November 2016, voters in California overwhelmingly passed Proposition 64, the Adult-Use of Marijuana Act creating an adult-use cannabis program for adults 21 years of age or older. The Medicinal and Adult-Use Cannabis Regulation and Safety Act, which provides for a single set of regulations to govern a medical and adult-use licensing went into effect on January 1, 2018.

California License and Regulations

The three agencies that regulate cannabis at the state level are: (a) the California Department of Food and Agriculture, via CalCannabis, which issues licenses to cannabis cultivators; (b) the California Department of Public Health, via the Manufactured

Cannabis Safety Branch, which issues licenses to cannabis manufacturers; and (c) the California Department of Consumer Affairs, via the Bureau of Cannabis Control, which issues licenses to cannabis distributors, testing laboratories, retailers and micro-businesses.

In order to legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires license holders to operate in cities with cannabis licensing programs. Municipalities in California are allowed to determine the number of licenses they will issue to cannabis operators or can choose to ban cannabis businesses outright.

In 2021, we opened our first California retail operation in Pasadena. We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by California.

Connecticut

Connecticut's medical cannabis program was introduced in May 2012 when the General Assembly passed legislation PA 12-55 "An Act Concerning the Palliative Use of Marijuana," providing for the use of cannabis in the state by approved patients with written consent from a physician or advanced practice nurse. In June 2021, PA 21-1 was signed into law, legalizing adult-use cannabis as of July 1, 2021. On July 1, 2021, PA 21-1 went into effect, allowing for the purchase and use of cannabis by any adult over the age of 21. The first adult-use sales in the state began in January 2023.

Connecticut Licenses and Regulations

The Connecticut Department of Consumer Protection has issued regulations regarding the Medical Marijuana and Adult-use Programs in Connecticut.

There are two principal medical cannabis license categories in Connecticut: (1) cultivation/processing and (2) dispensary. We are licensed to operate one hybrid adult-use/medical cannabis cultivation/processing facility, one medical cannabis dispensary and two hybrid adult-use/medical cannabis dispensaries. All licenses are, as of the date hereof, active with the State of Connecticut. Each facility licensee is independently issued.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Connecticut.

Florida

In 2016, the Florida Medical Marijuana Legalization Initiative was introduced by citizen referendum and passed on November 8, 2016. This language, known as "Amendment 2," amended the state constitution and mandated an expansion of the state's medical cannabis program, which was previously limited to patients suffering from a diagnosed terminal condition.

Amendment 2, and the resulting expansion of qualifying medical conditions, became effective on January 3, 2017. On June 9, 2017, the Florida House of Representatives and Florida Senate passed respective legislation to implement the expanded program, which officially became law on June 23, 2017.

Florida Licenses and Regulations

There is one principal license category in Florida: the vertically-integrated Medical Marijuana Treatment Centers ("MMTC") license. Licenses are issued by the Florida Department of Health, Office of Medical Marijuana Use, and license holders can only own one license. There is no limit on the number of facilities that can be operated under an MMTC license. We currently are approved to operate two medical cannabis cultivation/processing facilities and twenty-two medical cannabis dispensaries under our single MMTC license. All operating facilities are, as of the date hereof, active with the State of Florida.

As our operations in Florida are vertically integrated, we are able to cultivate, harvest, process and sell/dispense/deliver our own medical cannabis products.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Florida.

Illinois

In 2013, the Illinois General Assembly passed the Compassionate Use of Medical Cannabis Pilot Program Act, which went into effect on January 1, 2014, allowing the use of cannabis in the state by approved patients with written medical consent. In June 2019, the Governor signed the Cannabis Regulation and Tax Act, legalizing cannabis for adult-use, and the law went into effect on June 25, 2019. Adult-use sales of cannabis began in the state on January 1, 2020.

Illinois Licenses and Regulations

There are four principal license categories in Illinois: (1) cultivation (which includes processing); (2) infusing; (3) transportation; and (4) dispensary. Dispensaries are regulated by the Illinois Department of Financial and Professional Regulation; the remainder are regulated by the Illinois Department of Agriculture. Licenses are independently issued for each approved activity for use at our facilities in Illinois. We have two cultivation facilities operating under two cultivation licenses. We have 10 operating dispensaries, which is the statutory cap, operating under 15 total licenses (10 adult-use dispensary licenses and 5 medical dispensary licenses). By applicable law, we are not permitted to add medical dispensary licenses to the 5 locations that only have adult-use sales.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Illinois.

Maryland

In 2014, the Maryland legislature passed HB 881/SB 923, establishing a comprehensive medical cannabis program and the program became operational on December 1, 2017.

In 2023, the Cannabis Reform Act, which authorized the production and sale of adult-use cannabis was signed into law and adult-use sales in Maryland began on July 1, 2023. The Cannabis Reform Act also established the Maryland Cannabis Administration to oversee and regulate Maryland's cannabis program and to issue additional grower, processor, and dispensary licenses, and newly created micro-grower, micro-processor, micro-dispensary, incubator, and on-site consumption licenses over two licensing application rounds.

Maryland Licenses and Regulations

There are three principal license categories in Maryland, all administered by the Maryland Cannabis Administration: (1) cultivation; (2) processing; and (3) dispensary. There is generally no distinction between medical and adult-use licenses. We own one cultivation license, one processing license and four retail dispensary licenses. All licenses are, as of the date hereof, active with the State of Maryland. The licenses are independently issued for each approved activity.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Maryland.

Massachusetts

Massachusetts legalized medical cannabis when voters passed a ballot initiative in 2012. The law took effect on January 1, 2013. Adult-use cannabis became legal in Massachusetts as of December 15, 2016, following a ballot initiative in November 2016.

Massachusetts Licenses and Regulations

There is one principal medical cannabis license category in Massachusetts: a vertically integrated Medical Marijuana Treatment Center ("MTC") license. MTCs grow, process and dispense their own cannabis. On the adult-use side, there are many license categories, but the two principal ones are Marijuana Cultivator and Marijuana Establishment (dispensary).

The Cannabis Control Commission oversees the medical and adult-use programs, including licensing of cultivation, processing and dispensary facilities. Licensed medical dispensaries are given priority status in adult-use licensing.

We have two MTCs in Massachusetts, which include two medical cultivation facilities and two medical retail dispensaries. We have three adult-use dispensaries and one adult-use cultivation center.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Massachusetts.

Minnesota

In 2014, Minnesota created a medical cannabis program for patients with qualifying medical conditions upon physician, physician assistant or nurse practitioner recommendation.

In 2022, Minnesota made changes to a hemp statute (Minn. Stat. 151.72), permitting the sale of “low-dose” hemp-derived THC products, including edibles, beverages, and topicals, in retail outlets like grocery and convenience stores upon licensure from the State. On June 6, 2023, Minnesota Governor Tim Walz signed the Minnesota Adult Use Cannabis Act creating a framework for adult-use legalization and establishing the Office of Cannabis Management (OCM), which is responsible for regulating cannabis and hemp. Retail sales of cannabis under the adult-use statute began in September 2025.

Minnesota License and Regulations

There are four principal categories of medical cannabis licenses in Minnesota: (1) medical cannabis cultivator; (2) medical cannabis processor; (3) medical cannabis retailer; and (4) medical cannabis combination business license. For adult-use cannabis, Minnesota authorizes multiple license types, including cultivator, manufacturer, retailer, wholesaler, transporter, testing laboratory, and integrated models such as microbusiness and mezzobusiness, as well as other event-related or specialized licenses established by rule.

The main regulatory body for medical and adult-use cannabis is the Office of Cannabis Management, which is responsible for rulemaking, licensing, compliance, and enforcement statewide.

As of December 31, 2025, we have one cultivation and processing facility and eight operating licensed dispensaries serving both medical and adult use customers in Minnesota.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Minnesota.

Nevada

Nevada became a medical cannabis state in 2001. In 2013, the Nevada legislature passed SB374, providing for state licensing of medical cannabis establishments. On November 8, 2016, Nevada voters passed NRS 435D by ballot initiative allowing for the sale of cannabis for adult-use starting on July 1, 2017. On June 12, 2019, the laws were revised, creating the Nevada Cannabis Compliance Board to oversee administration of the program. These laws also provided that each cannabis establishment must obtain a license from its local jurisdiction as well as the state.

Nevada Licenses and Regulations

Nevada Cannabis Compliance Board is the primary regulator of cannabis in Nevada. There are three principal license categories in Nevada: (1) cultivation; (2) processing; and (3) dispensary. We are licensed to operate two medical and adult-use cultivation facilities, three medical and adult-use processing facilities, five medical dispensaries and up to thirteen adult-use retail locations of which 11 are active. All licenses are, as of the date hereof, active with the State of Nevada. The licenses are independently issued for each approved activity for use at our facilities in Nevada.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Nevada.

New Jersey

On January 18, 2010, the governor of New Jersey signed into law S.119, the Compassionate Use Medical Marijuana Act, providing for permitting the use of medical cannabis with physician approval.

On July 2, 2019, the governor of New Jersey signed the Jake Honig Compassionate Use Medical Cannabis Act into law, which amended the Compassionate Use Medical Marijuana Act to allow for additional license types.

After voters approved a ballot measure in November 2019, the governor of New Jersey signed three bills into law in 2021 that establish an adult-use program for adults who are at least 21 years old. New Jersey began adult-use sales on April 1, 2022.

New Jersey Licenses and Regulations

The New Jersey Cannabis Regulatory Commission is responsible for regulating cannabis in New Jersey. License types in New Jersey include vertically integrated medical Alternative Treatment Centers and medical or adult-use cultivator, dispensary, and manufacturer licenses.

We are licensed to operate two adult-use/medical cultivation facilities, one of which is co-located with a processing facility, one retail medical cannabis dispensary and two retail adult-use/medical dispensaries in the state of New Jersey. All licenses are, as of the date hereof, active with the State of New Jersey. The licenses are independently issued for each approved activity at our facilities in New Jersey.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by New Jersey.

New York

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act to provide a comprehensive, safe and effective medical cannabis program. The Compassionate Care Act provides access to the program for those who suffer from qualifying conditions and have a physician's recommendation.

In 2021, the Marijuana Regulation and Tax Act ("MRTA") was signed into law. The MRTA legalized adult-use cannabis and established the New York Office of Cannabis Management.

New York Licenses and Regulations

The Office of Cannabis Management is the regulatory agency that oversees the adult-use and medical cannabis program in New York. There is currently one principal medical license category in New York: Registered Organization (a vertically integrated license).

We hold a Registered Organization Adult-use Cultivator Processor Distributor Retail Dispensary ("ROD") license. Under our ROD license, we operate one cultivation/manufacturing facility and five medical cannabis dispensaries. Three of our medical dispensaries also have co-located adult-use sales. Under the MRTA we may open an additional four medical dispensaries. All operating facilities are, as of the date hereof, active with the State of New York.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by New York.

Ohio

House Bill 523, effective on September 8, 2016, legalized medical cannabis in Ohio. The Ohio Medical Marijuana Control Program allows people with certain medical conditions, upon the recommendation of an Ohio-licensed physician certified by the State Medical Board, to purchase and use medical cannabis.

On November 7, 2023, Ohio voters legalized adult-use cannabis by ballot measure. The law established the Division of Cannabis Control within the Department of Commerce to oversee and regulate the adult-use market. The first licensed adult use sales began on August 6, 2024.

Ohio License and Regulations

There are three principal license categories in Ohio: (1) cultivation; (2) processing; and (3) dispensary. We are licensed to operate one cannabis cultivation facility, one cannabis processing facility and six dual medical/adult-use cannabis dispensaries, with the ability to open two more adult-use dispensaries, which is the statutory limit. All licenses are, as of the date hereof, active with the State of Ohio. The licenses are independently issued for each approved activity for use at our facilities in Ohio.

The three following state government agencies are responsible for the operation of Ohio's Medical Marijuana Control Program: (1) the Ohio Department of Commerce oversees medical cannabis cultivators, processors and testing laboratories; (2) the State of Ohio Board of Pharmacy oversees medical cannabis retail dispensaries, the registration of medical cannabis patients and caregivers, the approval of new forms of medical cannabis and coordinating the Medical Marijuana Advisory Committee; and (3) the State Medical Board of Ohio certifies physicians to recommend medical cannabis and may add to the list of qualifying conditions for which medical cannabis can be recommended. The Department of Commerce's Division of Cannabis Control oversees and regulates the adult-use market.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Ohio.

Pennsylvania

The Pennsylvania medical cannabis program was signed into law on April 17, 2016, under Act 16 and provided access to state residents with qualifying conditions.

Pennsylvania Licenses and Regulations

There are two principal license categories in Pennsylvania: (1) cultivation/processing and (2) dispensary. All cultivation/processing establishments and dispensaries are regulated by the Pennsylvania Department of Health. Our subsidiary GTI Pennsylvania, LLC is licensed to operate a medical cultivation/processing facility and is also licensed to operate medical retail locations. Our subsidiary KW Ventures Holdings, LLC is also licensed to operate medical retail locations. All licenses are, as of the date hereof, active with the Commonwealth of Pennsylvania. The licenses are independently issued for each approved activity for use at our facilities in Pennsylvania.

All cultivation/processing establishments and dispensaries must register with the Pennsylvania Department of Health.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Pennsylvania.

Rhode Island

Rhode Island legalized medical cannabis in 2006. Under this law, Rhode Island offers medical cannabis registration cards for patients with qualifying conditions and physician approval.

After a successful ballot measure, Rhode Island's governor signed two measures into law in May of 2022 approving sales in the state for adults who are at least 21 years old. Adult-use sales commenced on December 1, 2022 for the five licensed medical cannabis compassion centers which were approved for hybrid retail licenses. These hybrid retail licenses allow the centers to sell both medical and adult-use cannabis products in retail settings.

Rhode Island Licensure and Regulations

There are two categories of medical cannabis licensure in Rhode Island: compassion center (which includes cultivation and dispensary) and cultivator. The program is overseen by the Rhode Island Department of Business Regulation, Office of Cannabis Regulation.

We hold a compassion center license, which allows adult use cultivation and sales.

After the passage of Rhode Island's adult-use law in 2022, existing operators became eligible to receive hybrid licenses, allowing them to cultivate and/or sell cannabis to adults ages 21 and over. The Cannabis Control Commission oversees the regulation, licensing enforcement and control of the medical and adult-use cannabis programs.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Rhode Island.

Virginia

In 2017, Virginia passed a law that allowed patients suffering from intractable epilepsy access to CBD or THC-A oil. In 2018, this law was significantly expanded, which allowed any medical condition to qualify with state-certified physician, nurse practitioner or physician assistant recommendation. The next year, the law was amended to allow for higher potency THC. In February 2021, a law was passed that would legalize cannabis for adult-use in Virginia. However certain provisions of this law were only effective if reenacted, which has not happened. A new legislative framework has been developed by a state commission and is expected to be introduced in the upcoming 2026 legislative session. Governor-elect Abigail Spanberger has pledged to sign the legislation. The earliest date that legal adult use sales could commence is November 2026.

Virginia License and Regulations

There are currently two principal license categories in Virginia: (1) pharmaceutical processing and (2) dispensing. The primary regulatory body for cannabis is the Virginia Cannabis Control Authority.

The two license types in Virginia are (i) pharmaceutical processor and (ii) cannabis dispensing facility. A cannabis dispensing facility is owned, at least in part, by a pharmaceutical processor.

We have one pharmaceutical processor permit and six dispensary permits. We have the right to open two more dispensaries pending regulatory approval.

We follow all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by Virginia.

State License Renewal Requirements

For each of our provisional and operational licenses, the states impose strict license renewal requirements that vary state by state. We generally must complete the renewal application process within a prescribed period of time prior to the expiration date and pay an application fee. The state licensing body can deny or revoke licenses and renewals for a variety of reasons, including (a) submission of materially inaccurate, incomplete or fraudulent information, (b) failure of the company or any of its directors or officers to comply, or have a history of non-compliance, with any applicable law or regulation, including laws relating to minimum age of customers, safety and non-diversion of cannabis or cannabis products, taxes, child support, workers compensation and insurance coverage, or failure to otherwise remain in good standing, (c) failure to submit or implement a plan of correction for any identified violation, (d) attempting to assign registration to another entity without state approval, (e) insufficient financial resources, (f) committing, permitting, aiding or abetting of any illegal practices in the operation of a facility, (g) failure to cooperate or give information to relevant law enforcement related to any matter arising out of conduct at a licensed facility and (h) lack of responsible operations, as evidenced by negligence, disorderly or unsanitary facilities or permitting a person to use a registration card belonging to another person. Certain jurisdictions also require licensees to attend a public hearing or forum in connection with their license renewal application.

Newly Established and Developing Legal Regimes

Our business activities rely on newly established and/or developing laws and regulations in the states in which we operate. These laws and regulations are rapidly evolving and subject to change with minimal notice. At least three states (Arizona, Maine and Massachusetts) have proposed ballot initiatives to repeal all or part of the state adult use cannabis programs. Regulatory changes, including potential repeals even in states where we are not active today, may adversely affect our ability to raise capital, profitability or cause us to cease operations entirely.

Furthermore, whether cannabis is or is not rescheduled to Schedule III of the Controlled Substances Act, the cannabis industry may come under further scrutiny by the Food and Drug Administration, the SEC, the Department of Justice, the Financial Industry Regulatory Advisory and other regulatory authorities that supervise or regulate the production, distribution, sale and use of cannabis for medical and nonmedical purposes in the United States. It is impossible to determine the extent of the impact of new laws, regulations or initiatives that may be proposed. The regulatory uncertainty surrounding the industry may adversely affect our business and operations, including without limitation, the costs to remain compliant with applicable laws and the impairment of our business or the ability to raise additional capital.

Federal Regulation of Hemp-Based CBD & THC

Hemp products, including hemp-derived THC products, are subject to state and federal regulation with respect to the production, distribution and sale of products intended for human ingestion or topical application. Hemp is categorized as *Cannabis sativa* L., a subspecies of the cannabis genus. Numerous unique, chemical compounds are extractable from hemp, including CBD, THC and its various isomers (e.g., delta-8 THC, delta-9 THC, delta-10 THC, etc.), and other cannabinoids such as THC-A and THC-O (collectively, “THC Variants”). While the Company does not currently make or sell any hemp-derived THC products, the Company does invest in companies who do, and changes to regulations of these products may adversely affect the value of those investments, including in RYM. Hemp, as defined in the Farm Bill, is distinguishable from cannabis, which also comes from the *Cannabis sativa* L. subspecies, by its absence of more than trace amounts (0.3% or less) of the psychoactive compound Delta-9 THC.

While the 2018 Farm Bill both defined and legalized hemp under federal law, the subsequent use of hemp to make THC consumer products was reportedly not anticipated by legislators. Those products are similar in composition to certain state-legal and federally illegal cannabis consumer products, but are not controlled substances and thus can be shipped via interstate commerce. Their quasi-legal status at the federal level also means that they do not fall under the same state regulatory schemes or have the same heavy tax burdens that state legal cannabis products do. As the industry expanded, lawmakers at the state level have begun to expressly regulate such products, including with age limits and manufacturing standards; however, federal, state, and local lawmakers have also raised concerns about minors’ easy access to some of these products, inadequate testing, and the need for more consistent regulations governing the manufacturing, marketing, testing, sale, and transportation of hemp-derived THC products. As a result, some states have passed laws regulating, restricting or prohibiting hemp-derived THC products.

Most recently, the 2026 Appropriations Act, enacted on November 12, 2025, includes a provision (section 781) to amend the definition of hemp in the 2018 Farm Bill to effectively eliminate the currently commercialized hemp-derived THC products, although the change does not become effective for 365 days from the date of enactment. Efforts are underway to repeal, replace, or delay this amendment, but whether any change will occur is uncertain. All of this creates significant uncertainty regarding the future of hemp-derived THC products and its continuing impact of the cannabis industry.

Available Information

Our website address is www.gtigrows.com. Through this website, our filings with the SEC, including proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all exhibits and amendments to those reports, will be accessible (free of charge) as soon as reasonably practicable after materials are electronically filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The SEC maintains a website (sec.gov) that contains reports, proxy and information statements, and other information.

In addition to the information contained in this Form 10-K, information about the company can be found on our website and our Investor Relations website (investors.gtigrows.com). Our Investor Relations website contains a significant amount of information about the company, including financial information, our corporate governance principles and practices, our Code of Ethical Business Conduct and other information for investors. We encourage investors to visit our website, as we frequently update and post new information about our company, and it is possible that this information could be deemed material information.

References to our website and the SEC’s website in this Form 10-K do not constitute, and should not be viewed as, incorporation by reference of the information contained on, or available through, the websites. The information should not be considered a part of this Form 10-K, unless otherwise expressly incorporated by reference.

ITEM 1A. RISK FACTORS

Summary of Risk Factors

Our business is subject to a number of risks and uncertainties of which you should be aware before making a decision to invest in our Subordinate Voting Shares. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary; and other risks we face, can be found below under the heading “Risk Factors” and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the SEC, before making a decision to invest in our Subordinate Voting Shares. These risks include, among others, the following:

- Cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change.
- Future state regulation of cannabis is uncertain.
- We may not be able to obtain or maintain necessary permits and authorizations.
- We may face limitations on ownership of cannabis licenses.
- We may become subject to U.S. Food and Drug Administration or Bureau of Alcohol, Tobacco, Firearms and Explosives regulation.
- As a cannabis business, we are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services.
- We may face difficulties acquiring additional financing.
- We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we carry on business.
- We face intense competition.
- We face competition from the illicit market as well as actual or purported 2018 Farm Bill compliant hemp products.
- We are dependent on the popularity and of consumer acceptance of our brand portfolio, which we license from a third party.
- We have limited trademark protection.
- As a cannabis business, we are subject to unfavorable U.S. tax treatment and may incur significant tax liability.
- We are subject to proceeds of crime statutes.
- We face exposure to fraudulent or illegal activity.
- We face risks due to industry immaturity or limited comparable, competitive or established industry best practices.
- We face risks related to our products.
- Our business is subject to the risks inherent in agricultural operations.
- We face an inherent risk of product liability and similar claims.
- Our products may be subject to product recalls.
- We may face unfavorable publicity or consumer perception.
- We may be adversely impacted by rising or volatile energy costs and availability.
- We face risks related to our information technology systems and potential cyber-attacks and security breaches.
- We rely on third-party software providers for numerous capabilities we depend upon to operate, and a disruption of one or more of these systems could adversely affect our business.
- We rely on the expertise of our management team and other employees experienced in the cannabis industry, and the loss of key personnel could negatively affect our business, financial condition and results of operations.
- Our voting control is concentrated.
- Our capital structure and voting control may cause unpredictability.
- Sales of substantial amounts of Subordinate Voting Shares by our shareholders in the public market may have an adverse effect on the market price of our Subordinate Voting Shares.

Risk Factors

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. Investing in our shares involves a high degree of risk. You should carefully consider the following risks, together with all of the other information contained in this Annual Report on Form 10-K, including the sections titled “Disclosure Regarding Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and the related notes included elsewhere in this Annual Report on Form 10-K. Any of the following risks could have an adverse effect on our business, financial condition, operating results, or prospects and could cause the trading price of our common stock to decline, which would cause you to lose all or part of your investment. Our business, financial condition, operating results, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

Risks Related to Our Business

Cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change.

The Controlled Substances Act (21 U.S.C. § 811) classifies cannabis as a Schedule I controlled substance, and as such, medical and adult-use cannabis use is illegal under U.S. federal law. In those states in which the use of cannabis has been legalized, its use remains a violation of federal law pursuant to the Controlled Substances Act. Even if cannabis is re-scheduled to Schedule III under the Controlled Substances Act by executive order or legislative action, medical and adult-use cannabis would remain illegal under U.S. federal law without additional statutory changes. Unless and until Congress amends the Controlled Substances Act with respect to cannabis (and the President approves such amendment), there is a risk that federal authorities may enforce current federal law. If that occurs, we may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of federal law. Federal law regarding cannabis is a significant risk and would greatly harm our business, prospects, revenue, results of operation and financial condition.

Our activities are, and will continue to be, subject to evolving regulation by governmental authorities. We are directly or indirectly engaged in the medical and adult-use cannabis industry in the United States where local and state law permits such activities. The legality of the production, cultivation, extraction, distribution, retail sales, transportation and use of cannabis differs among states in the United States. Due to the current regulatory environment in the United States, new risks may emerge, and management may not be able to predict all such risks.

As of December 31, 2025, 40 states (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, and the District of Columbia) have legalized the cultivation and sale of cannabis for medical purposes. In 24 of those states, the sale and possession of cannabis is legal for both medical and adult-use, and the District of Columbia has legalized adult-use but not commercial sale. Ten of those states legalized adult-use sales within the last five years. In 2024 and 2025, two states legalized (Nebraska) or expanded (Texas) medical cannabis access.

Despite this, our activities in the medical and adult-use cannabis industry are illegal under the applicable federal laws of the United States. There can be no assurances that the federal government of the United States will not seek to enforce the applicable laws against us. The consequences of such enforcement would be materially adverse to us and our business, including our reputation, profitability and the market price of our publicly traded shares, and could result in the forfeiture or seizure of all or substantially all of our assets.

It is further possible that Department of Justice or an aggressive federal prosecutor could allege that Green Thumb Industries Inc., and members of our Board, our executive officers and, potentially, our shareholders, “aided and abetted” violations of federal law by providing finances and services to our portfolio cannabis companies. Under these circumstances, federal prosecutors could seek to seize our assets, and to recover the “illicit profits” previously distributed to shareholders resulting from any of our financing or services. In these circumstances, the Company’s operations would cease, shareholders may lose their entire investments and directors, officers and/or shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

Additionally, there can be no assurance as to the position the current administration or any future administration may take on cannabis, and any administration could decide to enforce federal laws against state-regulated cannabis companies. Any enforcement of current federal cannabis laws could cause significant financial damage to us and our shareholders.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. These results could have a material adverse effect on us, including, but not limited to, our reputation and ability to conduct business, our holding (directly or indirectly) of cannabis licenses in the United States, the listing of our securities on various stock exchanges, our financial position,

operating results, profitability or liquidity or the market price of our Subordinate Voting Shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation or final resolution of any such matters because: (i) the time and resources that may be needed depend on the nature and extent of any information requested by the authorities involved, and (ii) such time or resources could be substantial.

Future state regulation of cannabis is uncertain.

There is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. For example, in 2025, citizen ballot initiatives in three states have sought to repeal all or some portion of their state's adult-use cannabis laws. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the Company's business or operations in those states or under those laws would be materially and adversely affected.

Maintaining compliance with complex and ever-changing regulations and laws, including sometimes unclear regulations and laws, can be a difficult task, and a materially compliant business can be found in violation of one or more laws, rules or regulations while remaining materially or substantially compliant with applicable state cannabis laws.

The rulemaking process at the state level that applies to cannabis operators in any state will be ongoing and result in frequent changes. As a result, a compliance program is essential to manage regulatory risk. All operating policies and procedures implemented by the Company are compliance-based and are derived from the state regulatory structure governing ancillary cannabis businesses and their relationships to state-licensed or permitted cannabis operators, if any. Notwithstanding the Company's efforts and diligence, regulatory compliance and the process of obtaining and maintaining regulatory approvals can be costly and time-consuming. No assurance can be given that the Company will receive or be able to maintain the requisite licenses, permits or cards to continue operating our businesses.

In addition, local laws and ordinances could restrict the Company's business activity. Although the Company's operations are legal under the laws of the states in which the Company's business operates, local governments have the ability to limit, restrict and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances and similar laws could be adopted or changed and have a material adverse effect on the Company's business. As they amend or develop legislation and regulations, state and local regulators and legislatures may use the regulatory process to slow the growth of multistate operators like the Company, with the intent of creating increased opportunities for resident farmers and entrepreneurs, which could severely restrict our ability to operate in those jurisdictions.

