The Management's Discussion and Analysis of Financial Condition and Results of Operations for Trulieve Cannabis Corp. is also included in the Form 10-Q for the quarter ended March 31, 2021 filed on SEDAR on May 13, 2021 in its entirety.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and accompanying notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the Securities and Exchange Commission, or SEC, on March 23, 2021 (the "2020 Form 10-K"). This discussion contains forward-looking statements and involves numerous risks and uncertainties, including but not limited to those described in the "Risk Factors" section of this Quarterly Report on Form 10-Q and in "Part I, Item 1A—Risk Factors" in our 2020 Form 10-*K*. Actual results may differ materially from those contained in any forward-looking statements. You should read "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" contained herein and in our 2020 Form 10-K.*

Overview

We are a multi-state cannabis operator with licenses to operate in six states. Headquartered in Quincy, Florida, we are the market leader for quality medical cannabis products and services in Florida and aim to be the brand of choice for medical and adult-use customers in all of the markets that we serve. All of the states in which we operate have adopted legislation to permit the use of cannabis products for medicinal purposes to treat specific conditions and diseases, which we refer to as medical cannabis. Recreational marijuana, or adult-use cannabis, is legal marijuana sold in licensed dispensaries to adults ages 21 and older. Thus far, of the states in which we operate, only California and Massachusetts have adopted legislation permitting commercialization of adult-use cannabis products.

As of March 31, 2021, we employed over 6,200 people, and we are committed to providing patients, which we refer to herein as "patients" or "customers," a consistent and welcoming retail experience across Trulieve branded stores. We have eight material subsidiaries: Trulieve, Inc., or Trulieve US, Leef Industries, LLC, or Leef Industries, Life Essence, Inc., or Life Essence, Trulieve Holdings, Inc., or Trulieve Holdings, and Trulieve Bristol, Inc. (formerly The Healing Corner, Inc. and referred to herein as "Healing Corner"), PurePenn LLC, Keystone Relief Centers, LLC (which we refer to as "Solevo Wellness"), and Trulieve WV, Inc., or Trulieve WV. Each of Trulieve US, Leef Industries, Life Essence, Trulieve Holdings, Healing Corner, PurePenn LLC, Solevo Wellness and Trulieve WV is wholly owned (directly or indirectly) by Trulieve Cannabis Corp. As of March 31, 2021, substantially all of our revenue was generated from the sale of medical cannabis products in the State of Florida. To date, neither the sale of adult-use cannabis products, nor our operations in Massachusetts, California, Connecticut, Pennsylvania, and West Virginia, have been material to our business.

Florida

Trulieve US is a vertically integrated "seed to sale" cannabis company and is the largest licensed medical marijuana company in the State of Florida. As of March 31, 2021, publicly available reports filed with the Florida Office of Medical Marijuana Use show Trulieve US to have the most dispensing locations and the greatest dispensing volume across product categories out of all licensed medical marijuana businesses in the state. Trulieve US cultivates and produces all of its products in-house and distributes those products to patients in Trulieve branded stores (dispensaries) throughout the State of Florida, as well as directly to patients via home delivery. Our experience in the vertically integrated Florida market has given us the ability to scale and penetrate in all necessary business segments (cultivation, production, sales, and distribution). Trulieve US has the experience necessary to increase market leadership in Florida and employ that expertise effectively in other regulated markets.

As of March 31, 2021, Trulieve US operated approximately 2.1 million square feet of cultivation facilities across five sites. In accordance with Florida law, Trulieve US grows in secure enclosed indoor facilities and greenhouse structures.

Massachusetts

Life Essence is currently in the permitting and development phase for multiple adult-use and medical cannabis retail locations, as well as a cultivation and product manufacturing facility in Massachusetts. Life Essence has been awarded a Final Adult Use Marijuana Retailer License for an adult-use dispensary in Northampton and a Final Medical Marijuana Treatment Center License for medical marijuana cultivation and processing in Holyoke and an affiliated dispensing location in Northampton. Life Essence also holds Provisional Licenses for Adult Use cultivation and processing at the same facility in Holyoke, and provisional certificates of registration for medical marijuana dispensaries in Holyoke and Cambridge. Life Essence has received clearance to admit plant stock to the Holyoke facility, has completed adult-use licensure inspections, and now expects to receive final adult-use cultivation and processing licenses.

