UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

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

For the fiscal year ended December 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: 000-56294

THE CANNABIST COMPANY HOLDINGS INC.
(Exact name of registrant as specified in its charter)

British Columbia **(State or other jurisdiction of incorporation or organization)**	**98-1488978** **(I.R.S. employer identification no.)**

321 Billerica Rd., Suite 204
Chelmsford, Massachusetts 1824
(Address of principal executive offices and zip code)
(978) 910-1486
(Registrant’s telephone number, including area code)

680 Fifth Ave., 24th Floor
New York, New York
(Former name, former address and former fiscal year, if changed since last report)

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

Securities registered pursuant to Section 12(g) of the Act:

Common Shares
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

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, a 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.(1) Yes ☐ No ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). (1) Yes ☐ No ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(1) Not applicable.

Aggregate market value of the registrant's common stock held by non-affiliates of the registrant, based upon the closing price of a common share of the registrant on December 31, 2024 as reported on the Cboe (Canada) Exchange on that date: USD$30,741,440.

As of April 28, 2025, there were 472,417,036 common shares, no par value (the "**Common Shares**"), of the registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note

This Amendment No. 1 on Form 10-K/A (the "Amendment") amends the Annual Report on Form 10-K (the "Form 10-K") of The Cannabist Company Holdings Inc. (the "Company") for the fiscal year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "SEC") on March 17, 2025. The Company is filing this Amendment to amend Part III of the Form 10-K, to correct a typographical error in the Report of Independent Registered Public Accounting Firm of Davidson & Company LLP (the "Davidson Audit Report") and to amend Part II, Item 5 solely to include the performance graph .

The original Davidson Audit Report inadvertently referenced New York, USA instead of Vancouver, Canada. Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we have repeated the entire text of Item 8 of the Form 10-K in this Amendment. However, there have been no changes to the text of such item other than the location referenced in the Davidson Audit Report. The consent of Davidson & Company LLP is filed as an exhibit to this Amendment.

Part III of the Form 10-K is amended to include the information required by and not included in Items 10, 11, 12, 13, 14 of Part III of the Form 10-K because the Company does not intend to file its definitive proxy statement within 120 days after the end of the fiscal year covered by the Form 10-K.

Pursuant to Rule 12b-15 under the Exchange Act, this Amendment also contains new certifications by the principal executive officer and the principal financial officer as required by Section 302 of the Sarbanes-Oxley Act of 2002. Accordingly, Item 15(a)(3) of Part IV is amended to include the currently dated certifications as exhibits.

Except as described above, no other changes have been made to the Form 10-K. The Form 10-K continues to speak as of the date of the Form 10-K, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Form 10-K other than as expressly indicated in this Amendment.

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PART II

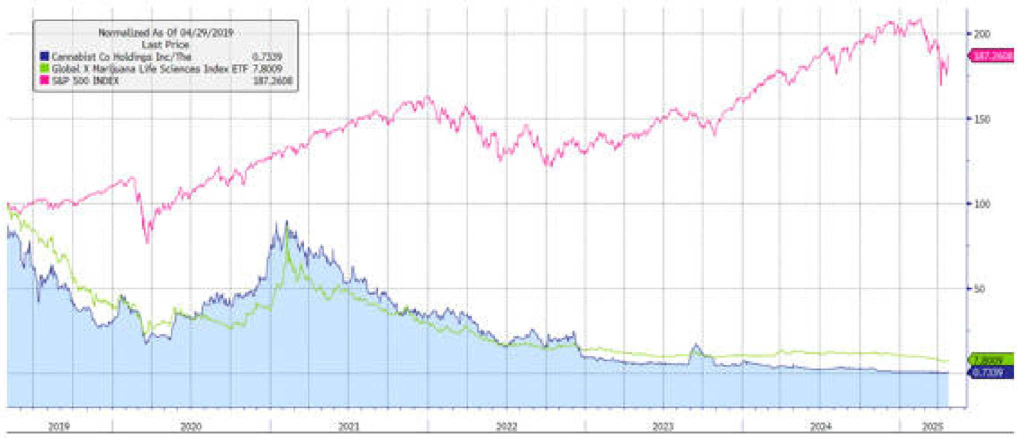
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Trading Price and Volume

The Company's common shares are listed on the Cboe Canada (the "**Cboe**") under the symbol "CBST" and are quoted on the OTCQX Best Market (the "**OTCQX**") under the symbol "CBSTF" and on the Frankfurt Stock Exchange under the symbol "3LP".

Performance Graph Comparison Of Five-Year Cumulative Total Return

This graph compares the cumulative total shareholder return on our common shares for over the last five years with the cumulative return of the S&P 500 (SPX) and the Horizons Marijuana Life Sciences Index ETF over the same period .



Shareholders

As of December 31, 2024, there are 419 holders of record of our common shares.

Dividends

The Company has not declared cash dividends on the common shares in the past. The Company currently intends to reinvest all future earnings to finance the development and growth of its business. As a result, the Company does not intend to pay dividends on the common shares in the foreseeable future. Any future determination to pay distributions will be at the discretion of the Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Board deems relevant. The Company is not bound or limited in any way to pay dividends in the event that the Board determines that a dividend is in the best interest of its shareholders.

Exchange Controls

There are no governmental laws, decrees or regulations in Canada that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to nonresident holders of the securities of the Company, other than Canadian withholding tax. See "*Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada*," below.

Certain Canadian Federal Income Tax Considerations for Non-Residents of Canada

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) and the regulations promulgated thereunder (the "**Tax Act**") to a holder who acquires, as beneficial owner, our Common Shares, and who, for purposes of the Tax Act and at all relevant times: (i) holds the Common Shares as capital property; (ii) deals at arm's length with, and is not affiliated with, us; (iii) is not, and is not deemed to be resident in Canada; and (iv) does not use or hold and will not be deemed to use or hold, our Common Shares in a business carried on in Canada (a "**Non-Resident Holder**"). Generally, our Common Shares will be considered to be capital property to a Non-Resident Holder provided the Non-Resident Holder does not hold our Common Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere or is an authorized foreign bank (as defined in the Tax Act). **Such Non-Resident Holders should seek advice from their own tax advisors**.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals, or the Proposed Amendments, to amend the Tax Act that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and management's understanding of the current administrative policies and practices of the Canada Revenue Agency (the "**CRA**") published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA's administrative policies or practices, whether by legislative, governmental, or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

Non-Resident Holders should consult their own tax advisors with respect to an investment in our Common Shares. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or holder of our Common Shares, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. Consequently, prospective purchasers or holders of our Common Shares should consult their own tax advisors with respect to their particular circumstances.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding, or disposition of our Common Shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amounts subject to withholding tax and any capital gains or capital losses realized by a Non-Resident Holder may be affected by fluctuations in the Canadian-U.S. dollar exchange rate.

Disposition of Common Shares

A Non-Resident Holder will not generally be subject to tax under the Tax Act on a disposition of a Common Share, unless the Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Provided the Common Shares are listed on a "designated stock exchange," as defined in the Tax Act at the time of disposition, the Common Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of our shares; and (ii) more than 50% of the fair market value of our shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Common Shares could be deemed to be taxable Canadian property. Even if the Common Shares are taxable Canadian property to a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Common Shares by virtue of an applicable income tax treaty or convention. **A Non-Resident Holder contemplating a disposition of Common Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.**

Receipt of Dividends

Dividends received or deemed to be received by a Non-Resident Holder on our Common Shares will be subject to Canadian withholding tax under the Tax Act. The general rate of withholding tax is 25%, although such rate may be reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence. For example, under the Treaty, the rate is generally reduced to 15% where the Non-Resident Holder beneficially owns such dividends and is a resident of the United States for the purposes of, and is fully entitled to the benefits of, the Treaty.

Recent Sales of Unregistered Securities

There have been no securities sold by the Company for the period covered by this Annual Report on Form 10-K which were not registered under the Securities Act. Included are new issues, securities issued upon conversion from other share classes, and securities issued in exchange for property, services, or other securities.

Issuer Purchases of Equity Securities

None.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial information required by Item 8 is located beginning on page F-1 of this report.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The following table sets forth the directors and executive officers of the Company as of April 28, 2025 and their respective positions.

Name	Age	Position
Michael Abbott	61	Chairman and Director
Frank Savage	86	Director
James A.C. Kennedy	71	Director
Jonathan P. May	58	Lead Independent Director
Jeff Clarke	63	Director
Alison Worthington	60	Director
Julie Hill	78	Director
Dr. Rosemary Mazanet	69	Director
David Hart	48	Chief Executive Officer and Director
Derek Watson	54	Chief Financial Officer
Jesse Channon	40	President
Bryan Olson	51	Chief Human Resources Officer
David Sirolly	50	Chief Legal Officer and General Counsel

Director and Executive Officer Biographies

Michael Abbott, Chairman and Director

Michael Abbott co-founded Cannabist Company in 2012 and served as Executive Director and Chairman until 2023 when he became non-Executive Director and Chairman. Mr. Abbott joined Swiss Bank Corporation in 1990 as an Associate in Equity Capital Markets and was transferred to the Bank's Chicago branch in 1993 to work with SBC O'Connor. In 1996, Mr. Abbott joined Goldman Sachs as a Vice President in the Convertible Trading and Sales Department and later led its Structured Product Trading and Origination Group. Mr. Abbott co-founded the foreign exchange trading hedge fund, Elysium Capital, in 2002. In 2006, he became Chief Executive Officer and head of the investment committee of Robeco Sage, a multibillion-dollar fund of hedge funds. He was also appointed Chief Investment Officer of the Cornell University endowment in 2010. In 2012, he became a Managing Director at the Raptor Group, a single family office based out of Boston and New York City. Mr. Abbott started his professional career in 1983 as a London police officer. Mr. Abbott has served as a director of Target Global Acquisition I Corp. (Nasdaq: TGAAU), a special purpose acquisition company, since 2021. He is also currently a director of GBM Securities, a UK-based broker dealer. Mr. Abbott matriculated at King's College London's School of Law, graduating in 1990 with a Bachelor of Laws degree. He previously served on the Advisory Counsel of King's College London Business School and now serves as Chair of the Advisory Counsel of King's College London Law School. He was conferred a Fellowship of King's College, London in December 2020.

Frank Savage, Director

Frank Savage served as the Managing Partner of Savage Holdings, LLC, a global financial services company and has previously held senior positions at Citibank, Equitable Life Assurance Corp. (now AXA Inc.) and Alliance Capital Management International as its Chairman. He served on the board of directors of Bloomberg L.P., and served on the boards of a number of corporations and non-profit organizations, including Lockheed Martin, Inc. and Qualcomm Inc. Mr. Savage earned a Bachelor of Arts degree from Howard University, a Master of Arts degree from the Johns Hopkins Nitze School of Advanced International Studies, and was the recipient of an Honorary Doctorate of Humane Letters from Hofstra University and an honorary Doctor of Humanities degree from Howard University. He serves as Chair Emeritus of Howard University and Trustee Emeritus of The Johns Hopkins University.

James A.C. Kennedy, Director

In December 2015, James A.C. Kennedy resigned from his role as President and Chief Executive Officer of T. Rowe Price Group, a global investment management organization, serving institutions and individuals around the world and retired from T. Rowe Price in March 2016. Mr. Kennedy spent 38 years with T. Rowe Price, including nine years as CEO, during which time the firm's assets more than doubled to $763 billion. Previously Mr. Kennedy served as an investment analyst, as Director of Research, and as Head of Equities at the firm. Mr. Kennedy also served on the Board of T. Rowe Price for 20 years. Prior to earning his MBA at Stanford University, Mr. Kennedy participated in the Financial Management training program at General Electric. Mr. Kennedy previously served on the board of United Airlines Holdings, Inc., from 2016 to 2024.

Jonathan P. May, Lead Independent Director

Jonathan May has served as Co-Founder and Managing Director of Floresta Ventures, LLC since March 2016. Floresta invests, owns and operates restaurant and retail concepts. He is also a co-founder and managing director of Floresta Partners, LLC, a consulting firm focusing on growing multi-unit restaurant and retail concepts. Prior to forming Floresta, Mr. May was Executive Director of Natural Capital Partners Holdings LLC. NCPH works with corporations to measure their environmental impact and deliver solutions for positive impact on carbon, renewable energy, water, biodiversity and communities. Previously Mr. May was a founder and Managing Director of Catalytic Capital LLC, a private equity firm focused on growing retail and consumer branded companies. Before co-founding Catalytic Capital, Mr. May was Senior Vice President of Corporate Development for Triarc Companies, Inc. where he was responsible for merger identification and execution, corporate finance, and strategic planning. Mr. May also served as Chief Executive Officer of Arby's, Inc., where he managed the growth of 3,400 restaurants comprising $2.5 billion of global system-wide sales. Mr. May held a variety of strategic and operating roles at Arby's before becoming CEO. Mr. May was the Lead Independent Director of INDUS Realty Trust, Inc., a publicly traded real estate company until it was sold in 2023. He is also a Director of Bridgewater Chocolate, LLC, a private chocolate manufacturer and retailer. Mr. May formerly was a board member of Sneaker Villa and Marketwatch.com.

Jeff Clarke, Director

Jeff Clarke is the Chief Executive Officer of Insurity, Inc, a private company in the software and services industry. Mr. Clarke also serves as Executive Chairman of Doxim, Inc. a private company in the printing industry where he previously served as interim Chief Executive Officer. Prior to this, Mr. Clarke served as Executive Chairman and interim Chief Executive Officer of FTD, LLC, a private company in the online florist industry. Prior to this, Mr. Clarke served as Chief Executive Officer of Eastman Kodak Company, Chief Executive Officer of Travelport, Inc, Chief Executive Officer of CA Software, Executive Vice President of Hewlett Packard Company and Chief Financial Officer of Compaq Computer. Mr. Clarke currently serves as a member of the board of directors of Co-Pilot IQ, a private company, Ellipsis Health, a private company, Target Global, Inc, a special purpose acquisition company (NASDAQ:TGAAF) and Travelport, Inc., a private company. Mr. Clarke has formally served on several public company boards of directors including Autodesk, Compuware, Emerge Technology Acquisition Company, Mondee, Inc. Orbitz Worldwide, Red Hat and UTStarcom. He earned his MBA from Northeastern University and now serves as a Northeastern University Trustee.

Alison Worthington, Director

Alison Worthington is an innovative Chief Marketing Officer and Board Director with nearly three decades of experience transforming brands, product portfolios and P&Ls to deliver growth and ROI. Ms. Worthington has held multiple senior level operating roles at Coca-Cola, Starbucks, Microsoft, Method and Lyra Health. A founder of Worthington Growth Partners, she advises executive teams and investors of high growth tech, consumer, life sciences and health care companies like GoPro, Ancestry and HealthJoy to accelerate their vision. An active board member, Ms. Worthington previously helped reposition Generate Life Sciences for a successful sale to Cooper Companies. She earned an MBA from the Harvard Graduate School of Business Administration and an AB in Economics from Smith College.

Julie Hill, Director

Julie Hill has spent more than two decades serving on a range of private and public corporate boards of directors. Most recently, Ms. Hill was a member of the board of directors of Anthem, a Fortune 50 company and the largest U.S. health insurance company by member. She was a member of the board of trustees of Lord Abbett, a $225 billion New Jersey-based mutual fund management firm, from 2003 to 2023. She was also previously on the board of Lend Lease, based in Sydney, Australia, a $9 billion international construction, development, investment and management firm, publicly traded on the Australian exchange, and Holcim (U.S.), the U.S. operation of a Swiss company, as well as several other public corporate boards. Prior to her last 20 years serving on boards of directors, she founded and ran multiple companies, mostly in the real estate investment and development industry, and was a senior executive at numerous publicly traded companies, including Mobil Land, a division of Mobil Oil, and UK-based Costain Group. Ms. Hill is currently Chair of the Board of Trustees of the University of California at Irvine (UCI), and is a board member of Leaders' Quest, and the Alliance for SoCal Innovation. She is a member of the International Women's Forum and Los Angeles Trusteeship, and is a prior member of the Women's Leadership Board of the Kennedy School of Government at Harvard. She earned a Bachelor of Arts degree in English from UCLA, and a master's degree in marketing from the University of Georgia.

Dr. Rosemary Mazanet, Director

Rosemary Mazanet began advising the Company in 2013 and then joined its Scientific Advisory Board as its Chair in 2015 before becoming the Company's Chief Scientific Officer in 2017. In September 2023, Dr. Mazanet transitioned from Chief Scientific Officer to a director of the Company. Since 2013, she has played an integral role of developing groundbreaking form factors specifically for palliative care, such as pressed tablets. She also oversaw the creation of the seminal cannabis observational database that has provided analysis used in peer-reviewed journals, such as *JAMA* and the *Journal of Palliative Medicine* and by many of the nation's leading academic and medical institutions such as National Institutes of Health, Columbia University, New York University, Mount Sinai, University of Southern California, and RAND Corporation. Dr. Mazanet began her career in Internal Medicine and Oncology at the Brigham and Women's Hospital and the Dana Farber Cancer Institute before starting at Amgen in the early 1990s as the head of Clinical Research. Following her time at Amgen, she moved into public equity in 1998 when she joined Oracle Partners LLC in New York as a General Partner. Since that time, she has been a presence in public and private equity biotech and specialty pharma investments. Since 2021, Dr. Mazanet has been a director for Oncternal Therapeutics (NASDAQ: ONCT) and is Head of the Nominating & Governance Committee. During 2024, she also previously served as a director at Kairos Pharma Ltd. (NYSE: KAPA). In addition to the Company's Board of Directors, Dr. Mazanet is also an Emeritus Trustee at the University of Pennsylvania School of Medicine and the Co-Chair of the Leonard Davis Institute Executive Advisory Board at The Wharton School of the University of Pennsylvania. Dr. Mazanet graduated magna cum laude from the University of Virginia and completed her graduate work at the University of Pennsylvania Medical School and Harvard Medical School.