Multiple states where medical and/or adult-use cannabis is legal have or are considering special taxes or fees on businesses in the cannabis industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees. The implementation of special taxes or fees could have a material adverse effect upon the Company's business, prospects, revenue, results of operation and financial condition.

We may not be able to obtain or maintain necessary permits and authorizations.

Our subsidiaries may not be able to obtain or maintain the necessary licenses, permits, certificates, authorizations or accreditations to operate their respective businesses, or may only be able to do so at great cost. In addition, our subsidiaries may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, certificates, authorizations or accreditations could result in restrictions on a subsidiary's ability to operate in the cannabis industry, which could have a material adverse effect on our business, financial condition or results of operations.

We may face limitations on ownership of cannabis licenses.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person or entity may own. Such limitations on the ownership of additional licenses within certain states may limit the Company's ability to grow in such states.

We may become subject to U.S. Food and Drug Administration or Bureau of Alcohol, Tobacco, Firearms and Explosives regulation.

Cannabis remains a Schedule I controlled substance under U.S. federal law. If the federal government reclassifies cannabis to a Schedule III controlled substance, it is possible that the Food and Drug Administration would seek to regulate cannabis under the Food, Drug and Cosmetics Act of 1938. Additionally, the Food and Drug Administration may issue rules and regulations, including

good manufacturing practices, related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify the efficacy and safety of cannabis. It is also possible that the Food and Drug Administration would require facilities where medical use cannabis is grown to register with the Food and Drug Administration and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including the costs, requirements and possible prohibitions that may be enforced. If the Company is unable to comply with the potential regulations or registration requirements prescribed by the Food and Drug Administration, it may have an adverse effect on the Company's business, prospects, revenue, results of operation and financial condition.

It is also possible that the federal government could seek to regulate cannabis under the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives. The Bureau of Alcohol, Tobacco, Firearms and Explosives may issue rules and regulations related to the use, transporting, sale and advertising of cannabis or cannabis products, including smokeless cannabis products.

We have investments in companies, including RYM, that produce, sell and/or market hemp-derived THC products. The Food and Drug Administration has not permitted the marketing of certain hemp-derived products, such as drinks, gummies, and other ingestible products. While the hemp-derived THC products we have invested in, to our knowledge, are not intended for use in the diagnosis, cure, mitigation, treatment, or prevention of a disease or condition, we can provide no assurance that those products or operations will be deemed in compliance with federal regulations, including those enforced by the Food and Drug Administration, which could severely impair or eliminate the value of our investments. More recently, the 2026 Appropriations Act, enacted on November 12, 2025, includes a provision (section 781) to amend the definition of hemp in the 2018 Farm Bill to effectively eliminate the currently commercialized hemp-derived THC products.

There can be no guarantee or assurance whatsoever that the upcoming federal prohibition of hemp-derived THC products will be resolved favorably for the hemp derived products industry. Additionally, various states and municipalities have declared that the sale of certain hemp-derived products are illegal. Aggressive law enforcement against the hemp-derived products industry by federal, state or local authorities and agencies may have a material adverse effect on the value of our investments in companies that produce hemp-derived products.

As a cannabis business, we are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services.

We are subject to a variety of laws and regulations in the United States that involve money laundering, financial record-keeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970, (which we refer to as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (which we refer to as the USA Patriot Act), and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States. Accordingly, pursuant to the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

The United States Department of the Treasury's Financial Crimes Enforcement Network, which we refer to as FinCEN, issued a memorandum on February 14, 2014, which we refer to as the FinCEN Memorandum, outlining the pathways for financial institutions to bank cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws.

While it has not done so in the more than ten years since the FinCEN Memorandum, the Department of Justice continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state including states that have in some form legalized the sale of cannabis. Further, the conduct of the Department of Justice's enforcement priorities could change for any number of reasons. A change in the Department of Justice's priorities could result in the prosecution of banks and financial institutions for crimes that were not previously prosecuted.

If our operations, or proceeds thereof, dividend distributions or profits or revenues derived from our operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds from a crime (the sale of a Schedule I drug) under the Bank Secrecy Act's money laundering provisions. This may restrict our ability to declare or pay dividends or effect other distributions.

The FinCEN Memorandum does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the Department of Justice, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear comfortable providing banking services to cannabis-related businesses or relying on this guidance given that it has the potential to be amended or revoked by the current or future administrations. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, we may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it operates in permits cannabis sales. Our inability or limitation of our ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for us to operate and conduct our business as planned or to operate efficiently.

In the United States, the “SAFE Banking Act” which has been passed by the U.S. House of Representatives seven times, most recently on July 14, 2022 as an amendment to the National Defense Authorization Act, would grant banks and other financial institutions immunity from federal criminal prosecution for servicing Marijuana-Related Businesses if the underlying cannabis business follows state law. However, while the U.S. Senate Banking Committee passed the “SAFER Banking Act” on a bipartisan vote of 14-9 in September 2023, that bill has yet to be brought to the U.S. Senate floor and faces an uncertain future in the U.S. House of Representatives. There is renewed interest in banking reform following President Trump’s Executive order directing the Department of Justice to reschedule cannabis, however, there can be no assurance that it will be passed as presently proposed or at all.

In both Canada and the United States, transactions involving banks and other financial institutions are both difficult and unpredictable under the current legal and regulatory landscape. Legislative changes could help to reduce or eliminate these challenges for companies in the cannabis space and would improve the efficiency of both significant and minor financial transactions.

We may face difficulties acquiring additional financing.

We may require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions and/or other business combination transactions. There can be no assurance that additional financing will be available to us when needed or on terms which are acceptable. Our inability to raise financing through traditional banking to fund on-going operations, capital expenditures or acquisitions could limit growth and may have a material adverse effect upon the Company’s business, prospects, revenue, results of operation and financial condition.

We lack access to U.S. bankruptcy protections.

Many courts have denied cannabis businesses bankruptcy protections because the use of cannabis is illegal under federal law. In the event of a bankruptcy, it would be very difficult for lenders to recoup their investments in the cannabis industry. If the Company were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to us, which would have a material adverse effect on us.

We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we carry on business.

Our business and activities are heavily regulated in all jurisdictions where we conduct business. Our operations are subject to various laws, regulations and guidelines by state and local governmental authorities relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis and cannabis oil, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on our products and services. Achievement of our business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary regulatory approvals for the manufacture, production, storage, transportation, sale, import and export, as applicable, of our products. The commercial cannabis industry is still a new industry at the state and local level.

Furthermore, the effect of relevant governmental authorities’ administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, prospects, revenue, results of operation and financial condition. Any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate our business; the suspension or expulsion from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our

operations, increase compliance costs or give rise to material liabilities and/or revocation of our licenses and other permits, which could have a material adverse effect on our business, results of operations and financial condition. Noncompliance with state law could also make the Company a target for federal criminal enforcement. Additionally, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance. Maintaining compliance with complex and ever-changing regulations, including sometimes unclear regulations and laws, can be a difficult task, and a materially compliant business can be found in violation of one or more laws, rules or regulations while remaining materially or substantially compliant with applicable state cannabis laws.

We face intense competition.

We face intense competition from other companies, some of which have longer operating histories and more financial resources and manufacturing, retail and marketing experience than us. Additionally, if cannabis is rescheduled to a Schedule III drug, there may be a surge of additional competitors in the market, including from well-capitalized companies such as those in the pharmaceutical, tobacco, or alcohol industries. Increased competition by larger and better financed competitors could materially and adversely affect our business, financial condition and results of operations.

Because of the early stage of the industry in which we operate, we face additional competition from new entrants. If the number of consumers of cannabis in the states in which we operate our business increases, the demand for products and qualified talent will increase and we expect that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, we will require a continued high level of investment in research and development, marketing, sales, talent retention and customer support. We may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis, which could materially and adversely affect our business, financial condition and results of operations. Additionally, as the number of available licenses increase in the markets in which we operate, additional competition and increased product availability may result in competitors undercutting our prices. From time to time, we may need to reduce our prices in response to competitive and customer pressures and to maintain our market share, which could materially reduce our revenues. A decline in the price of the Subordinate Voting Shares could affect our ability to raise further working capital and adversely impact our ability to continue operations.

A prolonged decline in the price of the Subordinate Voting Shares could result in a reduction in the liquidity of the Subordinate Voting Shares and a reduction in our ability to raise capital, if needed. Such reductions may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plan and operations, including our ability to develop new products and continue our current operations. If our stock price declines, there can be no assurance that we will be able to raise additional capital or generate funds from operations sufficient to meet our obligations. If we are unable to raise sufficient capital in the future, we may not be able to have the resources to continue our normal operations.

We face competition from the illicit market as well as actual or purported 2018 Farm Bill compliant hemp products.

In addition to the competitor types discussed above, we face and expect to continue to face competition from hemp-derived THC products and illicit cannabis businesses, some of which are unlicensed and unregulated. At least until November 2026, hemp-derived THC products are generally not subject to the intensive and costly state-level regulatory regimes that medical and adult-use cannabis are subject to. These products generally are not produced in adherence with the same laws, regulations, rules, tax regimes and other restrictions that are applicable to us, which significantly reduces these producers' costs, and may have a material adverse effect on our business. In addition, although not subject to the same quality and health and safety regulations applicable to medical and adult-use cannabis businesses, if hemp-derived THC products cause harm to their users, that could result in a material adverse effect on the perception of cannabis use and its legality.

The competition presented by illicit cannabis businesses, and the inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicensed or otherwise illegal cultivation and sale of cannabis, could result in the perpetuation of the illegal market for cannabis and/or have a material adverse effect on the perception of cannabis use.

We are dependent on the popularity of consumer acceptance of our brand portfolio, which we license from a third party.

Our ability to generate revenue and be successful in the implementation of our business plan is dependent on consumer acceptance of and demand for our products. Acceptance of our products depends on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety and reliability. If these customers do not accept our products, or if such products fail to adequately meet customers' needs and expectations, our ability to continue generating revenues could be reduced. As the number of available cannabis licenses increase in the markets in which we operate, and the illicit market and hemp-derived THC products proliferate, additional competition and increased product availability may result in competitors undercutting our prices. From time to time, we may need to reduce our prices in response to competitive and customer pressures and to maintain our market share, which could materially reduce our revenues.

We license our consumer packaged goods brands, including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles and RYTHM, from RYM, a third party of which we own approximately 33% of the outstanding common stock. We pay RYM a monthly license fee based on sales of products using the licensed intellectual property. Our license agreements with RYM automatically terminates upon certain insolvency events involving our indirect, wholly owned subsidiary, GTI Core, LLC, and may be terminated by GTI Core, LLC beginning on the five-year anniversary of the license agreement which is August 27, 2030. If the license agreement were to terminate, we may need to rebrand our products, which may necessitate a reduction in our prices, which could materially reduce our revenues, and our future growth may depend upon our ability to maintain our licensing arrangements with RYM.

We may face difficulties in enforcing our contracts.

Because our contracts involve cannabis and other activities that are not legal under federal law and in some state jurisdictions, we may face difficulties in enforcing our contracts in federal courts and certain state courts. We cannot be assured that we will have a remedy for breach of contract, which could have a material adverse effect on us.

We have limited trademark protection.

We are not able to register any federal trademarks for our cannabis products. Because producing, manufacturing, processing, possessing, distributing, selling and using cannabis is a crime under the Controlled Substances Act, the Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, we likely will be unable to protect our cannabis product trademarks beyond the geographic areas in which we conduct business. The use of our trademarks outside the states in which we operate by one or more other persons could have a material adverse effect on the value of such trademarks.

We are and may continue to be subject to constraints on marketing our products.

Certain states in which we operate have enacted strict regulations regarding marketing and sales activities on cannabis products. There may be restrictions on sales and marketing activities imposed by government regulatory bodies that can hinder the development of the Company's business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be adversely affected.

We face risks related to the results of future clinical research.

Research regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as cannabidiol, commonly referred to as CBD and THC) remains in early stages. We need more double-blind placebo clinical trials in the U.S. to demonstrate the benefits of cannabis or isolated cannabinoids (such as CBD and THC), safe dosing, and safe and effective product formats for specific medical conditions. Although we believe that various articles, reports and studies support our beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Further, because of the federal illegality of cannabis and associated limits on our ability to properly fund and conduct research on cannabis and the lack of formal Food and Drug Administration oversight of cannabis, there is limited information about the long-term safety and efficacy of cannabis in its various forms, when combusted or combined with various cannabis and/or non-cannabis derived ingredients and materials or when ingested, inhaled or topically applied. Future research or oversight may reveal negative health and safety effects, which may significantly impact our reputation, operations and financial performance.

Given these risks, uncertainties and assumptions, prospective purchasers of Subordinate Voting Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Annual Report on Form 10-K or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for our products, with the potential to have a material adverse effect on our business, prospects, revenue, results of operation and financial condition.

We are subject to taxation in Canada and the United States.

We are and will continue to be a Canadian corporation as of the date of this Annual Report on Form 10-K. We are treated as a Canadian resident company (as defined in the Income Tax Act (Canada)) subject to Canadian income taxes. We are also treated as a U.S. corporation subject to U.S. federal income tax pursuant to Section 7874 of the Internal Revenue Code of 1986, as amended, (which we refer to as the “IRC”) and are subject to U.S. federal income tax on our income. As a result, we are subject to taxation both in Canada and the United States, which could have a material adverse effect on our financial condition and results of operations.

It is unlikely that we will pay any dividends on the Subordinate Voting Shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purposes of the Income Tax Act (Canada) will be subject to U.S. withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States tax treaty. In addition, a foreign tax credit or a deduction in respect of foreign taxes may not be available.

Dividends received by U.S. shareholders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. Dividends paid by us will be characterized as U.S. source income for purposes of the foreign tax credit rules under the IRC. Accordingly, U.S. shareholders generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor U.S. shareholders will be subject to U.S. withholding tax and will also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to our shareholders, subject to examination of the relevant treaty. Because the Subordinate Voting Shares are treated as shares of a U.S. domestic corporation, the U.S. gift, estate and generation-skipping transfer tax rules generally apply to a non-U.S. shareholder of Subordinate Voting Shares. Each shareholder should seek tax advice, based on such shareholder’s particular circumstances, from an independent tax advisor.

As a cannabis business, we are subject to unfavorable U.S. tax treatment and may incur significant tax liability.

Under Section 280E of the IRC, no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any state in which such trade or business is conducted. The U.S. Internal Revenue Service has applied this provision to cannabis operations, prohibiting them from deducting certain expenses associated with cannabis businesses. While Section 280E may have a lesser impact on cannabis cultivation and manufacturing operations, it has outsized impacts on retail operations. Accordingly, unless and until cannabis is rescheduled to Schedule III of the Controlled Substances Act or other legislative change happens, Section 280E has a significant impact on the operations of cannabis companies and an otherwise profitable business may operate at a loss, after taking into account its U.S. income tax expenses. We have taken the position that Section 280E does not apply to our business and therefore have recorded a corresponding uncertain tax position starting with tax year 2024. There is a risk that the Internal Revenue Service could challenge the Company’s position, which could result in significant tax and other liabilities.

As a cannabis business, we may be subject to civil asset forfeiture.

Any property owned by participants in the cannabis industry used in the course of conducting such business, or that is the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture because of the illegality of the cannabis industry under federal law. Even if the owner of the property is never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

We are subject to proceeds of crime statutes.

We are subject to a variety of laws that concern money laundering, financial recordkeeping and proceeds of crime. These include: the Bank Secrecy Act, as amended by Title III of the USA Patriot Act, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the rules and regulations under the Criminal Code of Canada and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In the event that any of our license agreements, or any proceeds thereof, in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above, or any other applicable legislation. This could have a material adverse effect on us, among other things, could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

We face exposure to fraudulent or illegal activity.

We face exposure to the risk that employees, independent contractors or consultants may engage in fraudulent or other illegal activities. Misconduct by these parties could be intentional, reckless and/or negligent conduct. There may be disclosure of unauthorized activities that violate government regulations, manufacturing standards, healthcare laws, abuse laws and other financial reporting laws. Further, it may not always be possible for us to identify and deter misconduct by our employees and other third parties, and the precautions taken by us to detect and prevent these activities may not always be effective. As a result, we could face potential penalties and litigation.

Our internal controls over financial reporting may not be effective, and our independent auditors may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business.

We are subject to various SEC reporting and other regulatory requirements. We have incurred and will continue to incur expenses and, to a lesser extent, diversion of our management's time, in our efforts to comply with Section 404 of the Sarbanes-Oxley Act regarding internal controls over financial reporting. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retrospective changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our Subordinate Voting Shares.

Material acquisitions, dispositions and other strategic transactions involve a number of risks for us.

Material acquisitions, dispositions and other strategic transactions involve a number of risks for us, including: (i) potential disruption of our ongoing business; (ii) distraction of management; (iii) increased financial leverage; (iv) the anticipated benefits and cost savings of those transactions may not be realized or may take longer to realize than anticipated; (v) increased scope and complexity of our operations; and (vi) loss or reduction of control over certain of our assets. Multiple non-material acquisitions, dispositions or strategic transactions that occur on or about the same time, even though not individually material, may present similar risks to the Company.

Additionally, we may issue additional Subordinate Voting Shares in connection with such transactions, which would dilute a shareholder's holdings in the Company.

The presence of one or more material liabilities of an acquired company that are known, but believed to be immaterial, or unknown to us at the time of acquisition could have a material adverse effect on our business, prospects, revenue, results of operation and financial condition. A strategic transaction may result in a significant change in the nature of our business, operations and strategy. In addition, we may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into our operations. These and other circumstances could also result in the impairment of goodwill and long-lived assets.

We may invest in companies which may not be able to meet anticipated development targets or otherwise be successful in the future.

We may make investments in companies with no significant sources of operating cash flow and no revenue from operations, that are in early stages of development, or that have high-risk profiles for reasons including, but not limited to, a rapidly changing regulatory environment. Our investments in such companies will be subject to risks and uncertainties that new companies with no or limited operating history may face. In particular, there is a risk that our investment in these companies will not be able to meet anticipated development targets or will not generate revenue at all. If these companies underperform or fail to continue to develop, their businesses may fail, which could have a material adverse effect on our business, prospects, revenue, results of operation and financial condition.

Our use of joint ventures, strategic partnerships and alliances may expose us to risks associated with jointly owned investments.

We currently operate parts of our business through joint ventures with other companies, and we may enter into additional joint ventures and strategic alliances in the future. Joint venture investments may involve risks not otherwise present in investments made solely by us, including: (i) we may not control the joint ventures; (ii) our joint venture partners may not agree to distributions that we believe are appropriate; (iii) where we do not have substantial decision-making authority, we may experience impasses or disputes with our joint venture partners on certain decisions, which could require us to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; (iv) our joint venture partners may become insolvent or bankrupt, fail to fund their share of required capital contributions or fail to fulfill their obligations as a joint venture partner; (v) the arrangements governing our joint ventures may contain certain conditions or milestone events that may never be satisfied or achieved; (vi) our joint venture partners may have business or economic interests that are inconsistent with ours and may take actions contrary to our interests; (vii) we may suffer losses as a result of actions taken by our joint venture partners with respect to our joint venture investments; and (viii) it may be difficult for us to exit a joint venture if an impasse arises or if we desire to sell our interest for any reason. Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations. In addition, we may, in certain circumstances, be liable for the actions of our joint venture partners.

There can be no assurance that our current and future strategic alliances or expansions of scope of existing relationships will have a beneficial impact on our business, financial condition and results of operations.

We currently have, and may in the future enter into, additional strategic alliances with third parties that we believe will complement or augment our existing business. Our ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business and may involve risks that could adversely affect us, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that our existing strategic alliances will continue to achieve, the expected benefits to our business or that we will be able to consummate future strategic alliances on satisfactory terms, if at all. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Limitations related to the acquisition and leasing of properties suitable for the cultivation, production and sale of medical and adult-use cannabis may impede our ability to acquire or lease desirable properties at fair market rates, which could adversely affect our operating results and financial condition.

We compete for the acquisition and leasing of properties suitable for the cultivation, production and sale of medical and adult-use cannabis with entities engaged in traditional agriculture, and those engaged in real estate investment activities and with other cannabis cultivators, producers and sellers. Furthermore, in many markets, local governments have placed tight restrictions on where cannabis cultivation, production and sale facilities may be located. In addition, due to the continued reluctance of the banking industry to support cannabis businesses, it may be difficult for us to obtain the rights to operate at preferred properties, and properties that are encumbered by loans from institutional banks. Property owners may violate their mortgages by leasing to us, and those property owners that are willing to allow use of their facilities for cannabis purposes may demand above fair market rents to reflect the scarcity of such locations and the perceived risks and costs of providing such facilities. All of these factors may prevent us from acquiring and leasing desirable properties, may cause an increase in the price we must pay for properties or may result in us having to lease our properties on less favorable terms than we expect.

Our competitors may adopt transaction structures similar to ours, which would decrease our competitive advantage in offering flexible transaction terms. In addition, due to a number of factors, the number of entities and the amount of funds competing for suitable investment properties may increase, resulting in increased demand and increased prices paid for these properties. If we pay higher prices for properties or enter into leases for such properties on less favorable terms than we expect, our profitability and ability to generate cash flow and make distributions to our stockholders may decrease.

Our reputation and ability to do business may be negatively impacted by the improper conduct by our business partners, employees or agents.

We depend on third-party suppliers to produce and timely ship our orders. Products purchased from our suppliers are resold to our customers. These suppliers could fail to produce products to our specifications or quality standards and may not deliver units on a timely basis. Any changes in our suppliers to resolve production issues could impact our ability to fulfill orders and could also disrupt our business due to delays in finding new suppliers.

Furthermore, we cannot provide assurance that our internal controls and compliance systems will protect us from acts committed by our employees, agents or business partners in violation of U.S. federal or state or local laws. Any improper acts or allegations could damage our reputation and subject us to civil or criminal investigations and related shareholder lawsuits, could lead to substantial civic and criminal monetary and non-monetary penalties and could cause us to incur significant legal and investigatory fees.

We face risks due to industry immaturity or limited comparable, competitive or established industry best practices.

As a relatively new industry, there are not many established operators in the medical and adult-use cannabis industries whose business models we can follow or build upon. Similarly, there is no or limited information about comparable companies available for potential investors to review in making a decision about whether to invest in us.

Shareholders and investors should consider, among other factors, our prospects for success in light of the risks and uncertainties encountered by companies, like us, that are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur, which may result in material delays in the operation of our business. We may fail to successfully address these risks and uncertainties or successfully implement our operating strategies. If we fail to do so, it could materially harm our business to the point of having to cease operations and could impair the value of the Subordinate Voting Shares to the extent that investors may lose their entire investment.

We face risks related to our products.

We have committed and expect to continue committing significant resources and capital to develop and market existing products and new products and services. These products are relatively untested in the marketplace, and we cannot assure shareholders and investors that we will achieve market acceptance for these products, or other new products and services that we may offer in the future, or that our products that achieve market acceptance will be able to maintain that acceptance over time. Moreover, these and other new products and services may be subject to significant competition with offerings by new and existing competitors in the business. In addition, new products and services may pose a variety of challenges and require us to attract additional qualified employees. The failure to successfully develop and market these new products and services could seriously harm our business, prospects, revenue, results of operation and financial condition. As discussed above under Item 1—"Business - Competitive Conditions and the Company's Position in the Industry - Competition", the Company also faces competition from products that are not subject to testing or regulation by state agencies, not subject to the same taxes, and otherwise able to be priced significantly lower than the Company's products.

Our business is subject to the risks inherent in agricultural operations.

The Company's business involves the growing of cannabis, an agricultural product. The Company's business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company's cultivation is substantially completed indoors under climate control, some cultivation is completed outdoors, and there can be no assurance that natural elements will not have a material adverse effect on any future production.

We face an inherent risk of product liability and similar claims.

As a producer, distributor and retailer of products designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have failed to meet expected standards or to have caused significant loss or injury. In addition, the sale of our products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of our products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including, among others, that our products caused injury, illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. As an agricultural product, the quality of cannabis is inherently variable, and consumers may raise claims that our quality control or labeling processes have not sufficiently ensured that our grown and manufactured processes are sufficient to meet expected standards. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation with our clients and consumers generally and could have a material adverse effect on our business, results of operations and financial condition. There can be no assurances that we will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of our potential products.

Our products may be subject to product recalls.

Manufacturers, distributors and retailers of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products or products sold at our retail stores are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin, if at all. In addition, a product recall may require significant management attention. Although we have detailed procedures in place for testing our products and requiring compliant labeling of third-party products we sell, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if any of our brands were subject to recall, our image and the image of that brand could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for our products and could have a material adverse effect on the results of our operations and financial condition. Additionally, product recalls may lead to increased scrutiny of our operations by the Food and Drug Administration, or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

We may face unfavorable publicity or consumer perception.

Management believes the medical and adult-use cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of our products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that is perceived as less favorable than, or questions earlier research reports, findings or publicity could have a material adverse effect on the demand for our products. Our dependence upon consumer perceptions means that such adverse reports, whether or not accurate or with merit, could ultimately have a material adverse effect on our business, results of operations, financial condition and cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or our products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Although the Company uses quality control processes and procedures to ensure our consumer packaged goods meet our standards, a failure or alleged failure of such processes and procedures could result in negative consumer perception of our products or legal claims against us. Adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Certain of our products are e-vapor or "vape" products. The use of vape products and vaping may pose health risks. According to the Centers for Disease Control, vape products may contain ingredients that are known to be toxic to humans and may contain other ingredients that may not be safe. Because clinical studies about the safety and efficacy of vape products have not been submitted to the Food and Drug Administration, and the Food and Drug Administration and Centers for Disease control continue to conduct ongoing investigations, consumers currently have no way of knowing whether they are safe for their intended use or what types or concentrations of potentially harmful chemicals or by-products are found in these products. It is also uncertain what implications the use of vape or other inhaled products, such as flower that is smoked, may have on respiratory illnesses. Adverse findings, regulatory investigations, litigation, media attention, new regulatory requirements and other publicity regarding the consumption of vape or other inhaled products, including adverse publicity regarding underage use of vape or other inhaled products, may adversely affect the Company.

We may be adversely impacted by rising or volatile energy costs and availability.

The Company's cannabis growing operations require energy supply, which makes it vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may adversely affect the business of the Company and our ability to operate profitably. Further, from time to time in some markets in which we operate, our demand for energy may exceed the available supply. In limited circumstances, we have had to rely on alternative power sources such as generators to power our cultivation and processing facilities. A more prolonged disruption in our ability to maintain sufficient power to operate our facilities could result in a significant disruption of our operations, damage to our agricultural products or equipment, and result in a material adverse effect to our business.

We may encounter unknown environmental risks.

There can be no assurance that the Company will not encounter hazardous conditions, such as asbestos or lead, at the sites of the real estate used to operate our businesses, which may delay the development of our businesses. Climate change or significant weather events may accelerate or exacerbate environmental conditions in ways that adversely affect the business due to potential negative effects on agricultural conditions, increased difficulty in construction projects to support our operations, and ownership or

leasing of real property generally. Upon encountering a hazardous condition, work at the facilities of the Company may be suspended. If the Company receives notice of a hazardous condition, it may be required to correct the condition prior to continuing construction. If additional hazardous conditions were present, it would likely delay construction and may require significant expenditure of the Company's resources to correct the conditions. Such conditions could have a material impact on the investment returns of the Company.

In addition, the operations of the Company are subject to environmental regulation in the various jurisdictions in which we operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the operations of the Company.

We face risks related to our information and operational technology systems, and potential cyber-attacks and security breaches.