In October 2020, Life Essence entered into an asset purchase agreement with PCMV pursuant to which Life Essence agreed to purchase certain assets of PCMV including the rights to a Provisional Marijuana Retailer License from the Massachusetts Cannabis Control Commission, the right to exercise an option held by PCMV to lease real property in Framingham, Massachusetts for use as a marijuana retailer, and necessary municipal entitlements to operate as a marijuana retailer at the property. In December 2020, Life Essence entered into an asset purchase agreement with Nature's Remedy and Sammartino Investments, LLC pursuant to which Life Essence agreed to purchase certain assets of Nature's Remedy including a Final Marijuana Retailer License from the Cannabis Control Commission, assignment of a long-term lease for real property in Worcester, Massachusetts for use as a marijuana retailer, and necessary municipal entitlements to operate as a marijuana retailer at the property. We expect the closing of both transactions to occur promptly following receipt of applicable state and local regulatory approvals.

California

Leef Industries operates a licensed medical and adult-use cannabis dispensary located in Palm Springs, California. Trulieve believes Leef Industries has demonstrated encouraging growth in the market, offering in-store and online shopping, along with product home delivery. Leef Industries is in the process of Trulieve rebranding and alignment with corporate operational standards, which we believe will increase consumer appeal and operational efficiency. The dispensary helps us stay abreast of trends on the west coast and in a robust and innovative cannabis market distinguished by local competition between diverse and numerous operators.

Connecticut

Healing Corner is a licensed pharmacist-managed medical cannabis dispensary located in Bristol, Connecticut. Healing Corner was founded in 2014 and provides a range of medical marijuana products produced by high quality licensed suppliers. At the dispensary, a licensed pharmacist and trained staff provide on-site counseling and education to patients. Patients may reserve their medical marijuana order through Healing Corner's innovative Canna-Fill online system.

Pennsylvania

On November 12, 2020, we completed the acquisition of 100% of the membership interests of: (i) PurePenn LLC and Pioneer Leasing & Consulting LLC, which we refer to collectively as PurePenn, and (ii) Keystone Relief Centers, LLC, which does business as and we refer to herein as Solevo Wellness. PurePenn operates marijuana cultivation and manufacturing facilities in the Pittsburgh, Pennsylvania area and currently wholesales to 100% of the operating dispensaries in Pennsylvania. As of March 31, 2021, PurePenn has 35,000 square feet of cultivation space. Solevo Wellness operates three medical marijuana dispensaries with approximately 16,000 square feet of retail space, each with six points of sale, in the Pittsburgh, Pennsylvania area.

West Virginia

On November 13, 2020, Trulieve WV was awarded a processor permit by the West Virginia Office of Medical Cannabis. On January 29, 2021, Trulieve WV was notified that it has been awarded four dispensary permits by the West Virginia Office of Medical Cannabis. On March 22, 2021, we entered into a membership interest purchase agreement with Mountaineer Holding, LLC ("Mountaineer"). Mountaineer holds a West Virginia cultivation license and two dispensary licenses. Our acquisition of Mountaineer closed on May 6, 2021. We are actively working to begin operations as soon as reasonably practicable, which will vary by location depending on permitting and construction timelines.

Recent Developments

On March 21, 2021, in accordance with the terms of our Articles, an aggregate of 551,614 outstanding Super Voting shares converted automatically, without any action by the holders of such Super Voting Shares, into an aggregate of 551,614 Multiple Voting Shares.

Management's Use of Non-GAAP Measures

Our management uses financial measures that are not in accordance with generally accepted accounting principles in the United States, or GAAP, in addition to financial measures in accordance with GAAP to evaluate our operating results. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with GAAP. Adjusted EBITDA is a financial measure that is not defined under GAAP. Our management uses this non-GAAP financial measure and believes it enhances an investor's understanding of our financial and operating performance from period to period because it excludes certain material non-cash items and certain other adjustments management believes are not reflective of our ongoing operations and performance. Adjusted EBITDA excludes from net income as reported interest, share-based compensation, tax, depreciation, acquisition and transaction costs, fair value step-up of inventory from acquisitions, COVID related expenses, non-cash expenses and other income. Trulieve reports adjusted EBITDA to help investors assess the operating performance of the Corporation's business. The financial measures noted above are metrics that have been adjusted from the GAAP net income measure in an effort to provide readers with a normalized metric in making comparisons more meaningful across the cannabis industry, as well as to remove non-recurring, irregular and one-time items that may otherwise distort the GAAP net income measure.