David Hart, Chief Executive Officer and Director

David Hart joined The Cannabist Company in 2016 and became Chief Operating Officer in 2018 and Chief Executive Officer in 2024. Mr. Hart joined the board of directors of The Cannabist Company in June 2024. Prior to joining The Cannabist Company, Mr. Hart served as Chief Operating Officer of Abyrx, a venture capital-backed medical device company that developed, manufactured and commercialized a portfolio of intraoperative cross specialty hemostats. Prior to his time at Abyrx, Mr. Hart was Chief Financial Officer and Chief Investment Officer at Alpine Capital, a family investment office for the Ranawat Orthopedic Group at the Hospital for Special Surgery, where he was responsible for capital allocations, direct private investments and all healthcare investments. Mr. Hart was formerly Partner and Head of Healthcare Equity Investments at Apelles Investment Management. Mr. Hart started his career in the financial services industry in the Mergers and Acquisitions groups at Thomas Weisel Partners and Duff & Phelps. Mr. Hart has an MBA from Columbia University and is a graduate of Duke University, where he was a member of the Men's Varsity Golf Team.

Derek Watson, Chief Financial Officer

Derek Watson joined The Cannabist Company in January 2022 as Chief Financial Officer. Prior to joining the Company, Mr. Watson served as the Chief Financial and Commercial Officer at Tastes on the Fly, a private equity-backed national consumer retail company based in California, from September 2018 to January 2022. He has also held Chief Financial Officer roles at two other consumer companies, Starr Restaurants, from April 2016 to March 2018, and Samba Brands, and as Chief Financial Officer and Vice President of Strategic Initiatives at Schindler Elevator, the U.S. subsidiary of Schindler Holding AG (SCHN.SW). Mr. Watson began his career at KPMG where he spent 20 years providing audit and consulting services, including as a Partner and Practice Leader, and served private and Fortune 500 companies across a variety of industries while based in London, Prague, New York, and Philadelphia. He has experience in a range of leadership roles covering strategy, investor relations, information technology, tax, treasury, accounting, FP&A, operational improvement, and risk management. Mr. Watson is a Fellow at the Culinary Institute of America, a Board Member with the Queen Elizabeth Memorial Garden in New York and has served as a Board Advisor to a number of entrepreneurial start-ups. Mr. Watson is a Chartered Accountant with the ICAEW, holds an undergraduate degree in Finance & Accounting from Kingston University, London and an MBA from Columbia University.

Jesse Channon, President

Jesse Channon joined The Cannabist Company in December 2019 as Chief Growth Officer, became Chief Commercial Officer in 2023 and President in 2024. Mr. Channon is an accomplished leader with over a decade of experience in digital marketing, consumer targeting, grassroots campaigns and social media, having advised and worked with some of the largest brands and agencies in the world, including Microsoft, AT&T, Honda, Starbucks, NBC, Red Bull and more. A member of the founding team at PageLever, a Y Combinator-backed company, Mr. Channon oversaw all revenue and partnerships, working with companies such as YouTube, Intel and Toyota to build one of the first real-time applications on Facebook's API and earning certification in the first wave of Preferred Marketing Developers. In 2013, PageLever sold to Unified, a New York City-based Ad Tech company, where Mr. Channon spent six years on the senior management team. After Unified, Mr. Channon served as chief revenue officer for Social Native, a custom content marketplace. He serves on the Entrepreneurship Advisory Board for the Harbert School of Business at Auburn University, the Marketing Board for UJA in New York City and mentors first-time founders of early stage start-ups.

Bryan Olson, Chief Human Resources Officer

Bryan Olson joined The Cannabist Company as Chief Human Capital Officer in 2017. In 2020, Mr. Olson became the Company's Chief People and Administrative Officer. In 2024, Mr. Olson transitioned to Chief Human Resources Officer of the Company, serving in a non-employee consultant capacity. Mr. Olson is also the Chief Administrative Officer of Ceres Coin, LLC (a privately held company) where he is serving in a non-employee consultant capacity. Prior to joining The Cannabist Company, Mr. Olson was the Chief Human Resource Officer for global law firm K&L Gates and previously held senior HR executive positions at Aetna and United Technologies Corporation. Mr. Olson is a former practicing employee benefits and executive compensation attorney at Skadden Arps and started his career at Fidelity Investments.

David Sirolly, Chief Legal Officer and General Counsel

David Sirolly joined The Cannabist Company in 2021 as Chief Legal Officer and General Counsel. Prior to joining The Cannabist Company, Mr. Sirolly served as General Counsel, Corporate and Chief Compliance Officer of Integra LifeSciences Corporation, a publicly-traded global medical technology company, since 2010. Over his 11-year career at Integra, he held a variety of legal and compliance leadership roles which included accountability for corporate governance, securities laws, finance initiatives, healthcare compliance, employment law, litigation as well as legal support for a commercial division and information technology. Prior to Integra, Mr. Sirolly was Assistant General Counsel of ValueClick, Inc. (now Conversant, Inc.), a publicly-traded digital media company. David began his legal career at the international law firm of Hogan & Hartson LLP (now Hogan Lovells) based in Washington DC. At Hogan, he focused on supporting medical device and pharmaceutical manufacturers on complex legal and regulatory matters. Mr. Sirolly also spent several years at a leading regional law firm in Pennsylvania working on civil and administrative litigation. Mr. Sirolly has a JD from the University of Virginia School of Law and a degree in economics from Duke University.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers, and persons who own more than 10% of the Company's Common Shares to file initial reports of ownership and changes in ownership of the Company's Common Shares with the SEC. These individuals are required by the regulations of the SEC to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of Forms 3, 4 and 5 and amendments thereto furnished to the Company during the fiscal year ended December 31, 2024, including those reports that we have filed on behalf of our directors and Section 16 officers, no director, Section 16 officer, beneficial owner of more than 10% of the outstanding common stock of the Company, or any other person subject to Section 16 of the Exchange Act, failed to file with the SEC on a timely basis during the fiscal year ended December 31, 2024, except that due to an administrative error, (i) Nicholas Vita had one late Form 4 filing (constituting one late transaction), (ii) Jesse Channon had one late Form 4 filing (constituting two late transactions) and one late transaction reported on Form 5, (iii) Jeff Clarke had one late Form 4 filing (constituting two late transactions), (iv) David Sirolly had one late transaction reported on Form 5, (v) Derek Watson had one late transaction reported on Form 5, (vi) David Hart had two late transactions reported on Form 5 and (vii) Bryan Olson had two late transactions reported on Form 5.

Code of Ethics

The Board of Directors has adopted a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer, as well as all other employees and directors. Our Code of Ethics is available on our website at https://investors.cannabistcompany.com/corporate-governance/governance-overview.

Insider Trading Policy

The Company adopted an Insider Trading Policy and procedures governing the purchase, sale, and/or other dispositions of our securities by directors, officers and employees, that are reasonably designed to promote compliance with insider trading laws, rules and regulations. The Insider Trading Policy is filed as Exhibit 19 hereto. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws.

Audit Committee

The Board believes that the composition of the Audit Committee reflects financial literacy and expertise. Currently, all members of the Audit Committee have been determined by the Board to be "independent" and "financially literate" as such terms are defined under the corporate governance rules of the Nasdaq Capital Market ("**Nasdaq**"). The Audit Committee consists of Jeff Clarke, Jonathan P. May and Frank Savage. The Board has made these determinations based on the education as well as breadth and depth of experience of each member of the Audit Committee. The Board has also determined that all members of the Audit Committee meets the SEC definition of an audit committee financial expert.

ITEM 11. EXECUTIVE COMPENSATION.

Executive Compensation

Summary Compensation Table

The following table sets forth all compensation paid to or earned by the named executive officers (the "**NEOs**") of the Company in the last two fiscal years.

				Non-equity Incentive Plan Compensation ($)		Long-term Incentive Plans	
Name and Principal Position	**Year**	**Salary ($)**	**Share-Based Awards(4)(5)(6) ($)**	**Annual Incentive Plans**	**Long-term Incentive Plans**	**All Other Compensation(7) ($)**	**Total Compensation ($)**
David Hart	2024	$496,557	$ 644,000	$255,000	$ —	$ 600	$ 1,396,157
CEO and Director (1)	2023	$375,000	$1,145,455	$175,000	$ —	$ 12,200	$ 1,707,655
Jesse Channon	2024	$408,852	$ 364,000	$209,100	$ —	$ —	$ 981,952
President (2)	2023	$347,917	$ 763,636	$162,500	$ —	$ —	$ 1,274,053
Derek Watson	2024	$370,000	$ 280,000	$122,100	$ —	$ 15,573	$ 787,673
CFO							
Nicholas Vita	2024	$ 19,126	$ —	$ —	$ —	$ 1,934,615	$ 1,953,741
Former CEO & Director(3)	2023	$500,000	$ —	$ —	$ —	$ 20,000	$ 520,000

Notes:

(1) Mr. Hart was promoted to Chief Executive Officer of the Company effective January 15, 2024.

(2) Mr. Channon was promoted to President of the Company effective January 15, 2024.
(3) Mr. Vita retired from his position as Chief Executive Officer of the Company effective January 15, 2024 and continued to serve as a member of the Board of Directors until June 25, 2024.
(4) 2024 share-based award values converted to USD based on exchange rate at date of grant of 1 CAD: 0.737542; 2023 share-based award values converted to USD based on exchange rate at date of grant of 1 CAD: 0.743230.
(5) For 2024, reflects annual share-based awards, specifically 1,495,000 RSUs and 805,000 PSUs granted to Mr. Hart, 845,000 RSUs and 455,000 PSUs granted to Mr. Channon, and 650,000 RSUs and 350,000 PSUs granted to Mr. Watson.
(6) For 2023, reflects annual share-based awards, specifically 2,727,273 RSUs granted to Mr. Hart, and 1,818,182 RSUs granted to Mr. Channon.
(7) For 2024, reflects (i) Company 401(k) contribution of $600 for Mr. Hart and $15,573 for Mr. Watson and (ii) cash severance of $1,934,615 to Mr. Vita, which will be payable $80,608.97 per month for 24 months, pursuant to the terms of the Vita Release Agreement (see "Termination and Change of Control Benefits" section for all compensation related terms in connection with Mr. Vita's transition to non-employee director and separation from the Company). For 2023, reflects (i) tax planning reimbursements of $20,000 for Mr. Vita and (ii) Company 401(k) contribution of $12,200 for Mr. Hart.

Outstanding Equity Awards Table

The following table sets forth information concerning the option-based and share-based awards granted to the Company's NEOs that were outstanding as of December 31, 2024.

	Share-based Awards	
Name and Principal Position	Number of Shares or Units of Shares That Have Not Vested(4)(5) (#)	Market or Payout Value of Share-Based Awards That Have Not Vested(4)(5) ($)
David Hart CEO and Director (1)	4,282,612	$ 299,783
Jesse Channon President(2)	2,628,664	$ 184,006
Derek Watson CFO	2,323,470	$ 162,643
Nicholas Vita Director and Former CEO(3)	—	—

Notes:

(1) Mr. Hart was promoted to Chief Executive Officer of the Company effective January 15, 2024.
(2) Mr. Channon was promoted to President of the Company effective January 15, 2024.
(3) Mr. Vita retired from his position as Chief Executive Officer of the Company effective January 15, 2024 and continued to serve as a member of the Board of Directors until June 25, 2024. Upon the end of his service on the Board of Directors, Mr. Vita forfeited all outstanding equity that had not previously vested.
(4) For outstanding PSUs whose performance has been certified, reflects number of shares eligible to vest; for outstanding PSUs whose performance has not yet been certified, reflects target number of shares.
(5) Market value of unvested share-based awards and vested but undistributed share-based awards calculated based on the closing share price on December 31, 2024 (converted to USD based on an exchange rate of 1 CAD: 0.695786 USD).

Termination and Change of Control Benefits

Other than as described herein, the Company does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following, or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities. Note that the dollar value of potential accelerated equity in connection with a qualifying termination or change of control reflects an exchange rate of 1 CAD: 0.695786 USD.

David Hart

On March 11, 2024, the Company entered into a new employment agreement with Mr. Hart in connection with his promotion to the role of Chief Executive Officer, (the "**Hart Agreement**"). The Hart Agreement may be terminated at any time by Mr. Hart or the Company. In the event of termination without cause of Mr. Hart's employment or Mr. Hart resigns for good reason in connection with a change of control, Mr. Hart shall receive (i) an amount equal to twenty-four (24) months of Mr. Hart's then base salary, plus target bonus, paid over such 24-month period in installments on the Company's regular payroll schedule following the termination date; and (ii) the Company shall pay its share of Mr. Hart's health insurance premiums to continue Mr. Hart's health insurance coverage for eighteen (18) months beyond the termination date. The change of control payments and benefits that would be made to Mr. Hart are conditioned on and subject to Mr. Hart signing and not rescinding the Hart Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, all of Mr. Hart's outstanding RSUs and PSUs will vest in full; PSUs will vest based on actual performance if performance has been determined or is reasonably determinable as of the change of control event, otherwise will vest at target. The total estimated incremental payments, payables and benefits to Mr. Hart upon a qualifying termination in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $2,178,518, with Mr. Hart's health insurance coverage continuing for eighteen (18) months from the termination date. In the event of a change in control without a qualifying termination, Mr. Hart's outstanding RSUs and PSUs from grants made in fiscal year 2022 and fiscal year 2023 will vest in full; PSUs will vest based on actual performance if performance has been determined or is reasonably determinable as of the change of control event, otherwise will vest at target. The total estimated incremental payments, payables and benefits to Mr. Hart in the event of a change of control without a qualifying termination, as if such event occurred on the last business day of the Company's most recently completed financial year, is $136,057.

In the event that the Company terminates Mr. Hart's employment without cause or Mr. Hart resigns for good reason (other than due to a change of control), Mr. Hart shall receive (i) an amount equal to eighteen (18) months of Mr. Hart's then base salary, plus target bonus, paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and the Company shall pay its share of Mr. Hart's health insurance premiums to continue Mr. Hart's health insurance coverage for eighteen (18) months beyond the termination date. The severance payments and benefits that would be made to Mr. Hart are conditioned on and subject to Mr. Hart signing and not rescinding the Hart Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause, Mr. Hart's outstanding RSUs and PSUs will be forfeited. The total estimated incremental payments and payables to Mr. Hart in the event of termination of his employment without cause or if Mr. Hart resigns for good reason (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,416,235, with Mr. Hart's health insurance coverage continuing for eighteen (18) months from the termination date.

Jesse Channon

On March 11, 2024, the Company entered into a new employment agreement with Mr. Channon in connection with his promotion to the role of President (the "**Channon Agreement**"). The Channon Agreement may be terminated at any time by Mr. Channon or the Company. In the event of termination without cause of Mr. Channon's employment in connection with a change of control, Mr. Channon shall receive (i) an amount equal to eighteen (18) months of Mr. Channon's then base salary, plus target bonus, paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and (ii) the Company shall pay its share of Mr. Channon's health insurance premiums to continue Mr. Channon's health insurance coverage for eighteen (18) months beyond the termination date. The change of control payments and benefits that would be made to Mr. Channon are conditioned on and subject to Mr. Channon signing and not rescinding the Channon Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, all of Mr. Channon's outstanding RSUs and PSUs will vest in full; PSUs will vest based on actual performance if performance has been determined or is reasonably determinable as of the change of control event, otherwise will vest at target. The total estimated incremental payments, payables and benefits to Mr. Channon upon a qualifying termination in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,350,570, with Mr. Channon's health insurance coverage continuing for eighteen (18) months from the termination date. In the event of a change in control without a qualifying termination, Mr. Channon's outstanding RSUs and PSUs from grants made in fiscal year 2022 and fiscal year 2023 will vest in full; PSUs will vest based on actual performance if performance has been determined or is reasonably determinable as of the change of control event, otherwise will vest at target. The total estimated incremental payments, payables and benefits to Mr. Channon in the event of a change of control without a qualifying termination, as if such event occurred on the last business day of the Company's most recently completed financial year, is $91,189.

In the event that the Company terminates Mr. Channon's employment without cause (other than due to a change of control), Mr. Channon shall receive (i) an amount equal to eighteen (18) months of Mr. Channon's then base salary, plus target bonus, paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and the Company shall pay its share of Mr. Channon's health insurance premiums to continue Mr. Channon's health insurance coverage for eighteen (18) months beyond the termination date. The severance payments and benefits that would be made to Mr. Channon are conditioned on and subject to Mr. Channon signing and not rescinding the Channon Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause, Mr. Channon's outstanding RSUs and PSUs will be forfeited. The total estimated incremental payments and payables to Mr. Channon in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,166,564, with Mr. Channon's health insurance coverage continuing for eighteen (18) months from the termination date.

