UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 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: 000-56248

Trulieve

TRULIEVE CANNABIS CORP.
(Exact Name of Registrant as Specified in its Charter)

British Columbia	**84-2231905**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6749 Ben Bostic Road Quincy, FL	**32351**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (850) 298-8866

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

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 days. 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, 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 2, 2024, the registrant had 164,063,460 Subordinate Voting Shares and 23,226,386 Multiple Voting Shares (on an as converted basis) outstanding.

TRULIEVE CANNABIS CORP.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Any statements contained in this Quarterly Report on Form 10-Q that are not statements of historical facts may be deemed to be forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, results of operations and future growth prospects. The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning receipt and/or maintenance of required licenses and third party consents and the success of our operations, are based on estimates prepared by us using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry that we believe to be reasonable. These forward-looking statements are not guarantees of future performance or developments and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this Quarterly Report on Form 10-Q may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under “Risk Factors” and discussed elsewhere in this Quarterly Report on Form 10-Q and in “Part I, Item 1A – Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this Quarterly Report on Form 10-Q.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

TRULIEVE CANNABIS CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands)

	March 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 320,313	$ 201,372
Restricted cash	6,607	6,607
Accounts receivable, net	5,934	6,703
Inventories	209,404	213,120
Prepaid expenses	17,447	17,620
Other current assets	20,299	23,735
Notes receivable - current portion, net	4,375	6,233
Assets associated with discontinued operations	887	1,958
Total current assets	585,266	477,348
Property and equipment, net	672,105	676,352
Right of use assets - operating, net	97,239	95,910
Right of use assets - finance, net	57,984	58,537
Intangible assets, net	901,681	917,191
Goodwill	483,905	483,905
Notes receivable, net	6,266	7,423
Other assets	12,828	10,379
Long-term assets associated with discontinued operations	2,010	2,010
TOTAL ASSETS	$ 2,819,284	$ 2,729,055
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 82,799	$ 83,162
Income tax payable	1,156	—
Deferred revenue	2,098	1,335
Notes payable - current portion	3,793	3,759
Operating lease liabilities - current portion	10,465	10,068
Finance lease liabilities - current portion	7,817	7,637
Construction finance liabilities - current portion	1,574	1,466
Contingencies	4,433	4,433
Liabilities associated with discontinued operations	3,051	2,989
Total current liabilities	117,186	114,849
Long-Term Liabilities:		
Private placement notes, net	363,605	363,215
Notes payable, net	115,009	115,855
Operating lease liabilities	93,609	92,235
Finance lease liabilities	61,627	61,676
Construction finance liabilities	136,400	136,659
Deferred tax liabilities	216,980	206,964
Uncertain tax position liabilities	277,966	180,350
Other long-term liabilities	4,999	7,086
Long-term liabilities associated with discontinued operations	40,895	41,553
TOTAL LIABILITIES	$ 1,428,276	$ 1,320,442
Commitments and contingencies (see Note 3)		
MEZZANINE EQUITY		
Redeemable non-controlling interest	$ 7,671	$ —
SHAREHOLDERS' EQUITY		
Common stock, no par value; unlimited shares authorized. 187,253,410 and 186,235,818 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.	$ —	$ —
Additional paid-in-capital	2,054,070	2,055,112
Accumulated deficit	(663,718)	(640,639)
Non-controlling interest	(7,015)	(5,860)
TOTAL SHAREHOLDERS' EQUITY	1,383,337	1,408,613
TOTAL LIABILITIES, MEZZANINE EQUITY, AND SHAREHOLDERS' EQUITY	$ 2,819,284	$ 2,729,055

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRULIEVE CANNABIS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except for share data)

	Three Months Ended March 31,	
	2024	2023
Revenue	$ 297,619	$ 285,214
Cost of goods sold	123,817	135,022
Gross profit	173,802	150,192
Expenses:		
Sales and marketing	61,107	60,733
General and administrative	40,200	39,312
Depreciation and amortization	27,755	29,614
Impairment and disposal of long-lived assets, net of (recoveries)	(1,360)	3,379
Total expenses	127,702	133,038
Income from operations	46,100	17,154
Other income (expense):		
Interest expense, net	(14,669)	(21,160)
Interest income	3,258	1,062
Other (expense) income, net	(2,743)	4,108
Total other expense, net	(14,154)	(15,990)
Income before provision for income taxes	31,946	1,164
Provision for income taxes	55,435	35,464
Net loss from continuing operations	(23,489)	(34,300)
Net loss from discontinued operations, net of tax benefit of zero and $(514), respectively	(1,358)	(31,331)
Net loss	(24,847)	(65,631)
Less: net loss attributable to non-controlling interest from continuing operations	(1,439)	(984)
Less: net loss attributable to redeemable non-controlling interest from continuing operations	(329)	—
Less: net loss attributable to non-controlling interest from discontinued operations	—	(523)
Net loss attributable to common shareholders	$ (23,079)	$ (64,124)
EPS Numerator Reconciliation (see Note 5)		
Net loss attributable to common shareholders	$ (23,079)	$ (64,124)
Net loss from discontinued operations	1,358	30,808
Adjustment of redeemable non-controlling interest to maximum redemption value	(8,836)	—
Net loss from continuing operations available to common shareholders	$ (30,557)	$ (33,316)
Net loss per share - Continuing operations:		
Basic and diluted	$ (0.16)	$ (0.18)
Net loss per share - Discontinued operations:		
Basic and diluted	$ (0.01)	$ (0.16)
Weighted average number of common shares used in computing net loss per share:		
Basic and diluted	189,493,134	188,899,309

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRULIEVE CANNABIS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
(in thousands, except for share data)

	Multiple Voting Shares	Subordinate Voting Shares	Total Common Shares	Additional Paid-in-Capital	Accumulated Deficit	Non-Controlling Interest	Total Shareholders' Equity
Balance, December 31, 2023	26,226,386	160,009,432	186,235,818	$ 2,055,112	$ (640,639)	$ (5,860)	$ 1,408,613
Share-based compensation	—	—	—	5,153	—	—	5,153
Exercise of stock options	—	42,662	42,662	170	—	—	170
Distributions to subsidiary non-controlling interest	—	—	—	—	—	(1,081)	(1,081)
Conversion of Multiple Voting to Subordinate Voting Shares	(3,000,000)	3,000,000	—	—	—	—	—
Redeemable non-controlling interest mezzanine equity	—	—	—	—	—	1,365	1,365
Adjustment of redeemable non-controlling interest to maximum redemption value	—	—	—	(8,836)	—	—	(8,836)
Subordinate Voting Shares issued pursuant to redemption of non-controlling interest	—	974,930	974,930	2,471	—	—	2,471
Net loss	—	—	—	—	(23,079)	(1,439)	(24,518)
Balance, March 31, 2024	23,226,386	164,027,024	187,253,410	$ 2,054,070	$ (663,718)	$ (7,015)	$ 1,383,337

	Multiple Voting Shares	Subordinate Voting Shares	Total Common Shares	Additional Paid-in-Capital	Accumulated Deficit	Non-Controlling Interest	Total Shareholders' Equity
Balance, December 31, 2022	26,226,386	159,761,126	185,987,512	$ 2,045,003	$ (113,843)	$ (3,456)	$ 1,927,704
Share-based compensation	—	—	—	2,401	—	—	2,401
Distributions to subsidiary non-controlling interest	—	—	—	—	—	(50)	(50)
Value of shares earned for purchase of variable interest entity	—	—	—	1,643	—	—	1,643
Net loss	—	—	—	—	(65,631)	(1,507)	(67,138)
Balance, March 31, 2023	26,226,386	159,761,126	185,987,512	$ 2,049,047	$ (179,474)	$ (5,013)	$ 1,864,560