Our operations depend, in part, on how well we and our suppliers protect networks, equipment, information technology, which we refer to as IT, systems and software against damage and threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism, fraud and theft. Our operations also depend on the timely maintenance and replacement of network equipment, IT systems and software, as well as pre-emptive expenses to mitigate associated risks. Given the nature of our products and the lack of legal availability outside of channels approved by the federal government, as well as the concentration of inventory in our facilities, there remains a risk of shrinkages, as well as theft. If there was a breach in security and we fell victim to theft, fraud, cyber-attack or robbery, the loss of cannabis plants, cannabis oils, cannabis flowers and cultivation and processing equipment, or if there was a failure or breach in information systems, it could adversely affect our reputation and business continuity. Breaches or other unauthorized access, theft, modification or destruction of confidential patient, customer, employee or other confidential information that is stored in our systems could adversely affect our business.

Additionally, we may store and collect personal information about patients and customers and are responsible for protecting that information from privacy breaches that may occur through procedural or process failure, IT malfunction or deliberate unauthorized intrusions. Any such theft or privacy breach, or one that involved competitively sensitive or other protected information, would have a material adverse effect on our business, prospects, revenue, results of operation and financial condition.

We could experience a cyber incident, which generally refers to any intentional attack or an unintentional event that results in unauthorized access to systems to disrupt operations, corrupt data or steal or expose confidential information or intellectual property, or a ransomware attack, which is a type of malicious software that infects a computer and restricts users' access to it until a ransom is paid to unlock it. Any such incident that compromises the information stored on our systems could result in widespread negative publicity, damage to our reputation, a loss of patients and customers, disruption of our business and legal liabilities. If any of our critical suppliers is the subject of a cyber or ransomware attack, we could experience a significant disruption in our supply chain and possibly shortages of key resources.

We are subject to laws, rules and regulations in the United States such as the California Privacy Rights Act, Connecticut Personal Data Privacy and Online Monitoring Act (CPDPOMA), New Jersey Data Privacy Act (NJDPa) and the Virginia Consumer Data Protection Act (VCDPA), and those of other jurisdictions relating to the collection, processing, storage, transfer and use of personal data. Our ability to execute transactions and to possess and use personal information and data in conducting our business subjects us to legislative and regulatory burdens that may require us to notify regulators and customers, employees and other individuals of a data security breach. Evolving compliance and operational requirements under applicable privacy laws, rules and regulations of other jurisdictions in which we operate impose significant costs that are likely to increase over time. In addition, non-compliance could result in proceedings against us by governmental entities and/or significant fines, could negatively impact our reputation and may otherwise adversely impact our business, financial condition and operating results.

We rely on third parties to provide numerous capabilities that we depend upon on to operate, and a disruption of these systems could adversely affect our business.

We are dependent on vendors and third-party software providers, such as our seed-to-sale tracking software providers and point of sale transaction processing providers to operate our business. A serious disruption to any of these could significantly limit our ability to serve our customers and operate profitably. The failure of one or more such providers to provide the expected services, provide them on a timely basis or provide them at the prices we expect, or otherwise meet our performance standards and expectations (including with respect to data security, compliance and data privacy and protection laws) may adversely affect our business. Further,

if we found it necessary to replace any such service provider, disruptions arising from the transition of functions to an alternative provider, or the costs developing our own software if we were unable to find an alternate provider, may have a material adverse effect on our results of operations or financial condition. Any disruption could cause our business and competitive position to suffer and cause our operating results to be reduced.

We face risks related to our insurance coverage and uninsurable risks.

Our business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labor disputes, destruction from civil unrest and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although we intend to continue to maintain insurance to protect against certain risks in such amounts as we consider to be reasonable, our insurance will not cover all the potential risks associated with our operations, and our insurance coverage may not effectively mitigate the material impact on our financial position or results of operations resulting from claims or liabilities against us. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in our operations is not generally available on acceptable terms. We might also become subject to liability for pollution or other hazards which the Company may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our financial performance and results of operations.

We are dependent on key inputs, suppliers and skilled labor; and fluctuations in the cost or availability of materials we use in our products and supply chain could negatively affect our results.

The cannabis business is dependent on a number of key inputs and their related costs, including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs, such as the raw material cost of cannabis, materials we use in our products and for the construction and development of our facilities, or natural or other disruptions to power or other utility systems, could materially impact our business, financial condition, results of operations or prospects. Some of these inputs may only be available from a single supplier or a limited group of suppliers, or be sourced abroad. If a sole source supplier was to go out of business, we might be unable to find a replacement for such source in a timely manner, or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to us in the future. Manufacturing delays or unexpected transportation delays, particularly from materials we source abroad, can also cause us to incur significantly increased costs. Any of these fluctuations may increase our cost of products and have an adverse effect on our profit margins, results of operations and financial condition. Any inability to secure required supplies and services, or to do so on appropriate terms, could have a materially adverse impact on our business, prospects, revenue, results of operations and financial condition.

Our ability to compete and grow will be dependent on us having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that we will be successful in maintaining our required supply of skilled labor, equipment, parts and components.

We rely on the expertise of our management team and other employees experienced in the cannabis industry, and the loss of key personnel could negatively affect our business, financial condition and results of operations.

Our success largely depends upon the continued services of our executive officers and management team members. If one or more of our executive officers or management members is unable or unwilling to continue in their present position, we may not be able to replace such individual readily, if at all. Additionally, we may incur additional expenses to recruit and retain new executive officers and management members and personnel with experience in the cannabis industry. We do not maintain “key person” life insurance on any of our executive officers. Because of these factors, the loss of the services of any key persons could adversely affect our business, financial condition and results of operations.

We must attract and maintain key personnel or our business will fail.

Our success is dependent upon the ability, expertise, judgment, discretion and good faith of our senior management and key personnel. We compete with other companies both within and outside the cannabis industry to recruit and retain competent employees. If we cannot maintain qualified employees to meet the needs of our anticipated growth, or do so affordably, our business and financial condition could be materially adversely affected.

Our sales are difficult to forecast.

As a result of recent and ongoing regulatory and policy changes in the medical and adult-use cannabis industries, laws that prevent widespread participation in and otherwise hinder market research in the medical and adult-use cannabis industry, and unreliable levels of market supply, the market data available is limited and unreliable. We must rely largely on our own market research to forecast sales, as detailed forecasts are not generally obtainable from other sources in the states in which our business operates. Additionally, any market research and our projections of estimated total retail sales, demographics, demand and similar consumer research, are based on assumptions from limited and unreliable market data. A failure in the demand for our products to materialize as a result of competition, technological change, failure of states to enforce cannabis regulations, the use of hemp-derived THC products or other factors could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to growth-related risks.

We may be subject to growth-related risks, including capacity constraints and pressure on our internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Our inability to deal with this growth may have a material adverse effect on our business, prospects, revenue, results of operation and financial condition.

We may be subject to litigation.

We may become party to litigation from time to time in the ordinary course of business, which could adversely affect our business. Should any litigation in which we become involved be determined against us, such a decision could adversely affect our ability to continue operating and the market price for the Subordinate Voting Shares and could potentially use significant resources. Even if we are involved in litigation and win, litigation can redirect significant resources of Green Thumb Industries Inc. and/or its subsidiaries.

We may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to us, could subject us to significant liabilities and other costs.

Our success may depend on our ability to use and develop new extraction technologies, recipes, know-how and new strains of cannabis without infringing the intellectual property rights of third parties. We cannot assure that third parties will not assert intellectual property claims against us. We are subject to additional risks if entities licensing intellectual property to us do not have adequate rights to the licensed materials. If third parties assert copyright or patent infringement or violation of other intellectual property rights against us, we will be required to defend ourselves in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of management personnel. An adverse determination in any such litigation or proceedings to which we may become a party could subject us to significant liability to third parties, require us to seek licenses from third parties, require us to pay ongoing royalties or subject us to injunctions that may prohibit the development and operation of our applications.

We may have increased labor costs based on union activity.

Labor unions are working to organize workforces in the cannabis industry in general, and regulators are increasingly requiring us to enter into labor peace agreements with unions as a condition of receiving a license. Currently, approximately 20% of our total workforce has elected to be represented by a labor organization for purposes of collective bargaining. However, it is possible that greater portions of our workforce at retail and/or manufacturing locations will be organized in the future, which could lead to work stoppages or increased labor costs and adversely affect our business, profitability and our ability to reinvest into the growth of our business. We cannot predict how stable our relationships with U.S. labor organizations will remain or whether we can meet any unions' requirements without impacting our financial condition. Labor unions may also limit our flexibility in dealing with our workforce. Work stoppages and instability in our union relationships could delay the production and sale of our products, which could strain relationships with customers and cause a loss of revenues which would adversely affect our operations.

We are a holding company.

We are a holding company and essentially all of our assets are the capital stock of our subsidiaries in our fourteen markets, including California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia. As a result, investors in the Company are subject to the risks attributable to our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of our subsidiaries and the distribution of those earnings to us. The ability of these entities to pay dividends and other distributions depends on their operating results and is subject to applicable laws and regulations, which require that solvency and

capital standards be maintained by the subsidiaries and contractual restrictions are contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of our material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before us.

We may be subject to heightened scrutiny by Canadian regulatory authorities.

The business, operations and investments of the Company in the United States, and any future business, operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein.

The Canadian Securities Administrators', Staff Notice 51-352 describes the Canadian Securities Administrators' disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, which is the owner and operator of CDS Clearing Depository for Securities Limited ("CDS"), announced the signing of a Memorandum of Understanding ("MOU") with Aequitas NEO Exchange Inc. (now CBOE Canada), the CSE, the Toronto Stock Exchange and the TSX Venture Exchange ("TSXV"). The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the Canadian securities exchanges to review the conduct of listed issuers. The MOU notes that securities regulation requires that the rules of each of the exchanges must not be contrary to the public interest and that the rules of each of the exchanges have been approved by the securities regulators. Pursuant to the MOU, CDS will not ban accepting deposits of or transactions for clearing and settlement of securities of issuers with cannabis-related activities in the United States. Even though the MOU indicated that there are no plans to ban the settlement of securities through CDS, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were implemented at a time when Subordinate Voting Shares are listed on a Canadian stock exchange, it would have a material adverse effect on the ability of holders of Subordinate Voting Shares to make and settle trades in Canada.

We are subject to general economic risks and risks of continued inflation.

Our operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and spending and, consequently, impact our sales and profitability. A continued upward rate of inflation could influence the profits that we generate from our business. When the rate of inflation rises, the operational costs of running our company also increases, such as labor costs, raw materials and public utilities, thus affecting our ability to provide our products at competitive prices. An increase in the rate of inflation could force our customers to search for other products, causing us to lose business and revenue. As the number of available licenses increase in the markets in which we operate, additional competition and increased product availability may result in competitors undercutting our prices. From time to time, we may need to reduce our prices in response to competitive and customer pressures and to maintain our market share, which could materially reduce our revenues.

We may be negatively impacted by challenging global economic conditions.

Our business, financial condition, results of operations and cash flow may be negatively impacted by challenging global economic conditions. For example, during the COVID-19 pandemic, the U.S. and other world economies experienced turmoil, which resulted in global economic uncertainty, supply chain disruptions and other issues.

A global economic slowdown would cause disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy and declining consumer and business confidence, which can lead to decreased levels of consumer spending. These macroeconomic developments could negatively impact our business, which depends on the general economic environment and levels of consumer spending. As a result, we may not be able to maintain our existing customers or attract new customers, or we may be forced to reduce the price of our products. We are unable to predict the likelihood of the occurrence, duration or severity of such disruptions in the credit and financial markets or adverse global economic conditions. Any general or market-specific economic downturn could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Additionally, the U.S. has imposed and may impose additional quotas, duties, tariffs, retaliatory or trade protection measures or other restrictions or regulations and may adversely adjust prevailing quota, duty or tariff levels, which can affect both the materials that we use to package our products and the sale of finished products. For example, the tariffs imposed by the U.S. on materials from China are impacting materials that we import for use in packaging in the U.S. Measures to reduce the impact of tariff increases or trade restrictions, including geographical diversification of our sources of supply, adjustments in packaging design and fabrication or increased prices, could increase our costs, delay our time to market and/or decrease sales. General uncertainty about the state of tariffs for various markets and rapid changes in U.S. foreign trade policy can also create disruptions that impact the prices we must pay for these foreign products. Other governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for our products and our costs, customers, suppliers and global economic conditions and cause higher volatility in financial markets. While we actively review existing and proposed measures to seek to assess the impact of them on our business, changes in tariff rates, import duties and other new or augmented trade restrictions could have a number of negative impacts on our business, including higher consumer prices and reduced demand for our products and higher input costs.

We may be required to disclose personal information of our owners, investors, officers, managers, and directors to regulators and failure to do so could endanger our ability to expand, endanger our licenses, or cause the Company to incur costs to redeem securities held by uncooperative shareholders.

Ownership in and applications for cannabis licenses can entail lengthy disclosures of personal information to the relevant regulatory authorities. The obligation often extends to all persons holding an ownership interest in the license, whether direct, indirect, present, or future, and often includes those with a mere nominal interest. Analogous disclosures are often required from persons with managerial authority or control over the licenses, as well, including officers, directors, and managers. Disclosures can include providing personal information needed to satisfy extensive criminal history reports and investigations (e.g., fingerprints, address and employment history), tax returns, social security numbers, a history of personal addresses, employment agreements, and other personal information. While some states allow exceptions for individuals with ownership in publicly traded companies like the Company, not all states provide such exceptions. If these requirements were applied to all persons with ownership in the Company, all such persons would be required to comply or the Company would risk losing the opportunity to apply for or renew the license(s), or similarly face the possibility that the license may be revoked.

We are subject to risks arising from epidemic diseases.

A public health epidemic, such as the COVID-19 pandemic that began in 2020, or the fear of a potential epidemic or pandemic, poses the risk that we or our employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns or other preventative measures that may be requested or mandated by governmental authorities. Although our operations continued during the COVID-19 pandemic, as the cultivation, processing and sale of cannabis products was considered an essential business by all states in which we operated with respect to all customers when shutdowns were imposed, there can be no assurances that would be the case in any future actual or anticipated epidemic disease outbreak or pandemic. Our ability to continue to operate without any significant negative operational impact from any future public health crisis will in part depend on our ability to protect our employees, customers and supply chain.

While it is not possible at this time to estimate the impact any actual or potential pandemic could have on our business, measures taken by the governments of countries affected could disrupt the supply chain and the manufacture or shipment or sale of our products and adversely impact our business, financial condition or results of operations. It could also affect the health and availability of our workforce at our facilities, as well as those of our suppliers, particularly those in China and India. Such an event, and any measures taken to avert significant health crises may also have an adverse impact on global economic conditions which could have an adverse effect on our business and financial condition. Because cannabis remains federally illegal, it is possible that we would not be eligible to participate in any government relief programs (such as federal loans or access to capital) resulting from any actual or potential pandemic.

Risks Related to Our Securities

A return on our securities is not guaranteed.

There is no guarantee that our Subordinate Voting Shares will earn any positive return in the short term or long term. A holding of Subordinate Voting Shares is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Holding of Subordinate Voting Shares is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

We may be affected by currency fluctuations.

We face exposure to significant currency fluctuations because of our present operations in the U.S. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of our revenue is earned in U.S. dollars, but our shares, and some of our warrants issued to holders of our notes are denominated in Canadian dollars which can provide variability for results of operations. We do not have currency hedging arrangements in place and there is no expectation that we will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on our business, financial position or results of operations.

Our voting control is concentrated.

Our senior executives exercise a significant majority of the voting power with respect to our outstanding shares because of the Super Voting Shares that they hold. These officials include Benjamin Kovler, our Founder, Chairman and Chief Executive Officer, Andrew Grossman, our Head of Capital Markets, and Anthony Georgiadis, our President. Subordinate Voting Shares are entitled to one vote per share, Multiple Voting Shares are entitled to 100 votes per share, and Super Voting Shares are entitled to 1,000 votes per share. As a result, Mr. Kovler, Mr. Grossman and Mr. Georgiadis potentially have the ability to control the outcome of matters submitted to our shareholders for approval, including the election and removal of directors and any arrangement or sale of all or substantially all of our assets.

This concentrated control could delay, defer or prevent a change of control, arrangement or merger involving sale of all or substantially all of our assets that our other shareholders may support. Conversely, this concentrated control could allow the holders of the Super Voting Shares to consummate such a transaction our other shareholders do not support. In addition, the holders of the Super Voting Shares may make long-term strategic investment decisions and take risks that may not be successful and/or may seriously harm our business.

Our capital structure and voting control may cause unpredictability.

Although other Canadian-based companies have dual class or multiple voting share structures, given our unique capital structure and the concentration of voting control that is held by the holders of the Super Voting Shares, this structure and control could result in greater fluctuations in the trading price of our Subordinate Voting Shares, adverse publicity to us or other adverse consequences.

Additional issuances of Super Voting Shares, Multiple Voting Shares or Subordinate Voting Shares may result in dilution.

We may issue additional equity or convertible debt securities in the future, which may dilute an existing shareholder's holdings. Our articles permit the issuance of an unlimited number of Super Voting Shares, Multiple Voting Shares and Subordinate Voting Shares, and existing shareholders will have no pre-emptive rights in connection with such further issuances. Our Board has discretion to determine the price and the terms of further issuances, and such terms could include rights, preferences and privileges superior to those existing holders of Subordinate Voting Shares. Moreover, additional Subordinate Voting Shares will be issued by us on the conversion of the Multiple Voting Shares and Super Voting Shares in accordance with their terms. To the extent holders of our options or other convertible securities convert or exercise their securities and sell Subordinate Voting Shares they receive, the trading price of the Subordinate Voting Shares may decrease due to the additional amount of Subordinate Voting Shares available in the market. We cannot predict the size or nature of future issuances or the effect that future issuances and sales of Subordinate Voting Shares will have on the market price of the Subordinate Voting Shares. Issuances of a substantial number of additional Subordinate Voting Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Subordinate Voting Shares. With any additional issuance of Subordinate Voting Shares, investors will suffer dilution to their voting power and economic interest in us.

Sales of substantial amounts of Subordinate Voting Shares by our shareholders in the public market may have an adverse effect on the market price of the Subordinate Voting Shares.

Sales of substantial amounts of Subordinate Voting Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Subordinate Voting Shares. A decline in the market prices of the Subordinate Voting Shares could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The market price for the Subordinate Voting Shares may be volatile.

The market price for securities of cannabis companies generally are likely to be volatile. In addition, the market price for the Subordinate Voting Shares has been and may be subject to wide fluctuations in response to numerous factors beyond our control, including, but not limited to:

- actual or anticipated fluctuations in our quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which we operate;
- addition or departure of our executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Subordinate Voting Shares;
- sales or perceived sales of additional Subordinate Voting Shares;
- operating and financial performance that varies from the expectations of management, securities analysts and investors;
- regulatory changes affecting our industry generally and our business and operations both domestically and abroad;
- announcements of developments and other material events by us or our competitors;
- fluctuations in the costs of vital production materials and services;
- changes in global financial markets, global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;
- operating and share price performance of other companies that investors deem comparable to us or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have at times historically experienced significant price and volume fluctuations that: (i) have particularly affected the market prices of equity securities of companies and (ii) have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares from time to time may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that may result in impairment losses to us. There can be no assurance that further fluctuations in price and volume of equity securities will not occur. If increased levels of volatility and market turmoil continue, our operations could be adversely impacted, and the trading price of the Subordinate Voting Shares may be materially adversely affected.

If securities or industry analysts do not publish or cease publishing research or reports or publish misleading, inaccurate or unfavorable research about us, our business or our market, our stock price and trading volume could decline.

The trading market for our Subordinate Voting Shares will be influenced by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If no or few securities or industry analysts cover our Corporation, the trading price and volume of our shares would likely be negatively impacted. If one or more of the analysts who covers us downgrades our shares or publishes inaccurate or unfavorable research about our business, or provides more favorable relative recommendations about our competitors, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our shares could decrease, which could cause our stock price or trading volume to decline.

We face liquidity risks.

Our Subordinate Voting Shares currently trade on the CSE and on over-the-counter markets in the U.S. We cannot predict at what prices the Subordinate Voting Shares will continue to trade, and there is no assurance that an active trading market will be sustained.

Our Subordinate Voting Shares do not currently trade on any U.S. securities exchange. In the event our Subordinate Voting Shares do trade on any U.S. securities exchange, we cannot predict at what prices the Subordinate Voting Shares will trade and there is no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in us.

We are subject to increased costs as a result of being a public company in Canada and the United States.

As a public company in Canada and the United States, we are subject to the reporting requirements, rules and regulations under the applicable Canadian and American securities laws and rules of stock exchanges on which the Company's securities may be listed. The requirements of existing and potential future rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may place undue strain on our personnel, systems and resources, which could adversely affect our business, financial condition and results of operations.

We face costs of maintaining a public listing.

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. We may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

We do not intend to pay dividends on our Subordinate Voting Shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our Subordinate Voting Shares.

We have never declared or paid any cash dividend on our Subordinate Voting Shares and do not currently intend to do so in the foreseeable future. We currently anticipate that we will retain future earnings, if materialized, for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. Therefore, the success of an investment in our Subordinate Voting Shares will depend upon any future appreciation in their value. There is no guarantee that our Subordinate Voting Shares will appreciate in value or even maintain the price at which you purchased them.

The market for the Subordinate Voting Shares may be limited for holders of our securities who live in the United States.

Given the heightened risk profile associated with cannabis in the United States, capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the U.S. cannabis industry, which may prohibit or significantly impair the ability of securityholders in the United States to trade our securities. In the event residents of the United States are unable to settle trades of our securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

The Company has processes for assessing, identifying, and managing material risks from cybersecurity threats. These processes are integrated into the Company's overall risk management systems. These processes also include overseeing and identifying risks from cybersecurity threats associated with the use of third-party service providers. The Company has established monitoring procedures in its effort to mitigate risks related to data breaches or other security incidents originating from third parties. The Company, from time-to-time, may engage third-party consultants, legal advisors, and audit firms to evaluate and test the Company's risk management systems and assess and remediate certain potential cybersecurity incidents, as appropriate.

Governance

As part of our enterprise risk management program, our Board and the Audit Committee of our Board (the "Audit Committee") oversee cybersecurity risk management and meet with our senior management team, which includes our Chief Executive Officer, President, Chief Financial Officer, and General Counsel to address risks associated with cybersecurity threats on a regular basis. The Board and the Audit Committee receive prompt and timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been resolved.

Cybersecurity threats are one of the Company's most critical risks, with our Senior Vice President - Technology assigned as the executive risk owner. Our Senior Vice President - Technology, in coordination with our senior management team, works collaboratively across the Company to implement a program designed to protect the Company's information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with the Company's incident response and recovery plans. Multidisciplinary teams throughout the Company are deployed to address cybersecurity threats and to respond to cybersecurity incidents. Through ongoing communications with these teams, the Senior Vice President - Technology and the senior management team monitor the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time and report such threats and incidents to the Board and Audit Committee, when appropriate.

Our Senior Vice President - Technology has served in various roles in information technology and information security for over 25 years. He holds undergraduate and graduate degrees in computer science and business.

During the year ended December 31, 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite the capabilities, processes, and other security measures we employ that we believe are designed to detect, reduce, and mitigate the risk of cybersecurity incidents, we may not be aware of all vulnerabilities or might not accurately assess the risks of incidents, and such preventative measures cannot provide absolute security and may not be sufficient in all circumstances or mitigate all potential risks.

See "Item 1 A. Risk Factors" for more information on the Company's cybersecurity-related risks.

ITEM 2. PROPERTIES

Our headquarters is located in Chicago, IL. The following table sets forth the Company's principal cultivation and processing properties.

Production Properties		
Type	Location	Leased / Owned
West Haven Facility	West Haven, CT	Leased
Homestead Facility	Homestead, FL	Owned
Ocala Facility	Ocala, FL	Owned
Oglesby Facility	Oglesby, IL	Leased
Rock Island Facility	Rock Island, IL	Owned
Clinton Facility	Clinton, MA	Leased
Holyoke Facility	Holyoke, MA	Leased
Centreville Facility	Centreville, MD	Owned
Cottage Grove Facility	Cottage Grove, MN	Owned
Hackettstown Facility	Hackettstown, NJ	Leased
Carson City Facility	Carson City, NV	Leased
Las Vegas Facility 1	Las Vegas, NV	Owned
Las Vegas Facility 2	Las Vegas, NV	Leased
Paterson Facility	Paterson, NJ	Leased
Warwick Facility	Warwick, NY	Owned
Toledo Facility	Toledo, OH	Leased
Danville Facility	Danville, PA	Leased
Warwick Facility	Warwick, RI	Leased
Abingdon Facility	Abingdon, VA	Owned
Low Moor Facility	Low Moor, VA	Owned

In addition to the above properties, as of December 31, 2025, the Company has 113 open and operating retail stores, of which, the Company owns twelve.

Properties Subject to an Encumbrance. The Company has collateralized the properties in (i) Centreville, MD, (ii) Las Vegas, NV, (iii) Low Moor, VA, (iv) Abingdon, VA, (v) Ocala, FL, (vi) Cottage Grove, MN and (vii) Warwick, NY. In addition, the Company has collateralized four retail stores, none of which are considered material.

ITEM 3. LEGAL PROCEEDINGS

Legal Proceedings Related to Contractual Obligations

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

In July 2024, the Company received Findings of Fact and Conclusions of Law regarding an October 30, 2019 complaint filed against the Company alleging the Company breached a commercial property lease with ineffective termination. On June 25, 2025, the Company received the Final Judgment from the court ruling in favor of plaintiff landlord in the amount of \$7,307 thousand, representing unpaid rent. In addition, the court found the Company liable for interest and attorney fees in the amount of \$912 thousand. As a result, the Company accrued the amount of probable loss that can reasonably be estimated within accrued liabilities on the Company's consolidated balance sheets.

In August 2025, the Company appealed the Final Judgment with a Notice of Appeal. Under the Rules of Court, the Company was provided a stay on the enforcement of the Final Judgment upon posting a supersedeas bond in the amount of the Final Judgment plus interest and costs through the appeal period. As of December 31, 2025, the Company held the bond in the amount of \$9,284 thousand within restricted cash and cash equivalents on the Company's consolidated balance sheets.

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

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Trading Price and Volume

The Subordinate Voting Shares of the Company are traded on the CSE under the symbol "GTII". The following table sets forth trading information for the Subordinate Voting Shares for the periods indicated, as quoted on the CSE.⁽¹⁾

<u>Period</u>	Low Trading Price		High Trading Price		Volume
	(C\$)		(C\$)		
<u>Year Ended December 31, 2025</u>					
First Quarter (March 31, 2025)	\$	7.89	\$	12.50	23,177,336
Second Quarter (June 30, 2025)	\$	6.61	\$	9.10	18,802,350
Third Quarter (September 30, 2025)	\$	7.28	\$	12.35	31,838,373
Fourth Quarter (December 31, 2025)	\$	7.40	\$	13.39	28,190,484
<u>Year Ended December 31, 2024</u>					
First Quarter (March 31, 2024)	\$	14.43	\$	20.11	27,562,844
Second Quarter (June 30, 2024)	\$	14.99	\$	21.16	21,160,945
Third Quarter (September 30, 2024)	\$	12.57	\$	16.50	16,563,755
Fourth Quarter (December 31, 2024)	\$	10.85	\$	15.59	26,647,488

Notes:

⁽¹⁾ Source: Bloomberg.