Derek Watson

On January 24, 2022, the Company entered into an employment agreement with Mr. Watson (the "**Watson Agreement**"). The Watson Agreement may be terminated at any time by Mr. Watson or the Company. In the event of termination without cause of Mr. Watson's employment in connection with a change of control, Mr. Watson shall receive (i) an amount equal to eighteen (18) months of Mr. Watson's then base salary, plus target bonus, paid over such 18-month period in installments on the Company's regular payroll schedule following the termination date; and (ii) the Company shall pay its share of Mr. Watson's health insurance premiums to continue Mr. Watson's health insurance coverage for eighteen (18) months beyond the termination date. The change of control payments and benefits that would be made to Mr. Watson are conditioned on and subject to Mr. Watson signing and not rescinding the Watson Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon a qualifying termination in connection with a change of control, all of Mr. Watson's outstanding RSUs and PSUs will vest in full; PSUs will vest based on actual performance if performance has been determined or is reasonably determinable as of the change of control event, otherwise will vest at target. The total estimated incremental payments, payables and benefits to Mr. Watson upon a qualifying termination in connection with a change of control, as if such event occurred on the last business day of the Company's most recently completed financial year, is $1,022,893, with Mr. Watson's health insurance coverage continuing for eighteen (18) months from the termination date. In the event of a change in control without a qualifying termination, Mr. Watson's outstanding RSUs and PSUs from grants made in fiscal year 2022 and fiscal year 2023 will vest in full; PSUs will vest based on actual performance if performance has been determined or is reasonably determinable as of the change of control event, otherwise will vest at target. The total estimated incremental payments, payables and benefits to Mr. Watson in the event of a change of control without a qualifying termination, as if such event occurred on the last business day of the Company's most recently completed financial year, is $92,643.

In the event that the Company terminates Mr. Watson's employment without cause (other than due to a change of control), Mr. Watson shall receive (i) an amount equal to twelve (12) months of Mr. Watson's then base salary, plus target bonus, paid over such 12-month period in installments on the Company's regular payroll schedule following the termination date; and the Company shall pay its share of Mr. Watson's health insurance premiums to continue Mr. Watson's health insurance coverage for twelve (12) months beyond the termination date. The severance payments and benefits that would be made to Mr. Watson are conditioned on and subject to Mr. Watson signing and not rescinding the Watson Agreement, a non-disclosure agreement and an effective, general release of all claims in favor of the Company within no greater than 60 days following the termination date. Upon an involuntary termination without cause, Mr. Watson's outstanding RSUs and PSUs will be forfeited. The total estimated incremental payments and payables to Mr. Watson in the event of termination of his employment without cause (other than due to a change of control), as if such event occurred on the last business day of the Company's most recently completed financial year, is $573,500, with Mr. Watson's health insurance coverage continuing for twelve (12) months from the termination date.

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Nicholas Vita

On April 26, 2019, the Company entered into an employment agreement with Mr. Vita (the “**Vita Employment Agreement**”), which provided for certain payments to Mr. Vita upon termination or change of control. On March 13, 2024, in connection with Mr. Vita’s retirement as Chief Executive Officer of the Company, the Vita Employment Agreement was terminated, and the Company and Mr. Vita entered into a separation and release of claims agreement (the “**Vita Release Agreement**”). The Vita Release Agreement provides for vesting of Mr. Vita’s outstanding equity awards, valued at $698,056 at time of his retirement (per the Vita Release Agreement, any unvested equity awards that were outstanding following the conclusion of Vita’s service on the Board of Directors on June 25, 2024 were forfeited), and severance payments of $80,608.97 per month for 24 months.

Director Compensation

The following table sets forth all compensation paid to or earned by each non-employee director of the Company during the fiscal year ended December 31, 2024.

Name (1)	Fees Earned or Paid in Cash(2) ($)	Share-Based Awards(3)(4) ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total Compensation ($)
Jeff Clarke	$ 59,500	$153,000	$ —	$ —	$ —	$ 212,500
Julie Hill	$ 45,000	$153,000	$ —	$ —	$ —	$ 198,000
James A.C. Kennedy	$ 59,500	$153,000	$ —	$ —	$ —	$ 212,500
Jonathan P. May	$ 72,000	$153,000	$ —	$ —	$ —	$ 225,000
Frank Savage	$ 51,500	$153,000	$ —	$ —	$ —	$ 204,500
Alison Worthington	$ 38,500	$153,000	$ —	$ —	$ —	$ 191,500

Notes:

(1) Mr. Abbott and Dr. Mazanet did not receive any compensation for their roles as non-employee directors in the fiscal year ending December 31, 2024. Mr. Vita did not receive any compensation for his role as a non-employee director while serving on the Board of Directors from January 15, 2024 until June 25, 2024.

(2) Reflects annual cash retainer for Board service and, as applicable, additional cash retainer for Lead Director and additional cash retainer for Committee chairs and members.

(3) Share-based award values converted to USD based on exchange rate at date of grant of 1 CAD: 0.730896 USD.

(4) Reflects annual RSU awards, specifically 805,264 RSUs granted to each of Mr. Clarke, Ms. Hill, Mr. Kennedy, Mr. May, Mr. Savage, and Ms. Worthington.

Policies and Practices for Granting Certain Equity Awards

The Compensation Committee of the Board is responsible for the review and approval of our policies and practices with respect to granting equity awards. The Compensation Committee typically targets the second quarter of the fiscal year, shortly after the annual meeting of shareholders and the release of the first quarter financial results, for granting annual stock awards to eligible recipients, absent an extraordinary event. The Compensation Committee believes this aligns timing of equity grants with the planning of annual salary increases (also in the second quarter of our fiscal year), allowing a holistic view of total compensation.

The Compensation Committee seeks to structure equity grants so that they are awarded during an open window period as designated by the Company’s Insider Trading Policy, or, if Compensation Committee approval is provided during a non-window period, are typically made effective on the first business day following our press release with respect to financial results for the prior quarter. This policy is intended to ensure that options are awarded at a time when the exercise price fully reflects all recently disclosed information. In the case of new hires eligible to receive equity grants, grants are generally made on the first business day of the month following the date the individual commences employment.

All grants to executive officers are approved by the Compensation Committee itself and not pursuant to any delegated authority.

The Company never had any programs, policies, or practices which are intended to time stock option grants with the release of material, non-public information in a manner that would provide advantageous option exercise prices to grant recipients. Option exercise prices are, in all cases, equal to the closing price of the Common Shares on the date of grant.

During fiscal 2024, the Company did not award options to any NEO in the period beginning four business days before and ending one business day after the filing of a Form 10-Q or Form 10-K, or the filing or furnishing of a Form 8-K that discloses material nonpublic information.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended December 31, 2024, Frank Savage, James A.C. Kennedy, Alison Worthington and Jonathan P. May served as members of the Compensation Committee.

None of the Company's executive officers served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a director of the Company or on the Compensation Committee, during fiscal 2024. None of the Company's executive officers served as a director of another entity, one of whose executive officers served on the Compensation Committee, during fiscal 2024.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth the expected beneficial ownership of the Company's securities as of April 28, 2025 for (i) each member of the Board of Directors, (ii) each NEO, (iii) each person known to the Company and expected to be the beneficial owner of more than 5% of the Company's securities and (iv) the members of the Board and the NEOs as a group. Beneficial ownership is determined according to the rules of the SEC. Generally, a person has beneficial ownership of a security if the person possesses sole or shared voting or investment power of that security, including any securities that a person has the right to acquire beneficial ownership within 60 days. Except as indicated, all shares of the Company's securities will be owned directly, and the person or entity listed as the beneficial owner has sole voting and investment power. The address for each director and executive officer is c/o The Cannabist Company Holdings Inc., 321 Billerica Rd., Suite 204, Chelmsford, Massachusetts 01824.

	Common Shares		Proportionate		Total (2)	
Name, Position and Address of Beneficial Owner	**Number Beneficially Owned**	**% of Total Common Shares(1)**	**Number Beneficially Owned**	**% of Total Proportionate Voting Shares**	**Total Number of Capital Stock Beneficially Owned**	**% of Total Capital Stock**
Michael Abbott, Chairman and Director	2,402,764	*	—	—	2,402,764	*
Frank Savage, Director	557,188	*	—	—	557,188	*
James A.C. Kennedy, Director	2,380,553	*	—	—	2,380,553	*
Jonathan P. May, Director	547,895	*	29,468	39.89%	3,494,695	*
Jeff Clarke, Director	1,112,038	*	47	*	1,116,738	*
Alison Worthington, Director	473,940	*	—	—	473,940	*
Julie Hill, Director	512,451	*	—	—	512,451	*
Dr. Rosemary Mazanet, Director	2,524,087	*	—	—	2,524,087	*
David Hart, Chief Executive Officer & Director	3,609,943	*	—	—	3,609,943	*
Bryan Olson, Chief Human Resources Officer	1,837,468	*	—	—	1,837,468	*
Jesse Channon, President	2,083,453	*	—	—	2,083,453	*
Derek Watson, Chief Financial Officer	1,291,695	*	—	—	1,291,695	*
David Sirolly, Chief Legal Officer and General Counsel	1,131,741	*	—	—	1,131,741	*
All Board directors and named executive officers as a group	20,465,216	4.33%	29,515	39.95%	23,416,716	4.88%

Notes:

(1) The information provided is based upon 472,417,036 Common Shares outstanding as of April 28, 2025.
(2) Includes Proportionate Voting Shares on an as converted basis.
* Less than 1%

Equity Compensation Plans

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding convertible securities, the weighted-average exercise price of such outstanding convertible securities and the number of Common Shares remaining available for future issuance under equity compensation plans as at December 31, 2024.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding securities(1)	Weighted-average exercise price of outstanding securities	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) (2)
Equity compensation plans approved by Shareholders	27,816,512	—	18,261,595
Equity compensation plans not approved by Shareholders	—	—	—
Total	27,816,512	—	18,261,595

Notes:

(1) The 27,816,512 shares of Common Stock to be issued upon exercise of outstanding securities, warrants and rights consists of (i) 1,043,438 shares that may be issued upon the vesting of PSUs and (ii) 26,773,074 shares that may be issued upon the vesting of RSUs. For outstanding PSUs whose performance has been certified, reflects number of shares eligible to vest; for outstanding PSUs whose performance has not yet been certified, reflects target number of shares.

(2) Convertible securities remaining as of December 31, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Related Party Transaction Policy

The Company has not adopted a related party transaction policy.

Transactions with Related Persons

Except as set forth below, since the beginning of the last fiscal year, there have been none and there are no currently proposed transactions in which the Company was or is to be a participant and the amount involved exceeds $120,000, and in which any related person had or will have a direct or indirect material interest.

On August 6, 2024, the Company entered into a Fractional CHRO Engagement Agreement (the “Engagement Agreement”) with ourCHRO, LLC (“ourCHRO”), pursuant to which the Company engaged Bryan Olson to serve as the Chief Human Resources Officer of the Company in a non-employee consultant capacity, allocating 50% of his working time to the Company. Mr. Olson joined the Company as an employee in 2017 and served, among other positions, as its Chief People and Administrative Officer and, most recently, as its Chief Human Resources Officer. Mr. Olson transitioned to a non-employee consultant on August 6, 2024.

Pursuant to the Engagement Agreement, the Company will pay our CHRO $26.250 per month. In addition, the parties agreed that any outstanding unvested equity awards previously granted to Mr. Olson will continue to vest during the term of the Engagement Agreement. Mr. Olson will also be eligible to participate in the Company’s discretionary executive bonus plan for 2024 based on a performance period from January 1, 2024 to July 31, 2024 (the “Bonus Performance Term”), with a target bonus of 55% of Mr. Olson’s salary in effect during the Bonus Performance Term. The initial term of the Engagement Agreement is from August 6, 2024 to August 5, 2025 and may continue until terminated on its terms.

During the year ended December 31, 2024, the Company paid our CHRO $131,250 pursuant to the Engagement Agreement.

Promoters

No person or company has been at any time during the past five fiscal years a promoter of the Company.

Director Independence

For purposes of this Annual Report on Form 10-K, the independence of our directors is determined under the corporate governance rules of the Nasdaq Capital Market ("**Nasdaq**"). While we are not listed on Nasdaq, we believe Nasdaq rules represent corporate governance best practices. The independence rules of Nasdaq include a series of objective tests, including that an "independent" person will not be employed by us and will not be engaged in various types of business dealings with us. In addition, the Board is required to make a subjective determination as to each person that no material relationship exists with the Company either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. It has been determined that six of our directors are independent persons under the independence rules of Nasdaq: Frank Savage, James A.C. Kennedy, Jonathan P. May, Jeff Clarke, Alison Worthington and Julie Hill. Michael Abbott is not considered independent as he is the former Executive Chairman of the Company. David Hart is not considered independent as he is the Chief Executive Officer of the Company. Rosemary Mazanet is not considered independent because she was previously employed as the Chief Scientific Officer of the Company.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following table sets forth fees paid to the Company's auditors, PKF O'Connor Davies LLP and the prior auditors, Davidson & Company LLP, for 2024 and 2023, respectively, for audit and non-audit services. All of the services described below were approved in accordance with the Company's pre-approval policy, which is described in the next section.

	PKF O'Connor Davies LLP		Davidson & Company LLP	
	2024	2023	2024	2023
Audit fees (1)	$895,000	—	—	$1,365,000
Audit-related fees (2)	$ 60,000	—	$108,375	$ 147,784
Tax fees (3)	—	—	—	$ 5,775
All other fees (4)	—	—	$ 26,969	$ 32,841

Notes:

(1) "Audit Fees" include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements and other annual regulatory audits and filings.

(2) "Audit Related Fees" includes the aggregate fees paid to the external auditors for services related to the audit services, including reviewing quarterly financial statements and management's discussion thereon and conferring with the Board and Audit Committee regarding financial reporting and accounting standards.

(3) "Tax Fees" include the aggregate fees paid to external auditors for tax compliance, tax advice, tax planning and advisory services, including namely preparation of tax returns.

(4) "Other Fees" include fees for assurance procedures in connection with filings statements and information circulars and services related to underwriter's due diligence.

Pre-Approval Policies and Procedures

The Company's Audit Committee has a policy related to pre-approval of all audit and permissible non-audit services to be provided by the independent registered public accounting firm. Pursuant to this policy, the Audit Committee must pre-approve all services provided by the independent registered public accounting firm. Pre-approvals for classes of services are granted at the start of each fiscal year and are applicable for such year. As provided under the Sarbanes-Oxley Act of 2002 and the SEC's rules, the Audit Committee, in its discretion, may delegate to one or more of its members the authority to address certain requests for pre-approval in between regularly scheduled meetings of the Audit Committee, and such pre-approval decisions are reported to the Audit Committee at its next regular meeting. The policy is designed to help ensure that there is no delegation by the Audit Committee of authority or responsibility for pre-approval decisions to management.

PART IV

ITEM 15. EXHIBITS, AND FINANCIAL STATEMENT SCHEDULES.

(a)(1) Financial Statements

See the Index to Financial Statement listed on page F-1 of the Form 10-K.

(a)(2) Financial Statement Schedules

Schedules have been omitted because they are not applicable, not material or because the information is included in the consolidated financial statements or the notes thereto.

(a)(3) Exhibits

The exhibits are incorporated by reference from the Exhibit Index attached hereto.

ITEM 16. FORM 10-K SUMMARY.

None.