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRULIEVE CANNABIS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net loss	$ (24,847)	$ (65,631)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	27,755	30,371
Depreciation included in cost of goods sold	13,477	13,551
Non-cash interest expense, net	394	1,372
Impairment and disposal of long-lived assets, net of recoveries	(1,360)	31,015
Amortization of operating lease right of use assets	2,596	2,634
Accretion of construction finance liabilities	194	389
Share-based compensation	5,153	2,401
Proceeds received from insurance	1,473	—
Change in fair value of derivative liabilities - warrants	—	(252)
Non-cash change in contingencies	—	(3,725)
Allowance for credit losses	2,960	(159)
Deferred income tax expense (benefit)	10,016	(7,896)
Changes in operating assets and liabilities:		
Inventories	3,522	260
Accounts receivable	1,493	1,565
Prepaid expenses and other current assets	1,049	(1,776)
Other assets	(2,448)	1,888
Accounts payable and accrued liabilities	1,040	9,177
Income tax payable	2,663	(13,383)
Other current liabilities	—	(5,448)
Operating lease liabilities	(2,239)	(2,523)
Deferred revenue	762	(4,452)
Uncertain tax position liabilities	97,616	9,797
Other long-term liabilities	(2,115)	1,235
Net cash provided by operating activities	139,154	410
Cash flows from investing activities		
Purchases of property and equipment	(15,555)	(13,731)
Capitalized interest	61	(582)
Purchases of internal use software	(5,008)	(2,046)
Proceeds received from insurance recoveries on property and equipment	527	—
Cash paid for licenses	—	(3,500)
Proceeds from sales of long-lived assets	—	287
Payments received from notes receivable	266	180
Proceeds from sale of held for sale assets	748	580
Net cash used in investing activities	(18,961)	(18,812)
Cash flows from financing activities		
Proceeds from redemption of non-controlling interest	3,000	—
Proceeds from equity exercises	170	—
Payments on notes payable	(923)	(3,442)
Payments on finance lease obligations	(1,916)	(2,040)
Payments on construction finance liabilities	(803)	(278)
Distributions to subsidiary non-controlling interest	(1,081)	(50)
Net cash used in financing activities	(1,553)	(5,810)
Net increase (decrease) in cash, cash equivalents, and restricted cash	118,640	(24,212)
Cash, cash equivalents, and restricted cash, beginning of period	207,979	213,792
Cash and cash equivalents of discontinued operations, beginning of period	301	5,702
Less: cash and cash equivalents of discontinued operations, end of period	—	(2,486)
Cash, cash equivalents, and restricted cash, end of period	$ 326,920	$ 192,796
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Interest	$ 8,939	$ 9,618
Income taxes paid, net of (refunds)	(54,859)	46,775
Noncash investing and financing activities		
ASC 842 lease additions - operating and finance leases	$ 5,967	$ 4,544
Purchases of property and equipment in accounts payable and accrued liabilities	484	2,197
Subordinate Voting Shares issued pursuant to redemption of non-controlling interest	2,471	—
Value of shares earned for purchase of variable interest entity	—	1,643

The condensed consolidated statements of cash flows include continuing operations and discontinued operations for the periods presented.

	Three Months Ended March 31,	
	2024	2023
Beginning of period:		
Cash and cash equivalents [1] [2]	$ 201,372	$ 207,185
Restricted cash	6,607	6,607
Cash, cash equivalents and restricted cash	$ 207,979	$ 213,792
End of period:		
Cash and cash equivalents [3] [4]	$ 320,313	$ 185,642
Restricted cash	6,607	7,154
Cash, cash equivalents and restricted cash	$ 326,920	$ 192,796

(1) Excludes $0.3 million attributable to discontinued operations.
(2) Excludes $5.7 million attributable to discontinued operations.
(3) Excludes zero attributable to discontinued operations.
(4) Excludes $2.5 million attributable to discontinued operations.

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRULIEVE CANNABIS CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Trulieve Cannabis Corp., ("Trulieve" and, together with its subsidiaries and variable interest entities, the "Company," "our," or "us") has been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and, therefore, do not include all financial information and footnotes required by GAAP for complete financial statements. In management's opinion, the condensed consolidated financial statements include all adjustments of a normal recurring nature necessary for a fair statement of the Company's financial position as of March 31, 2024, and the results of its operations and cash flows for the periods ended March 31, 2024 and 2023. The results of the Company's operations for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the full 2024 fiscal year.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for Trulieve Cannabis Corp. and the notes thereto, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission ("SEC") on February 29, 2024 (the "2023 Form 10-K").

Discontinued Operations

In June 2023, the Company exited operations in Massachusetts and in July 2022, the Company discontinued its Nevada operations. Both actions represented a strategic shift in business; therefore, the related assets and liabilities associated with the discontinued operations are classified as discontinued operations on the consolidated balance sheets and the results of the discontinued operations have been presented as discontinued operations within the consolidated statements of operations for all periods presented. Unless specifically noted otherwise, footnote disclosures only reflect the results of continuing operations.

Basis of Measurement

These condensed consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein.

Functional Currency

The functional currency of the Company and its subsidiaries, as determined by management, is the United States ("U.S.") dollar. These condensed consolidated financial statements are presented in U.S. dollars.

Reclassifications

Certain reclassifications have been made to the condensed consolidated financial statements of prior periods to conform to the current period presentation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in the Company's 2023 Annual Report on Form 10-K, filed with the SEC on February 29, 2024. Our management has reviewed these significant accounting policies and related disclosures and determined that there were no significant changes to our critical accounting policies during the three month period ended March 31, 2024.

NOTE 3. SUPPLEMENTARY FINANCIAL INFORMATION

Inventories

Inventories are comprised of the following as of:

	March 31, 2024	December 31, 2023
	(in thousands)	
Raw material		
Cannabis plants	$ 20,005	$ 21,429
Packaging and supplies	30,544	36,472
Total raw material	50,549	57,901
Work in process	107,985	104,428
Finished goods - unmedicated	5,231	6,516
Finished goods - medicated	45,639	44,275
Total inventories	$ 209,404	$ 213,120

Notes Receivable

As of March 31, 2024 and December 31, 2023, the allowance for credit losses on notes receivable was $2.9 million and zero, respectively.

Fair Value of Financial Instruments

The fair values of financial instruments by class are as follows:

	March 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in thousands)							
Financial Assets [(1)]:								
Money market funds [(2)]	$ 282,814	$ —	$ —	$ 282,814	$ 145,995	$ —	$ —	$ 145,995
Financial Liabilities:								
Interest rate swap [(3)]	$ —	$ 1,043	$ —	$ 1,043	$ —	$ 2,341	$ —	$ 2,341

(1) There were no transfers between hierarchy levels during the periods ending March 31, 2024 or December 31, 2023.

(2) Money market funds are included within cash and cash equivalents on the Company’s condensed consolidated balance sheets. Interest income from money market funds was $2.9 million and $0.7 million for the three months ended March 31, 2024 and 2023, respectively.

(3) The fair value of the interest rate swap liability is recorded in other long-term liabilities on the condensed consolidated balance sheets.

Redeemable Non-Controlling Interest

One of the Company’s consolidated variable interest entities is party to a shareholder agreement which provides certain of the non-controlling interest holders with optional redemption rights where they may put their shares in the consolidated subsidiary to the Company in exchange for a fixed number of Company shares. The non-controlling interest is redeemable at the option of the shareholder and is therefore recorded in temporary or "mezzanine" equity on the consolidated balance sheet in accordance with ASC Topic 480-10-S99. Certain put holders are required to pay a subscription fee prior to their put right becoming exercisable.

During the first quarter of 2024, certain redeemable non-controlling interest holders executed their put rights following the payment of their subscription amount to the consolidated subsidiary, resulting in the issuance of 974,930 of Company Shares. This redemption resulted in an increase in the Company's ownership interest to 65% from 46%.

At March 31, 2024, the redeemable non-controlling interest that is currently redeemable was recorded based on its redemption value of $8.1 million.

