

**FORM 51-102F3**  
**Material Change Report**

**Item 1.                    Reporting Issuer**

Green Thumb Industries Inc. (“GTI”)  
250 Howe Street, 20th Floor  
Vancouver, BC V6C 3R8

**Item 2.                    Date of Material Change**

June 5, 2019

**Item 3.                    Press Release**

On June 5, 2019, a news release in respect of the material change was disseminated via Globe Newswire.

**Item 4.                    Summary of Material Change**

On June 5, 2019, GTI closed on the acquisition of Integral Associates (the “**Transaction**”). GTI also announced the appointment of Armen Yemenidjian as president of GTI.

**Item 5.                    Full Description of Material Change**

*Item 5.1 – Full Description of Material Change*

On June 5, 2019, completed the Transaction. The Transaction included the acquisition of:

- Integral Associates’ three high-traffic Essence retail stores located across the Las Vegas area including the only cannabis retail store on the Las Vegas Strip;
- Eight additional retail licenses in Nevada: five in the Las Vegas area and three in Northern Nevada;
- West Hollywood retail license, one of only five with a consumption lounge and delivery service;
- Desert Grown Farms, a 54,000 square foot state-of-the-art cultivation and processing facility with an award-winning genetics library of 100+ strains; and
- Cannabiotix NV, a 41,000 square foot cultivation and processing facility which has been a recognized High Times Cannabis Cup award winner

The Transaction, previously announced on November 13, 2018, was valued at approximately US\$290 million, which included US\$52 million in cash and the issuance of approximately 20.8 million subordinate voting shares of GTI. The purchase agreement also provides for the payment by GTI of additional consideration upon the achievement of certain performance targets and regulatory license awards as disclosed in GTI’s public filings on the SEDAR profile of GTI at [www.sedar.com](http://www.sedar.com).

GTI also announced the appointment of Armen Yemenidjian as president of GTI.

See Schedule “A” attached for a copy of the news release announcing the material change.

*Item 5.2 – Disclosure for Restructuring Transactions*

Not applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

**Item 7. Omitted Information**

No information has been omitted.

**Item 8. Executive Officer**

Jenelle Chalmers, Associate General Counsel

(312) 523-8077

**Item 9. Date of Report**

June 17, 2019.

**Schedule "A"**  
(as attached)



## **Green Thumb Industries Inc. (GTI) Closes on Acquisition of Integral Associates; Scales Brand Distribution in Nevada and Enters the California Retail Market**

*Acquisition Includes Two Award-Winning Cultivation Facilities, 12 Retail Stores, Expanded Brand Distribution and Exceptional Talent*

**Chicago and Vancouver, British Columbia** (June 5, 2019)—Green Thumb Industries (GTI) (CSE: GTII) (OTCQX: GTBIF), announced today that it closed on the acquisition of Integral Associates. The acquisition includes:

- Integral Associates' three high-traffic Essence retail stores located across the Las Vegas area including the only cannabis retail store on the Las Vegas Strip;
- Eight additional retail licenses in Nevada: five in the Las Vegas area and three in Northern Nevada;
- West Hollywood retail license, one of only five with a consumption lounge and delivery service;
- Desert Grown Farms, a 54,000 square foot state-of-the-art cultivation and processing facility with an award-winning genetics library of 100+ strains; and
- Cannabiotix NV, a 41,000 square foot cultivation and processing facility which has been a recognized High Times Cannabis Cup award winner.

### **Management Commentary**

“We are excited to close on this transaction—it is a major win for shareholders as we scale distribution of our branded products and retail footprint in the Las Vegas market, one of the most popular tourist destinations in the world. In addition, it allows GTI to enter California with a flagship retail location,” said Ben Kovler, GTI Founder and Chief Executive Officer. “Integral Associates is an exceptional operator—it is a highly admired and respected business and adds award-winning products, significant retail market share, and healthy EBITDA to our business. This acquisition is immediately accretive and an important milestone as we position GTI to scale in one of the only limited license adult use markets.”

Kovler added, “We are also excited to welcome Armen Yemenidjian to our executive leadership team, where he will serve as president. Armen’s experience and vision in building and growing an outstanding company will be a tremendous asset to our organization.”

Armen Yemenidjian stated, “This transaction comes at an important and exciting time of growth for us. I’m honored to join GTI’s leadership team and be a part of such a well-respected employer that places a strong emphasis on people, brands and delivering superior service. With GTI’s expertise and impressive track record, we look forward to this new chapter and having the opportunity to serve more guests in new and existing markets.”

### **Talent, Retail and Production Assets**

Integral Associates was founded by Alex Yemenidjian, Armen Yemenidjian and Brian Greenspun in 2014 and has quickly become one of Nevada’s leading operators. Essence retail stores are renowned for superb service along with one of the widest selections of quality cannabis products in Las Vegas. The Essence Las Vegas Strip location was named *Business Insider’s* number one dispensary in Nevada and top-25 dispensary in the United States; a 17-time *Leafly* List Winner; top-10 dispensary in Nevada by *High Times Magazine* and the *Las Vegas Review-Journal’s* “Best of Las Vegas.”