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EXHIBIT INDEX

Exhibit No.	Description of Exhibit
2.1	Transaction Agreement dated November 21, 2018 between Canaccord Genuity Growth Corp. and Columbia Care Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
2.2	Agreement and Plan of Merger dated December 21, 2020 among Columbia Care Inc., Columbia Care LLC, Vici Acquisition LLC, Vici Acquisition II LLC, Green Leaf Medical, LLC and Shareholder Representative Services LLC (incorporated by reference to Exhibit 2.2 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on February 15, 2022)
2.3	Arrangement Agreement, dated March 23, 2022, between Cresco Labs Inc. and Columbia Care Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K, filed with the SEC on March 29, 2022)
2.4	Amending Agreement, dated February 27, 2023, between Cresco Labs Inc. and Columbia Care Inc. (incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K, filed with the SEC on February 28, 2023
3.2	Articles, dated April 26, 2019 (incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed with the SEC on September 22, 2023)
4.1	Warrant Agency Agreement dated September 20, 2018 between Canaccord Genuity Growth Corp. and Odyssey Trust Company (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.2	Warrant Agreement dated April 26, 2019 between Columbia Care Inc. and Canaccord Genuity Corp. (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.3	Trust Indenture made as of March 31, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.4	Warrant Indenture dated March 31, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.4 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.5	Trust Indenture made as of May 14, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.5 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.6	Warrant Indenture dated May 14, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.6 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.7	First Supplemental Indentures dated as of June 19, 2020 between Columbia Care Inc and Odyssey Trust Company (incorporated by reference to Exhibit 4.7 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.8	Warrant Indenture dated July 2, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.8 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.9	Warrant Indenture dated October 29, 2020 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.9 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
4.10	Second Supplemental Indenture dated June 29, 2021 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.10 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on January 28, 2022)

Exhibit No.	Description of Exhibit
4.11	Third Supplemental Indenture dated February 2, 2022 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.11 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on February 15, 2022)
4.12	Fourth Supplemental Indenture dated February 3, 2022 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.12 of the Registrant's amended Registration Statement on Form 10, filed with the SEC on February 15, 2022)
4.13	Fifth Supplemental Indenture dated May 5, 2022 between Columbia Care Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K, filed with the SEC on May 11, 2022)
4.14	Extension Notice dated March 28, 2023 to Odyssey Trust Company (incorporated by reference to Exhibit 4.14 of the Registrant's Form 10-K, filed with the SEC on March 29, 2023)
4.15	Sixth Supplemental Indenture dated September 20, 2023 between The Cannabist Company Holdings Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.15 of the Registrant's Form 10-Q, filed with the SEC on May 9, 2024)
4.16	Seventh Supplemental Indenture dated March 19, 2024 between The Cannabist Company Holdings Inc. and Odyssey Trust Company (incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K, filed with the SEC on March 20, 2024)
4.17	Eighth Supplemental Indenture dated March 12, 2025 between The Cannabist Company Holdings Inc., The Cannabist Company Holdings (Canada) Inc., and Odyssey Trust Company
10.1	Lease Agreement dated December 1, 2013 between Pagson, LLC and Patriot Care Corporation (incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.2	Lease Agreement dated April 30, 2015 between Eastman Kodak Company and Columbia Care NY, LLC (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.3	Lease Agreement dated April 10, 2019 between MM Downtown Facility, LLC and PHC Facilities, Inc. (incorporated by reference to Exhibit 10.3 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.4	Lease Agreement dated December 23, 2019 between NLCP 156 Lincoln MA, LLC and Patriot Care Corp. (incorporated by reference to Exhibit 10.4 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.5	First Amendment to Lease dated December 2, 2020 between PHC Facilities, Inc. and MM Downtown Facility, LLC (incorporated by reference to Exhibit 10.5 of the Registrant's Registration Statement on Form 10, filed with the SEC on December 14, 2021)
10.6#	Employment Agreement dated April 26, 2019 between Columbia Care Inc. and Nicholas Vita (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.7#	Employment Agreement dated April 26, 2019 between Columbia Care Inc. and David J. Hart (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.8#	Amendment No. 1 dated January 1, 2022 to Employment Agreement between Columbia Care Inc. and David J. Hart (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.9#	Restricted Stock Unit Award Notice and Award Agreement dated April 26, 2019 between Columbia Care Inc. and Nicholas Vita (incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)

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Exhibit No.	Description of Exhibit
10.10#	Restricted Stock Unit Award Notice and Award Agreement dated April 26, 2019 between Columbia Care Inc. and David Hart (incorporated by reference to Exhibit 10.11 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.11	Mortgage and Security Agreement dated December 28, 2021 between Columbia Care NY Realty LLC and East West Bank (incorporated by reference to Exhibit 10.14 to the Registrant's Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 31, 2022)
10.12	Form of Voting Support Agreement (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on March 29, 2022)
10.13	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K, filed with the SEC on March 29, 2022)
10.14#	Transition Agreement between Columbia Care Inc. and Michael Abbott (incorporated by reference to Exhibit 10.17 of the Registrant's Form 10-K, filed with the SEC on March 29, 2023
10.15	Termination Agreement, dated July 31, 2023, between Cresco Labs Inc. and Columbia Care Inc. (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on August 3, 2023)
10.16#	The Cannabist Company Holdings Inc. Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on November 13, 2023)
10.17#	Transition and Release of Claims Agreement, between Columbia Care Inc. and Rosemary Mazanet, dated August 31, 2023 (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q, filed with the SEC on November 14, 2023)
10.18#	Amendment No. 2 dated January 15, 2024 to Employment Agreement between The Cannabist Company Holdings Inc. and David J. Hart (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on January 19, 2024)
10.19	Amended and Restated At-Will Employment Agreement dated March 11, 2024 between The Cannabist Company Holdings Inc. and David J. Hart (incorporated by reference to Exhibit 10.21 of the Registrant's Form 10-K, filed with the SEC on March 13, 2024)
10.20	Amended and Restated At-Will Employment Agreement dated March 11, 2024 between The Cannabist Company Holdings Inc. and Jesse Channon (incorporated by reference to Exhibit 10.22 of the Registrant's Form 10-K, filed with the SEC on March 13, 2024)
10.21	Exchange Agreement, between The Cannabist Company Holdings Inc., Nomis Bay Ltd. And BPY Limited (incorporated by reference to Exhibit 10.23 of the Registrant's Form 10-K, filed with the SEC on March 13, 2024)
10.22	Separation and Release of Claims Agreement dated March 13, 2024 between The Cannabist Company Holdings Inc. and Nicholas Vita (incorporated by reference to Exhibit 10.24 of the Registrant's Form 10-K, filed with the SEC on March 13, 2024)
10.23	Amendment to Exchange Agreement, dated June 30, 2024, among The Cannabist Company Holdings Inc., Nomis Bay Ltd. And BPY Limited (incorporated by reference to Exhibit 10.1 of the Registrant's Form 10-Q, filed with the SEC on August 8, 2024)
10.24	Equity Purchase Agreement, dated July 29, 2024, among Verano Holdings, LLC, Verano Holdings Corp., Columbia Care Eastern Virginia LLC and the members of Columbia Care Eastern Virginia LLC and The Cannabist Company Holdings Inc. (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on July 31, 2024)

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Exhibit No.	Description of Exhibit
10.25	Form of Verano Holdings, LLC Promissory Note (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K, filed with the SEC on July 31, 2024)
10.26	Equity Purchase Agreement, dated July 29, 2024, among Verano Arizona, LLC, 203 Organix L.L.C., CC VA HoldCo LLC, Columbia Care-Arizona, Prescott, L.L.C. and The Cannabist Company Holdings Inc. (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K, filed with the SEC on July 31, 2024)
10.27	Equity Purchase Agreement, dated July 29, 2024, among Verano Arizona, LLC, Salubrious Wellness Clinic, Inc., CC VA HoldCo LLC, Thomas Allison, Columbia Care-Arizona, Prescott, L.L.C. and The Cannabist Company Holdings Inc. (incorporated by reference to Exhibit 10.4 of the Registrant's Form 8-K, filed with the SEC on July 31, 2024)
10.28	Fractional CHRO Engagement Agreement, dated August 6, 2024, between ourCHRO, LLC and The Cannabist Company Holdings Inc. (incorporated by reference to Exhibit 10.5 of the Registrant's Form 10-Q, filed with the SEC on August 8, 2024)
10.29	Membership Interest Purchase Agreement, dated August 21, 2024, among Columbia Care LLC, Columbia Care Florida LLC, SFL Investment Holdings, LLC, Mint Florida Holdings, LLC, The Cannabist Company Holdings Inc. and The Cerberean Group LLC (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on August 27, 2024)
10.30	Form of Promissory Note from SFL Investment Holdings, LLC and Mint Florida Holdings, LLC (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K, filed with the SEC on August 27, 2024)
10.31	Purchase Agreement, dated August 22, 2024, among 3 Boys Farm LLC, Cresco U.S. Corp., Columbia Care Florida LLC and Columbia Care LLC (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K, filed with the SEC on August 27, 2024)
10.32	Second Amendment to Exchange Agreement, dated September 30, 2024, among The Cannabist Company Holdings Inc., Nomis Bay Ltd. And BPY Limited (incorporated by reference to Exhibit 10.10 of the Registrant's Form 10-Q, filed with the SEC on November 7, 2024)
10.33	Amendment, dated October 28, 2024, to Equity Purchase Agreement, dated July 29, 2024, among Verano Arizona, LLC, 203 Organix L.L.C., CC VA HoldCo LLC, Columbia Care-Arizona, Prescott, L.L.C. and The Cannabist Company Holdings Inc. (incorporated by reference to Exhibit 10.11 of the Registrant's Form 10-Q, filed with the SEC on November 7, 2024)
10.34	Support Agreement dated February 27, 2025 between The Cannabist Company Holdings Inc., The Cannabist Company Holdings (Canada) Inc., each of their respective direct and indirect subsidiaries signatory thereto and the certain noteholders signatory thereto. (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed with the SEC on February 27, 2025)
16	Letter from Davidson & Company LLP, to the Securities and Exchange Commission, dated October 11, 2024 (incorporated by reference to Exhibit 16.1 of the Registrant's Form 8-K, filed with the SEC on October 15, 2024)
19	Insider Trading Policy (incorporated by reference to Exhibit 19 of the Registrant's Form 10-K, filed with the SEC on March 17, 2025)
21.1	Subsidiaries of The Cannabist Company Holdings Inc. (incorporated by reference to Exhibit 21.1 of the Registrant's Form 10-K, filed with the SEC on March 17, 2025)
23.1*	Consent of Davidson & Company LLP
23.2	Consent of PKF O'Connor Davies, LLP (incorporated by reference to Exhibit 23.2 of the Registrant's Form 10-K, filed with the SEC on March 17, 2025)
31.1*	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit No.	Description of Exhibit
31.2*	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1‡	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2‡	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

‡ Document has been furnished, is not deemed filed and is not to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in any such filing.

\# Management contract, compensatory plan or arrangement required to be filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on April 30, 2025.

THE CANNABIST COMPANY HOLDINGS INC.

/s/ David Hart
By: David Hart
Title: Chief Executive Officer and Director

/s/ Derek Watson
By: Derek Watson
Title: Chief Financial Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the dates indicated.

Name and Signature	Title	Date
/s/ David Hart David Hart	Chief Executive Officer and Director	April 30, 2025
/s/ Derek Watson Derek Watson	Chief Financial Officer (Principal Financial and Accounting Officer)	April 30, 2025
* Michael Abbott	Chairman and Director	April 30, 2025
* Frank Savage	Director	April 30, 2025
* James A.C. Kennedy	Director	April 30, 2025
* Jonathan P. May	Director	April 30, 2025
* Jeff Clarke	Director	April 30, 2025
* Alison Worthington	Director	April 30, 2025
* Julie Hill	Director	April 30, 2025
* Dr. Rosemary Mazanet	Director	April 30, 2025

* By: /s/ David Hart
David Hart
Attorney-in-fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of The Cannabist Company Holdings Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of The Cannabist Company Holdings Inc. (formerly Columbia Care Inc.) (the “Company”) as of December 31, 2024, and the related consolidated statements of operations and comprehensive (loss), changes in equity, and cash flows for the year ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Going Concern

As discussed in Note 2 to the consolidated financial statements, the Company raised substantial doubt about its ability to continue as a going concern for at least twelve months from the issuance of these consolidated financial statements, due to certain material debt obligations coming due in the short-term, recurring losses from operations and a need to raise sufficient funds to meet its obligations and sustain its operations. The Company concluded that the substantial doubt raised about the Company’s ability to continue as a going concern has been alleviated as a result of management’s plans discussed in Note 2. Our opinion is not modified with respect to that matter

/s/ PKF O’Connor Davies, LLP

We have served as the Company’s auditor since October 2024.

New York, New York
March 17, 2025

REPORT OF PRIOR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of
The Cannabist Company Holdings Inc.
(formerly Columbia Care Inc.)

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of The Cannabist Company Holdings Inc. (formerly Columbia Care Inc.) (the "Company") as of December 31, 2023, and 2022, and the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2019.

/s/ DAVIDSON & COMPANY LLP

Chartered Professional Accountants

(PCAOB ID:731)
Vancouver, Canada

March 13, 2024

THE CANNABIST COMPANY HOLDINGS INC. (formerly Columbia Care Inc.)
CONSOLIDATED BALANCE SHEETS
(expressed in thousands of US dollars, except for share and per share amounts)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash	$ 33,607	$ 35,764
Accounts receivable, net of allowances of $6,754 and, $6,512, respectively	21,688	15,601
Inventory	94,516	111,633
Prepaid expenses and other current assets	11,794	22,711
Notes receivable	15,614	4,026
Assets held for sale	17,778	1,752
Total current assets	$ 194,997	$ 191,487
Property and equipment, net	228,396	298,498
Right of use assets - operating leases, net	124,739	181,823
Right of use assets - finance leases, net	25,515	36,450
Intangible assets, net	51,249	76,767
Investments	11,880	—
Deferred taxes	32,025	22,970
Notes receivable	11,958	2,082
Other non-current assets	15,414	13,034
Total assets	$ 696,173	$ 823,111
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 41,125	$ 29,797
Accrued expenses and other current liabilities	32,839	58,659
Income tax payable	87,333	47,358
Current portion of lease liability - operating leases	7,386	9,711
Current portion of lease liability - finance leases	4,910	7,339
Current portion of long-term debt, net	52,461	5,905
Liabilities held for sale	2,656	1,275
Total current liabilities	228,710	160,044
Long-term debt, net	249,512	297,478
Long-term lease liability - operating leases	126,215	182,001
Long-term lease liability - finance leases	37,937	43,890
Derivative liability	621	119
Other long-term liabilities	83,237	74,227
Total liabilities	726,232	757,759
Commitments and contingencies	—	—
Stockholders' Equity:		
Common Stock, no par value, unlimited shares authorized as of December 31, 2024 and December 31, 2023, respectively, 465,638,304 and 420,265,306 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	—	—
Preferred Stock, no par value, unlimited shares authorized as of December 31, 2024 and December 31, 2023, respectively, none issued and outstanding as of December 31, 2024 and December 31, 2023	—	—
Proportionate voting shares, no par value, unlimited shares authorized as of December 31, 2024 and December 31, 2023, respectively; 7,387,328 and 9,807,881 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	—	—
Additional paid-in-capital	1,156,807	1,146,154
Accumulated deficit	(1,185,501)	(1,079,282)
Equity attributable to The Cannabist Company Holdings Inc.	(28,694)	66,872
Non-controlling interest	(1,365)	(1,520)
Total equity	(30,059)	65,352
Total liabilities and equity	$ 696,173	$ 823,111

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

THE CANNABIST COMPANY HOLDINGS INC. (formerly Columbia Care Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)
(expressed in thousands of US dollars, except for share and per share amounts)

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenues, net of discounts	$ 458,722	$ 511,327	$ 511,578
Cost of sales related to inventory production	(290,425)	(331,359)	(310,163)
Cost of sales related to business combination fair value adjustments to inventory	—	—	(204)
Gross Margin	168,297	179,968	201,211
Goodwill impairment	—	(19,274)	(170,642)
Intangible impairment	(2,100)	(46,248)	(169,479)
Fixed asset impairment	(121)	(20,095)	—
Selling, general and administrative expenses	(188,348)	(199,591)	(277,330)
Total operating cost	(190,569)	(285,208)	(617,451)
Loss from operations	(22,272)	(105,240)	(416,240)
Other expense:			
Interest (expense) income on leases, net	(3,470)	(4,178)	(5,548)
Interest (expense) income, net	(37,978)	(50,687)	(48,349)
Other (expense) income, net	1,901	(8,793)	37,443
Total other expense	(39,547)	(63,658)	(16,454)
Loss before provision for income taxes	(61,819)	(168,898)	(432,694)
Income tax (expense) benefit	(43,307)	(5,389)	11,213
Net loss and comprehensive loss	(105,126)	(174,287)	(421,481)
Net income (loss) attributable to non-controlling interests	760	1,425	(5,476)
Net loss attributable to shareholders	$ (105,886)	$ (175,712)	$ (416,005)
Weighted-average number of shares used in earnings per share - basic and diluted	462,496,369	402,776,616	392,571,102
Loss attributable to shares (basic and diluted)	$ (0.23)	$ (0.44)	$ (1.06)

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

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THE CANNABIST COMPANY HOLDINGS INC. (formerly Columbia Care Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(expressed in thousands of U.S. dollars, except for number of shares and warrants)

	Common Shares	Proportionate Voting Shares	Additional Paid-in Capital	Accumulated Deficit	Total the Cannabist Company Holdings Inc. Shareholders' Equity	Non-Controlling Interest	Total Equity
Balance as of December 31, 2021	**361,423,270**	**14,729,636**	**$1,039,726**	**$ (468,335)**	**$ 571,391**	**$ (20,568)**	**$ 550,823**
Equity-based compensation (1)	22,858,845	—	69,517	—	69,517	—	69,517
Warrants exercised	180,000	—	425	—	425	—	425
Issuance of shares in connection with acquisitions	2,082,589	—	7,619	—	7,619	—	7,619
Cancellation of restricted stock awards	—	(26,037)	—	—	—	—	—
Conversion between classes of shares	4,693,780	(4,693,780)	—	—	—	—	—
Non-controlling interest buyout	—	—	—	(19,663)	(19,663)	19,663	—
Net loss	—	—	—	(416,005)	(416,005)	(5,476)	(421,481)
Balance as of December 31, 2022	**391,238,484**	**10,009,819**	**$1,117,287**	**$ (904,003)**	**$ 213,284**	**$ (6,381)**	**$ 206,903**
Equity-based compensation (1)	6,580,674	—	4,995	—	4,995	—	4,995
Warrants exercised	356,970	—	—	—	—	—	—
Issuance of shares	21,887,240	—	23,872	—	23,872	—	23,872
Conversion between classes of shares	201,938	(201,938)	—	—	—	—	—
Distributions to non-controlling interest holders	—	—	—	—	—	(960)	(960)
Deconsolidation of subsidiary	—	—	—	433	433	4,396	4,829
Net loss	—	—	—	(175,712)	(175,712)	1,425	(174,287)
Balance as of December 31, 2023	**420,265,306**	**9,807,881**	**$1,146,154**	**$ (1,079,282)**	**$ 66,872**	**$ (1,520)**	**$ 65,352**
Equity-based compensation (1)	11,278,223	—	(2,267)	—	(2,267)	—	(2,267)
Conversion of convertible notes	26,828,863	—	10,300	—	10,300	—	10,300
Legal Settlement	4,845,359	—	2,620	—	2,620	—	2,620
Conversion between classes of shares	2,420,553	(2,420,553)	—	—	—	—	—
Distributions	—	—	—	(333)	(333)	—	(333)
Deconsolidation of subsidiary	—	—	—	—	—	(605)	(605)
Net loss	—	—	—	(105,886)	(105,886)	760	(105,126)
Balance as of December 31, 2024	**465,638,304**	**7,387,328**	**$1,156,807**	**$ (1,185,501)**	**$ (28,694)**	**$ (1,365)**	**$ (30,059)**

(1) The amounts shown are net of any shares withheld by the Company to satisfy certain tax withholdings in connection with vesting of equity-based awards.