The following table presents the components of the change in redeemable non-controlling interest for the three months ended March 31, 2024:

	Redeemable Non-Controlling Interest
Balance, beginning of period	$ —
Reclassification to mezzanine equity	(1,365)
Redemption	529
Adjustment to maximum redemption value	8,836
Allocation of net loss	(329)
Balance, end of period	$ 7,671

Shared Based Compensation

Stock Options

The following table summarizes the Company's stock option activity for the three months ended March 31, 2024:

	Number of options
Outstanding options, beginning of period	4,197,058
Granted [(1)]	992,166
Exercised	(42,662)
Forfeited	(64,805)
Outstanding options, end of period	5,081,757
Vested and exercisable options, end of period	3,323,425

[(1)] The weighted average exercise price for stock options granted was $10.00.

Restricted Stock Units

The following table summarizes the Company's RSU activity for the three months ended March 31, 2024:

	Number of restricted stock units
Unvested balance, beginning of period	2,686,216
Granted [(1)]	2,194,918
Vested	(41,165)
Forfeited	(68,745)
Unvested balance, end of period	4,771,224

[(1)] The weighted average grant date fair value of RSUs granted was $10.00.

Revenue Disaggregation

Revenue is comprised of the following for the periods presented:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Retail	$ 284,994	$ 274,846
Wholesale	12,179	9,692
Licensing and Other	446	676
Total Revenue	$ 297,619	$ 285,214

Commitments and Contingencies

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. As of March 31, 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's condensed consolidated statements of operations. 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.

Contingencies

The Company records contingent liabilities which primarily consist of litigation on various claims in which it believes a loss is probable and can be estimated. As of March 31, 2024 and December 31, 2023, $4.2 million was included in contingent liabilities on the condensed consolidated balance sheets related to pending litigation.

NOTE 4. FINANCING ARRANGEMENTS

Private Placement Notes

Private placement notes payable consisted of the following:

	March 31, 2024	December 31, 2023	Stated Interest Rate	Effective Interest Rate	Maturity Date
	(in thousands)				
2026 Notes - Tranche One	$ 293,000	$ 293,000	8.00%	8.52%	10/6/2026
2026 Notes - Tranche Two	75,000	75,000	8.00%	8.43%	10/6/2026
Total private placement notes	368,000	368,000			
Less: unamortized debt discount and issuance costs	(4,395)	(4,785)			
Less: current portion of private placement notes	—	—			
Private placement notes, net	$ 363,605	$ 363,215			

The fair value of the private placement notes was approximately $341.8 million as of March 31, 2024.

Notes Payable

Notes payable consisted of the following:

	March 31, 2024	December 31, 2023	Stated Interest Rate	Effective Interest Rate	Maturity Date
	(in thousands)				
Mortgage Notes Payable					
Notes dated December 21, 2022	$ 69,631	$ 70,046	7.53%	7.87%	1/1/2028
Notes dated December 22, 2023	24,871	25,000	8.31%	8.48%	12/23/2028
Notes dated December 22, 2022	18,357	18,470	7.30%	7.38%	12/22/2032
Notes dated October 1, 2021	5,534	5,645	8.14%	8.29%	10/1/2027
Total mortgage notes payable	118,393	119,161			
Promissory Notes Payable					
Notes acquired in Harvest Acquisition in October 2021 (1)	1,684	1,707	(1)	(1)	(1)
Notes of consolidated variable-interest entity dated February 1, 2022	753	885	8.00%	8.00%	12/31/2025
Total promissory notes payable	2,437	2,592			
Total notes payable (2)	120,830	121,753			
Less: unamortized debt discount and issuance costs	(2,028)	(2,139)			
Less: current portion of notes payable	(3,793)	(3,759)			
Notes payable, net	$ 115,009	$ 115,855			

(1) Interest rates range from 0.00% to 7.50%, with a weighted average interest rate of 6.63% as of March 31, 2024. Maturity dates range from October 4, 2024 to October 24, 2026.

(2) Notes payable are subordinated to the private placement notes.

Construction Finance Liabilities

Total construction finance liabilities were $138.0 million and $138.1 million as of March 31, 2024 and December 31, 2023, respectively. The contractual terms range from 10.0 years to 25.0 years with a weighted average remaining lease term of 16.6 years.

Maturities

Stated maturities of the principal portion of private placement and notes payable outstanding and future minimum lease payments for the construction finance liabilities, including interest, as of March 31, 2024 are as follows:

Year	Private Placement Notes	Notes Payable	Construction Finance Liabilities	Total Maturities
	(in thousands)			
Remainder of 2024	$ —	$ 2,950	$ 12,801	$ 15,751
2025	—	4,232	17,521	21,753
2026	368,000	4,632	18,013	390,645
2027	—	70,034	18,519	88,553
2028	—	23,199	19,039	42,238
Thereafter	—	15,783	283,384	299,167
Total	$ 368,000	$ 120,830	369,277	858,107

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NOTE 5. EARNINGS PER SHARE

The following is a reconciliation for the calculation of basic and diluted earnings per share for the periods presented:

	Three Months Ended March 31,	
	2024	2023
Numerator	*(in thousands, except for share data)*	
Continuing operations		
Net loss from continuing operations	$ (23,489)	$ (34,300)
Less: net loss attributable to non-controlling interest	(1,439)	(984)
Less: net loss attributable to redeemable non-controlling interest from continuing operations	(329)	—
Less: adjustment of redeemable non-controlling interest to maximum redemption value	8,836	—
Net loss from continuing operations available to common shareholders of Trulieve Cannabis Corp.	$ (30,557)	$ (33,316)
Discontinued operations		
Net loss from discontinued operations	$ (1,358)	$ (31,331)
Less: net loss attributable to non-controlling interest	—	(523)
Net loss from discontinued operations excluding non-controlling interest	$ (1,358)	$ (30,808)
Denominator		
Weighted average number of common shares outstanding - Basic and diluted [1]	189,493,134	188,899,309
Loss per Share - Continuing operations		
Basic and diluted loss per share	$ (0.16)	$ (0.18)
Loss per Share - Discontinued operations		
Basic and diluted loss per share	$ (0.01)	$ (0.16)

[1] Potentially dilutive securities representing 11.0 million and 4.0 million shares of common stock were excluded from the computation of diluted earnings per share for the three months ended March 31, 2024 and 2023, respectively, as their effect would have been antidilutive.

As of March 31, 2024, there were approximately 187.3 million shares issued and outstanding, which excluded approximately 2.9 million fully vested RSUs which are not contractually issuable until September 2024 and approximately 0.1 million fully vested RSUs which are not contractually issuable until the earlier of a triggering event, as defined, or December 1, 2030.

NOTE 6. INCOME TAXES

The following table summarizes the Company’s income tax expense and effective tax rate for the periods presented:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Income before provision for income taxes	$31,946	$1,164
Provision for income taxes	$55,435	$35,464
Effective tax rate	174%	3047%

The Company has computed its provision for income taxes based on the actual effective tax rate for the quarter as the Company believes this is the best estimate for the annual effective tax rate. The Company is subject to income taxes in the United States and Canada.

Significant judgment is required in evaluating the Company’s uncertain tax positions and determining the provision for income taxes. The Company recognizes benefits from uncertain tax positions based on the cumulative probability method whereby the largest benefit with a cumulative probability of greater than 50% is recorded. An uncertain tax position is not recognized if it has less than a 50% likelihood of being sustained.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the period presented:

	Three Months Ended March 31, 2024
	(in thousands)
Balance, beginning of period	$ 542,762
Reductions based on tax positions related to the prior year	(870)
Reductions based on refunds requested but not received related to the prior year	(44,677)
Additions based on tax positions related to the current year	32,236
Additions based on refunds received related to prior years	50,344
Balance, end of period	$ 579,795

A reconciliation of the beginning and ending amount of uncertain tax liabilities for the period presented:

	Three Months Ended March 31, 2024
	(in thousands)
Balance, beginning of period	$ 180,350
Reductions based on tax positions related to the prior year	(731)
Additions based on tax positions related to the current year	42,095
Additions based on refunds received related to prior years	50,344
Reclass tax payment on deposit	2,321
Interest recorded in income tax expense, net of reversals (1)	3,587
Balance, end of period (2)	$ 277,966

(1) Amounts represent the interest and penalties recorded on uncertain tax positions during the respective years which are recorded to the income tax provision on the condensed consolidated statements of operations.

