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, 2024

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 21, 2025, there were 211,465,453 shares of the registrant's Subordinate Voting Shares, 37,623 shares of the registrant's Multiple Voting Shares and 206,690 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, 2024, the last business day of the registrant's most recently completed second fiscal quarter, held by nonaffiliates was $2,612,950 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 2025 Annual General Meeting of Shareholders (the "2025 Proxy Statement"). The 2025 Proxy Statement will be filed by the registrant with the Securities and Exchange Commission not later than 120 days after December 31, 2024, the end of the registrant's fiscal year.

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, 2024, 2023 and 2022. It is supplemental to, and should be read in conjunction with, the Company's consolidated financial statements for the years ended December 31, 2024, 2023 and 2022 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, 2024, Green Thumb has operations in fourteen U.S. markets, employs approximately 4,800 people and serves millions of patients and customers annually.

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

In addition, an immaterial portion of the Company's business in the last fiscal year involved producing products containing hemp-derived tetrahydrocannabinol ("THC") such as Delta-8 THC and Delta-9 THC.

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 a multiple price points and provide excellent service. In addition, Green Thumb owns stores under other names, primarily where naming is subject to licensing or similar restrictions. The income from Green Thumb's retail stores is primarily derived from the sale of cannabis-related products, which includes the sale of Green Thumb produced products as well as those produced by third parties, with an immaterial (under 10%) portion of this income resulting from the sale of other merchandise (such as t-shirts and accessories for cannabis use). RISE Dispensaries are located in the fourteen states in which we operate. As of December 31, 2024, the Company had 101 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, 2024, 2023 and 2022 and (ii) consolidated balance sheet as of December 31, 2024 and 2023 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,			2024 vs. 2023		2023 vs. 2022	
	2024	2023	2022	$	%	$	%
	(in thousands, except share and per share amounts)			Increase (Decrease)			
Revenues, Net of Discounts	$ 1,137,141	$ 1,054,553	$ 1,017,375	$ 82,588	8%	$ 37,178	4%
Cost of Goods Sold	(536,032)	(528,058)	(513,412)	7,974	2%	14,646	3%
Gross Profit	601,109	526,495	503,963	74,614	14%	22,532	4%
Expenses:							
Selling, General, and Administrative	376,684	341,863	294,396	34,821	10%	47,467	16%
Impairment of Goodwill and Intangible Assets	—	—	88,503	—	0%	(88,503)	(100)%
Total Expenses	376,684	341,863	382,899	34,821	10%	(41,036)	(11)%
Income From Operations	224,425	184,632	121,064	39,793	22%	63,568	53%
Total Other Expense	(24,286)	(28,583)	(12,632)	(4,297)	(15)%	15,951	126%
Income Before Provision for Income Taxes And Non-Controlling Interest	200,139	156,049	108,432	44,090	28%	47,617	44%
Provision for Income Taxes	126,288	118,630	94,777	7,658	6%	23,853	25%
Net Income Before Non-Controlling Interest	73,851	37,419	13,655	36,432	97%	23,764	174%
Net Income Attributable to Non-Controlling Interest	768	1,152	1,677	(384)	(33)%	(525)	(31)%
Net Income Attributable To Green Thumb Industries Inc.	$ 73,083	$ 36,267	$ 11,978	$ 36,816	102%	$ 24,289	203%
Net Income Per Share - Basic	$ 0.31	$ 0.15	$ 0.05	$ 0.16	107%	$ 0.10	200%
Net Income Per Share - Diluted	$ 0.30	$ 0.15	$ 0.05	$ 0.15	100%	$ 0.10	200%
Weighted Average Number of Shares Outstanding – Basic	236,827,774	237,927,867	236,713,056				
Weighted Average Number of Shares Outstanding – Diluted	241,925,957	239,827,390	238,080,030				

	December 31, 2024	December 31, 2023
	(in thousands)	
Total Assets	$ 2,537,012	$ 2,490,057
Long-Term Liabilities	$ 582,963	$ 660,751

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, 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% of total revenue 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 an 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, other non-operating items of $371 thousand and $12,228 thousand, Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“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 expense of $(6,050) thousand in the current period.

Year Ended December 31, 2023 Compared to the 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 Earnings Before Interest, Taxes, Depreciation, and Amortization ("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.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Revenues, Net of Discounts

Revenue for the year ended December 31, 2022 was $1,017,375 thousand, up 14% from $893,560 thousand for the year ended December 31, 2021, driven by contributions from both Retail and Consumer Packaged Goods, largely due to continued growth in New Jersey, Illinois, Minnesota and Virginia. Key performance drivers for the Retail revenues in 2022 were: legalization of adult-use sales in New Jersey, which began on April 21, 2022, increased store traffic to Green Thumb's open and operating Retail stores, particularly in Illinois, and new store openings including acquired stores, particularly in Minnesota, Massachusetts, Virginia, Rhode Island and Maryland.