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

THE CANNABIST COMPANY HOLDINGS INC. (formerly Columbia Care Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in thousands of US dollars, except for units and shares)

	Year ended		
	December 31, 2024	**December 31, 2023**	**December 31, 2022**
Cash flows from operating activities:			
Net loss	$ (105,126)	$ (174,287)	$ (421,481)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	48,978	62,729	84,788
Equity-based compensation	(1,009)	5,465	27,930
Debt amortization expense	9,397	9,352	8,588
Provision for obsolete inventory and other assets	5,682	8,143	11,267
Goodwill impairment charges	—	19,274	170,642
Intangible impairment charges	2,100	46,248	169,479
Impairment on fixed assets	121	20,095	—
(Gain) loss on disposal group	(30,164)	6,122	—
Earnout adjustment	—	—	349
(Gain) on remeasurement of contingent consideration	—	—	(37,362)
Deferred taxes	(9,105)	(25,978)	(69,243)
Change in fair value of derivative liability	502	(116)	(6,560)
Change in investment fair value	25,406	—	—
Legal Settlement	(1,108)	—	—
Other	(959)	5,433	747
Changes in operating assets and liabilities, net of acquisitions			
Accounts receivable	(13,444)	(2,769)	8,086
Inventory	(14,408)	6,700	(44,301)
Prepaid expenses and other current assets	1,968	(853)	889
Notes receivable	7,848	—	—
Other assets	205	10,590	15,030
Accounts payable	13,431	8,955	(10,082)
Accrued expenses and other current liabilities	(14,655)	(1,632)	(11,514)
Income taxes payable	40,021	13,924	7,425
Other long-term liabilities	10,940	(9,924)	(16,078)
Net cash (used) / provided by in operating activities	$ (23,379)	$ 7,471	$ (111,401)
Cash flows from investing activities:			
Cash paid for acquisitions, net of cash acquired / Cash acquired due to acquisition	—	—	29
Purchases of property and equipment	(5,831)	(9,966)	(72,741)
Cash paid for other assets	—	—	(2,973)
Proceeds from sale of property, net	—	6,229	358
Proceeds from sale of license	329	—	—
Cash received (paid) on deposits, net	(378)	238	—
Net proceeds from sale of business	36,855	—	—
Net cash provided by / (used) in investing activities	$ 30,975	$ (3,499)	$ (75,327)
Cash flows from financing activities:			
Proceeds from issuance of convertible debt	15,600	—	—
Proceeds from issuance of debt and warrants	—	—	153,250
Proceeds from mortgage note	—	8,050	16,500
Payment of debt issuance costs	(802)	(220)	(7,699)
Repayment of debt	(13,228)	(30,692)	(637)
Repayment of acquisition related real estate notes and note payable	—	(5,109)	—
Repayment of sellers note	(1,500)	(1,500)	(1,875)
Repayment of mortgage notes	(578)	(580)	—
Payment of lease liabilities	(6,904)	(6,515)	(5,815)
Issuance of common shares	—	25,000	—

	Year ended December 31, 2024	December 31, 2023	December 31, 2022
Costs of issuance of common shares	—	(1,128)	—
Exercise of warrants	—	—	425
Distributions to non-controlling interests	(333)	(960)	—
Taxes paid on equity based compensation	(1,258)	(470)	(465)
Net cash (used in) / provided by financing activities	$ (9,003)	$ (14,124)	$ 153,684
Net (decrease)/increase in cash	(1,407)	(10,152)	(33,044)
Cash and restricted cash at beginning of the year	39,337	49,489	82,533
Cash and restricted cash at end of year	$ 37,930	$ 39,337	$ 49,489
Supplemental disclosure of cash flow information:			
Cash paid for interest on other obligations	$ 41,377	$ 30,239	$ 28,706
Cash paid for income taxes	$ 5,530	$ 10,203	$ 51,435
Reconciliation of cash and cash equivalents and restricted cash:			
Cash	$ 33,607	$ 35,764	$ 48,154
Restricted cash	$ 4,323	$ 3,573	$ 1,335
Cash and restricted cash, end of year	$ 37,930	$ 39,337	$ 49,489
Supplemental disclosure of non-cash investing and financing activities:			
Non-cash fixed asset additions within accounts payable and accrued expenses	$ (1,199)	$ (4,026)	$ 12,512
Discount on issuance of convertible debt	$ 5,150	$ —	$ —
Reduction in debt from debt to equity conversion	$ (10,300)	$ —	$ —
Increase in equity from debt to equity conversion	$ 10,300	$ —	$ —
Equity issued for legal settlement	$ 2,620	$ —	$ —
Debt incurred issued in connection with acquisition of property, plant and equipment	$ —	$ 8,050	$ —
Derivative liability recognized upon issuance of convertible debt	$ 2,362	$ —	$ —
Deconsolidation of subsidiary	$ (605)	$ 2,473	$ —
Assets held for sale	$ 16,026	$ (27,337)	$ 29,089
Liabilities held for sale	$ 1,381	$ 18,904	$ (20,179)

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

THE CANNABIST COMPANY HOLDINGS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(expressed in thousands of U.S. dollars, except for gram, share and per share amounts)

1. OPERATIONS OF THE COMPANY

The Cannabist Company Holdings Inc. (“the Company”, “the Parent”, or “The Cannabist Company”), formerly known as Columbia Care Inc., was incorporated under the laws of the Province of Ontario on August 13, 2018. The Company’s principal mission is to improve lives by providing cannabis-based health and wellness solutions and derivative products to qualified patients and consumers. The Company’s head office and principal address is 321 Billerica Rd., Suite 204, Chelmsford, Massachusetts 01824. The Company’s registered and records office address is 666 Burrard St #1700, Vancouver, British Columbia V6C 2X8.

On April 26, 2019, the Company completed a reverse takeover (“RTO”) transaction and private placement. Following the RTO, the Company’s Common Shares were listed on Cboe Canada (formerly known as the NEO Exchange), trading under the symbol “CCHW”. Effective September 19, 2023, the Company changed its name from “Columbia Care Inc.” to “The Cannabist Company Holdings Inc.” (the “Name Change”). In connection with the Name Change, on September 21, 2023, the Company’s Common Shares and warrants began trading under the ticker symbols “CBST” and “CBST.WT”, respectively, on Cboe Canada. On September 26, 2023, the Company’s Common Shares began trading on the OTCQX Best Market under the ticker symbol “CBSTF”. The Company’s Common Shares are also listed on the Frankfurt Stock Exchange under the symbol “3LP”.

Recent Developments

Mutual Termination of Arrangement Agreement with Cresco Labs:

As previously disclosed, on March 23, 2022, the Company entered into a definitive arrangement agreement, as amended on February 27, 2023 (the “Arrangement Agreement) with Cresco Labs LLC (“Cresco Labs”), pursuant to which, Cresco Labs agreed, subject to the terms and conditions thereof, to acquire all of the issued and outstanding common shares and proportionate voting shares of the Company, pursuant to a statutory plan of arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”).

As previously disclosed, the Company and Cresco Labs were not able to complete the divestitures necessary to secure all necessary regulatory approvals to close the Arrangement by the outside date (June 30, 2023) specified in the Arrangement Agreement.

On July 31, 2023, the Company and Cresco Labs entered into a termination agreement (the “Termination Agreement”), pursuant to which the Company and Cresco Labs agreed to terminate the Arrangement Agreement. The Termination Agreement provides for the release by each party of certain claims arising from or relating to the Arrangement, the Arrangement Agreement, the transactions contemplated therein or the circumstances relating thereto. There are no penalties or fees related to the mutual agreement to terminate the Arrangement.

Voluntary Delisting of Common Shares from Canadian Securities Exchange:

The Company voluntarily delisted its Common Shares from the facilities of the Canadian Securities Exchange, effective as of market close on August 2, 2023. Cannabist Company’s common shares will continue trading on the Cboe Canada, the new business name of the NEO Exchange. Cboe Canada will remain the Company’s primary securities exchange, as it has been since the Company’s initial public listing.

Resignation of auditors.

On October 9, 2024, the Company completed an orderly transition of the Company’s independent registered public accounting firm with Davidson & Company LLP (“Davidson”) being dismissed, following its resignation as of that same day, and the Board approving, on the recommendation of the Audit Committee, the appointment of PKF O’Connor Davies, LLP (“PKF”) as the Company’s new independent registered public accounting firm for the fiscal year ending December 31, 2024, effective October 9, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC")**.**

Certain previously reported amounts have been reclassified between line items to conform to the current period presentation.

Going concern

These consolidated financial statements have been prepared on the going concern basis which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due, under the historical cost convention except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies. For the years ended December 31, 2024, 2023 and 2022, the Company reported a consolidated net loss of ($105,886), ($175,712), and ($416,005), respectively. For the years ended December 31, 2024, 2023 and 2022 the Company had cash flows provided/(used) in operating activities of $(23,379), $7,471, and $(111,401), respectively. As of December 31, 2024 and 2023, the Company had working capital of $(33,713) and $31,443, respectively.

As of December 31, 2024 we identified conditions and events that raised substantial doubt about our ability to continue as a going concern, specifically the ability of the Company to generate sufficient cash flow from operations, cash from divestitures or otherwise complete a debt structuring, required to satisfy $59.5 million of Senior Debt obligations maturing in June 2025. With the Company having entered into a Support Agreement with certain supporting Noteholders on February 27, 2025, regarding the exchange of their Senior Notes for new notes having a later maturity date and additional covenants, all as described herein (the "**2025 Debt Transaction**"), we believe that the doubt as to the Company's ability to continue as a going concern has been alleviated.

Current management forecasts and related assumptions support the view that the Company can adequately manage the operational needs of the business with the current cash on hand, future cash from operations and incremental proceeds from pending divestitures for the next twelve months from the date of issuance of these consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, its partially-owned subsidiaries, and those controlled by the Company by virtue of agreements, on a consolidated basis after the elimination of intercompany transactions and balances. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee, and when the Company has the ability to affect those returns through its power over the investee. The financial statements of entities controlled by the Company by virtue of agreements are fully consolidated from the date that control commences and deconsolidated from the date control ceases.

Investment in affiliates

The Company has investments in business entities, including general or limited partnerships, contractual ventures, or other forms of equity participation. The Company determines whether such investments involve a variable interest entity ("VIE") based on the characteristics of the subject entity. If the entity is determined to be a VIE and the Company is determined to be the primary beneficiary of the entity, the Company consolidates the VIE and the other party's equity interest in the VIE is accounted for as a noncontrolling interest.

The Company generally accounts for investments it makes in VIEs in which it has determined that it does not have a controlling financial interest but has significant influence over and holds at least a 20% ownership interest using the equity method. Any such investment not meeting the parameters to be accounted under the equity method would be accounted for using the cost method unless the investment had a readily determinable fair value, at which it would then be reported. Investments in unconsolidated VIEs are recorded in non-current assets on the consolidated balance sheets. Income from affiliates is immaterial for the period presented.

If an entity fails to meet the characteristics of a VIE, the Company then evaluates such entity under the voting model. Under the voting model, the Company consolidates the entity if they determine that they, directly or indirectly, have greater than 50% of the voting shares, and determines that other equity holders do not have substantive participating rights.

The Company assesses annually whether there is any objective evidence that its interest in associates is impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal, or value in use) and charged to the consolidated expense.

Non-controlling Interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. The Company elected to measure each NCI at its proportionate share of the recognized amounts of the acquiree's identifiable net assets. The share of net assets attributable to NCI are presented as a component of equity. Their share of net income or loss and comprehensive income or loss is recognized directly in equity. Total comprehensive income or loss of subsidiaries is attributed to the shareholders of the Company and to the NCI, even if this results in the NCI having a deficit balance.

Segment, geographic areas and customers information

The Company has determined that it operates in a single operating and reportable segment, the production and sale of cannabis. This is consistent with how the chief operating decision maker allocates resources and assesses performance. The Company's chief operating decision maker is the senior executive committee that includes the chief executive officer, the president, and the chief financial officer.

The Company's products have similar characteristics due to the same raw material ingredient (cannabis), similar nature of cultivation process, the type or class of customer and the regulatory nature of the industry.

The accounting policies of the production and sale of cannabis segment are the same as those described in the summary of significant accounting policies. The chief operating decision maker assesses performance for this segment and decides how to allocate resources based on Adjusted EBITDA (non-GAAP measure) as well as net income that is reported on the income statement as consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets. The chief operating decision maker uses Adjusted EBITDA and net income to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits into the segment or into other parts of the Company. Adjusted EBITDA and net income are used to monitor budget versus actual results. The chief operating decision maker also uses Adjusted EBITDA and net income in competitive analysis by benchmarking to the Company's competitors. The competitive analysis along with the monitoring of budgeted versus actual results are used in assessing performance of the segment and in establishing management's compensation.

For the years-ended December 31, 2024 and 2023, the segment's revenues, Adjusted EBITDA (non-GAAP measure) and net income/(loss) were $458,722 and $511,327; $54,711 and $69,645; and $(105,126) and $(174,287), respectively. Further details of the segment's revenues are included in footnote 2 under 'Revenue Recognition'. Further details of the segment's expenses are included in the Consolidated Statements of Operations and Comprehensive (Loss) and in footnote 22 under selling, general and administrative expenses. Further details of the segment's reconciliation between net income and Adjusted EBITDA are included in the Results of Operations, non-GAAP measures section of this Form 10-K.

There are no difference between segment revenues, Adjusted EBITDA (non-GAAP measure) and net income and the Company's consolidated revenues, Adjusted EBITDA and net income.

Revenues from transactions with no single external customer exceed 10% of the consolidated revenues.

Revenue earned outside of the United States of America is immaterial for the years ended December 31, 2024, 2023, and 2022. Long-lived assets located outside of the United States of America are immaterial as on December 31, 2024 and 2023.

Significant concentrations

The following table lists the states where the revenue represented 10% or more of the total revenue in the Company's consolidated statement of operations:

	December 31, 2024	December 31, 2023	December 31, 2022
Colorado	18.0%	17.0%	18.4%
Ohio	13.6%	*	*
Virginia	17.1%	16.5%	10.4%
New Jersey	11.0%	10.0%	*

* State's revenue is not greater than or equal to 10% of the total consolidated revenue during the specific period.

Functional currency

The Canadian dollar serves as the functional currency of the Parent. All of the Company's subsidiaries have the U.S. dollar as their functional currency. These consolidated financial statements are presented in U.S. dollars. The translation adjustment that arises as a result of the functional currency of the Parent being different than the subsidiaries is de minimis. Also, transaction gains and losses are not material.

Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, product and environmental liability. The Company records accruals for those loss contingencies when it is probable that a liability will be incurred, and the amount of loss can be reasonably estimated. The Company records a contingent gain when all of the following conditions have been met: (a) the amount to be paid to the Company is known, (b) there is no potential for appeal or reversal, and (c) collectability is reasonably assured.

Business combinations

The Company accounts for business combinations under the acquisition method of accounting, which requires it to recognize separately from goodwill, the assets acquired and the liabilities assumed at fair value as of the acquisition date. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in the Company's consolidated statements of operations. Accounting for business combinations requires the Company to make significant estimates and assumptions, especially at the acquisition date including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made in the past have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain acquired intangible assets under the income approach include growth in future expected cash flows from product sales, customer contracts, revenue growth rate, customer ramp-up period and discount rates. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates or actual results.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash. As of December 31, 2024 and 2023, the Company did not have any cash equivalents.

Restricted cash

Restricted cash primarily consists of escrow deposits related to acquisition activity and other contractual obligations.

Inventory

Inventory is comprised of raw materials, finished goods and work-in-progress such as pre-harvested cannabis plants and by-products to be extracted. The costs of growing cannabis, including but not limited to labor, utilities, nutrition and irrigation, are capitalized into inventory until the time of harvest.

Inventory is stated at the lower of cost or net realizable value, with cost determined using standard cost. Cost includes costs directly related to manufacturing and distribution of the products. These costs include raw materials, packaging, direct labor, overhead, shipping and the depreciation of manufacturing equipment and production facilities determined at normal capacity. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance and property taxes. Net realizable value is determined as the estimated average selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. At the end of each reporting period, the Company performs an assessment of inventory obsolescence and to measure inventory at the lower of cost or net realizable value. Factors considered in the determination of obsolescence include slow-moving or non-marketable items.

Assets and liabilities held for sale

The Company classifies its long-lived assets and related liabilities to be sold as held for sale in the period (i) it has approved and committed to a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions required to sell the asset have been initiated, (iv) the sale of the asset is probable, (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company initially measures a long-lived asset that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset until the date of sale. Upon designation as an asset held for sale, the Company no longer records depreciation expense on the asset. The Company assesses the fair value of a long-lived asset less any costs to sell at each reporting period and until the asset is no longer classified as held for sale.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, considering factors such as economic and market conditions and the useful lives of assets.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms and methods:

	Estimated Useful life
Buildings	40 years
Furniture and fixtures	5 years
Equipment	5 years
Computers and software	3 years
Leasehold improvements	Shorter of the life of the lease or economic life

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively if appropriate. Construction in progress is measured at cost and reflects amounts incurred for property or equipment construction or improvements that have not been placed in service. Upon completion, construction in progress will be reclassified as building or leasehold improvements depending on the nature of the assets and depreciated over the estimated useful life of the asset. An item of equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the statement of operations and comprehensive loss in the year the asset is de-recognized. Leasehold improvements are depreciated over the terms of the leases when placed in service.