The Subordinate Voting Shares of the Company are also traded on the OTCQX under the symbol "GTBIF". The following table sets forth trading information for the Subordinate Voting Shares for the periods indicated, as quoted on the OTCQX.^{(1),(2)}

<u>Period</u>	Low Trading Price		High Trading Price		Volume
	(\$)		(\$)		
<u>Year Ended December 31, 2025</u>					
First Quarter (March 31, 2025)	\$	5.52	\$	8.35	29,047,800
Second Quarter (June 30, 2025)	\$	4.81	\$	6.60	22,827,470
Third Quarter (September 30, 2025)	\$	5.47	\$	8.97	40,291,456
Fourth Quarter (December 31, 2025)	\$	5.29	\$	9.70	39,994,560
<u>Year Ended December 31, 2024</u>					
First Quarter (March 31, 2024)	\$	10.82	\$	15.00	31,497,612
Second Quarter (June 30, 2024)	\$	10.95	\$	15.35	37,617,678
Third Quarter (September 30, 2024)	\$	9.38	\$	11.89	19,178,432
Fourth Quarter (December 31, 2024)	\$	7.70	\$	11.43	30,527,315

Notes:

⁽¹⁾ Source: Bloomberg.

⁽²⁾ Over-the-counter market quotations reflect inter-dealer prices, without retail mark-up or mark-down or commission and may not necessarily represent actual transactions.

Shareholders

As of February 13, 2026, there are 806 holders of record of our Subordinate Voting Shares.

Dividends

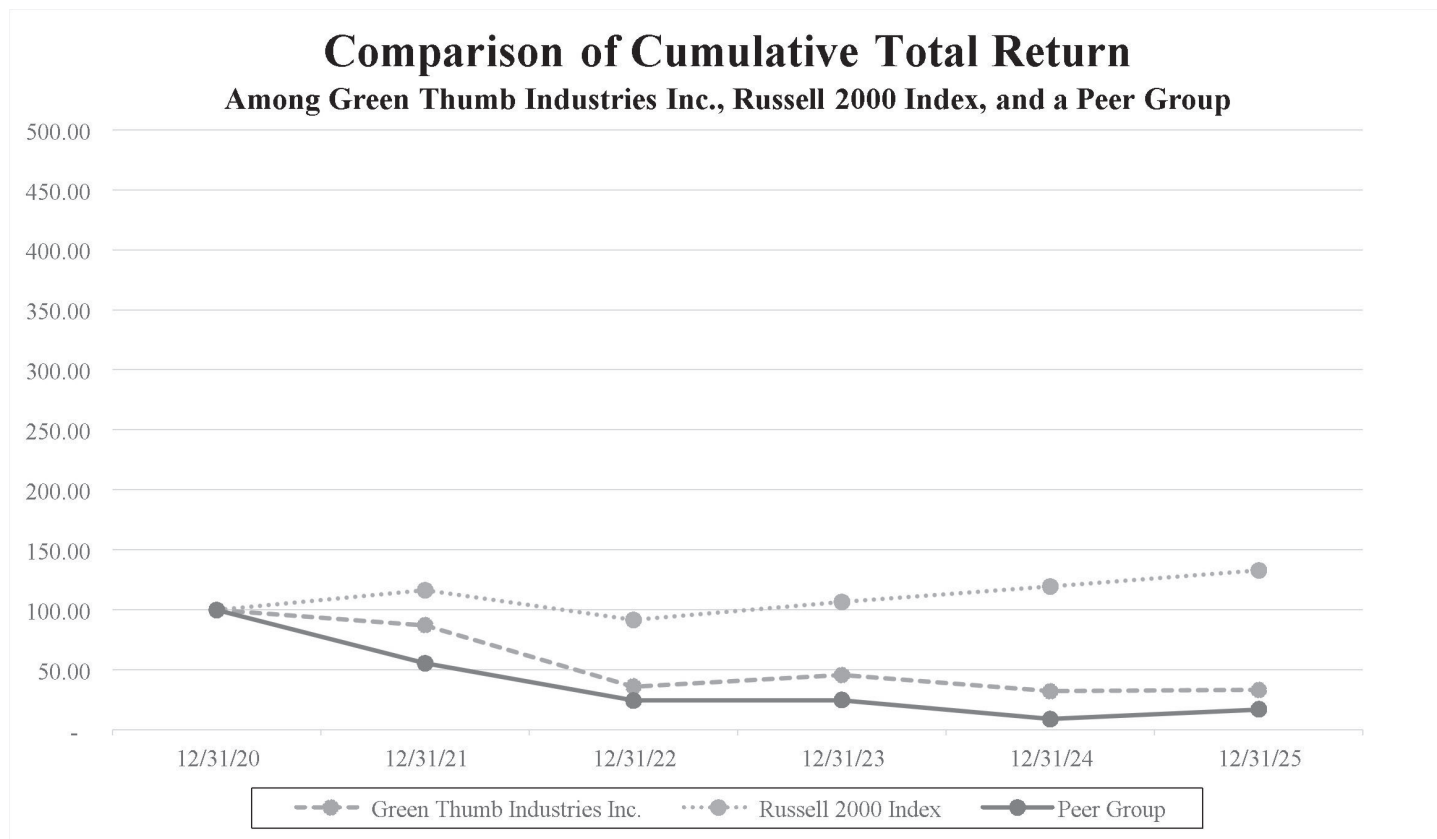
The Company has not declared distributions on Subordinate Voting Shares in the past. The Company currently intends to reinvest all future earnings to finance the development and growth of its business and repurchase outstanding shares. As a result, the Company does not intend to pay dividends on Subordinate Voting Shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend is in the best interest of its shareholders.

Equity Compensation Plans

For more information on equity compensation plans, see Item 12 of Part III of the Annual Report.

Peer Performance Table

The following graph compares the cumulative total shareholder return on Green Thumb Industries Inc. Subordinate Voting Shares for the five years ended December 31, 2025, with the comparable cumulative return of the Russell 2000 Index and a selected peer group of companies. The comparison assumes all dividends have been reinvested (if any) and an initial investment of \$100 on December 31, 2020. The returns of each company in the peer group have been weighted to reflect their market capitalizations. All amounts below are disclosed in U.S. dollars. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



	Base Period					
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
Green Thumb Industries	\$ 100	\$ 87.25	\$ 36.12	\$ 45.91	\$ 32.23	\$ 33.25
Russell 2000	\$ 100	\$ 116.55	\$ 91.7	\$ 106.72	\$ 119.52	\$ 132.99
Peer Group	\$ 100	\$ 55.67	\$ 24.45	\$ 24.79	\$ 8.98	\$ 17.13

Below are the specific companies included in the peer group.

Peer Group Companies

- | | |
|--------------------------|---------------------------|
| - Cresco Labs Inc. | - Trulieve Cannabis Corp. |
| - Curaleaf Holdings, Inc | - Verano Holdings Corp. |

This performance graph and other information furnished under this Part II Item 5 of this Annual Report on Form 10-K shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Recent Sales of Unregistered Securities

The following information represents securities sold by the Company for the period covered by this Annual Report on Form 10-K which were not registered under the Securities Act. Included are new issues, securities issued in exchange for property, services or other securities, securities issued upon conversion from other share classes and new securities resulting from the modification of outstanding securities. The Company sold all of the securities listed below pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act, or Regulation D or Regulation S promulgated thereunder.

Subordinate Voting Shares

Between October 1, 2025 and December 31, 2025, the Company converted 151 Multiple Voting Shares into 15,100 Subordinate Voting Shares.

Multiple Voting Shares

Between October 1, 2025 and December 31, 2025, the Company converted 151 Multiple Voting Shares into 15,100 Subordinate Voting Shares.

Super Voting Shares

None.

Recent Issuer Purchases of Equity Securities

The following table sets forth repurchases of our Subordinate Voting Shares during the year ended December 31, 2025:

(Dollars in thousands except per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽¹⁾	Approximate Dollar Value of Shares that may yet be Purchased Under the Program
January 1, 2025 through January 31, 2025	—	\$ —	—	\$ 40,400
February 1, 2025 through February 29, 2025	—	—	—	40,400
March 1, 2025 through March 31, 2025	160,000	6.49	160,000	39,300
April 1, 2025 through April 30, 2025	100,000	5.00	100,000	38,800
May 1, 2025 through May 31, 2025	—	—	—	38,800
June 1, 2025 through June 30, 2025	5,458,000	4.26	5,458,000	15,600
July 1, 2025 through July 31, 2025	—	—	—	15,600
August 1, 2025 through August 31, 2025	—	—	—	15,600
September 1, 2025 through September 30, 2025	—	—	—	50,000
October 1, 2025 through October 31, 2025	—	—	—	50,000
November 1, 2025 through November 30, 2025	1,114,074	6.58	1,114,074	—
December 1, 2025 through December 31, 2025	377,801	7.24	377,801	39,900
	7,209,875	\$ 4.84	7,209,875	\$ 39,900

⁽¹⁾ On September 23, 2025, the Company's Board of Directors authorized a new share repurchase program that commenced immediately following the expiration of the Company's previous share repurchase program. The new program authorizes the Company to repurchase up to 10,364,640 of its Subordinate Voting Shares over a 12-month period at an aggregate cost of up to \$50,000 thousand.

Under the Company's share repurchase programs, the Company repurchased a total of 7,209,875 and 3,972,000 Subordinate Voting Shares at an average price of \$4.84 and \$10.85 during each of the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, the Company has returned \$117,814 thousand to shareholders in the form of share repurchases from the commencement of its share repurchase program.

Separately, on December 28, 2025, the Company entered into a securities purchase agreement with Benjamin Kovler, the Chairman and Chief Executive Officer and Anthony Georgiadis, the President and a Director, to purchase 2,500 Super Voting Shares from each in private transactions. The price per Super Voting Share was determined based on the closing price of \$7.988 per underlying Subordinate Voting Shares as traded on the OTCQX Best Market on the date of the transaction.

ITEM 6. RESERVED

Reserved.

ITEM 7. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following information should be read in conjunction with the consolidated financial statements and related notes thereto included in this Annual Report on Form 10-K.

In addition to historical information, this report contains forward-looking statements that involve risks and uncertainties which may cause our actual results to differ materially from plans and results discussed from those forecast in forward-looking statements or implied in historical results and trends. We encourage you to review the risks and uncertainties discussed in the sections entitled Item 1A. "Risk Factors" and "Disclosure Regarding Forward-Looking Statements" included at the beginning of this Annual Report on Form 10-K.

We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the U.S. Securities and Exchange Commission (the "SEC"), to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

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 years ended December 31, 2025, 2024 and 2023. It is supplemental to, and should be read in conjunction with, the Company's consolidated financial statements for the years ended December 31, 2025,

2024 and 2023 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 of America ("GAAP"). Financial information presented in this MD&A is presented in thousands of United States dollars (" \$" or "US\$"), unless otherwise indicated.

OVERVIEW OF THE COMPANY

Established in 2014 and headquartered in Chicago, Illinois, Green Thumb, a national cannabis consumer packaged goods company and retailer promotes well-being through the power of cannabis while being committed to community and sustainable profitable growth. As of December 31, 2025, Green Thumb has operations in fourteen U.S. markets, employs approximately 5,000 people and serves millions of patients and customers annually.

Green Thumb's core business is manufacturing, distributing and marketing a portfolio of cannabis consumer packaged goods brands, including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green, incredibles and RYTHM (which we refer to as our Consumer Packaged Goods business). The Company distributes and markets these products 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 developed and acquired its consumer packaged goods brands over the course of the Company's operating history and then, in transactions that closed on May 20, 2025 and August 27, 2026, the Company, through sales of the equity interests of indirectly owned subsidiaries, sold the intellectual property related to those brands to RYTHM, Inc (formerly known as Agrify Corporation, and referred to herein as "RYM"). In connection with this sale, the Company entered into licensing arrangements with RYM for the Company's continued, exclusive use of these brands for cannabis products in its existing markets. As of December 31, 2025, the Company owns approximately 33% of the outstanding shares of common stock of RYM.

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

Green Thumb owns and operates a national cannabis retail chain called RISE Dispensaries that aims to bring patients and customers a variety of high-quality products at multiple price points and provide excellent service. In addition, Green Thumb owns or operates stores under other names, primarily where naming is subject to licensing or similar restrictions. The income from Green Thumb's retail stores is primarily derived from the sale of cannabis-related products, which includes the sale of Green Thumb produced products as well as those produced by third parties, with an immaterial (under 10%) portion of this income resulting from the sale of other merchandise (such as t-shirts and accessories for cannabis use). RISE Dispensaries are located in the fourteen states in which we operate. As of December 31, 2025, the Company had 113 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 as described above and under the heading "Liquidity, Financing Activities During the Period, and Capital Resources" below.

Results of Operations – Consolidated

The following table sets forth the Company's selected consolidated financial results for the periods, and as of the dates, indicated. The (i) consolidated statements of operations for the years ended December 31, 2025, 2024 and 2023 and (ii) consolidated balance sheet as of December 31, 2025 and 2024 have been derived from, and should be read in conjunction with the consolidated financial statements and accompanying notes presented in Item 8 of this Annual Report on Form 10-K.

The Company's 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. Amounts have been presented in thousands of U.S. dollars except for share and per share amounts.

	Years Ended December 31,			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
	(in thousands, except share and per share amounts)			Increase (Decrease)			
Revenues, Net of Discounts	\$ 1,175,295	\$ 1,137,141	\$ 1,054,553	\$ 38,154	3%	\$ 82,588	8%
Cost of Goods Sold	(600,402)	(536,032)	(528,058)	64,370	12%	7,974	2%
Gross Profit	574,893	601,109	526,495	(26,216)	(4)%	74,614	14%
Expenses:							
Selling, General, and Administrative	437,193	376,684	341,863	60,509	16%	34,821	10%
Total Expenses	437,193	376,684	341,863	60,509	16%	34,821	10%
Income From Operations	137,700	224,425	184,632	(86,725)	(39)%	39,793	22%
Total Other Income (Expense)	125,655	(24,286)	(28,583)	(149,941)	(617)%	(4,297)	(15)%
Income Before Provision for Income Taxes And Non-Controlling Interest	263,355	200,139	156,049	63,216	32%	44,090	28%
Provision for Income Taxes	147,302	126,288	118,630	21,014	17%	7,658	6%
Net Income Before Non-Controlling Interest	116,053	73,851	37,419	42,202	57%	36,432	97%
Net Income Attributable to Non-Controlling Interest	1,901	768	1,152	1,133	148%	(384)	(33)%
Net Income Attributable To Green Thumb Industries Inc.	\$ 114,152	\$ 73,083	\$ 36,267	\$ 41,069	56%	\$ 36,816	102%
Net Income Per Share - Basic	\$ 0.49	\$ 0.31	\$ 0.15	\$ 0.18	58%	\$ 0.16	107%
Net Income Per Share - Diluted	\$ 0.48	\$ 0.30	\$ 0.15	\$ 0.18	60%	\$ 0.15	100%
Weighted Average Number of Shares Outstanding – Basic	233,865,410	236,827,774	237,927,867				
Weighted Average Number of Shares Outstanding – Diluted	236,874,553	241,925,957	239,827,390				

	December 31, 2025	December 31, 2024
	(in thousands)	
Total Assets	\$ 2,790,056	\$ 2,537,012
Long-Term Liabilities	\$ 702,098	\$ 582,963

Revenue Streams

The Company has consolidated financial statements across its operating businesses with revenue from the manufacture, sale and distribution of branded cannabis products to third-party retail customers as well as the sale of finished products to consumers in its retail stores.

Year Ended December 31, 2025 Compared to the Year Ended December 31, 2024

Revenues, Net of Discounts

Revenue for the year ended December 31, 2025 was \$1,175,295 thousand, up 3% from \$1,137,141 thousand for the year ended December 31, 2024. The increase in revenue was largely due to the launch of adult-use sales in Minnesota and Ohio which began on September 16, 2025 and August 6, 2024, respectively, as well as continued growth in existing markets, particularly in Florida, Maryland, Nevada and New York, and revenue generated from new Retail stores opened and acquired in the current period, partially offset by price compression and increased competition in select markets.

The Company generated revenue from 113 Retail locations during the year compared to 101 in the prior year. During the year ended December 31, 2025, Retail revenue made up 71% of total revenue compared to 73% of total revenue in 2024.

The key drivers for the increase in Consumer Packaged Goods revenue was the launch of adult-use sales in Minnesota and Ohio, as described above, as well as continued growth in existing markets, particularly in Maryland, Pennsylvania and New York, partially offset by price compression. During the year ended December 31, 2025, Consumer Packaged Goods revenue made up 29% of total revenue as compared to 27% of total revenue in 2024.

Cost of Goods Sold

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 year ended December 31, 2025 was \$600,402 thousand, up 12% from \$536,032 thousand for the year ended December 31, 2024, driven by continued growth in existing markets, particularly in Florida, Maryland, Nevada and New York, legalization of adult-use sales in Minnesota and Ohio as described above, and new and acquired Retail store openings since December 31, 2024. In addition, during the year ended December 31, 2025, the Company incurred licensing fees of \$6,801 thousand in conjunction with its brand licensing agreements.

Gross Profit

Gross profit for the year ended December 31, 2025 was \$574,893 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 49%. This is compared to gross profit for the year ended December 31, 2024 of \$601,109 thousand, or a 53% gross margin. The decrease in gross profit margin was primarily driven by price compression as well as the impact of the licensing fee described above.

Total Expenses

Total expenses for the year ended December 31, 2025 were \$437,193 thousand or 37% of revenues, net of discounts, resulting in an increase of \$60,509 thousand compared to the prior year. Total expenses for the year ended December 31, 2024 were \$376,684 thousand or 33% of revenues, net of discounts. The increase in total expenses was attributable to overall salary and benefits of corporate staff and increased costs associated with the opening, acquiring and operation of Retail stores as described above. In addition, expenses for the year ended December 31, 2024, included the impact of one-time favorable fair value adjustments of \$15,991 thousand associated with the Company's contingent consideration arrangements.

Total Other Income (Expense)

Total other income for the year ended December 31, 2025 was \$125,655 thousand, an increase of \$149,941 thousand compared to the prior year. Excluding fair value adjustments on related party warrants of \$125,946 thousand primarily associated with the repayment of the \$10,000 thousand related-party convertible note, total other income (expense) would have been \$291 thousand.

Income Before Provision for Income Taxes and Non-Controlling Interest

Income before provision for income taxes and non-controlling interest for the year ended December 31, 2025 was \$263,355 thousand, an increase of \$63,216 thousand compared to the year ended December 31, 2024.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of \$44,933 thousand and \$33,312 thousand for the years ended December 31, 2025 and 2024, respectively, other non-operating items of \$13,507 thousand and \$371 thousand, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA") was \$341,589 thousand and \$371,318 thousand for the years ended December 31, 2025 and 2024, respectively. In addition, Adjusted EBITDA excluding the licensing fees recorded in conjunction with the Company's licensing agreement with RYM ("Normalized EBITDA") was \$348,390 thousand for the year ended December 31, 2025.

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 year ended December 31, 2025, federal and state income tax expense totaled \$147,302 thousand compared to expense of \$126,288 thousand for the year ended December 31, 2024.

The net expense of \$147,302 thousand for the year ended December 31, 2025 includes current tax expense of \$128,582 thousand and deferred tax expense of \$18,720 thousand in the current period.

Year Ended December 31, 2024 Compared to the Year Ended December 31, 2023

Revenues, Net of Discounts

Revenue for the year ended December 31, 2024 was \$1,137,141 thousand, up 8% from \$1,054,553 thousand for the year ended December 31, 2023. The increase in revenue was largely due to legalization of adult-use sales in Maryland that began on July 1, 2023 and in Ohio that began on August 6, 2024, continued growth in existing markets, particularly in New York, as well as revenue generated from new Retail stores opened in the current period, partially offset by price compression.

The Company generated revenue from 101 Retail locations during the year compared to 91 in the prior year. During the year ended December 31, 2024, Retail revenue made up 73% of total revenue as compared to 75% of total revenue in 2023. Since December 31, 2023, the Company opened seven new Retail locations in Florida, one in Minnesota, one in Nevada, and one in New York that contributed to the increase in Retail revenues.

The key drivers for the increase in Consumer Packaged Goods revenue was the launch of adult-use sales in Maryland and Ohio, as described above, as well as continued growth in existing markets, particularly in New York, partially offset by price compression. During the year ended December 31, 2024 Consumer Packaged Goods revenue made up 27% of total revenue as compared to 25% in 2023.

Cost of Goods Sold

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 year ended December 31, 2024 was \$536,032 thousand, up 2% from \$528,058 thousand for the year ended December 31, 2023, driven by increased volume from open and operating Retail stores, and new Retail store openings in Florida, Minnesota, Nevada, and New York.

Gross Profit

Gross profit for the year ended December 31, 2024 was \$601,109 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 53%. This is compared to gross profit for the year ended December 31, 2023 of \$526,495 thousand or a 50% gross margin. The increase in gross profit (dollars) was directly attributable to the revenue increase as described above.

Total Expenses

Total expenses for the year ended December 31, 2024 were \$376,684 thousand or 33% of revenues, net of discounts, resulting in a increase of \$34,821 thousand compared to the prior year. Total expenses for the year ended December 31, 2023 were \$341,863 thousand or 32% of revenues, net of discounts. The increase in total expenses was attributable to Retail salaries and benefits, depreciation expense and other operational and facility expenses mainly as a result of the Company's addition of ten new Retail stores in 2024.

Total Other Income (Expense)

Total other expense for the year ended December 31, 2024 was \$24,286 thousand, a decrease of \$4,297 thousand, primarily due to fair value adjustments on the Company's equity investments partially offset by increased interest cost due to a reduction in capitalized interest in 2024.

Income Before Provision for Income Taxes and Non-Controlling Interest

Income before provision for income taxes and non-controlling interest for the year ended December 31, 2024 was \$200,139 thousand, an increase of \$44,090 thousand compared to the year ended December 31, 2023.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of \$33,312 thousand and \$28,189 thousand for the years ended December 31, 2024 and 2023, respectively, as well as other nonoperating items of \$371 thousand and \$12,228 thousand, respectively, Adjusted EBITDA was \$371,318 thousand and \$325,839 thousand for the years ended December 31, 2024 and 2023, 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 year ended December 31, 2024, federal and state income tax expense totaled \$126,288 thousand compared to expense of \$118,630 thousand for the year ended December 31, 2023.

The net expense of \$126,288 thousand for the year ended December 31, 2024 includes current tax expense of \$132,338 thousand and deferred tax benefit of \$(6,050) thousand in the current period.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenues, Net of Discounts

Revenue for the year ended December 31, 2023 was \$1,054,553 thousand, up 4% from \$1,017,375 thousand for the year ended December 31, 2022. The increase in revenue was largely due to legalization of adult-use sales in New Jersey that began on April 21, 2022, Rhode Island that began on December 1, 2022, Connecticut that began on January 10, 2023 and Maryland that began on July 1, 2023, continued growth in existing markets, as well as revenue generated from new Retail stores opened in the current period, partially offset by price compression.

The Company generated revenue from 91 Retail locations during 2023 compared to 77 in the prior year. During the year ended December 31, 2023, Retail revenue made up 75% of total revenue as compared to 75% of total revenue in 2022. During 2023, the Company opened seven new Retail locations in Florida, two in Nevada, two in Virginia, two in Pennsylvania, one in Minnesota, and one in New York that contributed to the increase in Retail revenues. The Company also disposed of one Retail store in Massachusetts.

The key drivers for the increase in Consumer Packaged Goods revenues was the launch of adult-use sales in New Jersey, Connecticut, and Maryland as described above, as well as continued growth in existing markets partially offset by price compression. Consumer Packaged Goods revenue made up 25% of total revenues in 2023 and 2022.

Cost of Goods Sold

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 year ended December 31, 2023 was \$528,058 thousand, up 3% from \$513,412 thousand for the year ended December 31, 2022, driven by increased volume from open and operating Retail stores, new Retail store openings in Florida, Nevada, Virginia, Pennsylvania, Minnesota and New York, and legalization of adult-use sales in New Jersey, Rhode Island, Connecticut, and Maryland.

Gross Profit

Gross profit for the year ended December 31, 2023 was \$526,495 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 year ended December 31, 2022 of \$503,963 thousand or a 50% gross margin. The increase in gross profit (dollars) was directly attributable to the revenue increase as described above.

Total Expenses

Total expenses for the year ended December 31, 2023 were \$341,863 thousand or 32% of revenues, net of discounts, resulting in a decrease of \$41,036 thousand compared to the prior year. Total expenses for the year ended December 31, 2022 were \$382,899 thousand or 38% of revenues, net of discounts. The decrease in total expenses was primarily due to the impairment charges of \$88,503 thousand associated with the Company's goodwill and intangible assets, partially offset by the impact of acquisition related non-cash credits, both recorded during the year ended December 31, 2022. The net decrease was partially offset by an increase in expense attributable to retail salaries and benefits, depreciation expense and other operational and facility expenses mainly as a result of the launch of adult-use sales in New Jersey, Rhode Island, Connecticut and Maryland, as well as the additional Retail stores opened during 2023.

Total Other Income (Expense)

Total other income (expense) for the year ended December 31, 2023 was \$(28,583) thousand, a change of \$15,951 thousand, primarily due to fair value adjustments on the Company's equity investments.

Income Before Provision for Income Taxes and Non-Controlling Interest

Income before provision for income taxes and non-controlling interest for the year ended December 31, 2023 was \$156,049 thousand, an increase of \$47,617 thousand compared to the year ended December 31, 2022.

As presented under the heading “Non-GAAP Measures” below, after adjusting for non-cash equity incentive compensation of \$28,189 thousand and \$27,140 thousand for the years ended December 31, 2023 and 2022, respectively, as well as other nonoperating items of \$12,228 thousand and \$(21,893) thousand, respectively, and impairment of goodwill and intangible assets of \$0 thousand and \$88,503 thousand, respectively, Adjusted EBITDA was \$325,839 thousand and \$311,478 thousand for the years ended December 31, 2023 and 2022, 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 year ended December 31, 2023, federal and state income tax expense totaled \$118,630 thousand compared to expense of \$94,777 thousand for the year ended December 31, 2022.

The net expense of \$118,630 thousand for the year ended December 31, 2023 includes current tax expense of \$133,073 thousand and deferred tax benefit of \$(14,443) thousand in the current period.

Results of Operation by Segment

The following table summarizes revenues net of sales discounts by segment for the years ended December 31, 2025, 2024 and 2023:

	Years Ended December 31,			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$ Change	% Change	\$ Change	% Change
	(in thousands)			Increase (Decrease)			
Retail	\$ 829,538	\$ 824,726	\$ 791,480	\$ 4,812	1%	\$ 33,246	4%
Consumer Packaged Goods	677,350	648,388	559,480	28,962	4%	88,908	16%
Intersegment Eliminations	(331,593)	(335,973)	(296,407)	(4,380)	(1)%	39,566	13%
Total Revenues, Net of Discounts	\$ 1,175,295	\$ 1,137,141	\$ 1,054,553	\$ 38,154	3%	\$ 82,588	8%

Year Ended December 31, 2025 Compared with the Year Ended December 31, 2024

Revenues, net of discounts, for the Retail segment were \$829,538 thousand for the year ended December 31, 2025, an increase of \$4,812 thousand or 1%, compared to the year ended December 31, 2024. The increase in revenue was largely due to the launch of adult-use sales in Minnesota and Ohio which began on September 16, 2025 and August 6, 2024, respectively, as well as continued growth in existing markets, particularly in Florida, Maryland, Nevada and New York, and revenue generated from new Retail stores opened and acquired in the current period, partially offset by price compression and increased competition in select markets.

Revenues, net of discounts, for the Consumer Packaged Goods segment were \$677,350 thousand for the year ended December 31, 2025, an increase of \$28,962 thousand or 4%, compared to the year ended December 31, 2024. The increase in revenue was largely due to the launch of adult-use sales in Maryland, and Ohio, as described above, as well as continued growth in existing markets, particularly in Maryland, Nevada and New York, partially offset by price compression.