The Company generated revenue from 77 Retail locations during 2022 compared to 73 in the prior year. During the year ended December 31, 2022, Retail revenue made up 75% of total revenue as compared to 69% of total revenue in 2021. Since December 31, 2021, the Company acquired one Retail store in Illinois, opened two new Retail locations in Virginia and one in Minnesota that contributed to the increase in Retail revenues.

The key drivers for the increase in Consumer Packaged Goods revenues was increased sales in New Jersey due to legalization of adult-use sales that began on April 21, 2022, and growth in Illinois and Virginia. Consumer Packaged Goods revenue made up 25% of total revenues in 2022 as compared to 31% in 2021.

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, 2022 was $513,412 thousand, up 28% from $401,631 thousand for the year ended December 31, 2021, driven by increased volume from open and operating Retail stores, new and acquired Retail store openings in Illinois, Minnesota and Virginia, legalization of adult-use sales in New Jersey, and expansion of the consumer products sales primarily in New Jersey and Illinois as described above.

Gross Profit

Gross profit for the year ended December 31, 2022 was $503,963 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, 2021 of $491,929 thousand or a 55% gross margin. The increase in gross profit (dollars) was directly attributable to the revenue increase as described above. The decline in gross margin (percent) was primarily driven by price compression.

Total Expenses

Total expenses for the year ended December 31, 2022 were $382,899 thousand or 38% of revenues, net of discounts, resulting in an increase of $105,812 thousand compared to the prior year. Total expenses for the year ended December 31, 2021 were $277,087 thousand or 31% of revenues, net of discounts. The increase in total expenses was primarily due to an impairment charge to goodwill of $57,372 thousand and an impairment charge associated with the Company's trade name intangible assets of $31,131 thousand. The remaining increase is attributable to Retail salaries and benefits, stock-based compensation expense, depreciation expense and other operational and facility expenses mainly as a result of the Company's addition of three new and one acquired Retail store during 2022 as well as the five Retail stores associated with LeafLine Industries, LLC, which were acquired on December 30, 2021. In addition, an increase in intangible amortization expense and corporate staff salaries also contributed to the overall increase in total expenses, which was partially offset by the remeasurement of the Company's contingent consideration arrangements associated with two acquisitions that occurred in 2021. The reduction in expenses as a percentage of revenue was attributable to measures deployed to control variable expenses as well as inherent operating leverage caused by the significant increase in revenue.

Total Other Income (Expense)

Total other income (expense) for the year ended December 31, 2022 was $(12,632) thousand, a change of $2,765 thousand, primarily due to fair value adjustments on the Company's equity investments, partially offset by favorable fair value adjustments on the Company's warrant liability.

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, 2022 was $108,432 thousand, a decrease of $96,543 thousand compared to the year ended December 31, 2021.

As presented under the heading "Non-GAAP Measures" below, after adjusting for non-cash equity incentive compensation of $27,140 thousand and $19,600 thousand for the years ended December 31, 2022 and 2021, respectively, as well as other nonoperating items of $(21,893) thousand and $4,934 thousand, respectively, and impairment of goodwill and intangible assets of $88,503 thousand and $0 thousand, respectively, Adjusted EBITDA was $311,478 thousand and $307,834 thousand for the years ended December 31, 2022 and 2021, 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, 2022, federal and state income tax expense totaled $94,777 thousand compared to expense of $124,612 thousand for the year ended December 31, 2021.

The net expense of $94,777 thousand for the year ended December 31, 2022 includes current tax expense of $142,861 thousand and deferred tax benefit of $(48,084) 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, 2024, 2023 and 2022:

	Years Ended December 31,			2024 vs. 2023		2023 vs. 2022	
	2024	2023	2022	$ Change	% Change	$ Change	% Change
	(in thousands)			Increase (Decrease)			
Retail	$ 824,726	$ 791,480	$ 763,166	$ 33,246	4%	$ 28,314	4%
Consumer Packaged Goods	648,388	559,480	495,101	88,908	16%	64,379	13%
Intersegment Eliminations	(335,973)	(296,407)	(240,892)	39,566	13%	(55,515)	23%
Total Revenues, Net of Discounts	**$ 1,137,141**	**$ 1,054,553**	**$ 1,017,375**	**$ 82,588**	**8%**	**$ 37,178**	**4%**

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.

Year Ended December 31, 2022 Compared with the Year Ended December 31, 2021

Revenues, net of discounts, for the Retail segment were $763,166 thousand for the year ended December 31, 2022, an increase of $148,427 thousand or 24%, compared to the year ended December 31, 2021.The increase in Retail revenues, net of discounts, was primarily driven by legalization of adult-use sales in New Jersey, which began on April 21, 2022, increased store traffic to Green Thumb's open and operating Retail stores, particularly in Illinois, and new Retail store openings including acquired Retail stores, particularly in Minnesota, Virginia and Illinois.

Revenues, net of discounts, for the Consumer Packaged Goods segment were $495,101 thousand for the year ended December 31, 2022, an increase of $27,843 thousand or 6%, compared to the year ended December 31, 2021. The increase in Consumer Packaged Goods revenues, net of discounts, was primarily driven by legalization of adult-use sales in New Jersey, which began on April 21, 2022 and continued growth in Illinois and Minnesota.