As noted above, our Adjusted EBITDA is not prepared in accordance with GAAP, and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net income, which is the most directly comparable financial measure calculated and presented in accordance with GAAP. Because of these limitations, we consider, and you should consider, Adjusted EBITDA together with other operating and financial performance measures presented in accordance with GAAP. A reconciliation of Adjusted EBITDA from net income, the most directly comparable financial measure calculated in accordance with GAAP, has been included herein.

Components of Results of Operations

Revenue

We derive our revenue from cannabis products which we manufacture, sell, and distribute to our customers by home delivery and in our dispensaries.

Gross Profit

Gross profit includes the costs directly attributable to product sales and includes amounts paid to produce finished goods, such as flower, and concentrates, as well as packaging and other supplies, fees for services and processing, allocated overhead which includes allocations of rent, administrative salaries, 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 margins over comparative periods as the regulatory environment changes.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel costs related to the dispensaries as well as marketing programs for our products. As we continue to expand and open additional dispensaries, we expect our sales and marketing expenses to continue to increase.

General and Administrative

General and administrative expenses represent costs incurred at our corporate offices, primarily related to personnel costs, including salaries, incentive compensation, benefits, and other professional service costs, including legal and accounting. We expect to continue to invest considerably in this area to support our expansion plans and to support the increasing complexity of the cannabis business. Furthermore, we expect to continue to incur acquisition and transaction costs related to our expansion plans, and we anticipate a significant increase in compensation expenses related to recruiting and hiring talent, accounting, and legal and professional fees associated with becoming compliant with the Sarbanes-Oxley Act and other public company corporate expenses.

Depreciation and Amortization

Depreciation expense is calculated on a straight-line basis using the estimated useful life of each asset. Estimated useful life is determined by asset class and is reviewed on an annual basis and revised if necessary. Amortization expense is recognized using the straight-line method over the estimated useful life of the intangible assets. Useful lives for intangible assets are determined by type of asset with the initial determination of useful life derived during the valuation of the business combination. On an annual basis, the useful lives of each intangible class of assets are evaluated for appropriateness and adjusted if appropriate.

Other Income (Expense), Net

Interest and other income (expense), net consist primarily of interest income and interest expense and the impact of the revaluation of the debt warrants.

Provision for Income Taxes

Provision for income taxes is calculated using the asset and liability method. Deferred income tax assets and liabilities are determined based on enacted tax rates and laws for the years in which the differences are expected to reverse. 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.

As we operate in the cannabis industry, we are subject to the limits of IRC Section 280E under which we are only allowed to deduct expenses directly related to the cost of producing the products or cost of production.

Results of Operations

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Revenue

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	2020	$	%
	(dollars in thousands)			
Revenues, Net of Discounts	$ 193,823	$ 96,057	$ 97,767	102%

Revenue for the three months ended March 31, 2021 was $193.8 million, an increase of $97.8 million, from $96.1 million for the three months ended March 31, 2020. Increase in revenue is the result of an increase in organic growth in retail sales due to an increase in products available for purchase and overall patient count. In addition, between March 31, 2021 and March 31, 2020, we opened thirty-three dispensaries in Florida which increased retail sales year over year.

Cost of Goods Sold

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	2020	$	%
	(dollars in thousands)			
Cost of Goods Sold	$ 58,559	$ 22,226	$ 36,333	163%
% of Total Revenues	30%	23%		

Cost of goods sold for the three months ended March 31, 2021 was $58.6 million, an increase of $36.3 million, from $22.2 million for the three months ended March 31, 2020, due to an increase in retail sales as a result of an increase in dispensaries and patient count. Cost of goods sold as a percentage of revenue increased from 23% for the three months ended March 31, 2020 to 30% for the three months ended March 31, 2021 due to our expansion into new markets, timing of inventory flow-through and product mix.