Intersegment eliminations associated with the Consumer Packaged Goods segment were \$331,593 thousand for the year ended December 31, 2025, a decrease of \$4,380 thousand or 1% compared to the year ended December 31, 2024. The decrease in intersegment eliminations was driven by a reduction in intercompany sales to Company-owned Retail stores primarily in Illinois, Massachusetts, New Jersey and Pennsylvania. Consumer Packaged Goods revenues, net of intersegment eliminations, made up 29% of total revenues for the year ended December 31, 2025, as compared to 27% for the year ended December 31, 2024.

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

Year Ended December 31, 2024 Compared with the Year Ended December 31, 2023

Revenues, net of discounts, for the Retail segment were \$824,726 thousand for the year ended December 31, 2024, an increase of \$33,246 thousand or 4%, compared to the year ended December 31, 2023. The increase in revenue was largely due to the continued impact of adult-use sales in Maryland that began on July 1, 2023 and in Ohio, which began on August 6, 2024, increased store traffic to Green Thumb's open and operating Retail stores, particularly in New York, and revenue generated from new Retail stores opened in the current period, partially offset by price compression.

Revenues, net of discounts, for the Consumer Packaged Goods segment were \$648,388 thousand for the year ended December 31, 2024, an increase of \$88,908 thousand or 16%, compared to the year ended December 31, 2023. The increase in revenue was largely due to the launch of adult-use sales in Maryland, and Ohio, as described above, as well as continued growth in existing markets, particularly in New York, partially offset by price compression.

Intersegment eliminations associated with the Consumer Packaged Goods segment were \$335,973 thousand for the year ended December 31, 2024, an increase of \$39,566 thousand or 13% compared to the year ended December 31, 2023. The increase in intersegment eliminations was driven by increased intercompany sales to Company-owned Retail stores primarily in Florida, Maryland, Pennsylvania and New York. Consumer Packaged Goods revenues, net of intersegment eliminations, made up 27% of total revenues for the year ended December 31, 2024, as compared to 25% for the year ended December 31, 2023.

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.

Year Ended December 31, 2023 Compared with the Year Ended December 31, 2022

Revenues, net of discounts, for the Retail segment were \$791,480 thousand for the year ended December 31, 2023, an increase of \$28,314 thousand or 4%, compared to the year ended December 31, 2022. The increase in revenue was largely due to legalization of adult-use sales in New Jersey, which began on April 21, 2022, Rhode Island which began on December 1, 2022, Connecticut, which began on January 10, 2023, and Maryland, which began on July 1, 2023, as well as revenue generated from new Retail stores opened in the current period, partially offset by price compression.

Revenues, net of discounts, for the Consumer Packaged Goods segment were \$559,480 thousand for the year ended December 31, 2023, an increase of \$64,379 thousand or 13%, compared to the year ended December 31, 2022. The increase in revenue was largely due to legalization of adult-use sales in New Jersey, Connecticut and Maryland as discussed above, partially offset by price compression.

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 Retail business in which it sells finished goods sourced from third-party cannabis manufacturers in addition to the Company's own Consumer Packaged Goods business in which it manufactures, sells and distributes brands including &Shine, Beboe, Dogwalkers, Doctor Solomon's, Good Green incredibles, and RYTHM, primarily to third-party retail customers, as well as direct-to-consumer delivery where allowed by state law. Our consumer packaged goods are branded under intellectual property licensing arrangements from RYM following our sale of those brands to RYM in May and August 2025.

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

Gross Profit

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

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

Total Expenses

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

Retail selling costs generally correlate to revenue. As new 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 higher in the newer locations as the business continues to grow.

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

Provision for Income Taxes

The Company is subject to income taxes in the jurisdictions in which it operates and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. The U.S. Internal Revenue Service has taken the position that cannabis companies are subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E under which cannabis companies 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. 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.

Non-GAAP Measures

EBITDA, Adjusted EBITDA, and Normalized 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.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Net Income Before Non-Controlling Interest	\$ 116,053	\$ 73,851	\$ 37,419
Interest Income	(11,377)	(9,074)	(6,697)
Interest Expense, net	20,018	24,266	19,073
Provision for Income Taxes	147,302	126,288	118,630
Total Other (Income) Expense	(134,296)	9,094	16,207
Depreciation and Amortization	145,449	113,210	100,790
Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-GAAP measure)	\$ 283,149	\$ 337,635	\$ 285,422
Stock-based Compensation, Non-cash	44,933	33,312	28,189
Acquisition, Transaction and Other Non-operating Costs	13,507	371	12,228
Adjusted EBITDA (Non-GAAP Measure)	\$ 341,589	\$ 371,318	\$ 325,839
License Fee recorded in Cost of Sales	6,801	—	—
Normalized EBITDA (Non-GAAP Measure)	\$ 348,390	\$ 371,318	\$ 325,839

Liquidity, Financing and Capital Resources

As of December 31, 2025 and 2024, the Company had total current liabilities of \$177,315 thousand and \$164,969 thousand, respectively, and cash and cash equivalents of \$274,298 thousand and \$171,687 thousand, respectively, to meet its current obligations. The Company had working capital of \$399,856 thousand as of December 31, 2025, an increase of \$160,925 thousand as compared to December 31, 2024. This increase in working capital was largely attributable to: lower income taxes paid, the maturity of the \$27,000 thousand related party note receivable, partially offset by the Company's investment in acquisition related activities and the repurchase of Subordinate and Super Voting Shares through the Company's share repurchase program.

The Company generates cash from its operations and deploys its capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and near term. Capital reserves are primarily being utilized for capital expenditures, facility improvements, strategic investment opportunities, product research, design, development and marketing, as well as customer, supplier and investor and industry relations. For additional details regarding financing, See Note 9—Notes Payable.

Cash Flows

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

Net cash provided by (used in) operating, investing and financing activities for the years ended December 31, 2025, 2024, and 2023, were as follows:

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Net Cash Flows Provided by Operating Activities	\$ 294,926	\$ 195,183	\$ 224,968
Net Cash Flows Used in Investing Activities	\$ (130,388)	\$ (89,536)	\$ (227,908)
Net Cash Flows Used in Financing Activities	\$ (50,943)	\$ (95,594)	\$ (13,108)

Cash Flows from Operating Activities

The Company's net cash flows provided by operating activities for the year ended December 31, 2025 of \$294,926 thousand increased by \$99,743 thousand from \$195,183 thousand for the year ended December 31, 2024, primarily due to lower income taxes paid.

Cash Flows from Investing Activities

The Company's net cash flows used in investing activities for the year ended December 31, 2025 of \$130,388 thousand increased by \$40,852 thousand from \$89,536 thousand for the year ended December 31, 2024. The increase in cash used in investing activities was primarily attributable to the extension of convertible notes receivable to RYM, acquisitions, net of cash acquired and a reduction in proceeds received from the Company's investments in the current year. Those uses of cash were partially offset by an increase in proceeds received from the sale of the Company's intellectual property to RYM during the current year.

Cash Flows from Financing Activities

The Company's net cash flows used in financing activities for the year ended December 31, 2025 of \$50,943 thousand decreased by \$44,651 thousand from \$95,594 thousand for the year ended December 31, 2024 primarily due to a reduction in proceeds from the issuance of notes payable net of repayments during 2025.

Contractual Cash Obligations and Other Commitments and Contingencies

The following table quantifies the Company's future contractual obligations as of December 31, 2025:

	<u>Total</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031 and Thereafter</u>
	<u>(in thousands)</u>						
Syndicated Credit Facility ^(a)	\$ 142,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ 97,500	\$ —	\$ —
Mortgages Payable ^(b)	104,786	3,496	3,764	15,758	39,532	3,179	39,057
Interest Due on Notes Payable	36,957	11,662	10,348	9,034	5,913	—	—
Interest Due on Mortgage Payable	41,411	7,771	7,503	7,237	4,429	2,989	11,482
Operating Leases - Third-Party ^(c)	492,650	50,158	50,030	48,527	45,210	43,038	255,687
Operating Leases - Related Parties ^(c)	2,352	524	491	282	287	293	475
Construction Commitments	2,900	2,900	—	—	—	—	—
Total as of December 31, 2025	\$ 823,556	\$ 91,511	\$ 87,136	\$ 95,838	\$ 192,871	\$ 49,499	\$ 306,701

(a) - The Syndicated Credit Facility, (the "Credit Facility") excludes \$1,591 thousand of unamortized debt discount as of December 31, 2025. See Note 9—Notes Payable for details.

(b) - This amount excludes \$799 thousand of unamortized debt discount as of December 31, 2025. See Note 9—Notes Payable for details.

(c) - These amounts include a total of \$221,549 thousand of imputed interest as of December 31, 2025. See Note 8—Leases for details.

(a) Claims and Litigation

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

In July 2024, the Company received Findings of Fact and Conclusions of Law regarding an October 30, 2019 complaint filed against the Company alleging the Company breached a commercial property lease with ineffective termination. On June 25, 2025, the Company received the Final Judgment from the court ruling in favor of plaintiff landlord in the amount of \$7,307 thousand, representing unpaid rent. In addition, the court found the Company liable for interest and attorney fees in the amount of \$912 thousand. As a result, the Company accrued the amount of probable loss that can reasonably be estimated within accrued liabilities on the Company's consolidated balance sheets.

In August 2025, the Company appealed the Final Judgment with a Notice of Appeal. Under the Rules of Court, the Company was provided a stay on the enforcement of the Final Judgment upon posting a supersedeas bond in the amount of the Final Judgment plus interest and costs through the appeal period. As of December 31, 2025, the Company held the bond in the amount of \$9,284 thousand within restricted cash and cash equivalents on the Company's consolidated balance sheets.

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

Off-Balance Sheet Arrangements

As of December 31, 2025 and 2024, 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

See discussion under Part II, Item 8, Notes to Consolidated Financial Statements, Note 2 – Significant Accounting Policies.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

Estimated Useful Lives and Amortization of Intangible Assets

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired.

Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows.

Cannabis licenses are the primary intangible asset acquired in business combinations as they provide the Company the ability to operate in each market. However, some cannabis licenses are subject to renewal and therefore there is some risk of non-renewal for several reasons, including operational, regulatory, legal or economic. To appropriately consider the risk of non-renewal, the Company applies probability weighting to the expected future net cash flows in calculating the fair value of these intangible assets. The key assumptions used in these cash flow projections include discount rates and terminal growth rates. Of the key assumptions used, the impact of the estimated fair value of the intangible assets have the greatest sensitivity to the estimated discount rate used in the valuation. Other significant assumptions include revenue, gross profit, operating expenses and anticipated capital expenditures which are based upon the Corporation's historical operations along with management projections.

The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Inventories

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price the Company expects to realize by selling the inventory and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of goods sold.

Investments in Private Holdings

Investments include private company investments which are carried at fair value based on the value of the Company's interests in the private companies determined from financial information provided by management of the companies, which may

include operating results, subsequent rounds of financing and other appropriate information. Any change in fair value is recognized on the consolidated statements of operations.

Goodwill Impairment

The Company applies the guidance in Financial Accounting Standards Board (“FASB”) *Accounting Standards Update*, (“ASU”) 2011-08 *Intangibles-Goodwill and Other-Testing Goodwill for Impairment*, which provides entities with an option to perform a qualitative assessment (commonly referred to as “Step 0”) to determine whether further quantitative analysis for impairment of goodwill is necessary. In performing Step 0 for the Company’s goodwill impairment test, the Company is required to make assumptions and judgments including but not limited to the following: the evaluation of macroeconomic conditions as related to the Company’s business, industry and market trends, and the overall future financial performance of its reporting units and future opportunities in the markets in which they operate. If impairment indicators are present after performing Step 0, the Company would perform a Step 1 quantitative impairment analysis to estimate the fair value of goodwill.

Step 1 of the quantitative test requires comparison of the fair value of each of the reporting units to the respective carrying value. If the carrying value of the reporting unit is less than the fair value, no impairment exists. If the carrying amount of a reporting unit exceeds the estimated fair value, an impairment loss is recognized by such amount. In performing Step 1, the Company is required to make various estimates and assumptions for each reporting unit, including, but not limited to projected future operating results, anticipated future cash flows, discount rates and the allocation of shared or corporate costs.

Determination of Reporting Units

The Company’s assets are aggregated into two reportable segments (Retail and Consumer Packaged Goods). Management evaluated its reporting units under the accounting guidance provided in Accounting Standards Codification (“ASC”) 280 *Segment Reporting*, and determined that the individual components within each respective reportable segment were economically similar and thus, aggregation of those components into two reporting units that align with our reportable segments, was applied.

Consolidation

Judgment is applied in assessing whether the Company exercises control and has significant influence over entities in which the Company directly or indirectly owns an interest. The Company has control when it has the power over the subsidiary, has exposure or rights to variable returns and has the ability to use its power to affect the returns. Significant influence is defined as the power to participate in the financial and operating decisions of the subsidiaries. Where the Company is determined to have control, these entities are consolidated. Additionally, judgment is applied in determining the effective date on which control was obtained.

Allowance for Credit Losses

Management records its accounts receivable net of the allowance for credit losses. Management determines the allowance for credit losses by evaluating the age of receivable balances which may become past-due based on the contractual terms extended to our customers. We consider actual payment patterns and circumstances of our customers such as their economic status and state-specific market conditions. This methodology takes into account historical loss experience and current and forecasted cash flows. Our accounts receivable are considered short-term and thus effective interest has not been applied to the balance.

Stock-Based Payments

Valuation of stock-based compensation and warrants requires management to make estimates regarding the inputs for option pricing models, such as the expected life of the option, the volatility of the Company’s stock price, the vesting period of the option and the risk-free interest rate are used. Actual results could differ from those estimates. The estimates are considered for each new grant of stock options or warrants.

Fair Value of Financial Instruments

The individual fair values attributed to the different components of a financing transaction, derivative financial instruments, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Financial Instruments and Financial Risk Management

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.

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 three levels of hierarchy are:

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.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

Credit Risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company does not have significant credit risk with respect to its customers.

The Company provides credit to its customers in the normal course of business. The Company has established credit evaluation and monitoring processes to mitigate credit risk but has limited risk as the majority of its sales are paid at the time of sale.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company manages liquidity risk through the effective management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity at all times to settle obligations and liabilities when due.

Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign exchange, raw material and other commodity prices.

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash and cash equivalents bear interest at market rates. The Company's notes payable bear interest at fixed and variable-rates allowing the Company to manage interest rate exposure.

Commodities Price Risk. Commodities Price risk is the risk of variability in fair value due to movements in equity or market prices. The primary raw materials used by the Company aside from those cultivated internally are labels and packaging. Management believes a hypothetical 10% change in the price of these materials would not have a significant effect on the Company's consolidated annual results of operations or cash flows, as these costs are generally passed through to its customers. However, such an increase could have an impact on our customers' demand for our products, and we are not able to quantify the impact of such potential change in demand on our combined annual results of operations or cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial information required by Item 8 is located beginning on page F-1 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains “disclosure controls and procedures” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. The Company recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(b) and Rule 15d-15(e) of the Exchange Act) as of December 31, 2025. Accordingly, as of December 31, 2025, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of such date.

Management’s Report on Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management, including the Chief Executive Officer and Chief Financial Officer, conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria established in “Internal Control - Integrated Framework” (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on its assessment, management believes that, as of December 31, 2025, our internal control over financial reporting was effective based on those criteria.

Our disclosure controls and procedures and internal controls over financial reporting are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures and internal controls over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2025, has been audited by our independent registered public accounting firm, as stated in their attestation report which is included in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

During the last fiscal quarter of the period covered by this report, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, such controls.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans.

During the twelve months ended December 31, 2025, none of the Company’s directors or Section 16 officers adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement”, as each term is defined under Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Except for the information about our Code of Conduct below, the information required by this Item regarding directors and executive officers will be included in the 2026 Proxy Statement for the Company's 2026 Annual General Meeting of Shareholders (the "2025 Proxy Statement") to be filed pursuant to Regulation 14A within 120 days after the end of the fiscal year to which this report relates and which section is incorporated herein by reference.

We have adopted a Code of Ethical Business Conduct ("Code of Conduct") that applies to all of our directors and employees, including our chief executive officer, president, chief financial officer and other persons performing similar functions as well as our other executive officers. We have posted a copy of our Code of Conduct on our website at <https://www.gtigrows.com/>. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, the Code of Conduct by posting such information on the "Investors - Leadership & Governance" section of our website at <https://www.gtigrows.com/>. Any of these items or any of our filings with the SEC are available in print to any shareholder who requests them. Requests should be sent to Green Thumb Industries Inc., 325 W. Huron Street, Chicago, IL 60654 Attn: Corporate Secretary.

We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

We have adopted an insider trading policy and procedures governing the purchase, sale, and other dispositions of securities of the Company by directors, officers, and employees that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, including applicable Canadian laws, rules regulations. Our insider trading policy states, among other things, that our directors, officers, and employees are prohibited from trading in such securities while in possession of material, nonpublic information. The foregoing summary of our insider trading policies and procedures does not purport to be complete and is qualified by reference to our Policy on Insider Trading filed as Exhibit 19 to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be set forth under the caption "Executive Compensation" in the 2026 Proxy Statement and which section is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information regarding security ownership of certain beneficial owners and management will be included in the 2026 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management" and which section is incorporated herein by reference.

Equity Compensation Plans

Information regarding equity compensation plans will be included in the 2026 Proxy Statement under the caption "Security Based Compensation Arrangements" and which section is incorporated herein by reference. Notwithstanding anything to the contrary set forth in this report, the *Report of the Compensation Committee* section of the 2026 Proxy Statement shall be deemed to be "furnished" and not "filed" for purposes of the Exchange Act.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions and director independence will be included in the 2026 Proxy Statement under the caption "Certain Relationships, Related Party Transactions and Policy Regarding Related Party Transactions" and which section is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accounting fees and services will be included in the 2026 Proxy Statement under the caption "Principal Audit Fees and Services" and which section is incorporated herein by reference.

ITEM 15 . EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements

The financial statements listed in the accompanying index (page F-1) to the financial statements are filed as part of this Annual Report on Form 10-K.

(b) Exhibits

The exhibits listed on the accompanying index (page E-1) are filed as part of this Annual Report on Form 10-K.

(c) Financial Statements Schedules omitted

Certain schedules have been omitted because the required information is included in the consolidated financial statements and notes thereto or because they are not applicable or not required.

(a). INDEX TO FINANCIAL STATEMENTS

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Consolidated Balance Sheets as of December 31, 2025 and 2024	F-1
Consolidated Statements of Operations for each of the three years in the period ended December 31, 2025	F-2
Consolidated Statements of Changes in Shareholders' Equity for each of the three years in the period ended December 31, 2025	F-3
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2025	F-5
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Report of Independent Public Accounting Firm (Baker Tilly US, LLP PCAOB ID: 23)	F-57

(b). EXHIBITS

A list of exhibits filed with this Annual Report on Form 10-K is included in the Exhibit Index on page E-1.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

EXHIBIT INDEX

3.1#	Amended and Restated Articles of Green Thumb Industries Inc.
4.1#	Coattail Agreement, dated June 12, 2018, by and among the Shareholders, Green Thumb Industries Inc. and Odyssey Trust Company.
4.2	Description of Securities
10.1*^	Credit Agreement, dated September 11, 2024
10.2	Purchase Agreement dated August 27, 2025 by and between VCP23, LLC and Agrify Corporation
10.3#%	Green Thumb Industries Inc. 2018 Stock and Incentive Plan, dated June 11, 2018.
10.4#%	Amendment No. 1 to the Green Thumb Industries Inc. 2018 Stock and Incentive Plan, dated August 30, 2019.
10.5@%	Amendment No. 2 to the Green Thumb Industries Inc. 2018 Stock and Incentive Plan, dated April 7, 2023.
10.6&%	Amendment No. 3 to the Green Thumb Industries Inc. 2018 Stock and Incentive Plan, dated September 9, 2024
10.7	Amendment No. 4 to the Green Thumb Industries 2018 Stock Incentive Plan dated June 12, 2025
10.8#%	Form of Notice of Option Grant (awards granted prior to April 2023).
10.9#%	Form of Option Agreement (awards granted prior to April 2023).
10.10#%	Form of Notice of RSU Grant and Agreement (awards granted prior to April 2023).
10.11+%	Form of Indemnification Agreement.
10.12#%	Form of Annual Bonus Plan
10.13#%	Form of Executive Confidentiality, Non-Compete, Non-Solicitation, Non-Disparagement and Invention Assignment Agreement (Kovler and Georgiadis).
10.14#%	Kravitz Confidentiality, Non-Compete, Non-Solicitation and Invention Assignment Agreement.
10.15#%	Faulkner Executive Confidentiality, Non-Compete, Non-Solicitation and Invention Assignment Agreement.
10.16@%	2023 Form of Option Grant Agreement (awards granted beginning in April 2023)
10.17@%	2023 Form of RSU Agreement (awards granted beginning in April 2023)
19.1	Policy on Insider Trading
21.1	List of Significant Subsidiaries of Green Thumb Industries Inc.
23.1	Consent of Independent Registered Public Accounting Firm (Baker Tilly).
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a) of the Exchange Act.
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a) of the Exchange Act.
32.1	Certification of Chief Executive Officer pursuant to Section 1350 of Chapter 63 of the United States Code.
32.2	Certification of Chief Financial Officer pursuant to Section 1350 of Chapter 63 of the United States Code.
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)

*	Certain confidential information has been excluded from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.
^	Incorporated by reference to our Current Report on Form 8-K dated September 11, 2024, filed on September 13, 2024.
#	Incorporated by reference to our registration statement on Form 10 filed on December 20, 2019.
+	Incorporated by reference to Exhibit 10.13 to our Annual Report on Form 10-K for the year ended December 31, 2021.
≠	Incorporated by reference to Exhibits to our Annual Report for the year ended December 31, 2022.
@	Incorporated by reference to the applicable exhibits to our Quarterly Report for the period ended March, 31, 2023.
%	This Exhibit is a management contract or compensatory arrangement.
&	Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the period ended September 30, 2024.
?	Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the period ended June 30, 2025.
~	Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8K dated August 25, 2025.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant 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: February 25, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

<u>Name and Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/Benjamin Kovler</u> Benjamin Kovler	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 25, 2026
<u>/s/Mathew Faulkner</u> Mathew Faulkner	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 25, 2026
<u>/s/Anthony Georgiadis</u> Anthony Georgiadis	President and Director	February 25, 2026
<u>/s/Dawn Wilson Barnes</u> Dawn Wilson Barnes	Director	February 25, 2026
<u>/s/Jeffrey Goldman</u> Jeffrey Goldman	Director	February 25, 2026
<u>/s/Ethan Nadelmann</u> Ethan Nadelmann	Director	February 25, 2026
<u>/s/Richard Reisin</u> Richard Reisin	Director	February 25, 2026
<u>/s/Hannah (Buchan) Ross</u> Hannah (Buchan) Ross	Director	February 25, 2026

Green Thumb Industries Inc.
Consolidated Balance Sheets
As of December 31, 2025 and December 31, 2024
(Amounts Expressed in Thousands of United States Dollars, Except Share Amounts)

	December 31, 2025	December 31, 2024
	(in thousands)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 274,298	\$ 171,687
Restricted Cash and Cash Equivalents	10,984	—
Accounts Receivable, Net	51,269	52,831
Income Tax Receivable	25,766	688
Convertible Note Receivable from Related Party	27,000	10,000
Inventories, Net	158,288	147,162
Prepaid Expenses	11,168	16,856
Other Current Assets	18,398	4,676
Total Current Assets	577,171	403,900
Property and Equipment, Net	690,893	716,014
Right of Use Assets, Net	239,662	246,281
Investments	32,720	43,578
Investments in Associates	173,157	40,305
Note Receivable	524	4,270
Convertible Note Receivable from Related Party	45,000	—
Intangible Assets, Net	436,681	488,287
Goodwill	592,151	589,691
Deferred Tax Assets	—	2,519
Deposits and Other Assets	2,097	2,167
TOTAL ASSETS	\$ 2,790,056	\$ 2,537,012
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 24,569	\$ 24,767
Accrued Liabilities	88,498	86,162
Compensation Payable	27,402	25,350
Current Portion of Notes Payable	18,495	12,062
Current Portion of Lease Liabilities	18,351	14,296
Income Tax Payable	—	2,332
Total Current Liabilities	177,315	164,969
Long-Term Liabilities:		
Lease Liabilities, Net of Current Portion	255,102	261,446
Notes Payable, Net of Current Portion and Debt Discount	226,401	242,896
Deferred Income Taxes	220,595	78,621
TOTAL LIABILITIES	879,413	747,932
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Subordinate Voting Shares (Shares Authorized, Issued and Outstanding at December 31, 2025: Unlimited, 206,629,845, and 206,629,845, respectively, at December 31, 2024: Unlimited, 211,128,045, and 211,128,045, respectively)		
	—	—
Multiple Voting Shares (Shares Authorized, Issued and Outstanding at December 31, 2025: Unlimited, 37,472 and 37,472, respectively, at December 31, 2024: Unlimited, 37,623 and 37,623, respectively)		
	—	—
Super Voting Shares (Shares Authorized, Issued and Outstanding at December 31, 2025: Unlimited, 201,690 and 201,690, respectively, at December 31, 2024: Unlimited, 206,690 and 206,690, respectively)		
	—	—
Share Capital	1,780,590	1,758,504
Contributed Deficit	(40,576)	(26,854)
Deferred Share Issuances	—	6,362
Accumulated Earnings	165,417	51,265
Equity of Green Thumb Industries Inc.	1,905,431	1,789,277
Noncontrolling interests	5,212	(197)
TOTAL SHAREHOLDERS' EQUITY	1,910,643	1,789,080
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,790,056	\$ 2,537,012

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

Green Thumb Industries Inc.
Consolidated Statements of Operations
Years Ended December 31, 2025, 2024 and 2023
(Amounts Expressed in Thousands of United States Dollars, Except Share and Per Share Amounts)

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Revenues, Net of Discounts	\$ 1,175,295	\$ 1,137,141	\$ 1,054,553
Cost of Goods Sold	(600,402)	(536,032)	(528,058)
Gross Profit	574,893	601,109	526,495
Expenses:			
Selling, General, and Administrative	437,193	376,684	341,863
Total Expenses	437,193	376,684	341,863
Income From Operations	137,700	224,425	184,632
Other Income (Expense):			
Other Income (Expense), Net	8,350	(9,094)	(16,207)
Fair Value Adjustments on Related Party Warrants	125,946	—	—
Interest Income	11,377	9,074	6,697
Interest Expense, Net	(20,018)	(24,266)	(19,073)
Total Other Income (Expense)	125,655	(24,286)	(28,583)
Income Before Provision for Income Taxes And Non-Controlling Interest	263,355	200,139	156,049
Provision For Income Taxes	147,302	126,288	118,630
Net Income Before Non-Controlling Interest	116,053	73,851	37,419
Net Income Attributable to Non-Controlling Interest	1,901	768	1,152
Net Income Attributable To Green Thumb Industries Inc.	\$ 114,152	\$ 73,083	\$ 36,267
Net Income Per Share - Basic	\$ 0.49	\$ 0.31	\$ 0.15
Net Income Per Share - Diluted	\$ 0.48	\$ 0.30	\$ 0.15
Weighted Average Number of Shares Outstanding - Basic	233,865,410	236,827,774	237,927,867
Weighted average Number of Shares Outstanding - Diluted	236,874,553	241,925,957	239,827,390

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

Green Thumb Industries Inc.
Consolidated Statements of Changes in Shareholders' Equity
Years Ended December 31, 2025, 2024 and 2023
(Amounts Expressed in Thousands of United States Dollars)

