



Green Thumb Industries (GTI) Announces Year-over-Year Revenue Growth of 344% and Sequential Revenue Growth of 26% for Third Quarter 2018

Strong Results Fueled by Same-Store Sales, New Store Sales and Wholesale Expansion

CHICAGO and VANCOUVER, British Columbia, November 27, 2018 -- Green Thumb Industries Inc. ("GTI" or the "Company") (CSE: GTII) (OTCQX: GTBIF), a national cannabis consumer packaged goods company and owner-operator of the high growth national retail chain RISE™, today reported its financial results for the third quarter ended September 30, 2018.

Financial Highlights

- Third quarter 2018 revenues increased 344% year-over-year to \$17.2 million. Quarter-over-quarter revenues increased 26%.
- EBITDA¹ was \$3.4 million for the quarter. Adjusted EBITDA¹, as described in an accompanying financial table, was \$0.4 million.
- GTI's net loss was \$3.3 million, down from net income of \$0.4 million in second quarter 2018.
- Current assets totaled \$166.2 million as of September 30, 2018, including cash and cash equivalents of \$149.8 million. The Company has approximately \$7.6 million of total debt, \$1.5 million of which is due within 12 months.
- The Company raised gross proceeds of \$140.5 million through two bought deal financings, one subsequent to quarter end. On August 2, 2018, GTI closed a bought deal financing transaction raising \$61.7 million, and on October 17, 2018, GTI closed a bought deal financing transaction raising \$78.8 million.

Management Commentary

"This was another quarter of solid financial and operational results as we build our foundation for the future. We have been focused on expanding wholesale capacity to meet increasing demand, opening new RISE™ stores and are unwavering in our diligent effort building a world-class team. To support our strong retail pipeline, we added experts to the team in retail operations, real estate, design and construction, and marketing and communications from retail giants such as Nordstrom, Starbucks, Home Depot, Whole Foods, Apple and Nike. We are excited about what's ahead for RISE™ as we accelerate the growth of this exceptional business," said GTI Founder and Chief Executive Officer Ben Kovler.

"We closed on the acquisition of KSGNF to operate in Florida, closed on the acquisition of an extraordinary retail asset in Boston, and are on track to more than double our footprint in the

only limited license adult use market in the country with the strategic acquisition of Nevada's top operator, Integral Associates, announced earlier this month," Kovler continued. "All are important milestones as we position the business for long-term success by distributing brands at scale."

Business Infrastructure Development

During and subsequent to the quarter end, through business development and acquisition-related activities, the Company continued to expand its operations across its key markets. The Company made substantive progress in the following areas:

- Nevada: Announced pending acquisition of Integral Associates, which includes three nationally-recognized dispensaries operating under the Essence brand and two cultivation and processing facilities totaling 95,000 square feet: Desert Grown Farms and Cannabiotix Nevada. As part of the transaction, Integral Associates' CEO Armen Yemenidjian and founder Alex Yemenidjian will join GTI as President and Board Member, respectively. The pending acquisition complements the Company's existing two retail stores in Northern Nevada in Carson City and Reno and its Nevada cultivation and processing facility which is expected to complete construction next month.
- Florida: Closed acquisition of Florida-based KSGNF, LLC, which includes a vertically integrated license for a cultivation and processing facility and up to 30 retail stores. The acquisition makes GTI one of only 14 companies approved to operate a medical marijuana business in the state.
- Boston: Closed acquisition of Boston-based Compassionate Organics, LLC, which includes a retail store on historic Newbury Street.
- Illinois: Closed purchase of an incremental 25% membership interest in Illinois-based NH Medicinal Dispensaries, LLC (The Clinic Effingham) from Nutritional High International Inc., increasing the Company's ownership in the store to 50%.
- Talent: Made significant additions to support the Company's retail expansion, led by Jennifer Barry who hails from Urban Outfitters, Inc. (NASDAQ: URBN), and whose team brings over 184 combined years of retail experience from iconic brands such as The Gap, Starbucks, Whole Foods, Target, Nike and Apple.

Consumer Packaged Goods Business Development

- At the end of the third quarter, the Company generated wholesale revenue by producing and distributing consumer packaged products in four out of eight GTI markets: Illinois, Maryland, Pennsylvania, and Massachusetts, the latter of which came online in the third quarter. GTI continues to focus on infrastructure buildout and wholesale capacity expansion across these facilities.
- Nevada, Florida and New York are in various stages of production.