Intangible assets and goodwill

The Company records goodwill and intangible assets acquired in business combination at their fair values, which are derived primarily using market and income approach valuation techniques. These measurements include the following key assumptions: (1) forecasted revenues, expenses and cash flows, (2) terminal period revenue growth and cash flows, (3) an estimated weighted average cost of capital, (4) assumed discount rates depending on the asset, (5) royalty rates, (6) start-up costs, (7) customer recurring revenue rates and (8) a tax rate. These assumptions are consistent with those that hypothetical market participants would use. Because the Company is required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. Additionally, if these estimates or their related assumptions change in the future, the Company may be required to record impairment for these assets.

Subsequent to acquisition, intangible assets are recorded at net of accumulated amortization and impairment losses, if any. Amortization of definite life intangible assets is recognized on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, as follows:

	Estimated Useful life
Licenses and Permits	10-15 years
Trademarks and Tradenames	5-10 years
Customer relationships	5-7 years

The estimated useful lives, residual values and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. Goodwill is allocated to each identified reporting unit based on groups of assets within specific regions and states and economic factors.

Goodwill is not amortized and is tested for impairment at least annually or more often, if and when circumstances indicate that goodwill may be impaired. This includes but is not limited to significant adverse changes in the business climate, market conditions, or other events that indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value.

Goodwill-Intangibles impairment test

In accordance with the accounting standards, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill or an indefinite-lived intangible asset is impaired. If after such assessment an entity concludes that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test, and if impaired, the associated assets must be written down to fair value.

The quantitative impairment test for goodwill compares the fair value of a reporting unit with the carrying value of its net assets, including goodwill. If the fair value of the reporting unit is less than the carrying value of the reporting unit, an impairment charge would be recorded to the Company's operations, for the amount in which the carrying amount exceeds the reporting unit's fair value. The estimate of fair value requires the use of significant unobservable inputs, representative of a Level 3 fair value measurement. The Company determines fair values for each reporting unit using the income approach, when available and appropriate, the market approach, or a combination of both. The income approach involves forecasting projected financial information (such as revenue growth rates, profit margins, tax rates, working capital and capital expenditures) and selecting a discount rate that reflects the risk inherent in estimated future cash flows. Under the market approach, the fair value is based on observed market data. If multiple valuation methodologies are used, the results are weighted appropriately.

The Company performs an annual assessment of its goodwill in the fourth quarter of each fiscal year, or more frequently, to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in overall industry demand, that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill.

Recoverability of Long-lived Assets

The Company evaluates the recoverability of its long-lived tangible and intangible assets with finite useful lives for impairment when events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Such trigger events or changes in circumstances may include: a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used, a significant adverse change in legal factors or in the business climate, including those resulting from technology advancements in the industry, the impact of competition or other factors that could affect the value of a long-lived asset, a significant adverse deterioration in the amount of revenue or cash flows expected to be generated from an asset group, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying amount of the asset group, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded. Fair value is determined based upon estimated discounted future cash flows.

As further discussed in Note 19, the Company conducted an impairment analyses test at the Colorado and California reporting units level.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement and tax bases of assets and liabilities and are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company routinely evaluates the likelihood of realizing the benefit of its deferred tax assets and may record a valuation allowance if, based on all available evidence, it determines that some portion of the tax benefit will not be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes deferred tax assets to the extent that it believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would not be able to realize all or a portion of its deferred tax assets in the future, a valuation allowance is recorded. If the company later realizes it would be able to realize its deferred tax assets in the future in excess of the net recorded amount, it would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with Accounting Standards Codification (“ASC”) 740 on the basis of a two-step process in which (1) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than- not recognition threshold, the Company would recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Irrespective of indemnification clauses pertaining to unrecognized tax benefits related to the Company’s acquisitions, the Company recognizes interest and penalties related to unrecognized tax benefits in the income tax expense.

Advertising and promotion costs

Advertising and promotion costs are expensed as incurred. During the years ended December 31, 2024, 2023, and 2022 the Company incurred $3,945, $5,894, and $14,173 respectively in advertising and promotion costs, which are included in selling, general and administrative expenses in the consolidated statements of operations and comprehensive loss.

Sale-leaseback transactions

From time to time, the Company may enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which the Company sells the property to a third party and agrees to lease the property back for a certain period of time. To determine whether the transfer of the property should be accounted for as a sale, the Company evaluates whether it has transferred control to the third party in accordance with the revenue recognition guidance set forth in ASC 606. If the transfer of the asset is deemed to be a sale at market terms, the Company recognizes the transaction price for the sale based on the cash proceeds received, derecognizes the carrying amount of the underlying asset and recognizes a gain or loss in the consolidated statements of operations and comprehensive loss for any difference between the carrying value of the asset and the transaction price. The Company then accounts for the leaseback in accordance with its lease accounting policy. If the transfer of the asset is determined not to be a sale at market terms, the Company accounts for the transaction as a financing arrangement, and accordingly no equipment sale is recognized. The Company retains the historical costs of the property and the related accumulated depreciation on its books and continues to depreciate the property over the lesser of its remaining useful life or its initial lease term. The asset is presented within property and equipment, net on the consolidated balance sheets. All proceeds from these transactions are accounted for as finance obligations and presented as non-current obligation on the consolidated balance sheets. A portion of the lease payments is recognized as a reduction of the financing obligation and a portion is recognized as interest expense based on an imputed interest rate.

Right of use assets and lease liability

The Company has entered into lease agreements for certain facilities, vehicles and equipment, which provide the right to use the underlying asset and require lease payments over the term of the lease. At inception of the lease agreement, the Company assesses whether the agreement conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. Each lease is further analyzed to check whether it meets the classification criteria of a finance or operating lease. All identified leases are recorded on the consolidated balance sheet with a corresponding lease right-of-use asset, net, representing the right to use the underlying asset for the lease term and the operating lease liabilities representing the obligation to make lease payments arising from the lease. The Company has elected not to recognize lease assets and lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low-value assets. Lease right-of-use assets, net and lease liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term and include

options to extend or terminate the lease when they are reasonably certain to be exercised. The present value of lease payments is determined primarily using the incremental borrowing rate based on the information available as of the lease commencement date.
Lease expense for operating leases is recorded on a straight-line basis over the lease term and variable lease costs are recorded as incurred. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Finance lease interest expense is recognized based on an effective interest method and depreciation of assets is recorded on a straight-line basis over the shorter of the lease term and useful life of the asset. Both operating and finance lease right of use assets are reviewed for impairment, consistent with other long-lived assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. After a right of use asset is impaired, any remaining balance of the asset is amortized on a straight-line basis over the shorter of the remaining lease term or the estimated useful life.

Revenue recognition

Performance Obligations

The Company recognizes revenue from sales when it satisfies its performance obligations by transferring control of promised products to its customers, which occurs at a point in time when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products. Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs at the point of sale for merchandise purchased at the Company's own retail stores, or upon shipment for merchandise ordered through online websites. Such revenues are recorded net of estimated returns based on historical trends.

Revenue from the Company's wholesale business is generally recognized upon shipment of products, at which point title passes and risk of loss is transferred to the customer.

The Company's revenues are disaggregated as follows:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Dispensary	$ 389,287	$ 448,771	$ 438,879
Cultivation and wholesale	69,435	62,526	72,580
Other	—	30	119
	$ 458,722	$ 511,327	$ 511,578

The Company recognizes revenue in an amount that reflects the consideration it expects to be entitled to in exchange for the performance obligations. Revenue is recorded net of discounts and unearned revenue from the Company's loyalty programs. During the years ended December 31, 2024, 2023, and 2022, the Company netted discounts of $134,225, $146,134, and $106,765, respectively, against the revenues. Discounts are provided by the Company during promotional days or weekends. Discounts are also provided to employees, seniors and other categories of customers and may include price reductions and coupons. Variable consideration is estimated in the transaction price at contract inception based on current sales levels and historical experience using the expected value method, subject to constraint. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy.

Sales taxes collected from customers are remitted to the appropriate taxing jurisdictions as they become due, and are excluded from sales revenue as the Company considers itself a pass-through conduit for collecting and remitting sales taxes. Freight revenues on all product sales, when applicable, are also recognized, on a consistent manner, at a point in time. The term between invoicing and when payment is due is not significant and the period between when the entity transfers the promised good or service to the customer and when the customer pays for that good or service is one year or less.

The Company generates an immaterial amount of revenue from services such as management fee revenues and interest on overdue amounts on the Company's National Credit card ("CNC Cards"). Management fee revenue is recognized over time as the recipient of management services derives value from the services provided. The interest on overdue amounts on the CNC Cards is recognized as interest income over time.

During the years ended December 31, 2024, 2023 and 2022, the Company earned revenue of $0, $4,064 and $4,520 from the CNC program. These revenues are included in the retail revenues mentioned above. As of December 31, 2024, 2023 and 2022, in connection with the revenues generated from the CNC card, the Company has accounts receivable of $0, $1,421 and $1,437, net of an allowance of bad debts of $488, $970 and $638. These receivables are included within the line item on the consolidated balance sheets. During the years ended December 31, 2024, 2023 and 2022, the Company incurred expenses of $0, $504, and $454 in connection with the administration of the CNC program. These expenses are included within the selling, general and administrative expenses in the consolidated statement of operations and comprehensive loss. Interest on overdue amounts on the CNC card is immaterial.

Loyalty Points Reward Programs

In certain of its markets, the Company offers a loyalty reward program to its dispensary customers. The Company offers its customers loyalty points rewards program that allows its customers to earn discounts on future purchases. Loyalty points are earned when a qualifying purchase is made. When a customer attains a certain number of points, the customer can redeem the credits on his/her next in-store purchase, up to a certain annual minimum. Loyalty points not redeemed expire automatically after six months from the date which they were earned.

A portion of the revenue generated in a sale is allocated to the loyalty points earned. The amount allocated to the points earned is deferred until the loyalty points are redeemed or expire.

Deferred Income

Deferred income represents cash payments received in advance of the Company's transfer of control of products or services to its customers and generally consists of unearned revenue from the Company's loyalty programs. The Company's deferred income balances were $919 and $3,159 as of December 31, 2024 and 2023, respectively, and were recorded within accrued expenses and other current liabilities in the consolidated balance sheets.

During the year ended December 31, 2024, the Company recognized $3,159 as net revenue from amounts recorded as deferred income in prior periods. During the years ended December 31, 2023, and 2022 the company recognized $647 and $12,890 respectively as net revenues from amounts recorded as deferred income in prior periods. The deferred income balance as of December 31, 2024 is expected to be recognized as revenue within the next twelve months.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recorded at cost less an allowance for credit losses that are not expected to be recovered. The Company recognizes the allowance for credit losses at inception of the receivable and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience of uncollectible accounts, the credit quality of the customer, the aging of such receivables and current macroeconomic conditions as well as expectations of conditions in the future, if applicable. The Company's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics. In recording a provision, the Company also considers expected credit losses based on a historical loss-rate method based on the ratio of its historical write-offs to its average trade accounts receivable. At each reporting period, the Company assesses whether financial assets in a pool continue to display similar risk characteristics. If particular receivables no longer display risk characteristics that are similar to those of the receivables in the pool, the Company may determine that it should move those receivables to a different pool or perform an individual assessment of expected credit losses for those specific receivables.

The Company's accounts receivable are short-term in nature and written off only when all collection attempts have failed. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery in accordance with the Company's accounting policy election. The total amount of write offs was immaterial to the financial statements as a whole for the year ended December 31, 2024.

Sales taxes

Sales taxes collected from customers are excluded from revenues.

Cost of goods sold

Cost of goods ***sold*** includes the amounts incurred to acquire and produce inventory for sale to the Company's customers, including costs of purchased materials, freight charges, depreciation, direct labor and other employment costs, cultivation facility costs, excise taxes and changes in reserves for obsolescence and inventory realizability.

These costs are reflected in the Company's consolidated statements of operations and comprehensive loss when the product is sold and net sales revenues are recognized or, in the case of inventory write-downs, when circumstances indicate that the carrying value of inventories is in excess of their recoverable value.

Equity-based payment arrangements

The Company ***measures*** all equity-based payment arrangements to employees and directors in accordance with ASC 718, *Compensation–Stock Compensation*. The Company's stock-based compensation cost is measured based on the fair value at the grant date of the stock-based award. It is recognized as expense over the requisite service period, which generally represents the vesting period. Forfeitures are recognized as they occur. The Company estimates the fair value of each stock-based award on its measurement date using either the current market price of the stock. Changes in assumptions used to estimate fair value could result in materially different results.

Expense for performance restricted stock awards is recognized based upon the fair value of the awards on the date of grant and the number of shares expected to vest based on the terms of the underlying award agreement and the requisite service period(s).

Equity classified common stock warrants

The Company classifies certain warrants for the purchase of shares of its common stock as equity on its consolidated balance sheets as these warrants are considered indexed to the Company's shares of Common Stock. For warrants that do not meet the criteria of a liability warrant and are classified on the Company's consolidated balance sheets as equity instruments, the Company uses the Black-Scholes model to measure the value of the warrants at issuance.

Convertible debt

The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgement. The separation of the components affects the initial recognition of the convertible debt at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Financial instruments

The Company follows the guidance in FASB ASC 820, *Fair Value Measurements and Disclosures*, or ASC 820, which defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchygives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third party qualified valuers to perform the valuation. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company may engage third-party qualified valuers to perform the valuation. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or Level 2 to Level 3.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets and financial liabilities are recognized in the consolidated balance sheets at the time the Company becomes a party to the contractual provisions of the financial instrument.

Initial measurement of financial assets and financial liabilities

Financial assets and liabilities are recognized at fair value upon initial recognition plus any directly attributable transaction costs when not subsequently measured at fair value through profit or loss.

Subsequent measurement

Measurement in subsequent periods is dependent on the classification of the financial instrument. The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held to maturity, available for sale, and other financial liabilities. The Company's Level 3 financial instruments include the derivative liability associated with the convertible note payable issued to stockholders (see Note 5).

Loss on conversion of Convertible Debt

Under the terms of the Company's Convertible Debt, the Company is permitted to offer additional incentives to the convertible debt holders as an inducement to convert their convertible debt into common shares. The additional incentive offered to the convertible debt holders is accounted for by the Company by recognizing a loss on conversion equal to the fair value of additional shares that were issued as a result of the incentive program. The difference between the net book value of the debt that is converted, and the inducement loss is credited to equity. The reduction in the derivative liability relating to the embedded conversion feature within the Convertible Debt is also credited to equity.

Accounting for Real Estate Asset Acquisitions

The Company's real estate acquisitions are generally accounted for as asset acquisitions as substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Company records the cost of assets acquired based on the cost of the acquisition, which is the consideration the transferred to the seller(s) and generally includes direct transaction costs related to the acquisition.

Recently adopted accounting pronouncements

In January 2020, the FASB issued ASU No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815. The update among other things clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under Topic 323, Investments—Equity Method and Joint Ventures, for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method. The update is effective for fiscal years beginning after December 15, 2021. The update was effective for fiscal years beginning after December 15, 2021. This ASU did not have a material impact on the Company's consolidated financial statement.

In December 2022, the FASB issued ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848. This update defers the Sunset Date of ASC Topic 848, Reference Rate Reform (Topic 848), which provides temporary optional relief in accounting for the impact of Reference Rate Reform. This update is effective upon issuance and generally can be applied through December 31, 2024. This ASU did not have a material impact on the Company's consolidated financial statements.

In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842): Common Control Arrangements. The FASB amended ASC 842 to provide a practical expedient that allows private companies and certain not-for-profits to use the written terms and conditions of a common control arrangement to determine whether a lease exists and to classify and account for the lease. The amendments also require all lessees, including public business entities, to amortize leasehold improvements associated with common control leases over their useful life to the common control group and account for them as a transfer of assets between entities under common control at the end of the lease. The guidance is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. This ASU did not have a material impact on the Company's consolidated financial statements.

In March 2023, the FASB issued ASU 2023-02, Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures using the Proportional Amortization Method. The FASB issued final guidance allowing entities to apply the proportional amortization method to equity investments in all tax credit programs that meet the conditions in ASC 323-740, rather than just investments in qualified affordable projects that generate low income housing tax credits, as was required under the legacy guidance. The guidance is effective for public business entities for fiscal years beginning after December 15, 2023 and interim periods within those fiscal years. This ASU did not have a material impact on the Company's consolidated financial statements.

In July 2023, the FASB issued ASU 2023-03, Presentation of Financial Statements (Topic 205), Income Statement-Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation-Stock Compensation (Topic 718). This ASU amends various SEC paragraphs within the codification to conform to past announcements and guidance issued by the SEC. This ASU does not provide any new guidance; as such, there is not a transition date or effective date associated with it. This ASU did not have a material impact on the Company's consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280). This ASU requires public entities to provide disclosures of significant segment expenses and other segment items. It also requires public entities to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Public entities with a single reportable segment will have to provide all the disclosures required by ASC 280, including the significant segment expense disclosures. This guidance is applied retrospectively to all periods presented, unless it is impractical. This ASU applies to all public entities and is effective for fiscal years beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. Early adoption is permitted. The Company has adopted ASU 2023-07, Segment Reporting (Topic 280).