(2) Of the $278.0 million in uncertain tax liabilities, $247.3 million are related to our tax positions based on legal interpretations that challenge the Company's tax liability under IRC Section 280E.

The Company’s net uncertain tax liabilities, inclusive of interest and tax payments on deposit, were approximately $278.0 million and $180.4 million as of March 31, 2024 and December 31, 2023, respectively, which is recorded in other long-term liabilities in the condensed consolidated balance sheets. The increase of $97.6 million in uncertain tax positions is primarily due to activity related to tax positions based on legal interpretations that challenge the Company's tax liability under IRC Section 280E.

During the three months ended March 31, 2024, the Company recorded interest of $3.6 million on uncertain tax liabilities in the consolidated statements of operations and comprehensive income, which is primarily related to the tax positions based on legal interpretations that challenge the Company's tax liability under IRC Section 280E. During the three months ended March 31, 2023, the Company recorded interest of $0.8 million on uncertain tax liabilities in the consolidated statements of operations and comprehensive income, which primarily related to a tax position taken relating to our inventory costs for tax purposes in our Florida dispensaries.

As of March 31, 2024, the Company has tax payments on deposit of $154.7 million that would reduce the uncertain tax liability when ultimately paid to the tax jurisdictions.

NOTE 7. VARIABLE INTEREST ENTITIES

The Company has entered into certain agreements in several states with various entities related to the purchase and operation of cannabis dispensary, cultivation, and production licenses, and has determined these to be variable interest entities for which it is the primary beneficiary and/or holds a controlling voting equity position. The Company holds ownership interests in these entities ranging from 49% to 95% either directly or through a proxy as of March 31, 2024. The Company's VIEs are not material to the consolidated financial position or operations as of March 31, 2024 and December 31, 2023 or for the three months ended March 31, 2024 and 2023.

The following table presents the summarized assets and liabilities of the Company's consolidated VIEs in which the Company does not hold a majority interest as of March 31, 2024 and December 31, 2023. The assets and liabilities in the table below include third-party assets and liabilities of our VIEs only and exclude intercompany balances that are eliminated in consolidation as included on our condensed consolidated balance sheets. As outlined within *Note 3. Supplementary Financial Information*, the redemption of a redeemable non-controlling interest resulted in an increase in the Company's ownership interest in one of the Company's consolidated variable interest entities to 65% as of March 31, 2024 from 46% as of December 31, 2023. This increased the ownership in this consolidated variable interest entity where the Company holds a majority interest as of March 31, 2024.

	March 31, 2024	**December 31, 2023**
	(in thousands)	
Current assets:		
Cash	$ 881	$ 9,491
Accounts receivable, net	—	1,308
Inventories	874	8,341
Prepaid expenses	291	423
Other current assets	16	7
Total current assets	2,062	19,570
Property and equipment, net	560	28,068
Right of use asset - operating, net	—	2,744
Right of use asset - finance, net	—	259
Intangible assets, net	5,750	17,162
Other assets	31	140
Total assets	$ 8,403	$ 67,943
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,756	$ 1,939
Income tax payable	—	2,017
Deferred revenue	—	2
Operating lease liability - current portion	—	63
Finance lease liability - current portion	—	60
Total current liabilities	1,756	4,081
Notes payable	753	885
Operating lease liability	—	2,926
Finance lease liability	—	210
Deferred tax liabilities	—	3,638
Other long-term liabilities	—	671
Total liabilities	$ 2,509	$ 12,411

NOTE 8. RELATED PARTIES

In the third quarter of 2023, the Company entered into an agreement to rent a piece of equipment from an entity that is directly owned in part by the Company's Chief Executive Officer and Chair of the board of directors. The expense related to the use of this asset was $0.1 million for the three months ended March 31, 2024.

The Company leases a cultivation facility and corporate office facility from an entity that is directly or indirectly owned by the Company's Chief Executive Officer and Chair of the board of directors, a former member of the Company's board of directors, and another member of the Company's board of directors.

The Company had the following related party operating leases on the condensed consolidated balance sheets, under ASC 842, as of:

	March 31, 2024	December 31, 2023
	(in thousands)	
Right-of-use assets, net	$ 676	$ 706
Lease liabilities:		
Lease liabilities - current portion	$ 130	$ 127
Lease liabilities	590	624
Total related parties lease liabilities	$ 720	$ 751

Lease expense recognized on related party leases was less than $0.1 million and less than $0.1 million for the three months ended March 31, 2024 and 2023, respectively.

NOTE 9. DISCONTINUED OPERATIONS

The assets and liabilities associated with discontinued operations consisted of the following as of:

	March 31, 2024	December 31, 2023
	(in thousands)	
Assets associated with discontinued operations		
Cash	$ —	$ 301
Accounts receivable, net	42	841
Prepaid expenses	845	816
Other assets	2,010	2,010
Total assets associated with discontinued operations	$ 2,897	$ 3,968
Liabilities associated with discontinued operations		
Accounts payable and accrued liabilities	$ 456	$ 530
Operating lease liabilities - current portion	183	165
Finance lease liabilities - current portion	299	291
Construction finance liability - current portion	2,113	2,003
Operating lease liabilities	15,295	15,332
Finance lease liabilities	1,995	2,048
Construction finance liability	23,599	24,167
Other long-term liabilities	6	6
Total liabilities associated with discontinued operations	$ 43,946	$ 44,542

The following table summarizes the Company's loss from discontinued operations for the periods presented.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Revenue	$ —	$ 3,875
Cost of goods sold	—	4,129
Gross margin	—	(254)
Expenses:		
Operating expenses	435	2,388
Impairment and disposal of long-lived assets, net	—	27,636
Total expenses	435	30,024
Loss from operations	(435)	(30,278)
Other expense:		
Other expense, net	(923)	(1,567)
Total other expense, net	(923)	(1,567)
Loss before income taxes	(1,358)	(31,845)
Income tax benefit	—	(514)
Net loss from discontinued operations, net of tax benefit	(1,358)	(31,331)
Less: net loss attributable to non-controlling interest from discontinued operations	—	(523)
Net loss from discontinued operations excluding non-controlling interest	$ (1,358)	$ (30,808)

The condensed consolidated statements of cash flows include continuing operations and discontinued operations. The following table summarizes the depreciation of long-lived assets, amortization of long-lived assets, and capital expenditures of discontinued operations for the prior year as the activity during the three months ended March 31, 2024 was nominal.

	Three Months Ended March 31, 2023
	(in thousands)
Depreciation and amortization	$ 2,226
Purchases of property and equipment	67
Loss on impairment of long-lived assets	27,636

NOTE 10. SUBSEQUENT EVENTS

The Company’s management evaluates subsequent events through the date of issuance of the condensed consolidated financial statements. There have been no subsequent events that occurred during such period that would require adjustment to or disclosure in the condensed consolidated financial statements.

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

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Trulieve Cannabis Corp., together with its subsidiaries ("Trulieve," "the Company," "we," or "our") should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and the related notes included elsewhere within this Quarterly Report on Form 10-Q and the Audited Consolidated Financial Statements and the related Notes thereto and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Form 10-K").

The Company's accounting policies that we believe are the most critical to aid in fully understanding and evaluating our reported financial results are described in the Company's fiscal 2023 Form 10-K, filed with the SEC on February 29, 2024, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates." Our senior management has reviewed these critical accounting policies and related disclosures and determined that there were no significant changes in our critical accounting policies during the three months ended March 31, 2024.

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 in "Part I, Item 1A. Risk Factors" in our 2023 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 2023 Form 10-K. See "Special Note Regarding Forward-Looking Statements and Projections" in "Part II. Other Information" of this report. You should consider our forward-looking statements in light of the risks discussed in "Item 1A. Risk Factors" in "Part II. Other Information" of this report and our unaudited condensed consolidated financial statements, related notes and other financial information appearing elsewhere in this report, and the risks discussed in "Item 1A, Risk Factors" of the Form 10-K and our other filings with the Securities and Exchange Commission (the "SEC").