- GTI continues to build out and increase the reach of its suite of branded products including Rythm, DogWalkers and The Feel Collection.

Retail Business Development

- The Company expects to more than double the RISE™ retail footprint over the next twelve months.
- Florida: Signed nine leases for RISE™ retail stores in attractive, high-traffic locations throughout the state, including West Palm Beach, Port St. Lucie, Deerfield Beach, Hallandale Beach, Delray Beach, Bonita Springs, Pinellas Park, Oakland Park and Kendall.
- Pennsylvania: On October 5, 2018, GTI opened RISE™ York in partnership with KW Ventures Holdings LLC; GTI is expected to close the acquisition of KW Ventures Holdings in first quarter 2019. RISE™ York is the fourth open RISE™ store in the state and GTI's 14th open store in the nation.
- Ohio: Progressing on buildout of five stores in the pipeline. Two will be located in Lakewood and one each in Toledo, Cleveland and Lorain, with the first expected to open in Toledo during first quarter 2019.
- Total consolidated revenue includes 12 of the 13 open stores during the third quarter. The other is The Clinic Effingham, in which the Company recently increased its ownership stake to 50%. Revenue for The Clinic Effingham and RISE™ York will be included in the consolidated results beginning in the fourth quarter 2018.

Capital Markets and Financing Activities

- On August 2, 2018, GTI closed a bought deal financing transaction raising \$61.7 million.
- Subsequent to quarter end, on October 17, 2018, GTI closed a bought deal financing transaction raising \$78.8 million, which included proceeds following full exercise by underwriters of their over-allotment option. The Company intends on using net proceeds from the offerings for business development, including wholesale capacity, strategic initiatives and working capital.

Third Quarter 2018 Financial Overview

Total revenue for the third quarter of 2018 was \$17.2 million, as compared to \$3.9 million for the third quarter of 2017 and \$13.6 million for the second quarter of 2018. The year-over-year revenue increase was driven by increased distribution of branded products, new store openings, and the commencement of adult use sales in Nevada.

As of the three months ended September 30, 2018, GTI has operating revenue in five of its eight markets: Nevada, Illinois, Pennsylvania, Massachusetts, and Maryland and has increased capital investments related to the buildout of new markets in Florida, Ohio and New York in preparation for revenue generation in the first half of 2019.

Gross profit before biological asset adjustment for the third quarter of 2018 was \$7.8 million or 46%, as compared to \$2.2 million or 57% for the third quarter of 2017. Gross profit after net gains on biological asset transformation for the third quarter was \$8.5 million, representing a gross margin of 50%, as compared to 37% for the same period last year.

General and administrative expenses were \$12.8 million for the third quarter of 2018, as compared to \$2.8 million for the same period last year. The increase was driven by new retail headcount to support new store growth, corporate staff development and \$2.6 million of non-cash expenses related to stock-based compensation.

Total other income was \$8.1 million for the third quarter of 2018, primarily reflecting the change in fair market value of outstanding warrants held in iAnthus Capital Holdings related to a Debenture Purchase Agreement with the Company that was executed in January of 2018.

GTI's net loss for the third quarter of 2018 was \$3.3 million, as compared to a net loss of \$1.2 million for the third quarter of 2017.

EBITDA¹ was \$3.4 million for the third quarter of 2018, as compared to a loss of \$1.2 million for the third quarter of 2017. Excluding fair value adjustments attributable to noncontrolling interest and non-cash stock compensation expenses, GTI generated \$0.4 million in Adjusted EBITDA¹ for the third quarter of 2018.

Balance Sheet and Liquidity

As of September 30, 2018, total assets were \$297.6 million, including cash and cash equivalents of \$149.8 million and long-term liabilities of \$9.3 million. The Company has \$7.6 million of total debt, \$1.5 million of which is due within 12 months. Total authorized and issued common shares on a fully diluted basis were 147,642,034 at September 30, 2018. In connection with the bought deal financing which occurred subsequent to quarter end on October 17, 2018, an additional 5,083,000 shares were issued.

On October 18, 2018, the Company divested all of its membership interest in VCP Bridge, LLC, which holds warrants issued by iAnthus Capital Holdings Inc. to an unaffiliated third party. The closed transaction reflects GTI's disposition of all direct and indirect interest in warrants issued by iAnthus.

All currency is in U.S. dollars.

