



Green Thumb Industries Inc. (GTI) Expands with the Acquisition of Integral Associates, Nevada’s Top Cannabis Operator

The Acquisition Adds Operational Capacity, Distribution, Retail Footprint, and Best-of-Class Talent, Reinforcing GTI’s “Enter, Open, Scale” Strategy

- *Three nationally-recognized dispensaries, operating under the Essence brand, including the first and only dispensary on the Las Vegas Strip*
- *Two world-class cultivation and processing facilities in 95,000 square feet: Desert Grown Farms and Cannabiotix NV*
- *Exceptional talent, led by Integral Associates founder and CEO Armen Yemenidjian*

Chicago and Vancouver (November 13, 2018)—Green Thumb Industries (GTI) (CSE: GTII) (OTCQX: GTBIF), announced today that it has signed a definitive agreement to acquire 100% of Integral Associates. The acquisition includes:

- Integral Associates’ retail brand Essence, which currently operates three high-traffic locations across the Las Vegas Valley
- 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
- Cannabiotix NV, a 41,000 square foot cultivation and processing facility which has been a recognized *High Times* Cannabis Cup award winner several times over

Management Commentary

“We are thrilled to expand GTI’s production, distribution and retail footprint in one of the most popular tourist destinations in the world,” commented Ben Kovler, GTI Founder and Chief Executive Officer. “Integral Associates are exceptional operators—they have a highly admired and respected business comprised of two world-class cultivation and processing facilities, multiple award-winning products, strong wholesale distribution, three impressive retail dispensary locations with significant retail market share and healthy EBITDA. 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 excited to welcome Armen Yemenidjian to our senior leadership team, where he will serve as president. Armen’s wealth of experience in building and growing an outstanding company will be a tremendous asset to our organization. We are also pleased to announce that Alex Yemenidjian will be joining our Board of Directors, and we look forward to leveraging his vast and varied experience and success.”

“This partnership is ideally positioned to bring our business to the next level,” said Armen Yemenidjian. “I am extremely excited to join the GTI team and be a part of an industry leader that places a strong emphasis on brands, is a respected and award-winning employer, and is committed to community involvement. Today is a big win for Nevada communities and the customers we will continue to serve.”

Talent, Retail and Production Assets

In addition to Armen Yemenidjian joining GTI’s senior leadership team, Alex Yemenidjian will join the GTI Board of Directors and serve on the audit committee. He served as Chairman of the Board and Chief Executive Officer of Tropicana Las Vegas Hotel & Casino, Inc. from July 2009 to September 2015 and also served as Chairman of the Board and Chief Executive Officer of Metro-Goldwyn-Mayer Inc. from April 1999 to April 2005 and was a director from November 1997 to April 2005. He is a trustee of Baron Investment Funds Trust and Baron Select Funds, both mutual funds, is Lead Director and chairman of the compensation committee of Guess?, Inc., a worldwide retailer of contemporary apparel, and until March 2018 was a director and chairman of the audit committee of Regal Entertainment Group, a motion picture exhibition company.

Integral Associates was founded by Alex Yemenidjian, Armen Yemenidjian and Brian Greenspun in 2014 and has quickly become one of Nevada’s dominant operators. Their retail business operates under the Essence brand and is renowned for superb service along with the widest selection 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 capability, including Desert Grown Farms and Cannabiotix NV, totals 95,000 square feet of state-of-the-art, pharmaceutical grade cultivation and processing capacity.

Nevada Market

GTI entered Nevada in 2016 and currently operates two adult use cannabis stores—Rise Spanish Springs and Rise Carson City—along with a Carson City-based cultivation and processing facility.

Nevada dispensaries sold nearly \$425 million worth of recreational marijuana in the state's first full year of sales -- about 60 percent higher than the state's projections of \$265 million -- which significantly outpaced all other states that have legalized the sale of recreational marijuana. According to the state, marijuana tax revenue for the first full year of adult-use sales totaled \$69.8 million -- about \$20 million more than officials had projected -- with the last four months of the fiscal year especially strong.

Transaction Details

The transaction is valued at approximately \$290 million, with \$52 million to be paid in cash and approximately 20.8 million Subordinate Voting Shares of GTI. The purchase agreement also includes additional consideration upon performance targets and regulatory license awards. The transaction was unanimously approved by the Board of Directors and expected to close in the first half of 2019, subject to customary regulatory approvals.

**All currency is in US dollars.*

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.

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. For more information on Essence Vegas Cannabis Dispensary, please visit <https://essencevegas.com>.

About Desert Grown Farms:

Desert Grown Farms is a 54,000 square foot, state-of-the-art, pharmaceutical grade cultivation and processing facility. Founded in 2016, Desert Grown Farms is located less than two blocks from the famed Las Vegas Strip and produces 7,500 pounds of flower and 1,500 pounds of trim per year. 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 computerized system that automatically purifies the water, mixes it with nutrients, dispenses water and nutrients to the plants, and controls temperature, humidity and air circulation. All products produced in the facility are tested by an independent lab and available in dispensaries throughout Nevada. For more information on Desert Grown Farms, please visit <https://desertgrownfarms.com/>.

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, 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.

Investor Contact:

Jennifer Dooley
Chief Strategy Officer
InvestorRelations@gtigrows.com
310-622-8257

Media Contact:

Linda Marsicano
VP, Corporate Communications
lmarsicano@gtigrows.com
773-354-2004

Forward Looking Statements:

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only GTI's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of GTI's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements

that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein may include, but are not limited to, information concerning the proposed acquisition, expectations regarding whether the proposed acquisition will be consummated, including whether conditions to the consummation of the proposed acquisition will be satisfied and whether the proposed acquisition will be completed on the current terms, the timing for completing the proposed acquisition, expectations for the effects of the proposed acquisition or the ability of the Company to successfully achieve business objectives, expectations regarding the Nevada and California cannabis market and expectations for other economic, business, and/or competitive factors.

By identifying such information and statements in this manner, GTI is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of GTI to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, GTI has made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: the ability to consummate the proposed acquisition; the ability for Essence to consummate its proposed acquisition of Cannabiotix NV; the ability to obtain requisite regulatory approvals and third party consents and the satisfaction of other conditions to the consummation of the proposed acquisition on the proposed terms and schedule; the potential impact of the announcement or consummation of the proposed acquisition 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 acquisition. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although GTI believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and GTI does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to GTI or persons acting on its behalf is expressly qualified in its entirety by this notice.

Source: Green Thumb Industries