Overview

Trulieve Cannabis Corp. is a reporting issuer in the United States and Canada. The Company's Subordinate Voting Shares (as hereinafter defined) are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "TRUL" and are also traded in the United States on the OTCQX Best Market ("OTCQX") under the symbol "TCNNF".

Trulieve is a vertically integrated cannabis company and multi-state operator which currently holds licenses to operate in nine states. Headquartered in Quincy, Florida, we are the largest cannabis retailer in the United States with market leading retail operations in Arizona, Florida, Georgia, Pennsylvania, and West Virginia. We are committed to delivering exceptional customer experiences through elevated service and high-quality branded products. We aim to be the brand of choice for medical and adult-use customers in all of the markets that we serve. The Company operates in highly regulated markets that require expertise in cultivation, manufacturing, and retail. We have developed proficiencies in each of these functional areas and are passionate about expanding access to regulated cannabis products through advocacy, education and expansion of our distribution network.

All of the states in which we operate have developed programs to permit the use of cannabis products for medicinal purposes to treat specific conditions and diseases, which we refer to as medical cannabis. Recreational cannabis, or adult-use cannabis, is legal cannabis sold in licensed dispensaries to adults ages 21 and older. Thus far, of the states in which we operate, Arizona, Colorado, Connecticut, Maryland, and Ohio, have already or are in the process of developing and launching programs permitting the commercialization of adult-use cannabis products. Trulieve operates its business through its directly and indirectly owned subsidiaries which hold licenses and have entered into managed service agreements in the states in which they operate.

As of March 31, 2024, we operated the following:

State	Number of Dispensaries	Number of Cultivation and Processing Facilities
Florida	134	6
Arizona	21	3
Pennsylvania	20	3
West Virginia	10	1
Maryland	3	1
Georgia	5	1
Ohio	1	—
Connecticut	1	—
Colorado	—	1
Total	195	16

Regional Hub Structure

Trulieve's production, retail and distribution areas are organized into regional hubs whereby teams and assets are aggregated in order to effectively pair national structure and support with localized operations tailored to each market. Trulieve has established cannabis operations in three hubs: Southeast, Northeast, and Southwest. Each of our three regional hubs are anchored by market leading positions in cornerstone states of Florida, Pennsylvania, and Arizona.

In Florida and Georgia, Trulieve cultivates, processes, and manufactures all cannabis products sold in our dispensaries. In other markets including Arizona, Maryland, Pennsylvania, and West Virginia, we have achieved varying percentages of vertical integration with cultivation and processing operations to support our retail and wholesale businesses. Our investments in vertically integrated operations in several of our markets afford us ownership of the entire supply chain, which mitigates third-party risks and allows us to completely control product quality and brand experience. Trulieve employs an in-house quality team as well as testing laboratories in select markets, both of which allow us to more tightly control product quality.

Cultivation and Manufacturing of Cannabis Products

Trulieve produces high quality cannabis flower for direct consumption and uses a variety of processes to transform high-quality biomass into products sold through our retail and wholesale distribution network. With a focus on replicable, scalable operations, we have developed design standards, standard operating procedures, and training protocols that are employed across cultivation sites to achieve a high level of consistency and quality. The modular nature of our standard designs enables quick and incremental additions to capacity where appropriate. In Florida where demand is high enough to support larger scale production, our recently ramped state-of-the-art 750,000 square foot indoor cultivation facility affords us greater flexibility for pricing, promotional cadence, and assortment in the Florida market by enabling production of high potency and high quality products at lower costs.

We utilize various extraction techniques including supercritical ethanol extraction, carbon dioxide extraction, hydrocarbon extraction, and mechanical separation. We have invested in light hydrocarbon extraction processes, allowing for concentrates that preserve the natural ratios of cannabinoids, terpenes, and other target compounds to better replicate the flower experience. Light hydrocarbon extraction also offers the benefit of greater extraction yields in many cases. In addition, we own CO_2 extraction, distillation, purification and manufacturing technology used to produce a line of cannabis topicals and vapes featuring cannabinoids.

Distribution of Branded Product through Branded Retail

Distribution of branded products through our branded retail locations is a core driver of our long-term strategy. We have developed and acquired a curated portfolio of our own branded retail products that we cultivate, manufacture and distribute throughout our branded retail locations. By providing customers with consistent high-quality products and outstanding experiences we aim to garner a large and loyal customer base across our distribution network.

Trulieve brands include premium tier brands Avenue, Cultivar Collection, and Muse; mid-tier brands Modern Flower, Alchemy, Momenta, and Sweet Talk, and value tier brands Co2lors, Loveli, Roll One, and Trekkers. Established relationships with brand partners allow for the sale of partner branded products in select markets and retail locations, providing our customers with access to greater variety and specialty brands. Brand partnerships include arrangements with Alien Labs, Bellamy Brothers, Binske, Black Tuna, Blue River, Connected, DeLisioso, Khalifa Kush, Love's Oven, Miami Mango, Moxie, Seed Junky, and Sunshine Cannabis.

Customer Experience

Since inception, Trulieve has prioritized creating exceptional customer experiences, developing the business to center around the Trulieve philosophy of "Customers First". This customer centric approach permeates our culture and informs strategic decision making.

Our goal is to foster brand loyalty by providing customers with industry-leading branded products and superior service in an appealing, approachable setting. We accomplish this by creating and reinforcing positive customer experiences across the entire customer journey. We employ and continuously refine numerous training programs to provide our associates with the resources they need to deliver outstanding customer experiences across the entire Trulieve platform. We offer specialized management training and incentives to reward positive outcomes so there is continuous reinforcement of customer experience best practices.

Marketing

Trulieve's marketing strategies are tailored to address the unique attributes of the markets in which we operate. Generally, in markets where we serve medical patients, our messaging centers around education and outreach for physicians and medical patients. Our educational materials are designed to help physicians understand cannabinoid science, the high standards pursuant to which our plants are cultivated, the processes required for regulatory compliance, and how our products provide relief for their patients. Patients primarily learn about us through their physicians, patient-centric community events, and digital marketing. We regularly participate in outreach and community events. An engaged audience is captured through our digital content marketing and via multiple popular social media platforms.

We regularly engage with various communities who may benefit from cannabis, such as veterans, seniors, organizations that serve qualifying populations, and various health and wellness groups. Search engine optimization of our website also captures potential customers researching the benefits of cannabis, which offers another pathway to informative materials about cannabis, our products and how to legally access them.

In adult-use markets, marketing efforts aim to attract customers with varying levels of awareness of cannabis and Trulieve. We continue to delineate and refine our understanding of various customer personas, which factors such as location, products and pricing attract and retain customers, and which incentives are effective in driving specific outcomes. Connecting with a broader audience requires different strategies that inspire, tap into relevant cultural moments in their lives, build community as well as educate customers on our products' uniqueness versus our competitors.

We understand each consumer has unique communication preferences and capabilities. As such, we engage with customers and physicians through a variety of methods including email, text, social media and online chat. In select markets we offer various purchase options, including phone ordering, online ordering, home delivery, and in-store. As Trulieve continues to expand, we are working to deploy a standardized loyalty program to serve all markets as appropriate within existing regulatory frameworks.

Investments in Infrastructure and Technology Platforms

We have made significant investments in developing and deploying technology and data platforms designed to support scaled operations and growth in customers served and units sold. Through our customer data platform, we are able to collect and analyze data to discern customer preferences, patterns, and trends which inform our production mix, product allocation, promotional strategies and targeted outreach. Investments in our enterprise grade platforms enable greater sophistication across production, retail, and wholesale operations and numerous support functions including accounting and finance, human resources, legal and compliance. We believe infrastructure and data capabilities are prerequisites for long term success in an increasingly competitive and integrated commerce environment.