Integral Associates’ production capabilities include two world-class cultivation and processing facilities in Las Vegas, Desert Grown Farms and Cannabiotix NV, supporting the expanded wholesale distribution of GTI’s branded products portfolio in one of the world’s most popular tourist destinations. Desert Grown Farms and Cannabiotix NV total 95,000 square feet of state-of-the-art cultivation and processing capacity.

### **Nevada Market**

The acquisition adds to GTI’s assets in Nevada, which the company entered in 2016 and where it operates retail and production facilities in Carson City.

The State of Nevada reported market revenue through the first three months of 2019 across all dispensaries was approximately \$162 million, including a record-breaking \$60 million in the month of March. Calendar year 2018 statewide sales were over \$580 million, and overall 2018 tax revenue for the state was nearly \$87 million, handily beating estimates.

### **Transaction Details**

The transaction, previously announced on November 13, 2018, was valued at approximately \$290 million, which included \$52 million in cash and the issuance of approximately 20.8 million Subordinate Voting Shares of GTI. The purchase agreement also provides for the payment by GTI of additional consideration upon the achievement of certain performance targets and

regulatory license awards as disclosed in GTI's public filings on the SEDAR profile of Green Thumb Industries at [www.sedar.com](http://www.sedar.com).

*\*All currency is in US dollars.*

### **About Green Thumb Industries:**

Green Thumb Industries (GTI), a national cannabis consumer packaged goods company and retailer, is dedicated to providing dignified access to cannabis while giving back to the communities in which they serve. GTI manufactures and distributes a portfolio of branded cannabis products including Rythm, Dogwalkers, The Feel Collection, and Beboe, among others. The company also owns and operates a rapidly growing national chain of retail cannabis stores called Rise™. Headquartered in Chicago, Illinois, GTI has 13 manufacturing facilities, licenses for 88 retail locations and operations across 12 U.S. markets. Established in 2014, GTI employs approximately 1,100 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](http://GTIgrows.com).

### **About Essence Vegas Cannabis Dispensary:**

Essence Vegas Cannabis Dispensary, the first and only cannabis dispensary on the famed Las Vegas Strip, has received numerous accolades, including being named *Business Insider's* number one dispensary in Nevada and top-25 dispensary in the United States; a 17-time *Leafly* List Winner; top-10 dispensary in Nevada by High Times Magazine and the Las Vegas Review-Journal's "Best of Las Vegas." Essence Vegas Cannabis Dispensary offers the widest selection of quality cannabis products in Las Vegas, including more than 50 strains (flower and pre-rolls), vape pens, concentrates, a variety of topicals and a wide variety of edibles, including capsules, cookies, brownies, honey, chocolate and more. With three locations across Las Vegas and Henderson, Essence Vegas Cannabis Dispensary services are 100% legal, entirely safe and totally confidential to protect privacy. All services are performed by highly-trained consultants. All professional team members are also available to discuss best practices with patients and customers.

### **About Desert Grown Farms:**

Desert Grown Farms is a 54,000 square foot, state-of-the-art cultivation and processing facility. Founded in 2016, Desert Grown Farms has an award-winning genetics library of 100+ strains with a variety of 25 unique strains in constant rotation. The facility has an award-winning genetics library of 100+ strains with a variety of 25 unique strains in constant rotation. The cultivation activities are controlled by a sophisticated computer system to maintain superior quality. All products produced in the facility are tested by an independent lab and available in dispensaries throughout Nevada.

## **About Cannabiotix NV:**

Cannabiotix NV is a 41,000 square foot, state-of-the-art, cultivation and production facility located in the heart of Las Vegas, Nevada. Founded in 2014 by Bert and Lee Adams, Cannabiotix NV has an award-winning genetics library with over 55 strains and the majority of them being exclusively bred by the facility. Over 20 of the strains have won High Times' Cannabis Cups. Most recently, Kush Mountain was named High Times' Flower of the Year for 2018. The facility also extracts the unique and highly sought-after strains into a full line of concentrates, including vaporizers, budders, shatters, sugars and live resins. All products produced in the facility are tested by an independent lab and are available in dispensaries throughout Nevada.

## **Cautionary Note Regarding Forward-Looking Information**

This press release contains statements which may 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 the future direction and business objectives of GTI (including proposed acquisitions and plans for expansion) The forward-looking information in this news release is based upon the expectations, estimates, projections, assumptions and views of future events which management believes to be reasonable in the circumstances and expectations relating to general economic and market conditions. Any forward-looking information speaks only as of the date on which it is made, and, except as required by law, GTI does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information in this news release is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those express or implied. When considering these forward-looking statements, readers should keep in mind the risk factors and other cautionary statements in GTI's public filings with the applicable securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com), including the risk factors set out in GTI's annual information form dated July 10, 2018.

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.

The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

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