Additional Information

Additional information relating to the Company's third quarter 2018 results is available on SEDAR at www.sedar.com in the Company's Interim Financial Statements and Management Discussion & Analysis ("MD&A").

GTI refers to certain non-IFRS financial measures such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and adjusted EBITDA earnings 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. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers.

1. *Please see the “Supplemental Information (Unaudited) Regarding Non-IFRS Financial Measures” at the end of this press release for more detailed information regarding non-IFRS financial measures.*

Conference Call and Webcast

GTI will host a conference call on Tuesday, November 27, 2018 at 5:00 pm ET to discuss its financial results for the third quarter ended 2018. The conference call may be accessed by dialing 877-273-8145 (Toll-Free) or 647-689-5400 (International) with conference ID: 4065179. A live audio webcast of the call will also be available on the Investor Relations section of GTI’s website at <https://www.gtigrows.com/investors> and will be archived for replay.

About Green Thumb Industries:

Green Thumb Industries (GTI), a national cannabis cultivator, processor and dispensary operator, is dedicated to providing dignified access to safe and effective cannabis nationwide while giving back to the communities in which they serve. As a vertically integrated company, GTI manufactures and sells a well-rounded suite of branded cannabis products including flower, concentrates, edibles, and topicals. The company also owns and operates a rapidly growing national chain of retail cannabis stores called RISE™. Headquartered in Chicago, Illinois, GTI has eight manufacturing facilities and licenses for 60 retail locations across eight highly regulated U.S. markets. Established in 2014, GTI employs over 450 people and serves thousands of patients and customers each year. GTI was named a Best Workplace 2018 by Crain’s Chicago Business. More information is available at GTIgrows.com.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of GTI with respect to future business activities. Forward-looking information is often identified by the words “may,” “would,” “could,” “should,” “will,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “expect,” or similar expressions and include information regarding: (i) statements regarding the future direction of GTI, (ii) the ability of the Company to successfully achieve its business objectives, (iii) plans for expansion of GTI, (iv) expectations for other economic, business and/or competitive factors, and (v) information concerning the proposed acquisitions, expectations regarding whether the proposed acquisitions will be consummated, including whether conditions to the consummation of the proposed acquisitions will be satisfied and whether the proposed

acquisitions will be completed on the current terms, the timing for completing the proposed acquisitions and expectations for the effects of the proposed acquisitions.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect GTI management's expectations, estimates or projections concerning the business of GTI future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although GTI believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. The acquisition of Integral Associates is subject to certain conditions of closing, including receipt of all necessary regulatory approvals, completion of the Cannabiotix acquisition by Integral Associates and other customary conditions of closing.

In connection with the forward-looking information and statements contained in this press release, GTI has made certain assumptions, including assumptions related to: the ability to obtain regulatory approval in the ordinary course of business, the availability of real estate on market terms, the ability to obtain local zoning variances and approvals. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the proposed acquisitions; the ability to obtain requisite regulatory approvals and third party consents and the satisfaction of other conditions to the consummation of the proposed acquisitions on the proposed terms and schedule; the potential impact of the announcement or consummation of the proposed acquisitions on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the proposed acquisitions, together with the risk factors outlined by the company in its annual information form dated July 10, 2018 along with the risk factors outlined in the most recently filed MD&A of the company filed on SEDAR from time to time. This forward-looking information may be affected by risks and uncertainties in the business of GTI and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although GTI 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. GTI does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

No securities regulatory authority has in any way passed upon the merits of the proposed transactions described in this news release or has approved or disapproved of the contents of this news release.

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Source: Green Thumb Industries

Green Thumb Industries Inc. (formerly Bayswater Uranium Corporation)
Unaudited Interim Condensed Consolidated Statements of Operations
For the Three and Nine Month Periods Ended September 30, 2018 and 2017
(Amounts Expressed in United States Dollars)