Competitive Conditions and Position

The markets in which we operate are highly competitive markets with relatively high barriers to entry given the licensed nature of the cannabis industry. See “—Regulatory Overview” in Item 1 - Business and Item 1A - Risk Factors in our Annual Report on Form 10-K for additional information regarding the impact of regulation on our business. We compete directly with cannabis producers and retailers within single-state operating markets, as well as those that operate across several U.S. state markets.

The vast majority of both manufacturing and retail competitors in our markets consist of localized or regional businesses with operations in a single state market. Other multi-state cannabis operators compete directly in several of our operating markets. Aside from this direct competition, out-of-state operators that are capitalized well enough to enter those markets through acquisitions are also part of the competitive landscape. Similarly, as we execute on our regional hub strategy and expand across the U.S., operators in our future state markets will inevitably become direct competitors. Increased competition by larger and better financed competitors could materially affect our business, financial condition and results of operations.

We face additional competition from new entrants. If the number of consumers of medical and adult-use cannabis in our markets increases, the demand for products will increase and we expect that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. We expect to continue to invest in several areas, including customer experience, product innovation, scaled production, marketing and branding, and distribution network expansion. Trulieve may not have sufficient resources to maintain investments on a competitive basis, which could materially and adversely affect our business, financial condition and results of operations. The management team monitors developments in the fast-paced cannabis industry and adjacent industries to help us remain competitive.

We also compete indirectly with operators in the illicit market for cannabis and manufacturers and retailers of intoxicating hemp products.

Seasonality

Our business operates year-round. Operations and sales trends in select markets where we operate do follow seasonal trends with various times of the year providing seasonal impacts on sales in summer and winter months in markets in the Southwest and Northeast and promotional activity increases around specific industry and holiday events including 4/20, 7/10, and Green Wednesday (the Wednesday before Thanksgiving).

Recent Developments

On April 1, 2024, the Florida Supreme Court ruled affirmatively to place the Smart & Safe Florida initiative on the 2024 General Election Ballot which, if passed, will allow adults over the age of 21 to purchase cannabis products for personal consumption in the state of Florida. The initiative is on the ballot in Florida as a constitutional amendment with an election date set for November 5, 2024. In Florida, constitutional amendments require a 60% supermajority vote of approval to pass.

On April 30, 2024, the United States Department of Justice recommended marijuana be rescheduled from a Schedule I to Schedule III controlled substance. Once published by the Federal Register, it will initiate a formal rulemaking process as prescribed by the United States Congress in the Controlled Substances Act.

Critical Accounting Estimates and Judgments

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates in our condensed consolidated financial statements, include, but are not limited to, accounting for acquisitions and business combinations; initial valuation and subsequent impairment testing of goodwill, other intangible assets and long-lived assets; leases; fair value of financial instruments, income taxes; inventory; share-based payment arrangements, and commitment and contingencies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Financial Review

Results of Continuing Operations

This section of this Form 10-Q generally describes and compares our results of continuing operations for the three months ended March 31, 2024 and 2023, except as noted.

The following table and discussion compares condensed consolidated statements of operations data for the quarter-to-date periods presented:

	Three Months Ended March 31,				
	2024		2023		2024 vs. 2023
	(in thousands)				
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount Change
Revenue	$ 297,619	100.0 %	$ 285,214	100.0 %	$ 12,405
Cost of goods sold	123,817	41.6 %	135,022	47.3 %	(11,205)
Gross profit	173,802	58.4 %	150,192	52.7 %	23,610
Expenses:					
Sales and marketing	61,107	20.5 %	60,733	21.3 %	374
General and administrative	40,200	13.5 %	39,312	13.8 %	888
Depreciation and amortization	27,755	9.3 %	29,614	10.4 %	(1,859)
Impairment and disposal of long-lived assets, net of recoveries	(1,360)	(0.5 %)	3,379	1.2 %	(4,739)
Total expenses	127,702	42.9 %	133,038	46.6 %	(5,336)
Income from operations	46,100	15.5 %	17,154	6.0 %	28,946
Other income (expense):					
Interest expense, net	(14,669)	(4.9 %)	(21,160)	(7.4 %)	6,491
Interest income	3,258	1.1 %	1,062	0.4 %	2,196
Other (expense) income, net	(2,743)	-0.9 %	4,108	1.4 %	(6,851)
Total other expense, net	(14,154)	(4.8 %)	(15,990)	(5.6 %)	1,836
Income before provision for income taxes	31,946	10.7 %	1,164	0.4 %	30,782
Provision for income taxes	55,435	18.6 %	35,464	12.4 %	19,971
Net loss from continuing operations	(23,489)	(7.9 %)	(34,300)	(12.0 %)	10,811
Net loss from discontinued operations, net of tax benefit of zero and $(514), respectively	(1,358)	(0.5 %)	(31,331)	(11.0 %)	29,973
Net loss	(24,847)	(8.3 %)	(65,631)	(23.0 %)	40,784

Revenue

Revenue for the three months ended March 31, 2024 was $297.6 million, an increase of $12.4 million, or 4.3%, from $285.2 million for the three months ended March 31, 2023. The increase in revenue is primarily due to a $10.1 million increase in retail revenue and a $2.5 million increase in wholesale revenue. The increase in retail revenue was driven by the opening of additional dispensaries; the Company operated 195 dispensaries and 181 dispensaries as of March 31, 2024 and 2023, respectively. We also experienced improved customer traffic driving an increase to units sold. Additionally, Maryland adult-use sales went live in July 2023 with the 2024 Maryland adult-use sales resulting in an improvement in overall retail and wholesale sales.

Cost of Goods Sold

Cost of goods sold for the three months ended March 31, 2024 was $123.8 million, a decrease of $11.2 million, or 8.3%, from $135.0 million for the three months ended March 31, 2023. Cost of goods as a percentage of revenue was 41.6% for the three months ended March 31, 2024 compared to 47.3% for the three months ended March 31, 2023. The decrease was primarily due to improvements driven by year over year improvements in at-scale cost efficiencies from our 750,000 square foot production facility in Florida.

Gross Profit

Gross profit for the three months ended March 31, 2024 was $173.8 million, an increase of $23.6 million, or 15.7%, from $150.2 million for the three months ended March 31, 2023. Gross profit as a percentage of revenue was 58.4% for the three months ended March 31, 2024 compared to 52.7% for the three months ended March 31, 2023, driven by improvements in cultivation costs and the favorable impact from the new adult-use revenue in Maryland.

Sales and Marketing Expense

Sales and marketing expense for the three months ended March 31, 2024 was $61.1 million, an increase of $0.4 million, or 0.6%, from $60.7 million for the three months ended March 31, 2023. The increase is primarily due to the increase in overall store count partially offset by payroll efficiencies. Sales and marketing expense as a percentage of revenues was 20.5% for the three months ended March 31, 2024 compared to 21.3% for the three months ended March 31, 2023.

General and Administrative Expense

General and administrative expense for the three months ended March 31, 2024 was $40.2 million, an increase of $0.9 million, or 2.3%, from $39.3 million for the three months ended March 31, 2023. The increase is primarily due to increased stock based compensation.

Depreciation and Amortization Expense

Depreciation and amortization expense for the three months ended March 31, 2024 was $27.8 million, a decrease of $1.9 million, or 6.3%, from $29.6 million for the three months ended March 31, 2023. Depreciation and amortization expense decreased due to strategic initiatives to streamline the operational footprint in 2023 driving a decrease in depreciation expense for the three months ended March 31, 2024 relative to the same period in the prior year.

Impairment and Disposal of Long-lived Assets, Net of Recoveries

Gain on impairment and disposal of long-lived assets, net of recoveries was $1.4 million for the three months ended March 31, 2024, a change of $4.7 million, from a loss of $3.4 million for the three months ended March 31, 2023. The change is primarily due to 2023 asset disposal activities associated with underperforming assets, offset by insurance recoveries received in the first quarter of 2024 associated with property damage in 2023.

Interest Expense, Net

Interest expense, net for the three months ended March 31, 2024 was $14.7 million, a decrease of $6.5 million, or 30.7%, from $21.2 million for three months ended March 31, 2023. The decrease is primarily the result of debt retirements of $57.0 million in September 2023 and $130.0 million in December 2023 driving lower interest expense realized in the first quarter of 2024, partially offset by the interest associated with the $25.0 million mortgage note executed in December 2023.