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 products direct to the end consumer in its Retail stores; and a Consumer Packaged Goods business in which it manufactures, sells and distributes its portfolio of Consumer Packaged Goods 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.

For the year ended December 31, 2024, 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, 2024, the Company continued to focus on creating sustainable, profitable growth of the Company's business while pursuing expansion. Green Thumb expects to continue its growth strategy for the foreseeable future as the Company expands its Consumer Packaged Goods and Retail footprint within its current markets with acquisitions and partnerships, and scales resources into new markets.

Total Expenses

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

Retail selling costs generally correlate to revenue. As new 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, stock-based compensation expense is expected to continue to increase in order to support the business by attracting and retaining top-tier talent. General and administrative expenses also include professional fees associated with being a publicly traded company in Canada and registered with the SEC.

Provision for Income Taxes

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

Non-GAAP Measures

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

	Years Ended December 31,		
	2024	2023	2022
		(in thousands)	
Net Income Before Non-Controlling Interest	$ 73,851	$ 37,419	$ 13,655
Interest Income	(9,074)	(6,697)	(4,070)
Interest Expense, net	24,266	19,073	21,201
Provision for Income Taxes	126,288	118,630	94,777
Total Other (Income) Expense	9,094	16,207	(4,499)
Depreciation and Amortization	113,210	100,790	96,664
Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-GAAP measure)	**$ 337,635**	**$ 285,422**	**$ 217,728**
Goodwill Impairment Charges	—	—	57,372
Write-off of Trade Names	—	—	31,131
Stock-based Compensation, Non-cash	33,312	28,189	27,140
Acquisition, Transaction and Other Non-operating Costs (Income)	371	12,228	(21,893)
Adjusted EBITDA (Non-GAAP Measure)	**$ 371,318**	**$ 325,839**	**$ 311,478**

Liquidity, Financing and Capital Resources

As of December 31, 2024 and 2023, the Company had total current liabilities of $164,969 thousand and $126,050 thousand, respectively, and cash and cash equivalents of $171,687 thousand and $161,634 thousand, respectively, to meet its current obligations. The Company had working capital of $238,931 thousand as of December 31, 2024, an increase of $22,219 thousand as compared to December 31, 2023. This increase in working capital was primarily driven by an increase in inventory partially offset by an increase in compensation related accruals.

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.

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, 2024, 2023, and 2022, were as follows:

	Years Ended December 31,		
	2024	2023	2022
		(in thousands)	
Net Cash Flows Provided by Operating Activities	$ 195,183	$ 224,968	$ 158,564
Net Cash Flows Used in Investing Activities	$ (89,536)	$ (227,908)	$ (219,946)
Net Cash Flows (Used in) Provided by Financing Activities	$ (95,594)	$ (13,108)	$ 8,644

Contractual Cash Obligations and Other Commitments and Contingencies

The following table quantifies the Company's future contractual obligations as of December 31, 2024:

	Total	2025	2026	2027	2028	2029	2030 and Thereafter
				(in thousands)			
Syndicated Credit Facility[a]	$ 150,000	$ 7,500	$ 15,000	$ 15,000	$ 15,000	$ 97,500	$ —
Mortgages Payable[b]	107,986	4,562	3,327	3,582	15,562	39,383	41,570
Interest Due on Notes Payable	53,599	13,732	12,580	11,163	9,745	6,379	—
Interest Due on Mortgage Payable	49,046	7,966	7,679	7,423	7,171	4,376	14,431
Operating Leases - Third-Party[c]	523,228	46,770	46,728	47,248	46,329	43,211	292,942
Operating Leases - Related Parties[c]	2,866	514	524	491	282	287	768
Construction Commitments	5,900	5,900	—	—	—	—	—
Total as of December 31, 2024	**$ 892,625**	**$ 86,944**	**$ 85,838**	**$ 84,907**	**$ 94,089**	**$ 191,136**	**$ 349,711**

(a) - The Syndicated Credit Facility, (the "Credit Facility") excludes $2,021 thousand of unamortized debt discount as of December 31, 2024. See Note 8—Notes Payable for details.
(b) - This amount excludes $1,007 thousand of unamortized debt discount as of December 31, 2024. See Note 8—Notes Payable for details.
(c) - These amounts include a total of $250,352 thousand of imputed interest as of December 31, 2024 See Note 7—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, 2024:

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

At December 31, 2024 and 2023, 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, 2024 and 2023, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Changes in or Adoption of Accounting Practices

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 statement 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 Zero") to determine whether further quantitative analysis for impairment of goodwill is necessary. In performing Step Zero 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 Zero, the Company would perform a quantitative impairment analysis to estimate the fair value of goodwill.

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 Uncollectible Accounts

Management determines the allowance for uncollectible accounts by evaluating individual receivable balances and considering accounts and other receivable financial condition and current economic conditions. Accounts receivable and financial assets recorded in other receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. All receivables are expected to be collected within one year of the balance sheet date.

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.