	Share Capital	Contributed Surplus (Deficit)	Deferred Share Issuance	Accumulate d Earnings (Deficit)	Non- Controlling Interest	Total
	(in thousands)					
Balance, January 1, 2023	\$ 1,663,557	\$ 23,233	\$ 36,211	\$ (58,085)	\$ 516	\$ 1,665,432
Distribution of deferred shares	20,454	—	(20,454)	—	—	—
Distribution of contingent consideration	12,524	—	—	—	—	12,524
Indemnification of deferred shares associated with post acquisition costs	—	—	(2,784)	—	—	(2,784)
Exercise of options and RSUs	7,317	(3,695)	—	—	—	3,622
Stock-based compensation	—	28,189	—	—	—	28,189
Distributions to non-controlling interest holders	—	—	—	—	(1,290)	(1,290)
Repurchase of Subordinate Voting Shares	—	(39,856)	—	—	—	(39,856)
Net income	—	—	—	36,267	1,152	37,419
Balance, December 31, 2023	<u>\$ 1,703,852</u>	<u>\$ 7,871</u>	<u>\$ 12,973</u>	<u>\$ (21,818)</u>	<u>\$ 378</u>	<u>\$ 1,703,256</u>
Balance, January 1, 2024	\$ 1,703,852	\$ 7,871	\$ 12,973	\$ (21,818)	\$ 378	\$ 1,703,256
Dissolution of non-controlling interest entity	—	96	—	—	(96)	—
Distribution of contingent consideration	17,259	—	—	—	—	17,259
Distribution of deferred shares	6,611	—	(6,611)	—	—	—
Exercise of options and RSUs	19,565	(8,263)	—	—	—	11,302
Options exercised through net share settlement	10,859	(16,792)	—	—	—	(5,933)
Exercise of warrants	358	—	—	—	—	358
Stock-based compensation	—	33,312	—	—	—	33,312
Distributions to non-controlling interest holders	—	—	—	—	(1,247)	(1,247)
Repurchase of Subordinate Voting Shares	—	(43,078)	—	—	—	(43,078)
Net income	—	—	—	73,083	768	73,851
Balance, December 31, 2024	<u>\$ 1,758,504</u>	<u>\$ (26,854)</u>	<u>\$ 6,362</u>	<u>\$ 51,265</u>	<u>\$ (197)</u>	<u>\$ 1,789,080</u>

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

Green Thumb Industries Inc.
Consolidated Statements of Changes in Shareholders' Equity
Years Ended December 31, 2025, 2024 and 2023
(Amounts Expressed in Thousands of United States Dollars)

	Share Capital	Contributed Surplus (Deficit)	Deferred Share Issuance	Accumulate d Earnings (Deficit)	Non- Controlling Interest	Total
	(in thousands)					
Balance, January 1, 2025	\$ 1,758,504	\$ (26,854)	\$ 6,362	\$ 51,265	\$ (197)	\$ 1,789,080
Contributions from limited liability company unit holders	—	—	—	—	5,832	5,832
Issuance of shares associated with investment interests	630	—	—	—	—	630
Distribution of deferred shares	6,362	—	(6,362)	—	—	—
Exercise of options and RSUs	4,561	(2,697)	—	—	—	1,864
Options exercised through net share settlement	10,344	(17,085)	—	—	—	(6,741)
Stock-based compensation	—	44,933	—	—	—	44,933
Issuance of shares to non-employee contractors	189	—	—	—	—	189
Distributions to non-controlling interest holders	—	—	—	—	(2,324)	(2,324)
Repurchase of Subordinate and Super Voting Shares	—	(38,873)	—	—	—	(38,873)
Net income	—	—	—	114,152	1,901	116,053
Balance, December 31, 2025	<u>\$ 1,780,590</u>	<u>\$ (40,576)</u>	<u>\$ —</u>	<u>\$ 165,417</u>	<u>\$ 5,212</u>	<u>\$ 1,910,643</u>

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

Green Thumb Industries Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2025, 2024 and 2023
(Amounts Expressed in Thousands of United States Dollars)

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
CASH FLOW FROM OPERATING ACTIVITIES			
Net income attributable to Green Thumb Industries Inc.	\$ 114,152	\$ 73,083	\$ 36,267
Net income attributable to non-controlling interest	1,901	768	1,152
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	145,449	113,210	100,790
Amortization of operating lease right of use assets	51,566	54,385	48,231
Loss on disposal of property and equipment	5,787	1,544	3,542
Impairment of long-lived property and equipment	—	450	5,467
Loss on equity method investments	10,812	8,686	1,166
Net gain on divestitures of intellectual property	(29,876)	—	—
Reserve for obsolete inventory expense	2,392	831	1,499
Deferred income taxes	144,493	4,634	8,918
Stock-based compensation	44,933	33,312	28,189
Decrease in fair value of investments	10,998	2,988	17,460
Interest on notes receivable	(2,161)	—	—
Gain on settlement of contingent consideration	—	(15,991)	—
Decrease in fair value of warrants	(68)	(2,691)	(1,403)
Fair value adjustments on related party warrants	(125,946)	—	—
Interest on related party convertible note receivable	(4,213)	—	—
Amortization of debt discount	639	3,074	9,718
Other non-cash items	—	369	(184)
Changes in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable, net	1,093	(9,856)	(12,000)
Inventories	(12,891)	(35,023)	1,116
Prepaid expenses and other current assets	(1,932)	2,002	(5,603)
Deposits and other assets	280	390	503
Accounts payable	44	272	6,072
Accrued liabilities	12,119	16,492	2,969
Operating lease liabilities	(47,236)	(48,685)	(42,721)
Income tax receivable and payable, net	(27,409)	(9,061)	13,820
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	294,926	195,183	224,968
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(81,068)	(80,188)	(220,035)
Proceeds from disposal of property and equipment	596	450	429
Investments in securities and associates	(75,659)	(39,631)	(8,800)
Proceeds from equity investments and notes receivable	167	29,833	498
Acquisitions, net of cash acquired	(29,499)	—	—
Proceeds from divestiture of intellectual property	55,075	—	—
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(130,388)	(89,536)	(227,908)
CASH FLOW FROM FINANCING ACTIVITIES			
Contributions from limited liability company unit holders	5,832	—	—
Distributions to non-controlling interest holders	(2,324)	(1,247)	(1,290)
Repurchase of Subordinate and Super Voting Shares	(38,873)	(43,078)	(39,856)
Payments for taxes related to net share settlement of equity awards	(6,741)	(5,933)	—
Proceeds from exercise of options	1,864	11,302	3,622
Proceeds from issuance of notes payable	—	170,923	49,901
Principal repayment of notes payable	(10,701)	(227,561)	(25,485)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(50,943)	(95,594)	(13,108)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS:			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS	113,595	10,053	(16,048)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	171,687	161,634	177,682
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS END OF PERIOD	\$ 285,282	\$ 171,687	\$ 161,634

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

Green Thumb Industries Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2025, 2024 and 2023
(Amounts Expressed in Thousands of United States Dollars)

	Year Ended December 31,		
	2025	2024	2023
	(in thousands)		
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest paid	\$ 21,722	\$ 21,468	\$ 20,912
Taxes paid	\$ 30,246	\$ 130,583	\$ 99,535
NONCASH INVESTING AND FINANCING ACTIVITIES			
Forgiveness of note receivable in exchange for real property	\$ —	\$ (1,749)	\$ —
Accrued capital expenditures	\$ (7,077)	\$ 12,232	\$ (30,966)
Noncash change in right of use asset	\$ (5,490)	\$ (12,102)	\$ (7,174)
Noncash change in lease liability	\$ 5,490	\$ 12,102	\$ 7,174
Issuance of shares associated with investment interests	\$ 630	\$ —	\$ —
Issuance of shares to non-employee contractors	\$ 189	\$ —	\$ —
Warrant issuance associated with note payable	\$ —	\$ 358	\$ —
Issuance of shares associated with contingent consideration	\$ —	\$ 17,259	\$ 12,524
Distribution of deferred shares	\$ (6,362)	\$ (6,611)	\$ (20,454)
ACQUISITIONS AND DISPOSITIONS			
Inventories	\$ 627	\$ —	\$ (90)
Accounts receivable	(469)	—	—
Prepaid expenses	370	—	(16)
Property and equipment	2,811	—	(447)
Right of use assets	2,027	—	(128)
Identifiable Intangible assets	(1,696)	—	—
Goodwill	2,460	—	—
Deposits and other assets	209	—	—
Liabilities assumed	241	—	3
Lease liabilities	(2,027)	—	128
Gain on divestiture of Project Remix assets	(29,876)	—	—
Cash consideration payable	(253)	—	—
Cash consideration receivable	—	—	550
	\$ (25,576)	\$ —	\$ —
RECONCILIATION OF CASH, AND CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	\$ 274,298	\$ 171,687	\$ 161,634
Restricted cash	10,984	—	—
TOTAL CASH, AND CASH EQUIVALENTS AND RESTRICTED CASH	\$ 285,282	\$ 171,687	\$ 161,634

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

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements

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

1. NATURE OF OPERATIONS

Green Thumb Industries Inc. (“Green Thumb” or the “Company”), 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 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 stores. The Company also owns and operates retail cannabis stores that include a national chain named RISE Dispensaries, which sell our products and third-party products. As of December 31, 2025, Green Thumb has revenue in fourteen markets (California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Virginia), employs approximately 5,000 people and serves millions of patients and customers annually.

Unless the context otherwise requires, the terms “we”, “us” and “our” refer to the Company together with its consolidated subsidiaries.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation and Statement of Compliance

The consolidated financial statements as of December 31, 2025, 2024 and 2023 (the “Consolidated Financial Statements”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

During the preparation of the December 31, 2025 consolidated financial statements, the Company became aware of an error in relation to the application of useful lives of its leasehold improvements. The Company in certain instances used useful lives for its leasehold improvements that were greater than the remaining term of the associated lease. The error was corrected with a cumulative catch-up adjustment to increase cost of sales and selling, general and administrative expenses in the amount of \$15,906 thousand and \$9,799 thousand, respectively and a corresponding reduction to property and equipment, net of \$25,705 thousand along with a reduction in income tax expense and deferred tax liability of \$5,163 thousand in the December 31, 2025 consolidated financial statements. This correction in the current period resulted in an overstatement of cost of sales and selling, general and administrative expenses of \$10,974 thousand and \$4,994 thousand, respectively along with an understatement of income tax expense of \$3,435 thousand for the portion of the correction that pertains to prior periods. The error was not considered material to the current period or any prior period, including the Company's quarterly unaudited interim condensed consolidated financial statements.

Certain previously reported amounts have been reclassified between line items to conform to the current period presentation.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein.

(c) Functional and Presentation Currency

The Company’s functional currency, as determined by management, is the United States (“U.S.”) dollar. These consolidated financial statements are presented in U.S. dollars.

(d) Basis of Consolidation

The consolidated financial statements for the years ended December 31, 2025, 2024 and 2023 include the accounts of the Company, its wholly-owned subsidiaries, its partially-owned subsidiaries, and those controlled by the Company by virtue of agreements, on a consolidated basis after elimination of intercompany transactions and balances.

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Basis of Consolidation (Continued)

Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee, and when the Company has the ability to affect those returns through its power over the investee. The financial statements of entities controlled by the Company by virtue of agreements are fully consolidated from the date that control commences and deconsolidated from the date control ceases.

The following are the Company's significant wholly owned subsidiaries that are included in these consolidated financial statements as of and for the years ended December 31, 2025, 2024 and 2023:

Subsidiaries	Jurisdiction	Interest
GTI23, Inc.	Delaware	100%
VCP23, LLC	Delaware	100%
GTI Core, LLC	Delaware	100%

The following are VCP23, LLC's and GTI Core, LLC's wholly owned subsidiaries and significant entities over which the Company has control, that are included in these consolidated financial statements for the years ended December 31, 2025, 2024 and 2023:

Subsidiaries	Ownership	Jurisdiction	Purpose
GTI-Clinic Illinois Holdings, LLC	100%	Illinois	License holder
ILDISP, LLC	100%	Illinois	License holder
RISE Holdings, Inc.	100%	Massachusetts	License holder
Liberty Compassion Inc.	100%	Massachusetts	License holder
GTI Maryland, LLC	100%	Maryland	License holder
Ohio Investors 2017, LLC	100%	Ohio	Holding Company
GTI Ohio, LLC	100%	Ohio	License holder
GTI Nevada, LLC	100%	Nevada	License holder
GTI Pennsylvania, LLC	100%	Pennsylvania	License holder
GTI Florida, LLC	100%	Florida	Holding company
KSGNF, LLC	100%	Florida	License holder
GTI New Jersey, LLC	100%	New Jersey	License holder
KW Ventures Holdings, LLC	100%	Pennsylvania	License holder
Chesapeake Alternatives, LLC	100%	Maryland	License holder
Meshow, LLC	100%	Maryland	License holder
Maryland Health and Wellness Center, Inc.	100%	Maryland	License holder
Advanced Grow Labs, LLC	100%	Connecticut	License holder
Bluepoint Wellness of Westport, LLC	46%	Connecticut	License holder
Bluepoint Apothecary, LLC	100%	Connecticut	License holder
Southern CT Wellness and Healing	100%	Connecticut	License Holder
Integral Associates, LLC	100%	Nevada	License holder
Integral Associates CA, LLC	100%	California	License holder
Fiorello Pharmaceuticals, Inc.	100%	New York	License holder
Dharma Pharmaceuticals, LLC	100%	Virginia	License holder
Summit Medical Compassion Center, Inc.	0%	Rhode Island	License holder
LeafLine Industries, LLC	100%	Minnesota	License holder
For Success Holding Company	100%	California	Intellectual property
Vision Management Services, LLC	100%	Delaware	Management company
RSLGH, LLC	100%	Delaware	Management company
TWD18, LLC	100%	Delaware	Investment company
VCP Real Estate Holdings, LLC	100%	Delaware	Real Estate holding company

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investment in Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

The Company assesses annually whether there is any objective evidence that its interest in associates is impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal or value in use) and charged to the consolidated statements of operations. If the financial statements of an associate are prepared on a date different from that used by the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the date of these consolidated financial statements.

(f) Non-controlling Interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction by transaction basis. Green Thumb elected to measure each NCI at its proportionate share of the recognized amounts of the acquiree's identifiable net assets. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance.

(g) Cash and Cash Equivalents and Restricted Cash and Restricted Cash Equivalents

Cash and cash equivalents include cash deposits in financial institutions, other deposits that are readily convertible into cash, with original maturities of three months or less, and cash held at retail locations.

Restricted cash and restricted cash equivalents represent deposits which meet the definition of cash and cash equivalents but are legally or contractually restricted regarding withdrawal or usage. Such restrictions primarily relate to amounts pledged as collateral in connection with ongoing litigation as well as cash held in escrow in connection with acquisitions or for other specified purposes. The classification of restricted cash as current or noncurrent is based upon the expected duration of the restriction.

(h) Accounts and Notes Receivable

Accounts receivable are recorded net of an allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based on existing contractual payment terms, actual payment patterns of its customers and individual customer circumstances. For the years ended December 31, 2025 and 2024 the Company recorded approximately \$4,649 thousand and \$4,484 thousand, respectively, in allowance for doubtful accounts. During the years ended December 31, 2025, 2024 and 2023, the Company recorded bad debt expense of \$450 thousand, \$3,088 thousand and \$729 thousand, respectively.

Notes receivable are initially recorded at their fair value, which generally reflects the face value of the instrument. Notes receivable are subsequently carried at amortized cost minus impairment. Allowance for the uncollectibility of notes receivable is evaluated individually based on specific credit risk characteristics, including the borrower's financial condition, collateral and payment history.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

Inventories of purchased finished goods and packing materials are initially valued at cost and subsequently at the lower of cost and net realizable value.

Costs incurred during the growing and production process are capitalized as incurred to the extent that cost is less than net realizable value. These costs include materials, labor and manufacturing overhead used in the growing and production processes.

Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. Products for resale and supplies and consumables are valued at lower of cost and net realizable value. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value.

(j) Property and Equipment

Property and equipment are stated at cost, including capitalized borrowing costs, net of accumulated depreciation and impairment losses, if any. Expenditures that materially increase the life of the assets are capitalized. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

Land	Not Depreciated
Land Improvements	10 – 30 Years
Buildings and Improvements	39 Years
Furniture and Fixtures	5 – 7 Years
Computer Equipment and Software	5 Years
Leasehold Improvements	Lesser of Useful Life or Remaining Lease Term
Production and Processing Equipment	5 – 7 Years
Assets Under Construction	Not Depreciated

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in operations in the year the asset is derecognized.

The Company evaluates the recoverability of other long-lived assets, including property, plant and equipment, and certain identifiable intangible assets, whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable. The Company performs impairment tests of indefinite-lived intangible assets on an annual basis or more frequently in certain circumstances. Factors which could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets or significant negative industry or economic trends. When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the indicators, the asset group is assessed for impairment based on the estimated future undiscounted cash flows expected to result from the use of the asset group and its eventual disposition. If the carrying value of an asset group exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset group's carrying value over its fair value. During the year ended December 31, 2025 the Company recorded no impairment charges. During the years ended 2024 and 2023, the Company recorded impairment charges of \$450 thousand and \$5,467 thousand, respectively, within selling, general, and administrative expenses on the consolidated statements of operations.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Investments

Notes receivable instruments and investments in equity of private companies represent financial assets without readily determinable fair values. The Company measures such investments at cost minus impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. Subsequent changes in fair value are recognized in profit or loss. The Company performs an assessment on a quarterly basis to determine whether triggering events for impairment exist.

(l) 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 periods of assets with finite lives are based on management's estimates at the date of acquisition and were as follows for each class of intangible asset as of December 31, 2025:

Licenses and Permits	15 years
Tradenames	5-15 years
Customer Relationships	7 years
Non-competition Agreement	5 years

Intangible assets with finite lives are amortized 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.

(m) Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is either assigned to a specific reporting unit or allocated between reporting units based on the relative fair value of each reporting unit.

Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company reviews indefinite-lived intangible assets, which includes goodwill, annually, as of October 1, for impairment or more frequently if events or circumstances indicate that the carrying value may not be recoverable. An impaired asset is written down to its estimated fair value based on the most recent information available.

For the annual goodwill impairment review, the Company has the option to perform a qualitative test ("Step 0") or a quantitative test ("Step 1"). Under the Step 0 test, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If after assessing these qualitative factors, the Company determines it is not "more-likely-than-not" that the fair value of the reporting unit is less than the carrying value, then the Step 1 quantitative test is not required.

Step 1 of the quantitative test requires comparison of the fair value of each of the reporting units to the respective carrying value. If the carrying value of the reporting unit is less than the fair value, no impairment exists. If the carrying amount of a reporting unit exceeds the estimated fair value, an impairment loss is recognized by such amount.

As of December 31, 2025, the Company performed a Step 1 test. The analysis included estimating the fair value of each reporting unit using an income and market approach. The income approach required management to estimate a number of factors for each reporting unit, including projected future operating results, anticipated future cash flows, discount rates, the allocation of shared or corporate costs and income taxes. The market approach estimated fair value using comparable marketplace fair value data from within a comparable industry grouping.

As a result of the Company's Step 1 test, the estimated fair values of the reporting units exceeded their carrying values. Consequently, no impairment charges were recorded for the year ended December 31, 2025.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Goodwill (Continued)

During the year ended December 31, 2024, the Company performed a Step 0 test. As a result, no further quantitative impairment test was deemed necessary and no impairment charges were recorded as of the period then ended.

(n) Income Taxes

Deferred taxes are provided using an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred tax assets and liabilities are measured using the enacted taxes rates. The effect on deferred tax assets and liabilities of a change in tax law or tax rates is recognized in income in the period that enactment occurs. The U.S. Internal Revenue Service ("IRS") has taken the position that cannabis companies are subject to the limitations of the U.S. Internal Revenue Code of 1986, as amended ("IRC") Section 280E under which cannabis companies are only allowed to deduct expenses directly related to sales of product.

(o) Revenue Recognition

Revenue is recognized by the Company in accordance with *ASC 606, Revenue from Contracts with Customers*. Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In order to recognize revenue under *ASC 606*, the Company applies the following five (5) steps:

- Identify a customer along with a corresponding contract;
- Identify the performance obligation(s) in the contract to transfer goods or provide distinct services to a customer;
- Determine the transaction price the Company expects to be entitled to in exchange for transferring promised goods or services to a customer;
- Allocate the transaction price to the performance obligation(s) in the contract; and
- Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenues consist of Consumer Packaged Goods and Retail sales of cannabis, which are generally recognized at a point in time when control over the goods have been transferred to the customer and is recorded net of sales discounts. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy. During the years ended December 31, 2025, 2024 and 2023, sales discounts totaled \$323,790 thousand, \$267,298 thousand and \$232,031 thousand, respectively.

Revenue is recognized upon the satisfaction of the performance obligation. The Company satisfies its performance obligation and transfers control upon delivery and acceptance by the customer.

At some locations, the Company offers a loyalty reward program to its retail customers. A portion of the revenue generated in a sale must be allocated to the loyalty points earned. The amount allocated to the points earned is deferred until the loyalty points are redeemed or expire. As of December 31, 2025 and 2024, the loyalty liability totaled \$3,963 thousand and \$5,149 thousand, respectively, and is included in accrued liabilities on the consolidated balance sheets.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Stock-Based Payments

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 shall measure 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 payments plans are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity.

The Company recognizes compensation expense for Restricted Stock Units (“RSUs”) and options on a straight-line basis over the requisite service period of the award. Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of options expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in a prior period if share options ultimately exercised are different to that estimated on vesting.

(q) Fair Value of Financial Instruments

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.

For further details, see Note 14—Fair Value Measurements.

(r) 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 onerous contracts and, where applicable, records contingent liabilities for such contracts.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Share Capital

Common Shares are classified as equity (the Company's Super Voting Shares, Multiple Voting Shares and Subordinate Voting Shares are all considered Common Shares). Incremental costs directly attributable to the issuance of 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 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*.

(t) 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 basic 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: RSUs, options and warrants. As of December 31, 2025, the Company had 7,692,764 options, 9,518,293 RSUs and 1,702,347 warrants outstanding. As of December 31, 2024, the Company had 8,238,472 options, 7,678,310 RSUs and 1,811,075 warrants outstanding. As of December 31, 2023, the Company had 10,071,467 options, 3,620,638 RSUs and 3,734,555 warrants outstanding.

In order to determine diluted earnings per share, it is assumed that any proceeds from the exercise of dilutive unvested RSUs, 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 options and convertible debt that would increase earnings per share or decrease loss per share. For the year ended December 31, 2025, the computation of diluted earnings per share included 3,009,143 RSUs. There were no dilutive options or warrants included in the December 31, 2025 computation of diluted earnings per share, as the relevant strike prices were greater than the average stock price for the period. For the year ended December 31, 2024, the computation of diluted earnings per share included 895,518 options, 4,189,705 RSUs and 12,960 warrants. For the year ended December 31, 2023, the computation of diluted earnings per share included 220,325 options and 1,679,198 RSUs. There were no dilutive warrants included in the December 31, 2023 computation of diluted earnings per share.

For the years ended December 31, 2025, 2024, and 2023 the weighted average number of anti-dilutive options excluded from the computation of diluted earnings per share were 1,145,439; 970,606; and 2,477,120, respectively.

(u) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition related transaction costs are expensed as incurred. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest also is remeasured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the consolidated statements of operations immediately as a gain or loss on acquisition.

Contingent consideration is measured upon acquisition and is estimated using probability weighting of potential payouts. Contingent consideration classified as a liability requires remeasurement at each period-end, with adjustments to the fair value of the liability recorded within selling, general, and administrative expenses. Equity classified contingent consideration is measured as of the date of acquisition and assessed at each period-end to determine whether equity classification remains appropriate.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(v) Impairment of Other Long-Lived Assets

The Company evaluates the recoverability of other long-lived assets, including property, plant and equipment, and certain identifiable intangible assets, whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. The Company performs impairment tests of indefinite-lived intangible assets on an annual basis or more frequently in certain circumstances. Factors which could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the overall business, a significant decrease in the market value of the assets or significant negative industry or economic trends.

When the Company determines that the carrying value of long-lived assets may not be recoverable based upon the existence of one or more of the indicators, the asset group is assessed for impairment based on the estimated future undiscounted cash flows expected to result from the use of the asset group and its eventual disposition. If the carrying value of an asset group exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset group's carrying value over its fair value.

During the year ended December 31, 2025 the Company recorded no impairment charges associated with long-lived fixed assets. During the years ended December 31, 2024 and 2023 the Company recorded impairment charges of \$450 thousand and \$1,419 thousand, respectively, within selling, general, and administrative expenses on the consolidated statements of operations.

(w) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

(i) Estimated Useful Lives and Amortization of Intangible Assets (Also see Note 5—Intangible Asset and Goodwill)

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any.

(ii) Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows.

Cannabis licenses are the primary intangible asset acquired in business combinations as they provide the Company the ability to operate in each market. However, some cannabis licenses are subject to renewal and therefore there is some risk of non-renewal for several reasons, including operational, regulatory, legal or economic. To appropriately consider the risk of non-renewal, the

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

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(w) Significant Accounting Judgments, Estimates and Assumptions *(Continued)*

Company applies probability weighting to the expected future net cash flows in calculating the fair value of these intangible assets. The key assumptions used in these cash flow projections include discount rates and terminal growth rates.

Of the key assumptions used, the impact of the estimated fair value of the intangible assets have the greatest sensitivity to the estimated discount rate used in the valuation. Other significant assumptions include revenue, gross profit, operating expenses and anticipated capital expenditures which are based upon the Corporation's historical operations along with management projections.

The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

(iii) Inventories

The net realizable value of inventories represents the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price the Company expects to realize by selling the inventory, and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The estimates are judgmental in nature and are made at a point in time, using available information, expected business plans, and expected market conditions. As a result, the actual amount received on sale could differ from the estimated value of inventory. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of goods sold.

(iv) Investments in Private Holdings

Investments include private company investments which are carried at fair value based on the value of the Company's interests in the private companies determined from financial information provided by management of the companies, which may include operating results, subsequent rounds of financing and other appropriate information. Any change in fair value is recognized on the consolidated statements of operations.

(v) Goodwill Impairment

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired.

For the annual goodwill impairment review, the Company has the option to perform a qualitative test ("Step 0") or a quantitative test ("Step 1"). Under the Step 0 test, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. If after assessing these qualitative factors, the Company determines it is not "more-likely-than-not" that the fair value of the reporting unit is less than the carrying value, then the Step 1 quantitative test is not required.

Step 1 of the quantitative test requires comparison of the fair value of each of the reporting units to the respective carrying value. If the carrying value of the reporting unit is less than the fair value, no impairment exists. If the carrying amount of a reporting unit exceeds the estimated fair value, an impairment loss is recognized by such amount.

In performing either test, the Company is required to make assumptions and judgments including but not limited to the following: the evaluation of macroeconomic conditions as related to the Company's business, industry and market trends, and the overall future financial performance of its reporting units and future opportunities in the markets in which they operate.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(w) Significant Accounting Judgments, Estimates and Assumptions *(Continued)*

(v) Goodwill Impairment (Continued)

During the year ended December 31, 2025, the Company performed a Step 1 goodwill impairment test and determined the estimated fair values of the reporting units exceeded their carrying values as of such date. Consequently, no impairment charge was recorded for the year ended December 31, 2025.

During the year ended December 31, 2024, the Company performed a Step 0 test. As a result, no further quantitative impairment test was deemed necessary and no impairment charges were recorded as of the period then ended.

(vi) Determination of Reporting Units

The Company evaluated its reporting units in accordance with ASC 280, *Segment Reporting* and determined that the individual components within each respective reportable segment were economically similar and thus, aggregation of those components into two reporting units (Retail and Consumer Packaged Goods) that align with our reportable segments, was applied.