Gross Profit

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	2020	$	%
	(dollars in thousands)			
Gross Profit	$ 135,264	$ 73,831	$ 61,433	83%
% of Total Revenues	70%	77%		

Gross profit for the three months ended March 31, 2021 was $135.3 million, up $61.4 million or 83% from $73.8 million for the three months ended March 31, 2020, as a result of an increase in retail sales due to the additional number of dispensaries, products available for sale and patient count. Gross profit as a percentage of revenue decreased from 77% for the three months ended March 31, 2020 to 70%, for the three months ended March 31, 2021. The decrease is caused by expansion into new markets, timing of inventory flow-through and product mix.

Sales and Marketing Expenses

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	2020	$	%
	(dollars in thousands)			
Sales and Marketing Expenses	$ 44,558	$ 22,866	$ 21,692	95%
% of Total Revenues	23%	24%		

Sales and marketing expense increased from $22.9 million for the three months ended March 31, 2020, to $44.6 million for the three months ended March 31, 2021, an increase of $21.7 million, or 95%. The increase in sales and marketing expense is the result of a higher head count for the year, as we continue to add additional dispensaries in efforts to maintain and further drive higher growth in sales and market share. This increased head count resulted in higher personnel costs, which is the primary driver for the increase year over year.

General and Administrative Expenses

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	2020	$	%
	(dollars in thousands)			
General and Administrative Expenses	$ 12,709	$ 6,259	$ 6,450	103%
% of Total Revenues	7%	7%		

General and administrative expense for the three months ended March 31, 2021 increased to $12.7 million from $6.3 million for the three months ended March 31, 2020, an increase of $6.4 million, or 103%. The increase in general and administrative expense is the result of entering new markets and ramping our infrastructure to support growth initiatives and go-forward compliance.

Depreciation and Amortization Expense

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	2020	$	%
	(dollars in thousands)			
Depreciation and Amortization Expenses	$ 5,434	$ 2,194	$ 3,240	148%
% of Total Revenues	3%	2%		

Depreciation and amortization expenses for the three months ended March 31, 2021 was $5.4 million, up $3.2 million, or 148%, from $2.2 million for the three months ended March 31, 2020. The overall increase in depreciation and amortization expenses was due to investment in infrastructure that resulted in more capitalized assets from the additional dispensaries. Furthermore, amortization expense increased due to acquisitions and acquired intangibles.

Total Other Income (Expense), Net

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Change Increase / (Decrease) $	Change Increase / (Decrease) %
	(dollars in thousands)			
Total Other Income (Expense), Net	$ (7,937)	$ (1,013)	$ (6,924)	**%
% of Total Revenues	(4)%	(1)%		

** not meaningful

Total other income (expense), net for the three months ended March 31, 2021 was $(7.9) million, an increase of $6.9 million from $(1.0) million for the three months ended March 31, 2020. The overall increase is the result of an increase in interest expense related to additional finance leases to support business growth, partially offset by our revaluation of debt warrants for the three months ended March 31, 2020.

On December 10, 2020, the Company entered into a Supplemental Warrant Indenture with Odyssey Trust Company pursuant to which it amended the terms of the issued and outstanding subordinate voting share purchase warrants of the Company (the "Public Warrants") to convert the exercise price of the Public Warrants to $13.47 per share, the U.S. dollar equivalent of the Canadian dollar exercise price of the Public Warrants of C$17.25. As a result of this, the Public Warrants converted to equity and eliminating revaluation expense in future periods.

Provision for Income Taxes

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Change Increase / (Decrease) $	Change Increase / (Decrease) %
	(dollars in thousands)			
Provision for Income Taxes	$ 34,549	$ 17,894	$ 16,655	93%

Income tax expense for the three months ended March 31, 2021 increased to $34.5 million from $17.9 million for the three months ended March 31, 2020, an increase of $16.7 million, or 93% as a result of a $61.4 million increase in gross profit for the same periods. Under IRC Section 280E, Cannabis Companies are only allowed to deduct expenses that are directly related to production of the products. The increase in income tax expense is due to the increase in gross profit as a result of the increase in retail sales partially offset by an increase in production costs as a percentage of revenue.