Accounting pronouncements not yet adopted

In August 2023, the FASB issued 2023-05, Business Combinations-Joint Venture Formations (Subtopic 805-60); Recognition and Initial Measurement. This ASU contains guidance requiring certain joint ventures to apply a new basis of accounting upon formation by recognizing and initially measuring most of their assets and liabilities at fair value. This guidance is effective for all joint venture formations with a formation date on or after January 1, 2025. Early adoption is permitted. Joint Ventures formed before the effective date have the option to apply it retrospectively, while those formed after the effective date are required to apply it prospectively. The Company is evaluating the impact of this update on its consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements, "Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative." This ASU amends the disclosure or presentation requirements related to various subtopics in the FASB codification. This applies to all entities within the scope of the amended subtopics.

Codification subtopics include:

-ASC 230-10 "Statement of Cash Flows"
-ASC 250-10 "Accounting Changes and Error Corrections"
-ASC 260-10 "Earnings Per Share"
-ASC 270-10 "Interim Reporting"
-ASC 440-10 "Commitments"
-ASC 470-10 "Debt"
-ASC 505-10 "Equity"
-ASC 815-10 "Derivatives and Hedging"
-ASC 860-30 "Transfers and Servicing: cured Borrowing and Collateral"
-ASC 932-235 "Extractive Activities-Oil and Gas: Notes to Financial Statements"
-ASC 946-20 " Financial Services-Investment Companies: Investment Company Activities"
-ASC 974-10 " Real Estate Investment Trusts"

The effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. For all other entities, the amendments will be effective two years later. The amendments in this Update should be applied prospectively. For all entities, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. The Company is evaluating the impact of this update on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740). This ASU requires public business entities to disclose in their rate reconciliation table additional categories of information about income taxes paid, including certain disclosures that would be disaggregated by jurisdiction and other categories. This ASU is effective for public entities for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025. For all other entities, this ASU is effective for fiscal years after December 15, 2024 and for interim periods beginning after December 15, 2026. Early adoption would be permitted. The Company is evaluating the impact of this update on its consolidated financial statements.

In January 2024, the FASB issued ASU 2024-01, Compensation-Stock Compensation (Topic 718): Scope Application of Profits Interests and Similar Awards, which clarifies the scope and application of profits interest awards under ASC 718 by providing illustrative guidance. The amendments apply to all entities that account for profits interest awards as compensation for services provided by employees or non-employees. The amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those years, for public entities, and for fiscal years beginning after December 15, 2025, for all other entities, with early adoption permitted. The Company is currently assessing the impact of adopting this guidance on its financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-02, Codification Improvements: Amendments to Remove References to the Concepts Statements. Since the Concept Statements are not considered authoritative and do not establish Generally Accepted Accounting Principles (GAAP), the ASU eliminates references to these statements from the codification. The amendments are effective for public entities for fiscal years beginning after December 15, 2024, and for all other entities for fiscal years beginning after December 15, 2025, with early adoption permitted. The Company does not anticipate a material impact on its financial reporting as a result of adopting this ASU

ASU 2024-03, Disaggregation of Income Statement Expenses, was issued in November 2024 and requires public business entities to disaggregate certain income statement expense captions in the footnotes of the financial statements. Specifically, entities must provide disclosures that separately present expenses related to purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion (including depreciation, depletion, and amortization for oil and gas producing activities). While this ASU does not change the presentation of expense captions on the face of the income statement, it requires detailed disclosures in the notes to the financial statements. The amendments are effective for fiscal years beginning after December 15, 2026 , and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Management is evaluating the impact of this standard on its financial disclosures.

In November 2024, the FASB issued ASU 2024-04, Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, which provides clarification on the accounting treatment of convertible debt settlements that occur under terms differing from those of the original instrument. The amendments specify that if the settlement is considered an induced conversion, an entity must recognize an inducement expense at the offer acceptance date. Conversely, if the settlement is treated as a debt extinguishment, an entity must recognize a gain or loss at the extinguishment date. This ASU is effective for all entities for fiscal years beginning after December 15, 2025, including interim periods within those years, with early adoption permitted. The Company is in the process of assessing the potential impact of this ASU on its debt accounting policies.

In January 2025, the FASB issued ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). The Board is issuing this Update to clarify the effective date of Accounting Standards Update No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendment in this Update applies to all public business entities but only potentially affects non-calendar year-end entities. The amendment in this Update amends the effective date of Update 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of Update 2024-03 is permitted. The Company does not anticipate a material impact on its financial reporting as a result of adopting this ASU.

The Company will continue to monitor the development of these standards and intends to adopt them in accordance with their respective effective dates. Additional disclosures will be provided in future filings as the Company finalizes its assessment of these standards' impacts.

Critical accounting estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. These estimates and judgements are subject to change based on experience and new information which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affecting future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Financial statement areas that require significant assessments and judgements are as follows:

(1) Estimated useful lives, impairment considerations and amortization of property and equipment, intangible assets – amortization of property and equipment and intangible assets is dependent upon estimates of useful lives based on management's judgment.

(2) Goodwill and intangible asset impairment testing require management to make estimates in the impairment testing model. On at least an annual basis, the Company assesses whether goodwill is impaired. Impairment of definite long-lived assets is influenced by judgment in defining a reporting unit and determining the indicators of impairment, and estimates used to measure impairment losses.

(3) The reporting unit's fair value is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

(4) Stock-based compensation – The fair value of stock-based compensation expenses is estimated using the Black-Scholes option pricing model and rely on a number of assumptions including the fair value of common shares on the grant date, risk-free rate, volatility rate, annual dividend yield, the expected term, and the estimated rate of forfeiture of options granted. Volatility is estimated by using the historical volatility of the Company.

(5) Deferred taxes- Valuation allowance estimates on deferred tax assets.

3. REVERSE TAKEOVER TRANSACTION

On November 21, 2018, CGGC entered into a merger agreement with Columbia Care LLC (the "Merger Agreement") providing for the merger (the "Merger") of Columbia Care LLC with a newly-formed subsidiary of CGGC. On April 26, 2019, (the "Acquisition Date") the Company completed the merger. Under the terms of the Merger Agreement, CGGC acquired all of the issued and outstanding ownership interests of Columbia Care LLC in exchange for the issuance of common shares and proportionate voting shares in the capital of CGGC.

4. INVENTORY

Details of the Company's inventory are shown in the table below:

	December 31, 2024	December 31, 2023
Accessories and supplies	$ 1,064	$ 1,158
Work-in-process - cannabis in cures and final vault	66,933	86,396
Finished goods - dried cannabis, concentrate and edible products	26,519	24,079
Total inventory	$ 94,516	$ 111,633

5. CURRENT AND LONG-TERM DEBT

Current and long-term obligations, net, are shown in the table below:

	December 31, 2024	December 31, 2023
2026 Notes	$ 185,000	$ 185,000
Term debt	—	13,228
2027 Convertible Notes	25,450	—
2025 Convertible Notes	59,500	74,500
Mortgage Note	42,923	43,500
Acquisition related promissory notes	—	1,500
	312,873	317,728
Unamortized debt discount	(6,156)	(6,598)
Unamortized deferred financing costs	(4,744)	(7,747)
Total debt, net	301,973	303,383
Less current portion, net*	(52,461)	(5,905)
Long-term portion	$ 249,512	$ 297,478

* The current portion of the debt includes scheduled payments on the mortgage notes, acquisition related promissory notes and acquisition related notes payable, net of corresponding portions of the unamortized debt discount and unamortized deferred financing costs.

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of December 31, 2024.

2026 Notes

On February 3, 2022, the Company closed a private placement (the “February 2022 Private Placement”) of $185,000 aggregate principal amount of 9.50% senior-secured first-lien notes due 2026 (the “2026 Notes”) and received aggregate gross proceeds of $153,250. The 2026 Notes are senior secured obligations of the Company and were issued at 100.0% of face value. The 2026 Notes accrue interest in arrears which is payable semi-annually and mature on February 3, 2026, unless earlier redeemed or repurchased. The Company may redeem the 2026 Notes at par, in whole or in part, on or after February 3, 2024, as more particularly described in the fourth supplemental trust indenture governing the 2026 Notes. In connection with the offering of the 2026 Notes, the Company exchanged $31,750 of the Company’s existing 13.0% senior secured first-lien notes (the “13.0% Term Debt”), pursuant to private agreements in accordance with the trust indenture, for an equivalent amount of 2026 Notes plus accrued but unpaid interest and any negotiated premium thereon.

The premium and paid interest were paid out of funds raised from the February 2022 Private Placement. The total unamortized debt and debt issuance costs of $2,153, related to the modified portion of the 13.0% Term Debt, will be amortized over the term of the 2026 Notes using the effective interest method. The Company incurred $7,189 in creditor fees in connection with the modified 13.0% Term Debt and 2026 Notes and $301 in third-party legal fees related to 2026 Notes which were capitalized and will be amortized over the term of the 2026 Notes using the effective interest rate method.

2024 Notes

As further described in Note 5 under the sub-heading “Term debt” of the Financial Statements incorporated by reference in the Company’s Form 10-K for the year ended December 31, 2023, on October 23, 2023, the Company retired $25 million of its 13% Notes due May 2024 (the “2024 Notes”) through a proportional redemption process.
The 2024 Notes were paid in full on May 14, 2024. The Company incurred financing costs of $3,373 in connection with the issuance of these 2024 Notes.

March 2027 Convertible Notes

On March 19, 2024, the Company closed a private placement (the “March 2024 Private Placement”) of $25.75 million aggregate principal amount of 9.0% senior-secured first-lien notes due 2027 (the “2027 Notes”) and received aggregate gross proceeds of $15.6 million. The 2027 Notes are senior secured obligations of the Company and were issued at 80.0% of face value. The 2027 Notes accrue interest in arrears which is payable semi-annually and mature on March 19, 2027. In connection with the offering of the 2027 Notes, the Company exchanged $5 million of the Company’s existing 6.0% 2025 Convertible Notes. Through December 31, 2024, 983.604 shares were issued to convert $300 principal.

The principal amount of the 2027 Convertible Notes and the conversion price are denominated in U.S. dollars. As the functional currency of the Company is Canadian dollars, the amount of the liability to be settled depends on the applicable foreign exchange rate on the date of settlement. The 2027 Convertible Notes therefore represent an obligation to issue a fixed number of shares for a variable amount of liability. Due to this conversion feature within the 2027 Convertible Notes, the Company is unable to obtain an exception from derivative accounting. Accordingly, this conversion feature was accounted for as an embedded derivative liability and measured at fair value of $2,632 on the date of issuance of debt with a corresponding debt discount and debt issuance costs of $5,952, reflected as a reduction to the carrying value of the 2027 Notes. The Company fair values the derivative liability at each balance sheet date. Changes in fair value of the embedded derivative are recognized in the condensed consolidated statements of operations and comprehensive loss. The debt premium and debt issuance costs is amortized over the term of the 2027 Notes. Notes are impacted by the 2025 Debt Transaction.

2025 Convertible Notes

On June 29, 2021, the Company completed an offering of 6.0% Secured Convertible Notes Due 2025 (“2025 Convertible Notes”) for an aggregate principal amount of $74.5 million. The 2025 Convertible Notes are senior secured obligations of the Company and will accrue interest payable semiannually in arrears and mature on June 29, 2025, unless earlier converted, redeemed, or repurchased. The 2025 Convertible Notes shall be convertible, at the option of the holder, from the date of issuance until the date that is 10 days prior to their maturity date into Common Shares of the Company at a conversion price equal to $6.49 payable on the business day prior to the date of conversion, adjusted downwards for any cash dividends paid to holders of Common Shares and other customary adjustments. The Company may redeem the 2025 Convertible Notes at par, in whole or in part, on or after June 29, 2023, if the volume weighted average price of the Common Shares trading on the Canadian Stock Exchange or Cboe Canada for 15 of the 30 trading days immediately preceding the day on which the Company exercises its redemption right, exceeds 120.0% of the conversion price of the 2025 Convertible Notes at a Redemption Price equal to 100.0% of the principal amount of the 2025 Convertible Notes redeemed, plus accrued but unpaid interest, if any, up to but excluding the Redemption Date.

The 2025 Convertible Notes require interest-only payments until June 29, 2025, at a rate of 6.0% per annum, payable semi-annually in June and December and commencing in December 2021. The 2025 Convertible Notes are due in full on June 29, 2025. The Company incurred financing costs of $3,190 in connection with the 2025 Convertible Notes. The principal amount of the 2025 Convertible Notes and the conversion price are denominated in U.S. dollars. As the functional currency of the Company is Canadian dollars, the amount of the liability to be settled depends on the applicable foreign exchange rate on the date of settlement. The 2025 Convertible Notes therefore represent an obligation to issue a fixed number of shares for a variable amount of liability. Due to this conversion feature within the 2025 Convertible Notes, the Company is unable to obtain an exception from derivative accounting. Accordingly, this conversion feature was accounted for as an embedded derivative liability and measured at fair value of $15,099 on the date of issuance of debt with a corresponding debt discount, reflected as a reduction to the carrying value of the 2025 Convertible Notes. The Company fair values the derivative liability at each balance sheet date. Changes in fair value of the embedded derivative are recognized in the consolidated statements of operations and comprehensive loss. The debt discount is amortized over the term of the 2025 Convertible Notes.

January 2024 Debt Exchange

On January 22, 2024, the Company entered into the Exchange Agreement, as amended on June 30, 2024 and September 30, 2024, (as amended, the “Exchange Agreement”), with certain holders (the “Holders”) of the Company’s 6.0% senior secured 2025 Convertible Notes, pursuant to which the Company agreed to the Repurchase of up to $25 million principal amount of the 2025 Convertible Notes in exchange for Common Shares (the “January 2024 Debt Exchange”).

Pursuant to the terms of the Exchange Agreement, the Holders agreed to:

* by January 31, 2024, transfer $5 million principal amount of 2025 Convertible Notes in consideration of Common Shares issued at a price per Common Share equal to the greater of C$0.41 per Common Share and the 12.5% discount to the 5 days volume weighted average price of the Common Shares on Cboe prior to receipt of a Transfer notice;
* provided that the five-day volume weighted average price of the Common Shares on the Exchange is greater than C$0.47 as of the close of trading at 4:01pm on January 31, 2024, transfer $5 million principal amount of 2025 Convertible Notes in consideration of Common Shares issued at the Initial Exchange Price on or prior to February 29, 2024; and
* provided that the February Exchange is completed and the daily volume weighted average price of the Common Shares on Cboe is greater than C$0.87 for 5 consecutive trading days, provided that, the trading volume of the Common Shares on Cboe was equal to or greater than 600,000 Common Shares on the applicable trading dates, from the period commencing on January 1, 2024 and ending on December 31, 2024), transfer in three separate equal tranches, an aggregate of $15 million principal amount of 2025 Convertible Notes in consideration of Common Shares issued at a price per Common Share equal to the greater of C$0.57 per Common Share and the 12.5% discount to the 5 days volume weighted average price of the Common Shares on Cboe prior to receipt of a Transfer notice, in each case, subject to adjustment in certain instances, on or prior to December 31, 2024.

Through December 31, 2024, $10 million of the potential $25 million exchange had been completed, with approximately $10 million remaining available for exchange as $5 million were separately exchanged into the Company’s 2025 Notes, as described above. The term of the Exchange Agreement expired as of January 31, 2025.

Mortgages

In December 2021, the Company entered into a term loan and security agreement with a bank. The agreement provides for a $20,000 mortgage on real property in New York and carries interest at a variable rate per annum equal to the Wall Street Prime Rate (“Index”) plus 2.25%. The debt is repayable in 59 monthly installments and a final balloon payment due on January 1, 2027, which is estimated at $18,133 as of December 31, 2024. In connection with this mortgage, the Company incurred financing costs of $655. In June 2022, the Company entered into a term loan and security agreement with a bank. The agreement provides for a $16,500 mortgage on real property in New Jersey and carries interest at a variable rate per annum equal to the Index plus 2.25%. The debt is repayable in 59 monthly installments and a final balloon payment due on July 15, 2027, which is estimated at $15,734 as of December 31, 2024. In connection with this mortgage, the Company incurred financing costs of $209.

On August 10, 2023, the Company entered into two term loans and security agreements with a bank as follows:

* The first agreement provides for a $6,250 mortgage on real property in Maryland and carries interest at a variable rate per annum equal to the Index plus 2.25%. The debt is repayable in 59 monthly installments and matures in August 2028. In connection with this mortgage, the Company incurred financing costs of $195 and netted $2,903 after the repayment of a prior outstanding mortgage on the property.

* The second agreement provides for a $1,800 mortgage on real property in Delaware and carries interest at a variable rate per annum equal to the Index plus 2.25%. The debt is repayable in 59 monthly installments and matures in August 2028. In connection with this mortgage, the Company incurred financing costs of $77 and netted $1,723.

The following table summarizes the scheduled principal payments on the Company's outstanding indebtedness as of December 31, 2024:

	2025	2026	2027	2028	2029	Thereafter	Total
2027 Convertible Notes	$ —	$ —	$25,450	$ —	$—	$ —	$ 25,450
2025 Convertible Notes	59,500	—	—	—	—	—	59,500
2026 Notes	—	185,000	—	—	—	—	185,000
Mortgages Notes	720	16,484	18,050	7,669	—	—	42,923
	$60,220	$201,484	$43,500	$7,669	$—	$ —	$312,873

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of December 31, 2024.