(vii) Consolidation

Judgment is applied in assessing whether the Company exercises control and has significant influence over entities in which the Company directly or indirectly owns an interest. The Company has control when it has the power over the subsidiary, has exposure or rights to variable returns, and has the ability to use its power to affect the returns. Significant influence is defined as the power to participate in the financial and operating decisions of the subsidiaries. Where the Company is determined to have control, these entities are consolidated. Additionally, judgment is applied in determining the effective date on which control was obtained.

(viii) Allowance for Uncollectible Accounts

Management records its accounts receivable net of the allowance for credit losses. Management determines the allowance for credit losses by evaluating the age of receivable balances which may become past-due based on the contractual terms extended to our customers. We consider actual payment patterns and circumstances of our customers such as their economic status and state-specific market conditions. This methodology takes into account historical loss experience and current and forecasted cash flows. Our accounts receivable are considered short-term and thus effective interest has not been applied to the balance.

(ix) Stock-Based Payments

Valuation of stock-based compensation and warrants requires management to make estimates regarding the inputs for option pricing models, such as the expected life of the option, the volatility of the Company's stock price, the vesting period of the option and the risk-free interest rate are used. Actual results could differ from those estimates. The estimates are considered for each new grant of stock options or warrants.

(x) Fair Value of Financial Instruments

The individual fair values attributed to the different components of a financing transaction or derivative financial instruments, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements
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2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(x) New and Revised Standards

- (i) In November 2024, the Financial Accounting Standards Board (“FASB”) issued *ASU No. 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires an entity to disclose the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. It also requires an entity to include certain amounts that are already required to be disclosed under current GAAP in the same disclosure. Additionally, it requires an entity to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and to disclose the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses. The amendments in the ASU are effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. An entity may apply the amendments prospectively for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The adoption of this standard is not expected to have a material impact on the Company’s consolidated financial statements.

- (ii) In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to provide enhancements to annual income tax disclosures. The standard will require more detailed information in the rate reconciliation table and for income taxes paid, among other enhancements. The standard is effective for years beginning after December 15, 2024 and early adoption is permitted. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

Green Thumb Industries Inc.
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3. INVENTORIES

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

	December 31, 2025	December 31, 2024
	(in thousands)	
Raw Material	\$ 1,300	\$ 2,501
Packaging and Miscellaneous	12,223	13,616
Work in Process	80,665	57,893
Finished Goods	70,007	76,626
Reserve for Obsolete Inventory	(5,907)	(3,474)
Total Inventories, Net	\$ 158,288	\$ 147,162

4. PROPERTY AND EQUIPMENT

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

	December 31, 2025	December 31, 2024
	(in thousands)	
Buildings and Improvements	\$ 361,898	\$ 356,612
Equipment, Computers and Furniture	230,532	196,139
Leasehold Improvements	277,518	241,544
Land	35,207	34,690
Land Improvements	6,312	1,566
Assets Under Construction	22,854	40,325
Capitalized Interest	34,763	32,499
Total Property and Equipment	969,084	903,375
Less: Accumulated Depreciation	(278,191)	(187,361)
Property and Equipment, net	\$ 690,893	\$ 716,014

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

Depreciation expense for the years ended December 31, 2025, 2024 and 2023 totaled \$95,540 thousand, \$62,819 thousand and \$49,949 thousand, respectively, of which \$60,144 thousand, \$40,563 thousand and \$32,936 thousand, respectively, is included in cost of goods sold.

Green Thumb Industries Inc.
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5. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible Assets

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

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

	December 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization (in thousands)	Net Book Value	Gross Carrying Amount	Accumulated Amortization (in thousands)	Net Book Value
Licenses and Permits	\$ 682,639	\$ 246,669	\$ 435,970	\$ 660,716	\$ 201,862	\$ 458,854
Trademarks	1,430	1,027	403	41,511	16,098	25,413
Customer Relationships	15,140	14,832	308	24,438	20,418	4,020
Total Intangible Assets	\$ 699,209	\$ 262,528	\$ 436,681	\$ 726,665	\$ 238,378	\$ 488,287

The Company recorded amortization expense for the years ended December 31, 2025, 2024 and 2023 of \$49,909 thousand, \$50,391 thousand and \$50,841 thousand, respectively.

On June 11, 2025, the Company acquired a permit intangible, allowing the Company to operate three retail dispensaries. The consideration paid was \$10,500 thousand in cash. As substantially all of the assets acquired were concentrated in the permit intangible, the Company accounted for the transaction as an asset acquisition. The weighted average amortization period for the permit intangible was 15 years. Acquisition-related costs associated with the transaction were not material.

During 2025, Green Thumb sold its intellectual property rights to RYM, a related party, in brands including RYTHM, incredibles, Beboe, Dogwalkers, Doctor Solomon's, & Shine and Good Green. As a result of those transactions, the Company divested \$24,119 thousand in trademarks, net associated with those brands. See Note 15 - Related Party Transactions with Affiliated Entities for additional details.

Intangible assets are carried net of accumulated impairment losses of \$31,131 thousand as of December 31, 2025 and 2024. No impairment charges were recognized by the Company during the years ended December 31, 2025, 2024 and 2023.

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

Year Ending December 31,	Estimated Amortization (in thousands)
2026	\$ 46,034
2027	45,726
2028	45,629
2029	45,559
2030	45,518
2031 and Thereafter	208,215
	\$ 436,681

As of December 31, 2025, the weighted average amortization period remaining for intangible assets was 9.83 years.

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements
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5. INTANGIBLE ASSETS AND GOODWILL *(Continued)*

(b) Goodwill

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>(in thousands)</u>	
Retail	\$ 277,342	\$ 273,802
Consumer Packaged Goods	314,809	315,889
Total	\$ 592,151	\$ 589,691

Goodwill is recognized net of accumulated impairment losses of \$57,372 thousand as of December 31, 2025 and 2024. No goodwill impairment charges were recognized by the Company during the years ended December 31, 2025, 2024 and 2023.

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements

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6. INVESTMENTS

As of December 31, 2025 and 2024, the Company held various equity interests in cannabis-related companies as well as investments in note(s) receivable instruments that had a combined fair value of \$32,720 thousand and \$43,578 thousand, respectively. The Company measures its investments that do not have readily determinable fair value at cost minus impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The Company performs an assessment on a quarterly basis to determine whether triggering events for impairment exist and to identify any observable price changes.

The following table summarizes the change in the Company's investments during the years ended December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
	(in thousands)	
Beginning	\$ 43,578	\$ 64,361
Additions	432	12,029
Proceeds	(150)	(29,824)
Fair value adjustments	(10,998)	(2,988)
Transfers and other	(142)	—
Ending	\$ 32,720	\$ 43,578

The following table summarizes the fair value change in the Company's investments recorded during the years ended December 31, 2025, 2024 and 2023.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Equity Investments	\$ (8,856)	\$ (1,727)	\$ (20,713)
Notes Receivable Instruments	(2,142)	(1,467)	2,845
Accrued Interest on Notes Receivable Instruments	—	206	408
Net fair value losses	\$ (10,998)	\$ (2,988)	\$ (17,460)

The Company recorded fair value gains (losses) related to equity and note receivable investments within other income (expense) and accrued interest to interest income on the consolidated statements of operations.

(a) Equity Investments

The Company held equity investments in both publicly and privately traded entities during the twelve months ended December 31, 2025, 2024 and 2023. Publicly traded entities generally have readily determinable fair values and are classified as Level 1 investments. Meanwhile, non-publicly traded entities generally do not have readily determinable fair values and are classified as Level 3 investments. The Company has classified all of its holdings as trading securities and recorded such amounts within investments on the Company's consolidated balance sheets.

The following table summarizes the change in the Company's Level 1 equity investments during the twelve months ended December 31, 2025, 2024 and 2023.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Beginning	\$ —	\$ 2,001	\$ 2,535
Proceeds	—	(2,092)	(198)
Fair value adjustment	—	91	(336)
Ending	\$ —	\$ —	\$ 2,001

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements

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6. INVESTMENTS (Continued)

(a) Equity Investments (Continued)

The following table summarizes the change in the Company's Level 3 equity investments during the twelve months ended December 31, 2025, 2024 and 2023.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Beginning	\$ 36,487	\$ 25,953	\$ 40,330
Additions	432	7,352	6,000
Fair value adjustments	(8,856)	(1,818)	(20,377)
Transfers and other	1,712	5,000	—
Ending	<u>\$ 29,775</u>	<u>\$ 36,487</u>	<u>\$ 25,953</u>

The following table summarized unrealized (losses) gains recognized on the Company's equity investments held during the twelve months ended December 31, 2025, 2024 and 2023.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Unrealized loss recognized on equity investments	\$ (8,856)	\$ (1,727)	\$ (20,713)
Realized (loss) gain recognized on equity investments	—	(91)	53
Net unrealized loss on equity investments	<u>\$ (8,856)</u>	<u>\$ (1,636)</u>	<u>\$ (20,660)</u>

See Note 14—Fair Value Measurements for additional details.

(b) Note Receivable Instruments

The Company held note(s) receivable instrument(s) in publicly and privately traded entities during the twelve months ended December 31, 2025, 2024 and 2023. The fair value of these notes receivable instruments include the initial investment and contractual accrued interest recorded within interest income on the consolidated statements of operations.

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

The following table summarizes the change in the Company's Level 1 note receivable instrument during the twelve months ended December 31, 2025, 2024 and 2023.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Beginning	\$ —	\$ 22,214	\$ 22,214
Additions	—	1,965	—
Proceeds	—	(22,712)	—
Fair value adjustment	—	(1,467)	—
Ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 22,214</u>

On November 27, 2024, the Company collected the outstanding principal balance of the note receivable instrument along with accrued interest in cash. As of December 31, 2025 and 2024, the Company held no Level 1 note receivable instruments.

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements
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6. INVESTMENTS *(Continued)*

(b) Note Receivable Instruments *(Continued)*

The following table summarized the change in the Company's Level 3 notes receivable instruments during the twelve months ended December 31, 2025, 2024 and 2023.

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Beginning	\$ 7,091	\$ 14,193	\$ 9,090
Additions	—	2,712	2,200
Proceeds	(150)	(5,020)	(300)
Fair value adjustments	(2,142)	—	2,845
Accrued Interest	—	206	408
Transfers and other	(1,854)	(5,000)	(50)
Ending	<u>\$ 2,945</u>	<u>\$ 7,091</u>	<u>\$ 14,193</u>

The Company's Level 3 notes receivable instruments had stated interest rates of 10.0% and terms between twelve months to five years.

On January 9, 2024, one of the Company's privately held note receivable instruments matured and the Company collected the principal amount of \$4,000 thousand along with accrued interest of \$605 thousand on such date.

On August 16, 2024, a separate privately held convertible note receivable instrument in the amount of \$5,000 thousand was exchanged for shares of preferred stock of the investee. As a result, the investment was transferred from Level 3 note receivable instruments to the Level 3 equity investments.

On August 6, 2025, a separate privately held convertible note receivable instrument in the amount of \$1,712 thousand was exchanged for shares of preferred stock of the investee. As a result, the investment was transferred from Level 3 note receivable instruments to Level 3 equity investments.

See Note 14—Fair Value Measurements for additional details.

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7. ACQUISITIONS

(a) Business Combinations:

The Company determined that the below described acquisitions are business combinations under ASC 805, *Business Combinations*. They were accounted for by applying the acquisition method whereby the assets acquired, and the liabilities assumed were recorded at their fair values with any excess consideration over the fair value of the identifiable net assets allocated to goodwill. Operating results have been included in these consolidated financial statements from the date of the acquisition. Supplemental pro forma financial information has not been presented as the impact was not material to the Company's consolidated financial statements. The goodwill recorded primarily includes the expected synergies resulting from combining the operations of the acquired entities with those of the Company.

During 2025, the Company acquired all of the membership interests in entities that owned seven retail stores for the purposes of expanding Green Thumb's national presence. The Company paid approximately \$19,308 thousand in cash for these interests. As part of the initial purchase accounting, the Company recorded an intangible asset of \$12,489 thousand, all of which was associated with licenses that allow for the retail sale of cannabis. The weighted-average amortization period for the license intangibles is 15 years. Acquisition-related costs associated with the transactions were not material.

The Company completed preliminary allocations of the purchase price of the assets acquired and liabilities assumed in association with the seven retail stores. The preliminary valuation was based on management's estimates and assumptions which are subject to change within the measurement period (generally one year from the acquisition date). The details of the transaction are discussed below. The primary areas of the purchase price allocation that are not yet finalized relate to the valuation of the tangible and intangible assets acquired and the residual goodwill. The following table summarizes the initial accounting estimates:

	Retail Stores
	(in thousands)
Cash	\$ 55
Inventory	794
Prepaid expenses	393
Property and equipment, net	2,245
Right-of-use asset, net	1,864
Deposits and other assets	209
Intangible assets, net:	
Licenses and permits	12,489
Liabilities assumed	(417)
Lease liabilities	(1,864)
Total identifiable net assets	15,768
Goodwill	3,540
Net assets	<u>\$ 19,308</u>

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8. LEASES

(a) Operating Leases

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

The Company records material real estate and equipment leases with an initial term of twelve months or more on the balance sheet. Real estate 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, as part of base rent. In those circumstances, the Company elected the practical expedient to not separate the lease components from non-lease components.

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 years ended December 31, 2025, 2024 and 2023 the Company recorded operating lease expense of \$51,566 thousand, \$54,385 thousand and \$48,231 thousand, respectively.

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

	December 31, 2025	December 31, 2024
Weighted average remaining lease term (years)	9.80	10.74
Weighted average discount rate	12.16%	12.23%

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

Year Ending December 31,	Maturities of Lease Liability		
	Third-Party	Related Party	Total
	(in thousands)		
2026	\$ 50,158	\$ 524	\$ 50,682
2027	50,030	491	50,521
2028	48,527	282	48,809
2029	45,210	287	45,497
2030	43,038	293	43,331
2031 and Thereafter	255,687	475	256,162
Total Lease Payments	492,650	2,352	495,002
Less: Interest	(220,906)	(643)	(221,549)
Present Value of Lease Liability	\$ 271,744	\$ 1,709	\$ 273,453

(b) Related Party Operating Leases

Mosaic Real Estate, LLC owns certain facilities leased by the Company and is owned in part by Benjamin Kovler, the Chairman and Chief Executive Officer of the Company (through KP Capital, LLC), and Anthony Georgiadis, the President and a director of the Company (through Three One Four Holdings, LLC). For the years ended December 31, 2025, 2024 and 2023, the Company recorded lease expense of \$504 thousand, \$595 thousand and \$553 thousand, respectively, associated with these leasing arrangements.

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

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9. NOTES PAYABLE

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>(in thousands)</u>	
Syndicated credit facility dated September 11, 2024 ¹	\$ 140,909	\$ 147,979
Mortgage notes ²	103,987	106,979
Total notes payable	244,896	254,958
Less: current portion of notes payable	(18,495)	(12,062)
Notes payable, net of current portion	\$ 226,401	\$ 242,896

¹ The Credit Facility (as defined below in Section (a) of this Note 8) was issued in an aggregate amount of \$150,000 thousand, and will bear interest at the Secured Overnight Financing Rate (“SOFR”) plus 500 basis points, payable monthly. As of December 31, 2025 and December 31, 2024, the Credit Facility’s outstanding principal balance was \$142,500 thousand and \$150,000 thousand, respectively. The Credit Facility was issued at a discount, the carrying value of which was \$1,591 thousand and \$2,021 thousand as of December 31, 2025 and December 31, 2024, respectively. The Credit Facility matures on September 11, 2029.

² The Company has issued mortgage notes in connection with various operating properties at an aggregate value of \$112,285 thousand as of December 31, 2025 and 2024, respectively. The mortgage notes were issued at a discount, the aggregate carrying value of which was \$799 thousand and \$1,007 thousand, and are presented net of principal payments of \$7,499 thousand and \$4,299 thousand as of December 31, 2025 and 2024, respectively. These mortgage notes mature between December 31, 2028 and June 5, 2035 with interest rates ranging between 5.00% and 7.77%.

Maturities of notes payable as of December 31, 2025 were as follows:

<u>Year Ending December 31,</u>	<u>Maturities of Notes Payable</u>		
	<u>Credit Facility</u>	<u>Mortgage Notes</u>	<u>Total</u>
	<u>(in thousands)</u>		
2026	\$ 15,000	\$ 3,496	\$ 18,496
2027	15,000	3,764	18,764
2028	15,000	15,758	30,758
2029	97,500	39,532	137,032
2030	—	3,179	3,179
2031 and Thereafter	—	39,057	39,057
Total maturities of notes payable ¹	\$ 142,500	\$ 104,786	\$ 247,286

¹ Total maturities of notes payable excludes unamortized debt discount of \$1,591 thousand associated with the Credit Facility and \$799 thousand associated with the mortgage notes.

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Notes to Consolidated Financial Statements
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9. NOTES PAYABLE *(Continued)*

(a) Syndicated Credit Facility

On September 11, 2024, the Company entered into a \$150,000 thousand syndicated credit facility (the “Credit Facility”) led by Valley National Bank. The Credit Facility has a maturity date of September 11, 2029 and bears interest from the date of issuance at the SOFR plus 500 basis points, payable quarterly. As of December 31, 2025, the floating interest rate on the Credit Facility was 8.76%.

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

(b) Warwick, New York Mortgage Note

On September 4, 2024, the Company entered into a \$23,500 thousand mortgage note associated with its Warwick, New York Consumer Packaged Goods facility bearing an interest rate of 7.75% per annum, with a maturity date of September 4, 2029. The mortgage includes various covenants requiring the Company to maintain certain financial ratios related to its ability to service the debt. As of December 31, 2025, the Company was in compliance with all covenants associated with the mortgage.

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10. 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 *ASC 740, Income Taxes*.

(a) Authorized

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

(i) Subordinate Voting Shares

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

(ii) Multiple Voting Shares

Each Multiple Voting Share is entitled to 100 votes per share at shareholder meetings of the Company and is exchangeable for 100 Subordinate Voting Shares.

(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 one Multiple Voting Share, which is then convertible into 100 Subordinate Voting Shares.

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10. SHARE CAPITAL (Continued)

(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 contingent consideration	1,614,871	—	—
Distribution of deferred shares	680,089	—	—
Issuance of shares upon exercise of options	477,545	—	—
Issuances of shares upon vesting of RSUs	451,138	—	—
Repurchase of Subordinate Voting Shares	(3,843,126)	—	—
Exchange of shares	3,500,000	—	(35,000)
As at December 31, 2023	209,871,792	38,531	216,690
As at January 1, 2024	209,871,792	38,531	216,690
Distribution of contingent consideration	1,250,000	—	—
Distribution of deferred shares	309,337	—	—
Issuance of shares upon exercise of warrants	35,540	—	—
Issuance of shares upon exercise of options	1,504,764	—	—
Issuances of shares upon vesting of RSUs	1,037,812	—	—
Repurchase of Subordinate Voting Shares	(3,972,000)	—	—
Exchange of shares	1,090,800	(908)	(10,000)
As at December 31, 2024	211,128,045	37,623	206,690
As at January 1, 2025	211,128,045	37,623	206,690
Issuance of shares associated with investment interests	77,525	—	—
Distribution of deferred shares	244,986	—	—
Issuance of shares upon exercise of options	270,332	—	—
Issuances of shares upon vesting of RSUs	2,070,501	—	—
Issuance of shares to non-employee contractors	33,231	—	—
Repurchase of Subordinate Voting Shares	(7,209,875)	—	—
Repurchase of Super Voting Shares	—	—	(5,000)
Exchange of shares	15,100	(151)	—
As at December 31, 2025	206,629,845	37,472	201,690

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements
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10. SHARE CAPITAL (Continued)

(b) Issued and Outstanding (Continued)

(i) Distribution of Contingent Consideration

Dharma Pharmaceuticals, LLC

In connection with the Company's 2021 acquisition of Dharma Pharmaceuticals, LLC ("Dharma"), the purchase agreement included contingent consideration of up to \$65,000 thousand in Subordinate Voting Shares of Green Thumb, which was dependent upon 1) the successful opening of five retail stores in the Virginia area within the first three years of following the signing of the agreement and 2) the legal sale of adult-use cannabis in a retail store on or before January 1, 2025 (the "Recreational Sales Milestone").

The following table provides an overview of store count, share quantities, and the fair value of shares at the issuance date:

Dharma Pharmaceuticals, LLC			
Date of issuance	# of stores opened	Number of Subordinate Voting Shares issued	Fair Value in thousands
August 16, 2021	1	199,993	\$5,949
February 25, 2022	2	667,080	13,111
June 1, 2023	1	822,447	6,070
July 10, 2023	1	792,424	6,454
Total	5	2,481,944	\$31,584

As of December 31, 2023, the estimated fair value of the remaining contingent consideration associated with the Recreational Sales Milestone, which was valued based on a probability weighting of the potential payments, was \$33,250 thousand and was included as a non-current liability on the Company's consolidated balance sheets.

On February 9, 2024, the Company and the former owners of Dharma agreed to amend the conditions as set forth in the original purchase agreement in relation to the Recreational Sales Milestone (the "Amended Agreement"). Under the Amended Agreement, the former owners waived their right to the Recreational Sales Milestone in exchange for the delivery of 1,250,000 Subordinate Voting Shares of Green Thumb. As a result, the Company recorded a gain of \$15,991 thousand within selling, general, and administrative expenses on the consolidated statements of operations. On February 15, 2024, the Company distributed the shares to the former owners of Dharma, which had a fair market value of \$17,259 thousand, which was based on the value of the shares as traded on the Canadian Securities Exchange on the date of distribution. As of such date, the balance of contingent consideration was fully extinguished.

Green Thumb Industries Inc.
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10. SHARE CAPITAL *(Continued)*

(b) Issued and Outstanding *(Continued)*

(ii) Distribution of Deferred Shares

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

The following table summarizes the activity during the years ended December 31, 2025, 2024 and 2023:

	Related Acquisition						
	Liberty Compassion, Inc.	Dharma Pharmaceuticals, LLC	Mobley Pain Management and Wellness Center, LLC and Canwell Processing, LLC	GreenStar Herbals, Inc.	Maryland Health and Wellness Center, Inc.	LeafLine Industries, LLC	Total
As at January 1, 2023	214,768	229,878	264,760	161,306	61,832	386,002	1,318,546
Distributed Shares	(214,768)	(229,878)	(12,305)	(161,306)	(61,832)	—	(680,089)
Cancelled Shares	—	—	(84,122)	—	—	—	(84,122)
As at December 31, 2023	—	—	168,333	—	—	386,002	554,335
As at January 1, 2024	—	—	168,333	—	—	386,002	554,335
Distributed Shares	—	—	—	—	—	(309,337)	(309,337)
As at December 31, 2024	—	—	168,333	—	—	76,665	244,998
As at January 1, 2025	—	—	168,333	—	—	76,665	244,998
Distributed Shares	—	—	(168,333)	—	—	(76,653)	(244,986)
Cancelled Shares	—	—	—	—	—	(12)	(12)
As at December 31, 2025	—	—	—	—	—	—	—

As of December 31, 2023, in accordance with the relevant acquisition agreement, a portion of the outstanding deferred shares were cancelled in order to indemnify the Company for post-acquisition costs. As the cancellation of the deferred shares occurred outside of the purchase price allocation measurement period (generally one year from the acquisition date), the Company recorded a gain of \$2,784 thousand within selling general and administrative expenses on the Company's consolidated statements of operations during the year ended December 31, 2024.

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10. SHARE CAPITAL *(Continued)*

(b) Issued and Outstanding *(Continued)*

(iii) Repurchase of Subordinate and Super Voting Shares

On September 23, 2025, the Company's Board of Directors authorized a new share repurchase program that commenced immediately following the expiration of the Company's previous share repurchase program. The new program authorizes the Company to repurchase up to 10,364,640 of its Subordinate Voting Shares over a 12-month period at an aggregate cost of up to \$50,000 thousand.

Under the Company's previous share repurchase programs, the Company repurchased a total of 7,209,875 and 3,972,000 Subordinate Voting Shares at an average price of \$4.84 and \$10.85 during each of the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, the Company has returned \$117,814 thousand to shareholders in the form of share repurchases from the commencement of its share repurchase program.

Separately, on December 28, 2025, the Company entered into a securities purchase agreement with Benjamin Kovler, the Chairman and Chief Executive Officer and Anthony Georgiadis, the President and a Director, to purchase 2,500 Super Voting Shares from each in private transactions. The price per Super Voting Share was determined based on the closing price of \$7.988 per underlying Subordinate Voting Shares as traded on the OTCQX Best Market 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 Amendments No. 1 through 4 thereto (as amended, the "Plan"). The maximum number of RSUs and options issuable under the Plan shall not exceed 15% of the Company's 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 grants generally vest over three years, and options typically have a life of seven 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.

Green Thumb Industries Inc.
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10. 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	Aggregate Intrinsic Value
Balance as of December 31, 2024	8,238,472	\$10.10	4.07	\$2,664
Granted	956,520	5.95		
Exercised	(270,332)	6.89		
Forfeited	(1,231,896)	10.01		
Balance as of December 31, 2025	7,692,764	\$10.65	3.78	\$2,637
Exercisable as of December 31, 2025	5,743,426	\$7.83	1.83	\$575

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 December 31, 2025 and 2024, 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 December 31, 2025 and 2024, respectively. 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 following table summarizes the weighted average grant date fair value and intrinsic value of options exercised for the year ended December 31, 2025, 2024 and 2023:

	Years Ended December 31,		
	2025	2024	2023
Weighted average grant date fair value (per share) of stock option units granted	\$3.28	\$7.79	\$4.24
Intrinsic value of stock option units exercised, using market price at exercise date <i>(in thousands)</i>	\$191	\$7,505	\$996

The Company used the Black-Scholes Option Pricing model to estimate the fair value of the options granted during the years ended December 31, 2025 and 2024, using the following ranges of assumptions:

	December 31, 2025	December 31, 2024
Risk-free interest rate	3.61% - 4.33%	2.72% - 3.92%
Expected dividend yield	0%	0%
Expected volatility	62% - 64%	62% - 64%
Expected option life	3.76 - 4.68 years	4.46 - 4.5 years

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

The following table summarizes the number of non-vested RSU awards as of December 31, 2025 and 2024 and the changes during the year ended December 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested Shares at December 31, 2024	7,678,310 \$	11.14
Granted	5,855,948	5.92
Forfeited	(1,945,464)	8.21
Vested	(2,070,501)	10.90
Unvested Shares at December 31, 2025	9,518,293 \$	8.30

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10. SHARE CAPITAL (Continued)

(c) Stock-Based Compensation (Continued)

The following table summarizes the weighted average grant date fair value of RSUs granted for the years ended December 31, 2025, 2024 and 2023:

	Years Ended December 31,		
	2025	2024	2023
Weighted average grant date fair value (per share) of RSUs granted	\$ 5.92	\$ 12.07	\$ 7.87

The stock-based compensation expense for the years ended December 31, 2025, 2024 and 2023 was as follows:

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Stock options expense	\$ 6,944	\$ 10,270	\$ 16,826
Restricted Stock Units	37,989	23,042	11,363
Total Stock Based Compensation Expense	\$ 44,933	\$ 33,312	\$ 28,189

As of December 31, 2025, \$61,419 thousand of total unrecognized expense related to stock-based compensation awards is expected to be recognized over a weighted-average period of 1.76 years.

11. INCOME TAX EXPENSE

The Company accounts for income taxes in accordance with ASC 740 - *Income Taxes*, under which deferred tax assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values of assets and liabilities and the respective tax basis.