Interest Income

Interest income for the three months ended March 31, 2024 was $3.3 million, an increase of $2.2 million, or 206.8%, from $1.1 million for the three months ended March 31, 2023. The increase is due to an increase in funds invested into high-yield money market fund accounts in the first quarter of 2024 compared to the same prior year period.

Other (Expense) Income, Net

Other expense, net for the three months ended March 31, 2024 was $2.7 million, a change of $6.9 million, from other income, net of $4.1 million for three months ended March 31, 2023. The change is primarily related to expense from credit loss reserves on non-operating notes receivable in the current year, compared to gains related to non-operating assets in the prior year.

Provision for Income Taxes

The provision for income taxes for the three months ended March 31, 2024 was $55.4 million, an increase of $20.0 million, or 56.3%, from $35.5 million for the three months ended March 31, 2023. Provision for income taxes as a percentage of revenue was 18.6% for the three months ended March 31, 2024 compared to 12.4% for the three months ended March 31, 2023. The increase in tax expense in the first quarter of 2024 was driven by an increase in gross margin for the period, as well as the one-time impact of changing certain state tax filing methods which requires us to revalue deferred taxes in those states, and an increase in interest expense on uncertain tax positions.

Management's Use of Non-GAAP Measures

Our management uses a financial measure that is not in accordance with generally accepted accounting principles in the U.S., or GAAP, in addition to financial measures in accordance with GAAP to evaluate our operating results. This non-GAAP financial measure 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 adjusts the following items from net income: interest expense, provision for income taxes, and depreciation and amortization to arrive at EBITDA. This is then adjusted for items that do not represent the operations of the core business such as acquisition, transaction and other non-recurring costs including contributions to specific initiative campaigns (e.g., Smart and Safe Florida), impairments and disposals of long-lived assets including goodwill, discontinued operations, share-based compensation, and other income and expense items. Acquisition, transaction and non-recurring costs also may include expenditures related to major system changes.

We report Adjusted EBITDA to help investors assess the operating performance of the Company'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 net income, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBITDA, has been included herein immediately following our discussion of "Adjusted EBITDA".

Adjusted EBITDA

Adjusted EBITDA for the three months ended March 31, 2024 was $105.8 million, an increase of $27.7 million, or 35.5%, from $78.1 million for the three months ended March 31, 2023. The increase is primarily attributable to the increase in revenue and improved gross profit margin.

The following table presents a reconciliation of GAAP net loss to non-GAAP Adjusted EBITDA, for each of the periods presented:

	Three Months Ended March 31,	
	2024	**2023**
	(in thousands)	
Net loss attributable to common shareholders	$ (23,079)	$ (64,124)
Add (deduct) impact of:		
Interest expense, net	14,669	21,160
Interest income	(3,258)	(1,062)
Provision for income taxes	55,435	35,464
Depreciation and amortization	27,755	29,614
Depreciation included in cost of goods sold	13,477	12,090
EBITDA (Non-GAAP)	84,999	33,142
Impairment and disposal of long-lived assets, net of (recoveries)	(1,360)	3,379
Legislative campaign contributions	9,225	10,512
Acquisition, transaction, and other non-recurring costs	3,677	1,937
Share-based compensation	5,153	2,401
Other expense (income), net	2,743	(4,108)
Discontinued operations, net of tax, attributable to common shareholders	1,358	30,808
Total adjustments	20,796	44,929
Adjusted EBITDA (Non-GAAP)	$ 105,795	$ 78,071

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations and capital spending through cash flows from product sales, third-party debt, proceeds from the sale of our capital stock and loans from affiliates and entities controlled by our affiliates. 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 near 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. The Company has and expects to retain additional cash from operations, starting in the third quarter of 2023, due in part to the Company's position that it does not owe taxes attributable to the application of Section 280E of the Internal Revenue Code. Cash and cash equivalents consist primarily of cash on deposit with banks and money market funds.

Our primary uses of cash are for working capital requirements, capital expenditures, debt service payments, and income tax payments. Additionally, from time to time, we may use capital for 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, and improvements to existing facilities. Our debt service payments consist primarily of interest payments.

Cash and cash equivalents were $320.3 million as of March 31, 2024. We believe our existing cash balances will be sufficient to meet our anticipated cash requirements from the date of this Quarterly Report on Form 10-Q through at least the next 12 months. Any additional future requirements will be funded through the following sources of capital:

- Cash from ongoing operations,
- Debt - the Company has the ability to obtain additional debt from additional creditors.
- Market offerings - the Company has the ability to offer equity to obtain additional funding.

Cash Flows

The condensed consolidated statements of cash flows include continuing operations and discontinued operations. The table below highlights our cash flows for the periods presented:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Net cash provided by operating activities	$ 139,154	$ 410
Net cash used in investing activities	(18,961)	(18,812)
Net cash used in financing activities	(1,553)	(5,810)
Net increase (decrease) in cash and cash equivalents	$ 118,640	$ (24,212)

Cash Flows from Operating Activities

Net cash provided by operating activities was $139.2 million for the three months ended March 31, 2024, an increase of $138.7 million as compared to $0.4 million net cash provided by operating activities during the three months ended March 31, 2023. This improvement is primarily due to the impact of the Company's position that it does not owe taxes attributable to the application of Section 280E of the Internal Revenue Code as well as a $23.6 million improvement in gross profit driven by higher revenues and improved gross margin.

Cash Flows from Investing Activities

Net cash used in investing activities was $19.0 million for the three months ended March 31, 2024, an increase of $0.2 million, compared to the $18.8 million net cash used in investing activities for the three months ended March 31, 2023. The change is primarily from increased purchases of internal use software and property equipment in the current year, which was partially offset by non-recurring payments for a cannabis license made in the prior year.

Cash Flows from Financing Activities

Net cash used in financing activities was $1.6 million for the three months ended March 31, 2024, a change of $4.3 million, compared to the $5.8 million net cash used in financing activities for the three months ended March 31, 2023. The change is primarily due to proceeds from a redeemable non-controlling interest holder making a subscription payment in the current year and a note payable that was paid off in the prior year.

Balance Sheet Exposure

As of March 31, 2024 and December 31, 2023, 100% of our condensed consolidated balance sheet is exposed to U.S. cannabis-related activities, and substantially all our revenue is from U.S. cannabis operations. 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. For information about risks related to U.S. cannabis operations, please refer to the “Risk Factors” section of this Quarterly Report on Form 10-Q and "Part I, Item 1A - Risk Factors" in our 2023 Form 10-K.

Contractual Obligations

For information on our commitments for financing arrangements, claims and litigation, contingencies, and other obligations, see Note 3. Supplementary Financial Information, Note 4. Financing Arrangements, and Note 6. Income Taxes in Part I. Item 1 of this Quarterly Report on Form 10-Q. Other than the increase in our uncertain tax liabilities of $97.6 million, there were no other material changes to our contractual obligations as set forth in Part II Item 7 of our 2023 Annual Report on Form 10-K for the year ended December 31, 2023.

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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our market risk disclosures as set forth in Part II Item 7A of our 2023 Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

Material Weakness in Internal Control Over Financial Reporting

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the risk related to controls and procedures.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management of the Company, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of March 31, 2024. Our Chief Executive Officer and Chief Financial Officer have concluded that, due to the material weaknesses as described in the 2023 Annual Report on Form 10-K, which are currently in the process of being remediated, as of March 31, 2024, we did not maintain effective disclosure controls and procedures because of the material weaknesses in internal control as described in Item 9A. Controls and Procedures in the 2023 Annual Report on Form 10-K, filed with the SEC on February 29, 2024.