Net Income

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Change Increase / (Decrease) $	Change Increase / (Decrease) %
	(dollars in thousands)			
Net Income and Comprehensive Income	$ 30,078	$ 23,605	$ 6,473	27%

Net income for the three months ended March 31, 2021 was $30.1 million, an increase of $6.5 million or 27%, from $23.6 million for the three months ended March 31, 2020. The increase in net income was driven primarily by the opening of additional dispensaries, an increase in products available for purchase and overall patient count. This net increase to net income was offset by cost of goods sold which was driven by timing of inventory flow-through and product mix. In addition, increases in sales and marketing and general and administrative expenses such as personnel costs, dispensary expenses, depreciation, interest expense, costs of entering new markets, ramping infrastructure, and go-forward compliance, all contributed to the offset in net income. Income taxes also significantly increased period over period due to higher profit. Lastly, other expense increased as a result of the revaluation of our debt warrants for the three months ended March 31, 2020. As previously noted, the revaluation is no longer applicable for the three months ended March 31, 2021.

Adjusted EBITDA

	Three Months Ended March 31,		Change Increase / (Decrease)	
	2021	**2020**	**$**	**%**
	(dollars in thousands)			
Adjusted EBITDA	$ 90,797	$ 48,546	$ 42,250	87%

Adjusted EBITDA for the three months ended March 31, 2021, was $90.8 million, an increase of $42.3 million or 87%, from $48.5 million for the three months ended March 31, 2020. The following table presents a reconciliation of GAAP net income to non-GAAP Adjusted EBITDA, for each of the periods presented:

	Three Months Ended March 31,	
	2021	**2020**
	(dollars in thousands)	
Net Income and Comprehensive Income	$ 30,078	23,605
Add (Deduct) Impact of:		
Depreciation and Amortization	5,434	2,194
Depreciation included in Cost of Goods Sold	3,667	2,504
Interest Expense, Net	7,899	5,912
Provision for Income Taxes	34,549	17,894
EBITDA	81,626	52,109
Share-Based Compensation	741	1,222
Other Expense (Income), Net	38	(4,899)
Acquisition and Transaction Costs	2,042	—
Inventory Step up, Fair value	2,528	—
COVID Related Expenses	3,821	114
Total Adjustment	60,719	24,941
Adjusted EBITDA	**$ 90,797**	**$ 48,546**

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations and capital spending through cash flows from product sales, loans from affiliates and entities controlled by our affiliates, third-party debt, and proceeds from the sale of our capital stock. We are generating cash from sales and are deploying our capital reserves to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and long term to support our business growth and expansion. Our current principal sources of liquidity are our cash and cash equivalents provided by our operations and debt and equity offerings. Cash and cash equivalents consist primarily of cash on deposit with banks and money market funds. Cash and cash equivalents were $162.4 million as of March 31, 2021.

We believe our existing cash balances will be sufficient to meet our anticipated cash requirements from the report issuance date through at least the next 12 months.

Our primary uses of cash are for working capital requirements, capital expenditures and debt service payments. Additionally, from time to time, we may use capital for acquisitions and other investing and financing activities. Working capital is used principally for our personnel as well as costs related to the growth, manufacture, and production of our products. Our capital expenditures consist primarily of additional facilities and dispensaries, improvements in existing facilities and product development.

To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds. There can be no assurance that we will be able to obtain additional funds on terms acceptable to us, on a timely basis, or at all. The failure to obtain sufficient funds on acceptable terms when needed could have a material adverse effect on the results of operations and financial condition.

The following table presents our cash and outstanding debt as of the dates indicated:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Cash and Cash Equivalents	$ 162,450	$ 146,713
Outstanding Debt:		
Notes Payable	6,000	6,000
Notes Payable - Related Party	12,000	12,011
Other Long-Term Liabilities	130,000	130,000
Warrant Liability	—	—
Operating Lease Liability	31,650	29,604
Finance Lease Liability	40,638	38,935
Construction Finance Liability	$ 86,445	$ 82,047

Cash Flows

The table below highlights our cash flows for the periods indicated.