	Three Months Ended	
	September 30,	
	2018	2017
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenues, net of discounts	\$ 17,171,710	\$ 3,866,397
Cost of Goods Sold, net	<u>(9,337,105)</u>	<u>(1,645,015)</u>
Gross Profit before Biological Asset Adjustment	<u>7,834,605</u>	<u>2,221,382</u>
Net Effect of Changes in Fair Value of Biological Assets	<u>686,236</u>	<u>(776,831)</u>
Gross Profit	<u>8,520,841</u>	<u>1,444,551</u>
Expenses:		
General and Administrative	12,799,751	2,767,423
Sales and Marketing	439,259	35,079
Depreciation and Amortization	<u>634,310</u>	<u>28,688</u>
Total Expenses	<u>13,873,320</u>	<u>2,831,190</u>
Loss From Operations	<u>(5,352,479)</u>	<u>(1,386,639)</u>
Other Income (Expense):		
Other Income (Expense), net	7,974,505	50,965
Interest Income	430,430	36,163
Interest Expense	<u>(300,211)</u>	<u>(32,195)</u>
Total Other Income (Expense)	<u>8,104,724</u>	<u>54,933</u>
Income (Loss) Before Provision for Income Taxes And Non-Controlling Interest	<u>2,752,245</u>	<u>(1,331,706)</u>
Provision For Income Taxes	<u>10,000</u>	<u>159,000</u>
Net Income (Loss) Before Non-Controlling Interest	2,742,245	(1,490,706)
Net Income (Loss) Attributable To Non-Controlling Interest	<u>6,081,819</u>	<u>(251,417)</u>
Net Loss Attributable To Green Thumb Industries Inc.	<u>\$ (3,339,574)</u>	<u>\$ (1,239,289)</u>
Net Loss per share - basic and diluted	\$ (0.02)	
Weighted average number of shares outstanding - basic and diluted	144,562,121	

Green Thumb Industries Inc. (formerly Bayswater Uranium Corporation)
Interim Condensed Consolidated Statements of Financial Position
(Amounts Expressed in United States Dollars)

	September 30, 2018	December 31, 2017
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 149,774,095	\$ 29,565,497
Accounts Receivable	2,772,897	892,373
Members Contribution Receivable	-	2,785,998
Due from Related Parties	347,446	1,188,686
Inventories	7,145,892	2,689,762
Biological Assets	3,579,597	2,117,131
Prepaid Expenses and Other Current Assets	<u>2,590,719</u>	<u>550,389</u>
Total Current Assets	166,210,646	39,789,836
Property and Equipment, Net	51,828,600	31,558,357
Intangible Assets, Net	14,081,314	14,161,995
Investments	54,999,120	-
Goodwill	188,260	188,260
Deposits and Other Assets	<u>10,262,873</u>	<u>1,458,833</u>
TOTAL ASSETS	<u><u>\$ 297,570,813</u></u>	<u><u>\$ 87,157,281</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 5,157,067	\$ 4,044,760
Accrued Liabilities	6,428,883	1,160,521
Current Portion of Notes Payable	1,476,473	8,861,376
Income Tax Payable	264,490	214,000
Total Current Liabilities	13,326,913	14,280,657
Long-Term Liabilities:		
Deferred Rent	277,488	301,105
Notes Payable, Net of Current Portion	6,083,621	7,206,673
Deferred Income Taxes	<u>2,891,000</u>	<u>-</u>
TOTAL LIABILITIES	22,579,022	21,788,435
EQUITY OF GREEN THUMB INDUSTRIES INC.	230,646,497	62,002,496
NON-CONTROLLING INTEREST	<u>44,345,294</u>	<u>3,366,350</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 297,570,813</u></u>	<u><u>\$ 87,157,281</u></u>

Green Thumb Industries Inc. (formerly Bayswater Uranium Corporation)
Supplemental Information (Unaudited) Regarding Non-IFRS Financial Measures
For the Three Month Periods Ended September 30, 2018 and 2017
(Amounts Expressed in United States Dollars)

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

	Three Months Ended	
	September 30,	
	2018	2017
Net income (loss) (IFRS)	\$ 2,742,245	\$ (1,490,706)
Interest income	(430,430)	(36,163)
Interest expense	300,211	32,195
Income taxes	10,000	159,000
Depreciation and amortization	766,856	152,316
Earnings before interest, taxes, depreciation and amortization (EBITDA) (non-IFRS measure)	<u>\$ 3,388,882</u>	<u>\$ (1,183,358)</u>
Other income	(7,974,505)	(50,965)
Share-based compensation, non-cash	2,611,675	-
Adjusted Operating EBITDA (non-IFRS measure)	<u>\$ (1,973,948)</u>	<u>\$ (1,234,323)</u>
Adjustment for investment fair value adjustments attributable to Green Thumb Industries Inc.	2,367,432	-
Adjusted EBITDA (non-IFRS measure)	<u>\$ 393,484</u>	<u>\$ (1,234,323)</u>