Notwithstanding the material weaknesses described in the 2023 Annual Report on Form 10-K, we have concluded that the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Management's Remediation Measures

We previously identified and disclosed material weaknesses in internal control as described in Item 9A. Controls and Procedures in the 2023 Annual Report on Form 10-K, filed with the SEC on February 29, 2024. The material weaknesses were due to a lack of sufficient controls around information technology and inventory valuation. Management is committed to maintaining a strong internal control environment. In response to the identified material weaknesses, management, with the oversight of the Audit Committee of the Board of Directors, has taken a number of remediation actions during the year ending December 31, 2023, and continues to address these deficiencies. The Company will not be able to conclude that the material weaknesses are remediated until the applicable controls operate for a sufficient period of time and management has concluded, through formal testing, that the controls are operating effectively. Remediation actions taken include the following:

Information technology:

- The Company continued to strengthen the design and implementation of logical access, change management, and IT operation controls through proper segregation of duties, monitoring controls, and the development of controls around critical jobs.

- The Company procured IT subject matter experts and created an Identity and Access Management team within Information Security to improve ownership and consistency of control execution including the user provisioning process and quarterly user access reviews.

- The Company implemented a formal management training and remediation program, which has promoted risk-based prioritization of remediating findings and a mechanism to track continuous improvement.

Inventory Valuation:

The Company created a robust management review control process to:

- Document steps taken by management to perform the review, assess reasonableness, and investigate matters;

- Apply the appropriate level of precision and defined criteria to drive review and investigative procedures;

- Evidence the performance of each management review activity prescribed in the control; and

- Improve the validation of the completeness and accuracy of key reports used in inventory valuation controls.

The Company hired additional resources including:

- Additions to our cost accounting team with appropriate technical knowledge to support inventory accounting requirements;

- A leadership resource to lead internal controls efforts; and

- External resources to assist in the remediation efforts and internal control execution, as well as additional training to personnel.

Changes in Internal Controls Over Financial Reporting

Other than the ongoing remediation measures discussed above, there have been no other changes in our internal control over financial reporting (as defined in Rules13a-15(f) and 15d-15(f) under the Exchange Act) which occurred during the three months ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II - OTHER INFORMATION

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. These forward-looking statements include the Company’s statements regarding the Company’s expectations with respect to the sales of certain assets, statements regarding expected cost savings and long-term benefits from the Company’s cost streamlining efforts, the Company's beliefs regarding taxes it does not owe. Any statements contained in this Quarterly Report on Form 10-Q that are not statements of historical facts may be deemed to be forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, results of operations and future growth prospects. The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning receipt and/or maintenance of required licenses and third party consents and the success of our operations, are based on estimates prepared by us using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry that we believe to be reasonable. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this Quarterly Report on Form 10-Q may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and discussed elsewhere in this Quarterly Report on Form 10-Q in "Part I, Item 1A – Risk Factors" in our 2023 Annual Report. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this Quarterly Report on Form 10-Q. These factors and risks include, among other things, the following:

Risks Related to Our Business and Industry

- the illegality of cannabis under federal law;
- the uncertainty regarding the regulation of cannabis in the U.S.;
- the effect of constraints on marketing our products;
- the risks related to the newness of the cannabis industry;
- the effect of risks due to industry immaturity;
- the risk we may not be able to grow our product offerings and dispensary services;
- the effect of risks related to material acquisitions, investments, dispositions and other strategic transactions;
- the effect of risks related to growth management;
- the effect of restricted access to banking and other financial services by cannabis businesses and their clients;
- the risks related to maintaining cash deposits in excess of federally insured limits;
- our ability to comply with potential future FDA regulations;
- the risks related to control over variable interest entities;
- the effect of restrictions under U.S. border entry laws;
- the effect of heightened scrutiny that we may face in the U.S. and Canada and the effect it could have to further limit the market of our securities for holders in the U.S.;
- our expectation that we will incur significant ongoing costs and obligations related to our infrastructure, growth, regulatory compliance and operations;
- the effect of a limited market for our securities for holders in the U.S.;
- our ability to locate and obtain the rights to operate at preferred locations;
- the effect of unfavorable tax treatment for cannabis businesses;
- the effect of taxation on our business in the U.S. and Canada;
- the higher risk of IRS audit;
- the effect of the lack of bankruptcy protections for cannabis businesses;
- the effect of risks related to being a holding company;
- our ability to enforce our contracts;
- the effect of intense competition in the cannabis industry;
- our ability to obtain cannabis licenses or to maintain such licenses;
- the risks our subsidiaries may not be able to obtain their required licenses;

- our ability to accurately forecast operating results and plan our operations;
- the effect of agricultural and environmental risks;
- our ability to adequately protect our intellectual property;
- the effect of risks of civil asset forfeiture of our property;
- the effect of risks related to ineffective internal controls over financial reporting;
- the effect of risks related to a known material weakness in our internal control over financial reporting;
- our dependency on key personnel;
- the effect of product liability claims;
- the effect of risks related to our products;
- the effect of unfavorable publicity or consumer perception;
- the effect of product recalls;
- the effect of security risks related to our products and our information technology systems;
- the effect of risks related to misconduct by our service providers and business partners;
- the effect of risks related to labor union activity;
- potential criminal prosecution or civil liabilities under RICO;
- the effect of risks related to our significant indebtedness;
- our ability to obtain adequate insurance coverage;
- the effect of risks related to key utility services on which we rely;

Risks Related to Owning Subordinate Voting Shares

- the possibility of no positive return on our securities;
- the effect of additional issuances of our securities in the future;
- the effect of sales of substantial amounts of our shares in the public market;
- volatility of the market price and liquidity risks on our shares;
- the lack of sufficient liquidity in the markets for our shares;

Risks Related to Being a Public Company

- the increased costs as a result of being a U.S. reporting company;

Item 1. Legal Proceedings.

There are no actual or to our knowledge contemplated legal proceedings material to us or to which any of our or any of our subsidiaries' property is the subject matter.

There have been no material penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any material settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, in the three years prior to the date of this prospectus.

Item 1A. Risk Factors.

Investing in our Subordinate Voting Shares involves a high degree of risk. Our 2023 Form 10-K filed with the SEC on February 29, 2024 includes detailed discussions of our risk factors under the heading “Part I, Item 1A—Risk Factors". You should consider carefully the risk factors discussed in our 2023 Form 10-K and all other information contained in or incorporated by reference in this Quarterly Report on Form 10-Q before making an investment decision. If any of the risks discussed in the 2023 Form 10-K actually occur, they may materially harm our business, financial condition, operating results, cash flows or growth prospects. As a result, the market price of our Subordinate Voting Shares could decline, and you could lose all or part of your investment. Additional risks and uncertainties that are not yet identified or that we think are immaterial may also materially harm our business, financial condition, operating results, cash flows or growth prospects and could result in a complete loss of your investment. There have been no material changes from such risk factors during the three months ended March 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On March 11, 2024, the Company issued 974,930 subordinate voting shares to acquire an additional 19% ownership interest in an already consolidated subsidiary raising the Company's ownership to 65%. These subordinate voting shares were issued to the equity holders of the subsidiary in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended based upon factual representations received from the equity holders who received the shares.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Description
31.1 *	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 *	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 *	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRULIEVE CANNABIS CORP.

Date: May 9, 2024	By:	/s/ Kim Rivers
		Kim Rivers
		Chief Executive Officer
		(Principal Executive Officer)
Date: May 9, 2024	By:	/s/ Wes Getman
		Wes Getman
		Chief Financial Officer
		(Principal Financial Officer)
Date: May 9, 2024	By:	/s/ Joy Malivuk
		Joy Malivuk
		Chief Accounting Officer
		(Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kim Rivers certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Trulieve Cannabis Corp.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /s/ Kim Rivers
Kim Rivers
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Wes Getman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Trulieve Cannabis Corp.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /s/ Wes Getman
Wes Getman
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned officers of Trulieve Cannabis Corp. (the "Company") certifies, to her or his knowledge and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024	By:	/s/ Kim Rivers
		Kim Rivers
		Chief Executive Officer
		(Principal Executive Officer)
Date: May 9, 2024	By:	/s/ Wes Getman
		Wes Getman
		Chief Financial Officer
		(Principal Financial Officer)