	Three Months Ended March 31,	
	2021	2020
Net Cash Provided by Operating Activities	$ 60,393	$ 23,920
Net Cash Used in Investing Activities	(53,362)	(27,809)
Net Cash Provided by Financing Activities	8,706	12,888
Net Increase in Cash and Cash Equivalents	15,737	8,999
Cash and Cash Equivalents, Beginning of Period	146,713	91,813
Cash and Cash Equivalents, End of Period	$ 162,450	$ 100,812

Cash Flow from Operating Activities

Net cash provided by operating activities was $60.4 million for the three months ended March 31, 2021, an increase of $36.5 million, compared to $23.9 million net cash provided by operating activities during the three months ended March 31, 2020. This is primarily due to organic growth of our business partially offset by increases in net working capital requirements, including inventory, as we ramp the business to support the growth.

Cash Flow from Investing Activities

Net cash used in investing activities was $53.4 million for the three months ended March 31, 2021, an increase of $25.6 million, compared to the $27.8 million net cash used in investing activities for the three months ended March 31, 2020. The increase is due to the increase of property and equipment purchases for the construction of additional dispensaries and continued expansion of our cultivation and processing facilities.

Cash Flow from Financing Activities

Net cash provided by financing activities was $8.7 million for the three months ended March 31, 2021, a decrease of $4.1 million, compared to the $12.9 million net cash provided by financing activities for the three months ended March 31, 2020. The decrease was primarily due to a reduction in TI Allowance proceeds, partially offset by proceeds of warrant exercises.

Funding Sources

Promissory Notes

In 2017, we entered into three unsecured promissory notes with a 12% annual interest rate, which was amended in January 2019 to extend the maturity by three years to 2022. The balance of these notes is $4.0 million. On December 17, 2017, we entered into a promissory note with a 12% annual interest rate and a balance of $2.0 million, which will mature December 2021.

Related Party Promissory Notes

In February 2019, we entered into a 24-month unsecured loan with an 8% annual interest rate with Benjamin Atkins, a former director and shareholder of Trulieve for $257,337. In March 2018, the Company entered into a 24-month unsecured loan with an 8% annual interest rate with Benjamin Atkins for $158,900. In June 2018, the Company entered into a 24-month unsecured loan with an 8% annual interest rate with Benjamin Atkins for $262,010. In November 2018, the Company entered into two separate 24-month unsecured loans each with an 8% annual interest rate with a former director and shareholder for a total of $474,864. As of March 31, 2021, all loans with Benjamin Atkins have matured.

In May 2018, the Company entered into two separate unsecured promissory notes (the "Traunch Four Note" and the "Rivers Note") for a total of $12.0 million. The Traunch Four Note is held by Traunch Four, LLC, an entity whose direct and indirect owners include Kim Rivers, the Chief Executive Officer and Chair of the Board, as well as Thad Beshears, Richard May, George Hackney, all of whom are directors of Trulieve, and certain of Richard May's family members. The Rivers Note is held by Kim Rivers. Each promissory note has a 24-month maturity and 12% annual interest rate. The two unsecured promissory notes were amended in March 2021 to extend the maturity one year to May 2022, all other terms remain unchanged.

Balance Sheet Exposure

At March 31, 2021 and 2020, 100% of our balance sheet is exposed to U.S. cannabis-related activities. We believe our operations are in material compliance with all applicable state and local laws, regulations, and licensing requirements in the states in which we operate. However, cannabis remains illegal under U.S. federal law. Substantially all our revenue is derived from U.S. cannabis operations. For information about risks related to U.S. cannabis operations, please refer to "Risk Factors" in this prospectus.

Contractual Obligations

At March 31, 2021, we had the following contractual obligations to make future payments, representing contracts and other commitments that are known and committed:

	<1 Year	1 to 3 Years	3 to 5 Years	>5 Years	Total
			(dollars in thousands)		
Accounts Payable and Accrued Liabilities	$ 42,038	$ —	$ —	$ —	$ 42,038
Notes Payable	2,000	4,000	—	—	6,000
Notes Payable - Related Party	—	12,000	—	—	12,000
Other Long-Term Liabilities	—	—	130,000	—	130,000
Operating Lease Liability	4,421	11,583	10,685	16,724	43,412
Finance Lease Liability	5,644	14,115	12,359	24,819	56,936
Construction Finance Liability	$ 10,975	$ 38,440	$ 41,697	$ 157,218	$ 248,330

Off-Balance Sheet Arrangements

As of the date of this filing, we do 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, including, and without limitation, such considerations as liquidity and capital resources.