Green Thumb Industries Inc. is organized in Canada but maintains all of its operations in the United States. Due to this inverted entity structure, the Company is subject to both US and Canadian taxation.

For the years ended December 31, 2025, 2024 and 2023, income taxes expense consisted of:

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Current:			
Federal	\$ 116,811	\$ 109,826	\$ 108,399
State	11,771	22,512	24,674
Foreign	—	—	—
Total Current	128,582	132,338	133,073
Deferred:			
Federal	12,221	(4,604)	(10,694)
State	6,499	(1,446)	(3,749)
Foreign	—	—	—
Total Deferred	18,720	(6,050)	(14,443)
Total	\$ 147,302	\$ 126,288	\$ 118,630

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11. INCOME TAX EXPENSE (Continued)

The difference between the income tax expense for the years ended December 31, 2025, 2024 and 2023 and the expected income taxes based on the statutory tax rate applied to earnings (loss) arises as follows:

	Years Ended December 31,								
	2025			2024		2023			
	(Dollars in thousands except percentages)								
U.S. Federal Statutory Tax Rate	\$	55,305	21.00%	\$	42,029	21.00%	\$	32,770	21.00%
State and Local Income Taxes, Net of Federal Income Tax Effect (a)	\$	14,154	5.37%	\$	20,718	10.35%	\$	15,639	10.02%
Changes in Valuation Allowances	\$	(450)	(0.17)%	\$	(103)	(0.05)%	\$	32	0.02%
Nontaxable or Nondeductible Items	\$	10,110	3.84%	\$	49,926	24.95%	\$	45,925	29.43%
Changes in Unrecognized Tax Benefits	\$	75,030	28.49%	\$	10,290	5.14%	\$	23,362	14.97%
Other Adjustments - Federal	\$	(8,292)	(3.15)%	\$	2,941	1.47%	\$	929	0.60%
Other Adjustments - States	\$	1,445	0.55%	\$	487	0.24%	\$	(27)	(0.02)%
Effective Tax Rate	\$	147,302	55.93%	\$	126,288	63.10%	\$	118,630	76.02%

(a) State Taxes in Illinois, Maryland, and Pennsylvania made up the majority (greater than 50%) of the tax effect in this category.

Income taxes paid for the years ended December 31, 2025, 2024 and 2023 were \$30,214 thousand, \$130,583 thousand and \$99,535 thousand, respectively. For the year ended December 31, 2025, federal taxes paid were \$13,402 thousand and state taxes paid for Illinois, Maryland and New Jersey were \$12,095 thousand.

As the Company operates in the cannabis industry, the IRS contends the Company is subject to IRC Section 280E under which the Company is only allowed to deduct expenses directly related to sales of product. This results in unrecognized tax benefits which can cause the effective tax rate to be highly variable and may not necessarily correlate with pre-tax income or loss.

Deferred taxes are provided using an asset and liability method whereby deferred tax assets are recognized based on the rates at which they are expected to reverse in the future. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. The effect on deferred tax assets and liabilities of a change in tax law or tax rates is recognized in income in the period that enactment occurs.

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11. INCOME TAX EXPENSE (Continued)

At December 31, 2025 and 2024, the components of deferred tax assets and liabilities were as follows:

	Years Ended December 31,	
	2025	2024
	(in thousands)	
Deferred Tax Assets		
Operating Lease Liabilities	\$ 91,670	\$ 62,753
Net Operating Losses	607	182
163(j) Interest Limitation	5,657	8,395
Stock-based Compensation	10,146	12,076
Accrued Bonus	7,720	6,541
Fair Value Investments	9,424	11,190
Capitalized Inventory	12,134	8,509
Accrued Rent	2,037	—
Inventory Impairment	1,347	—
Other	10,931	2,682
Valuation Allowance	(334)	(1,126)
Total Deferred Tax Assets	151,339	111,202
Deferred Tax Liabilities		
Operating Right of Use Assets	\$ (82,360)	\$ (55,645)
Warrant Fair Value Derivative	(5,770)	(5,735)
Intangibles	(45,589)	(49,142)
RYM Note Receivable Settlement	(34,973)	—
Total Deferred Tax Liabilities	(168,692)	(110,522)
Net Deferred Tax Liabilities	\$ (17,353)	\$ 680

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company assessed the positive and negative evidence to determine if sufficient future taxable income will be generated to use the existing deferred tax assets. A valuation allowance is maintained as of December 31, 2025 and 2024 in the amount of \$334 thousand and \$1,126 thousand, respectively.

As of December 31, 2025, the Company had \$1,300 thousand of gross federal net operating loss carryforwards. Additionally, the Company had \$3,779 thousand of gross state net operating loss carryforwards, if not claimed, begin to expire in 2031. The Company's evaluation concluded that the majority of the net operating losses will be realized.

Pursuant to IRC Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, utilization of net operating losses and credits may be subject to annual limitations in the event of any significant future changes in its ownership structure. These annual limitations may result in the expiration of net operating losses and credits prior to utilization.

The Company operates in a number of tax jurisdictions and is subject to examination of its income tax returns by tax authorities in those jurisdictions who may challenge any item on these returns. Because the tax matters challenged by tax authorities are typically complex, the ultimate outcome of these challenges is uncertain. In accordance with ASC 740, *Income Taxes*, the Company recognizes the benefits of uncertain tax positions in our consolidated financial statements only after determining that it is more likely than not that the uncertain tax positions will be sustained.

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11. INCOME TAX EXPENSE (Continued)

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2025	2024	2023
	(in thousands)		
Balance at Beginning of Year	\$ 76,782	\$ 66,492	\$ 43,130
Gross increases related to tax positions in a prior period	64,042	3,304	8,919
Gross decreases related to tax positions in a prior period	(20,347)	(6,795)	(3,193)
Gross increases related to tax positions in the current period	84,975	14,218	17,676
Gross decreases related to tax positions in a current period	(2,104)	(437)	(40)
Balance at End of Year	\$ 203,348	\$ 76,782	\$ 66,492

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of December 31, 2025, 2024 and 2023, we recognized \$5,863 thousand, \$4,726 thousand and \$10,043 thousand of interest and penalties, respectively. As of December 31, 2025 and 2024 we have accrued for interest and penalties of \$25,207 thousand and \$19,344 thousand of interest and penalties, respectively. As of December 31, 2025, \$22,806 thousand of unrecognized tax benefits are expected to be recovered over the next 12 months. We file income tax returns in the US, various state jurisdictions, and Canada, which jurisdictions have varying statutes of limitations. The US federal statute of limitation and state income tax returns generally remain open for the 2022 tax year to the present. Net operating loss arising prior to these years are also open to examination if and when utilized.

12. OTHER INCOME (EXPENSE)

For the years ended December 31, 2025, 2024 and 2023 other income (expense) was comprised of the following:

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
Fair value adjustments on equity investments	\$ (10,856)	\$ (3,194)	\$ (17,868)
Net gain on divestitures of intellectual property	29,876	—	—
Gain on extinguishment of debt	—	—	1,283
Fair value adjustments on warrants liability	68	2,691	1,403
Loss from equity method investments	(10,812)	(8,686)	(1,166)
Other	74	95	141
Total Other Income (Expense)	\$ 8,350	\$ (9,094)	\$ (16,207)

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13. COMMITMENTS AND CONTINGENCIES

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

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

(a) Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, sanctions, restrictions on its operations, or losses of licenses and permits that could result in the Company ceasing operations in that specific state or local jurisdiction. While management believes that the Company is in compliance with applicable local and state regulations at December 31, 2025 and 2024, cannabis and other regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

(b) Claims and Litigation

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

In July 2024, the Company received Findings of Fact and Conclusions of Law regarding an October 30, 2019 complaint filed against the Company alleging the Company breached a commercial property lease with ineffective termination. On June 25, 2025, the Company received the Final Judgment from the court ruling in favor of plaintiff landlord in the amount of \$7,307 thousand, representing unpaid rent. In addition, the court found the Company liable for interest and attorney fees in the amount of \$912 thousand. As a result, the Company accrued the amount of probable loss that can reasonably be estimated within accrued liabilities on the Company's consolidated balance sheets.

In August 2025, the Company appealed the Final Judgment with a Notice of Appeal. Under the Rules of Court, the Company was provided a stay on the enforcement of the Final Judgment upon posting a supersedeas bond in the amount of the Final Judgment plus interest and costs through the appeal period. As of December 31, 2025, the Company held the bond in the amount of \$9,284 thousand within restricted cash and cash equivalents on the Company's consolidated balance sheets.

At December 31, 2025 and 2024, other than as discussed above, there were no pending or threatened lawsuits considered probable or reasonably possible to result in an unfavorable outcome with an exposure expected to 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 December 31, 2025, the Company held approximately \$2,900 thousand of open construction commitments to contractors on work being performed which are generally expected to be completed within 12 months.

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14. 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.

For the Company's long-term notes payable (the Credit Facility and mortgage notes), for which there were no quoted market prices or active trading markets, it was not practicable to estimate the fair value of these financial instruments. The carrying amount of notes payable at December 31, 2025 and 2024 was \$244,896 thousand and \$254,958 thousand, which includes \$18,495 thousand and \$12,062 thousand, respectively, of short-term debt due within one year.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements.

The following tables summarize the Company's financial instruments which are measured at fair value as of December 31, 2025 and 2024:

As of December 31, 2025				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 274,298	\$ —	\$ —	\$ 274,298
Restricted Cash and Cash Equivalents	10,984	—	—	10,984
Investments	—	—	32,720	32,720
	\$ 285,282	\$ —	\$ 32,720	\$ 318,002

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

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15. RELATED PARTY TRANSACTIONS WITH AFFILIATED ENTITIES

On November 5, 2024, the Company acquired a noncontrolling financial interest in Agrify Corporation (now known as RYTHM Inc. and referred to herein as “RYM”), in exchange for \$15,000 thousand in cash and \$3,280 thousand in Subordinate Voting Shares of Green Thumb. As part of the transaction, the Company also acquired warrants that would allow the Company to extend its ownership stake if exercised, subject to certain beneficial ownership limitations - all of which remained outstanding as of December 31, 2025 and 2024, respectively. In addition, on November 5, 2024, the Company extended a convertible secured note to RYM (the “Original Notes”), the carrying value of which was \$10,000 thousand as of such date. The Original Notes, bear interest at an annualized rate of 10%.

Benjamin Kovler, Chairman and Chief Executive Officer of Green Thumb, and Armon Vakali, Vice President, Strategic Initiatives and Partnerships of Green Thumb, were appointed by RYM's Board of Directors to serve as RYM's Chairman and Interim Chief Executive Officer and member of RYM's Board, respectively.

On May 20, 2025, Green Thumb entered into an agreement with RYM whereby Green Thumb agreed to sell its intellectual property in its incredibles brand as well as its hemp business, operated in its former subsidiary, Core Growth LLC for \$5,075 thousand in cash. As part of the transaction, RYM agreed to license the intellectual property back to Green Thumb allowing the Company to continue production and sale of incredibles branded cannabis products. As part of the transaction, the Company evaluated the repurchase rights in the sale agreement and concluded that they would not preclude the Company from accounting for the transaction as a sale. Separately, Green Thumb agreed to license its intellectual property in Beboe and RYM branded products to RYM (the “May Licensing Agreement”). As a result of the transaction, Green Thumb recorded a loss on the sale of \$11,678 thousand within other income (expense) on the consolidated statements of operations.

On May 22, 2025, RYM and Green Thumb amended the Original Notes to allow Green Thumb to receive pre-funded warrants in lieu of shares of RYM upon conversion of the Original Notes. No other terms of the Original Notes were amended. In addition, Green Thumb extended an additional \$27,000 thousand in convertible notes (the “May 2025 Notes”) to RYM, due November 22, 2026. Other than the amount and maturity date, all of the terms of the May 2025 Notes are consistent with the Original Notes, as amended.

On August 25, 2025, Green Thumb extended another Convertible Note in the amount of \$45,000 thousand (the “August 2025 Notes”) to RYM. The August 2025 Notes mature on February 25, 2027, bear interest at an annualized rate of 10% and may be converted into shares of RYM or, at the election of the holder, into pre-funded warrants, subject to beneficial ownership limitations as well as applicable Nasdaq listing rules. If converted into common shares of RYM, such shares would be converted at a rate of \$29.475 per share.

As of December 31, 2025 and 2024, accrued interest on the “Combined Notes” (the Original Notes, May 2025 Notes and August 2025 Notes, collectively) was \$2,326 thousand and \$156 thousand, respectively.

On August 27, 2025, Green Thumb sold its intellectual property rights in brands including RYTHM, Beboe, Dogwalkers, Doctor Solomon's, &Shine and Good Green for \$50,000 thousand in cash. As part of the transaction, RYM agreed to license the intellectual property back to Green Thumb and cancel the May Licensing Agreement between RYM and the Company. Upon closing, Agrify Corporation formally changed its name to RYTHM, Inc. As a result of the transaction, Green Thumb recorded a gain on the sale of \$41,554 thousand within other income (expense) on the consolidated statements of operations as of such date. As part of the transaction, the Company evaluated the repurchase rights in the sale agreement and concluded that they would not preclude the Company from accounting for the transaction as a sale. As of December 31, 2025, the Company owed RYM an immaterial amount in licensing fees in association with the licensing agreements. Such amount was included within accounts payable on the consolidated balance sheets.

On November 5, 2025, the Original Notes matured and were exchanged for 3,222,997 pre-funded warrants representing the principal amount plus accrued interest on the Original Notes. The pre-funded warrants were recorded at fair value, based on the trading price of RYM's stock price as traded on the NASDAQ exchange on the date of the transaction and resulted in a gain of \$122,769 thousand which was included within other income (expense) on the consolidated statements of operations.

Green Thumb's investment in RYM had a carrying value of \$152,374 thousand and \$18,873 thousand as of December 31, 2025 and 2024, respectively. Such amounts were included within investment in associates on the Company's consolidated balance sheets. As of December 31, 2025 and 2024, the Company held a 32.5% and 34.0% ownership interest in RYM, respectively, and accounted for its investment using the equity method of accounting due to the significant influence Green Thumb has the ability to exert over RYM.

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

15. RELATED PARTY TRANSACTIONS WITH AFFILIATED ENTITIES (Continued)

As of December 31, 2025 and 2024, Green Thumb performed various services for RYM, pursuant to two shared services agreements, pursuant to which the Company provides operational support for RYM, for which the Company was owed \$3,186 thousand and \$319 thousand, respectively.

16. SEGMENT REPORTING

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

The below table presents net revenue, significant expenses, and gross profit by segment for the years ended December 31, 2025, 2024 and 2023:

	Years Ended December 31,		
	2025	2024	2023
	(in thousands)		
<i>Revenues, Net of Discounts</i>			
Retail	\$ 829,538	\$ 824,726	\$ 791,480
Consumer Packaged Goods	677,350	648,388	559,480
Intersegment Eliminations	(331,593)	(335,973)	(296,407)
Total Revenues, Net of Discounts	\$ 1,175,295	\$ 1,137,141	\$ 1,054,553
<i>Cost of Goods Sold</i>			
Retail	\$ 531,468	\$ 541,135	\$ 517,845
Consumer Packaged Goods	434,486	367,573	326,384
Intersegment Eliminations	(365,552)	(372,676)	(316,171)
Total Cost of Goods Sold	\$ 600,402	\$ 536,032	\$ 528,058
<i>Gross Profit</i>			
Retail	\$ 298,070	\$ 283,591	\$ 273,635
Consumer Packaged Goods	242,864	280,815	233,096
Intersegment Eliminations	33,959	36,703	19,764
Total Gross Profit	\$ 574,893	\$ 601,109	\$ 526,495
<i>Depreciation and Amortization</i>			
Retail	\$ 56,092	\$ 42,134	\$ 37,568
Consumer Packaged Goods	89,357	71,076	63,222
Intersegment Eliminations	—	—	—
Total Depreciation and Amortization	\$ 145,449	\$ 113,210	\$ 100,790

Goodwill assigned to the Retail segment as of December 31, 2025 and 2024 was \$277,342 and \$273,802 thousand, respectively. Intangible assets, net assigned to the Retail segment as of December 31, 2025 and 2024 was \$251,846 thousand and \$254,358 thousand, respectively.

Goodwill assigned to the Consumer Packaged Goods segment as of December 31, 2025 and 2024 was \$314,809 thousand and \$315,889 thousand, respectively. Intangible assets, net assigned to the Consumer Packaged Goods segment as of December 31, 2025 and 2024 was \$184,835 thousand and \$233,929 thousand, respectively.

The Company’s assets are aggregated into two reporting units (Retail and Consumer Packaged Goods) which align with our reportable segments. All revenues are derived from customers domiciled in the United States and all assets are located in the United States.

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

17. SUBSEQUENT EVENTS

(a) Claims and Litigation

Subsequent to the quarter, on February 5, 2026, the Company was notified of an arbitration award in favor of Green Thumb in relation to a 2018 agreement with Ascend Wellness Holdings Inc. (“Ascend”). On February 12, 2026, Ascend remitted \$17,000 thousand to Green Thumb in order to settle the matter in accordance with the parties settlement agreement.

(b) Syndicated Credit Facility

Subsequent to the quarter, on February 19, 2026, the Company amended its existing syndicated credit facility agreement, for the purpose of borrowing an additional \$50,000 thousand (issued as “Amended Credit Facility”), as permitted under the original agreement. The Amended Credit Facility has terms which are consistent with the terms under the existing syndicated credit facility, which include, an interest rate at SOFR plus 500 basis points. The Amended Credit Facility increased the total amount borrowed to \$200,000 thousand with a current principal balance of \$188,750 thousand as of the date of the transaction.

Green Thumb Industries Inc.
Notes to Consolidated Financial Statements

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

18. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table contains selected quarterly data for 2025 and 2024. The information should be read in conjunction with the Company's financial statements and related notes included elsewhere in this Annual Report on Form 10-K. The Company believes that the following information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
	<u>(in thousands)</u>				
2025					
Revenue, net of discounts	\$ 279,540	\$ 293,257	\$ 291,369	\$ 311,129	\$ 1,175,295
Income from operations	42,482	39,433	36,741	19,044	137,700
Net income (loss) attributable to Green Thumb Industries, Inc.	8,306	(645)	23,288	83,203	114,152
Net income (loss) per share - basic	0.04	(0.01)	0.10	0.23	0.49
Net income (loss) per share - diluted	0.04	(0.01)	0.10	0.22	0.48
Weighted average number of common shares outstanding - basic	236,120,511	235,842,313	231,652,595	231,912,718	233,865,410
Weighted average number of common shares outstanding - diluted	236,822,468	235,842,313	233,535,805	234,391,318	236,874,553
	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>	<u>Full Year</u>
	<u>(in thousands)</u>				
2024					
Revenue, net of discounts	\$ 275,806	\$ 280,147	\$ 286,865	\$ 294,323	\$ 1,137,141
Income from operations	70,671	54,020	42,624	57,110	224,425
Net income attributable to Green Thumb Industries, Inc.	31,076	20,712	8,616	12,679	73,083
Net income per share - basic	0.13	0.09	0.04	0.05	0.31
Net income per share - diluted	0.13	0.09	0.04	0.04	0.30
Weighted average number of common shares outstanding - basic	236,759,731	237,416,373	236,303,348	236,848,914	236,827,774
Weighted average number of common shares outstanding - diluted	240,561,864	240,137,922	238,295,887	239,061,803	241,925,957

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Green Thumb Industries Inc.:

Opinions on the Consolidated Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Green Thumb Industries Inc. (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations, changes in shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework: (2013) issued by COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company’s consolidated financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Sale of Core Growth LLC, and Intellectual Property to RYTHM, Inc.

Critical Audit Matter Description

As described in Note 15 to the consolidated financial statements as of December 31, 2025, the Company entered into two complex contractual agreements with a related party: RYTHM, Inc. These transactions disposed of the Company's Core Growth, LLC subsidiary and other intellectual property (Tradenames). Challenging and complex judgments were required in accounting for these transactions under the appropriate asset derecognition frameworks in accordance with US GAAP.

Auditing management's evaluation of the technical conclusions drawn for each of these transactions required significant auditor judgment due to the reliance on the contractual structure underlying each of these transactions and the applicable accounting frameworks governing asset derecognition.

How We Addressed the Matter in Our Audit

The primary procedures we performed to address this critical audit matter included:

- We tested the design and operating effectiveness of internal controls established surrounding management's technical accounting conclusions over the sale of Core Growth, LLC and other intellectual property (Tradenames);
- We evaluated the judgments and technical accounting conclusions used in management's accounting for the following transactions:
 - May 20, 2025 loss on the sale of Core Growth LLC, including the sale of intellectual property rights in the incredibles brand and simultaneous license back of that intellectual property to the Company;
 - Obtained and reviewed transaction agreements between the Company and RYTHM;
 - Read and evaluated the Company's technical analysis regarding the sale of the Company's interest in Core Growth, LLC and the respective accounting determinations as follows;
 - Evaluated the Company's determination that the disposition of Core Growth, LLC qualified as the sale of a business under *ASC 805 – Business Combinations* ("ASC 805");
 - Evaluated the Company's determination that the sale should be accounted for under the derecognition principles of *ASC 810 – Consolidation* ("ASC 810"), vs. *ASC 610 Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets* ("ASC 610");
 - Evaluated repurchase rights present within the sales agreement. ASC 810 does not contemplate the derecognition of a business when the sale agreement includes repurchase features for the seller. In considering whether a failed-sale may exist, we examined analogous guidance underlying ASC 610. ASC 610 requires the derecognition of non-financial assets where repurchase arrangements are present examine the transaction by examining repurchase arrangement considerations as found in *ASC 606, Revenue from Contracts with Customers* ("ASC 606"). We evaluated repurchase rights in the sale agreement and whether they were (1) in control of either party and (2) aligned to conditions considered to be more than remote in likelihood at the date of the sale.

- We tested the inputs into the Company’s calculation of loss on sale to determine whether assets were derecognized and the loss on sale was the deficit of consideration received.
- o August 27, 2025 gain on sale of the Company’s intellectual property rights in various tradenames (the “Tradenames”) with a simultaneous license back of those tradenames to the Company;
 - Obtained and reviewed transaction agreements between the Company and RYTHM;
 - Read and evaluated the Company’s technical analysis regarding the sale of the Tradenames and the respective accounting determinations as follows;
 - Evaluated the Company’s determination that the disposition of the Tradenames did not qualify as the sale of a business under ASC 805 and that the corresponding derecognition should be accounted for under ASC 610 vs ASC 805.
 - Evaluated repurchase rights present within the Tradenames sales agreement. ASC 610 requires the derecognition of non-financial assets where repurchase arrangements are present to follow the requirements for repurchase arrangement considerations as found in ASC 606. We evaluated repurchase rights within the sales agreement and whether they were (1) in control of either party and (2) aligned to conditions considered to be more than remote in likelihood at the date of the sale.
 - We tested the inputs into the Company’s calculation of gain on sale to determine whether assets were derecognized and the gain on sale was the excess of consideration received.

We have served as the Company’s auditor since 2021.

/s/ Baker Tilly US, LLP
Chicago, Illinois

February 25, 2026

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BOARD OF DIRECTORS

Ben Kovler

Chairman | Chief Executive Officer
& Founder

Anthony Georgiadis

Director | President

Dawn Wilson Barnes

Director
Aurora Bay Capital | President & Founder

Jeff Goldman

Director
Reed-Union Corporation | Former
Vice President

Ethan Nadelmann

Director
Drug Policy Alliance | Founder

Richard Reisin

Director | Former Executive Vice
President and Director

Hannah Ross

Director
Edie Parker | Chief Executive Officer

EXECUTIVE TEAM

Ben Kovler

Chairman | Chief Executive Officer
& Founder

Anthony Georgiadis

Director | President

Matt Faulkner

Chief Financial Officer

Bret Kravitz

General Counsel & Secretary

CONTACT

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-  investorrelations@gtigrows.com

CONNECT

-  @GTIGrows
-  @GTIGrows
-  @GreenThumbIndustries

ANNUAL MEETING

The Annual General Meeting of Shareholders will be held on June 16, 2026 at 2:00 PM CT www.virtualshareholdermeeting.com/GTBIF2026

INVESTOR INFORMATION

Investors should review financial information and other disclosures about Green Thumb Industries contained in its 2025 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K, and other U.S. Securities Exchange Commission ("SEC") and Canadian System for Electronic Data Analysis and Retrieval+ ("SEDAR+") filings, as well as press releases, all of which can be found on the company website or one of the following sites: sec.gov | sedarplus.ca
Investor inquiries should be directed to:
Email | InvestorRelations@gtigrows.com
Phone | 310-622-8257

INDEPENDENT AUDITORS

Baker Tilly US, LLP

TRANSFER AGENT

Odyssey Trust Co.
Trader's Bank, Suite 1100
67 Yonge Street
Toronto, ON M5E1J8
Phone | 587-885-0960

STOCK INFORMATION

Canadian Securities Exchange
(CSE): GTII
U.S. OTCQX Best Market: GTBIF

CONTACT INFORMATION

Green Thumb Industries Inc.
325 W. Huron Street | Suite 700
Chicago, IL 60654

USE OF NON-GAAP MEASURES

This Annual Report refers to Adjusted EBITDA which is a non-GAAP (Generally Accepted Accounting Principles in the U.S.) financial measure and defined as earnings before interest, other income, taxes, depreciation, amortization, less certain non-cash equity compensation expense, including one-time transaction fees and all other non-cash items, as well as Normalized EBITDA, also a non-GAAP measure, and defined as Adjusted EBITDA plus brand license fees. These measures do not have any standardized meaning prescribed by US GAAP and may not be comparable to similar measures presented by other issuers. Readers are urged to review "Non-GAAP Measures" in Green Thumb management's Discussion and Analysis included in each Form 10-K for the twelve months ended December 31, 2025, 2024, 2023, 2022, 2021 and 2020 for additional disclosure regarding Adjusted EBITDA.

The non-GAAP measures in this letter are supplemental in nature. They should not be considered in isolation or as alternatives to financial information prepared in accordance with GAAP.

FORWARD-LOOKING STATEMENTS

This Annual Report contains statements which constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, including the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements and forward-looking information include statements regarding the plans, intentions, beliefs and current expectations of Green Thumb Industries Inc. ("Green Thumb") with respect to future business activities. Readers are cautioned that forward-looking statements are not based on historical facts but instead reflect Green Thumb management's assumptions, expectations, estimates or projections concerning the business of Green Thumb and its industry. Although Green Thumb believes that the assumptions, expectations, estimates and projections reflected in such forward-looking information are reasonable, such information is subject to risks and uncertainties, including those risks described in Green Thumb's continuous disclosure record available on SEDAR+ at www.sedarplus.ca and filings with the SEC, including and under the heading "Risk Factors" in Green Thumb's Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings. Should one or more of these risks or uncertainties materialize, or should assumptions, estimates or projections underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein. Although Green Thumb has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Undue reliance should not be placed on such forward-looking statements and Green Thumb does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

BRANDS + PRODUCTS

Green Thumb has a significant holding in RYTHM, Inc. (Nasdaq: RYM). Green Thumb licenses certain consumer packaged goods brand intellectual property from RYTHM, Inc., including RYTHM, Dogwalkers, incredibles, Beboe, &Shine, Doctor Solomon's and Good Green. Señorita and RYTHM Beverage are products of RYTHM, Inc. Images and mentions of Señorita and RYTHM Beverage throughout this Annual Report are used with permission of RYTHM, Inc. where applicable.



RYTHM

THE CREDIBLE EDIBLE
INCREDIBLES

† DOGWALKERS †
CANNABIS PRE-ROLLS

BEBOE

GT
GREEN

Shine

Doctor
Solomon's

RISE

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