The following table presents information about the current and long-term debt obligations of the Company as of December 31, 2024:

	Balance, January 1	Borrowing	Acquisition related	Conversion/Exchanges	Repayments	Balance, December 31
Term debt	$ 13,228	$ —	$ —	$ —	$ (13,228)	$ —
2025 Convertible Notes	74,500	—	—	(10,000)	(5,000)	59,500
Mortgages Notes	43,500	—	—	—	(577)	42,923
2026 Notes	185,000	—	—	—	—	185,000
2027 Convertible Notes	—	25,750	—	(300)	—	25,450
Acquisition related promissory notes	1,500	—	—	—	(1,500)	—
	$317,728	$ 25,750	$ —	$ (10,300)	$ (20,305)	$ 312,873

The following table summarizes the scheduled principal payments on the Company's outstanding indebtedness as of December 31, 2023:

	Balance, January 1	Borrowing	Acquisition related	Conversion/Exchanges	Repayments	Balance, December 31
Term debt	$ 38,215	$ —	$ —	$ —	$ (24,987)	$ 13,228
2025 Convertible Notes	74,500	—	—	—	—	74,500
Mortgages Notes	35,965	8,050	—	—	(515)	43,500
2023 Convertible Notes	5,600	—	—	—	(5,600)	—
2026 Notes	185,000	—	—	—	—	185,000
Acquisition related real estate notes	7,000	—	—	—	(7,000)	—
Acquisition related promissory notes	3,000	—	—	—	(1,500)	1,500
Acquisition related note payable	3,214	—	—	—	(3,214)	—
	$352,494	$ 8,050	$ —	$ —	$ (42,816)	$ 317,728

The Company was in compliance with all financial covenants and was not in default of any provisions under any of its debt arrangements as of December 31, 2024 and December 31, 2023.

Total interest and amortization expense on the Company's debt obligations for the years ended December 31, 2024, 2023 and 2022 were as follows:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Interest expense on debt	$ 29,573	$ 41,900	$ 40,123
Amortization of debt discount	$ 5,592	$ 5,783	$ 5,327
Amortization of debt premium	$ —	$ —	$ (164)
Amortization of debt issuance costs	$ 3,805	$ 3,569	$ 3,425
Other interest (expense) income, net	$ (992)	$ (565)	$ (362)
Total interest expense, net	$ 37,978	$ 50,687	$ 48,349

The weighted average interest rate on the Company's indebtedness was 8.85%.

2025 Debt Transaction

On February 27, 2025, the Company entered into a support agreement (the "**Support Agreement**") with certain holders (the "**Supporting Noteholders**") representing approximately 61% of the aggregate principal amount of issued Senior Notes (as defined below) regarding the exchange of their Senior Notes for new notes having a later maturity date and additional covenants, all as described herein (the "**2025 Debt Transaction**"). The Senior Notes consist of: (i) the six percent (6.0%) Senior Secured Convertible Notes due June 29, 2025 for an aggregate amount of US$59.5 million (the "**2025 Notes**"); (ii) the nine and one half percent (9.5%) Senior Secured First-Lien Notes due February 3, 2026 for an aggregate amount of US$185 million (the "**2026 Notes**"); and (iii) the nine percent (9.0%) Senior Secured Convertible Notes due March 19, 2027 for an aggregate amount of US$25.55 million (the "**2027 Notes**", and together with the 2025 Notes and the 2026 Notes, the "**Senior Notes**"). Under the terms of the 2025 Debt Transaction, among other provisions, the holders of the 2025 Notes and the 2026 Notes will exchange their Senior Notes for an equal principal amount of 9.25% senior secured notes due December 31, 2028 (subject to two six-month extension options available to the Company upon payment of a 0.50% fee, payable in cash) (the "**New Senior Notes**") and the holders of the 2027 Notes will be given the right to elect to receive either (i) an equal principal amount of New Senior Notes or (ii) an equal principal amount of newly issued 9.0% convertible notes, which will have the same conversion price as the existing 2027 Notes but will have the same extended maturity date as the New Senior Notes (the "**New Convertible Notes**", and together with the New Senior Notes, the "**New Notes**").

6. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consist of the following as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Trade accounts receivable	$ 27,657	$ 15,963
Other receivables	785	6,150
Total trade accounts and other receivables	28,442	22,113
Less: allowance for credit losses	(6,754)	(6,512)
Accounts receivable, net	$ 21,688	$ 15,601

Changes in the Company's allowance for credit losses were as follows:

	December 31, 2024	December 31, 2023
Allowance for credit losses as of January 1,	$ (6,512)	$ (3,142)
Provision	(5,026)	(3,327)
Charge-offs and recoveries	4,784	—
Other adjustments	—	(43)
Allowance for credit losses as of December 31,	$ (6,754)	$ (6,512)

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7. PROPERTY AND EQUIPMENT

Details of the Company's property and equipment and related depreciation expense are summarized in the tables below:

	December 31, 2024	December 31, 2023
Land and buildings	$ 115,277	$ 115,277
Furniture and fixtures	6,804	10,981
Equipment	34,367	43,123
Computers and software	2,363	4,033
Leasehold improvements	155,529	207,846
Construction in process	6,565	33,429
Total property and equipment, gross	320,905	414,689
Less: Accumulated depreciation	(92,509)	(116,191)
Total property and equipment, net	$ 228,396	$ 298,498

	December 31, 2024	December 31, 2023	December 31, 2022
Total depreciation expense	$ 29,003	$ 34,286	$ 32,059
Included in:			
Costs of sales related to inventory production	$ 18,239	$ 20,225	$ 18,565
Selling, general and administrative expenses	$ 10,764	$ 14,061	$ 13,494

A reconciliation of the beginning and ending balances of property and equipment are summarized in the tables below:

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Cost							
Balance, December 31, 2023	$115,277	$ 10,981	$ 43,123	$ 4,033	$ 207,846	$ 33,429	$414,689
Additions	—	—	243	19	43	5,549	5,854
Impairments	—	(204)	(232)	(46)	(1,747)	(17)	(2,246)
Disposals	—	(90)	(5)	(101)	(974)	—	(1,170)
Transferred from assets held for sale	—	(3,883)	(9,019)	(1,542)	(80,034)	(1,744)	(96,222)
Other transfers	—	—	257	—	30,395	(30,652)	—
Balance, December 31, 2024	$115,277	$ 6,804	$ 34,367	$ 2,363	$ 155,529	$ 6,565	$320,905

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Accumulated depreciation							
Balance, December 31, 2023	$ (5,979)	$ (6,730)	$ (26,101)	$ (2,627)	$ (74,754)	$ —	$(116,191)
Depreciation	(2,563)	(1,588)	(6,341)	(642)	(17,869)	—	(29,003)
Impairments		189	207	42	1,687		2,125
Disposals	—	199	5	65	2,686	—	2,955
Transferred from assets held for sale	—	2,449	7,380	1,090	36,686	—	47,605
Balance, December 31, 2024	$ (8,542)	$ (5,481)	$ (24,850)	$ (2,072)	$ (51,564)	$ —	$ (92,509)

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Cost							
Balance, December 31, 2022	$128,389	$ 8,773	$ 38,467	$ 3,537	$ 193,454	$ 56,398	$429,018
Additions	—	214	42	174	2,366	2,044	4,840
Impairments	—	(17)	(745)	—	(463)	(18,870)	(20,095)
Disposals	(13,332)	(277)	(1,107)	(108)	(4,829)	(1,284)	(20,937)
Transferred to assets held for sale	220	2,015	5,708	134	13,519	267	21,863
Other transfers	—	273	758	296	3,799	(5,126)	—
Balance, December 31, 2023	$115,277	$ 10,981	$ 43,123	$ 4,033	$ 207,846	$ 33,429	$414,689

	Land and buildings	Furniture and fixtures	Equipment	Computers and software	Leasehold improvements	Construction in process	Total
Accumulated depreciation							
Balance, December 31, 2022	$ (3,657)	$ (3,541)	$ (15,329)	$ (1,720)	$ (46,778)	$ —	$ (71,025)
Depreciation	(2,621)	(2,096)	(7,353)	(858)	(21,358)	—	(34,286)
Disposals	338	78	556	17	1,017	—	2,006
Transferred to assets held for sale	(39)	(1,171)	(3,975)	(66)	(7,635)	—	(12,886)
Balance, December 31, 2023	$ (5,979)	$ (6,730)	$ (26,101)	$ (2,627)	$ (74,754)	$ —	$(116,191)

Asset Additions

During the year ended December 31, 2022, the Company exercised its option to acquire a 24-acre cultivation site in Vineland, New Jersey, referred to as Vineland 2, for approximately $9,750 and continued its capital expenditure into the facility.

8. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Details of the Company's prepaid expenses and other current assets are summarized in the table below:

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 8,719	8,486
Short term deposits	914	1,148
Other current assets	1,932	11,957
Excise and sales tax receivable	229	367
Prepaid taxes	—	753
Prepaid expenses and other current assets	$ 11,794	$ 22,711

9. OTHER NON-CURRENT ASSETS

Details of the Company's other non-current assets are summarized in the table below:

	December 31, 2024	December 31, 2023
Long term deposits	$ 8,604	$ 8,686
Long term tax receivable	1,712	—
Investment in affiliates	775	775
Restricted cash	4,323	3,573
Other non-current assets	$ 15,414	$ 13,034

10. NOTES RECEIVABLES

	December 31, 2024	December 31, 2023
Long term portion	$ 11,958	$ 2,082
Short term portion	15,614	4,026
Note receivables	$ 27,572	$ 6,108

The summary of note receivables by the Company as at December 31, 2024 and December 31, 2023 are as follows:

Note payable by	Rate of Interest	As on December 31, 2023	Payment made during the year	Additions	As on December 31, 2024
SFL Investment Holding, LLC and Mint Florida Holdings LLC	10.0%	$ —	$ —	$ 2,000	$ 2,000
Flor Medicinal LLC	5.0%	500	—	—	500
CC R&M Operations, LLC	— %	3,460	(3,320)	—	140
CC VA Holdco LLC	7.0%	—	(4,462)	24,765	20,303
The Forest Springville, LLC	9.0%	—	—	2,547	2,547
Balboa Boulevard Building	4.5%	2,148	(66)	—	2,082
Total		$ 6,108	$ (7,848)	$ 29,312	$ 27,572

SFL Investment Holdings LLC and Mint Florida Holdings LLC

On August 21, 2024, Columbia Care LLC entered into a Promissory Note with SFL Investment Holdings, LLC and Mint Florida Holdings, LLC (“Maker”). The Note has a principal of $2 million and an interest rate of 10% per annum, calculated on a 365-day year. The full principal, accrued interest, and any other payable amounts are due by August 21, 2025.

The Maker can prepay any portion of the principal at any time without penalty, with at least three business days’ notice to the Company. If a default occurs, the interest rate increases to 18% per annum until the default is remedied. The maker must notify the Company within three days of any default.

This Note is tied to a Membership Interest Purchase Agreement, dated August 21, 2024, and its terms may be amended accordingly. The Company’s ability to meet obligations under the Note depends on the Maker’s financial condition.

Flor Medicinal LLC

On October 22, 2022, Flor Medicinal LLC entered into a Secured Promissory Note with Columbia Care Puerto Rico LLC under the terms of an Asset Purchase Agreement. The Principal Amount of the Note is $0.5 million, with simple interest accruing at 5% per annum, calculated based on actual days elapsed using a 360-day year. Interest is payable on the first day of each calendar quarter the Note remains outstanding.

The Note will mature on January 1, 2025, or earlier upon the occurrence of a Change of Control, an Event of Default, or as specified in the Purchase Agreement. A Change of Control includes mergers or transfers of more than 50% of the Borrower’s equity or control to a different entity. In such events, the entire principal and accrued interest become due immediately.

The Forest Springville, LLC

On March 7, 2024, The Forest Springville, LLC entered into a Secured Promissory Note with Columbia Care LLC, pursuant to the terms of the Membership Interest Purchase Agreement dated October 6, 2023. The Principal Amount of the Note is $2.625 million, with interest accruing at 9% per annum, calculated based on actual calendar days and a 360-day year. Interest is payable on the first day of each calendar quarter the Note remains outstanding.

The full principal and accrued interest are due by August 23, 2026, unless paid sooner in accordance with the terms of the Note. The Note may be accelerated upon the occurrence of a Change of Control or an Event of Default, as defined in the Purchase Agreement. A Change of Control is defined as any consolidation, merger, or reorganization of the Borrower where significant control changes in accordance with the conditions of the agreement.

The Borrower has the option to repay the Note in full or in part without penalty.

CC R&M Operations, LLC

On March 13, 2023, CC R&M Operations, LLC entered into a Promissory Note with the Columbia Care MO, LLC and Columbia Care Inc pursuant to the Asset and Sale agreement. The Principal Amount of the Note is $3.460 million. The Note has zero interest and is due upon final regulatory approval.

CC VA Holdco LLC

On October 1, 2024, CC VA Holdco LLC entered into a Promissory Note with the Company . The Principal Amount of the Note is $24.8 million, bearing interest at a rate of 7% per annum, calculated on a 360-day year. The Borrower is required to make monthly payments of $1.62 million for the first twelve months, followed by monthly payments of $0.696 million until the Note matures.

The Note is set to mature on the two-year anniversary of the Closing Date, with the final payment of $666,738 due on August 1, 2026. The full principal and any unpaid interest are due at maturity unless paid earlier in accordance with the terms of the Note. The payments are structured to reduce the principal balance progressively, with interest receivable calculated on the remaining balance at the specified rate.

Balboa Boulevard Building

On April 1, 2019, Balboa Boulevard Building entered into a Promissory Note with Focused Health LLC ("Focused Health"), for a total Principal Amount of $2.42 million. The Note is secured by the land and building of the leased premises and bears interest at a rate of 4.5%. per annum, with payments based on a standard monthly payment schedule. The Borrower is required to make monthly payments of $13.5 thousand until the Note matures.

The Note is set to mature on April 1, 2044, or earlier in the event of default or a Change of Control. At maturity, the total principal, any accrued interest, and remaining payable amounts must be fully paid. The payments are structured to progressively reduce the outstanding balance, with interest calculated based on the remaining principal.

11. SHAREHOLDERS' EQUITY

In addition to the issuance of equity in connection with conversion of 2023 Convertible Notes and Mortgage mentioned in Note 5, exercise of warrants mentioned in Note 12, and share-based payment arrangements mentioned in Note 13, during the year ended December 31, 2021, the Company closed a public offering that consisted of 18,572,500 Common Shares at a price of $8.05 (Canadian Dollars) per common share and sold, on a bought deal private placement basis, 3,220,000 Common Shares at a price of $9.00 (Canadian Dollars) per share sold for net proceeds of $133,151 to the Company in January and February 2021.

Issuance of equity in connection with the exercise of warrants mentioned in Note 12, share-based payment arrangements mentioned in Note 13, and non-controlling interest buyout mentioned in Note 24, constitute the activity in shareholders equity during the year ended December 31, 2024 and December 31, 2023.

Authorized Capital

Authorized share capital of the Company consists of (i) an unlimited number of common shares without par (ii) an unlimited number of proportionate voting shares without par, and (iii) an unlimited number of preferred shares.

The Company's common shares and proportionate voting shares (together, the "Shares") have the same rights and are equal in all respects. The Company treats the Shares as if they were a single class.

Conversion Rights and Transfers

Issued and outstanding proportionate voting shares, including fractions thereof, may at any time, subject to certain conditions, at the option of the holder, be converted into common shares at a ratio of 100 common shares per proportionate voting share with fractional proportionate voting shares convertible into common shares at the same ratio. Further, the Company's board of directors may determine in the future that it is no longer advisable to maintain the proportionate voting shares as a separate class of shares and may cause all of the issued and outstanding proportionate voting shares to be converted into common shares at a ratio of 100 common shares per proportionate voting share with fractional proportionate voting shares convertible into common shares at the same ratio and the Company shall not be entitled to issue any additional proportionate voting shares thereafter.

Rights

Holders of Shares are entitled to one vote on all matters submitted to a vote of the Company's shareholders. Holders of Shares are entitled to receive dividends, as may be declared by the Company's board of directors. As of December 31, 2024, and 2023, no cash dividends had been declared or paid.

Debt Redemption

On September 18, 2023, the Company raised gross proceeds of approximately $25 million through the issuance of additional equity. On October 23, 2023, the Company used these proceeds to retire $25 million of its 13% Notes due May 2024 through a proportional redemption process. In December 2024, the Company also retired the full amount of $5.6 million of its 5% Notes on the scheduled due date.

Share buy-back Authorization

On November 6, 2023, the Company's Board of Directors authorized a normal course issuer bid (the "NCIB") to repurchase up to 15 million of its issued and outstanding Common Shares, but in no event to exceed $5 million in total over the course of the NCIB. The NCIB is subject to the approval of the Cboe Canada Exchange (the "Cboe") and will be in effect for up to the next 12 months. As of December 31, 2024 the NCIB authorization has now lapsed."

12. WARRANTS

Outstanding equity-classified warrants to purchase common shares consisted of the following:

	December 31, 2024		December 31, 2023	
Expiration	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)	Number of Shares Issued and Exercisable	Exercise Price (Canadian Dollars)
September 21, 2026	11,122,105	$ 1.96	11,122,105	$ 1.96
October 1, 2025	648,783	8.12	648,783	8.12
April 26, 2024	—	—	5,394,945	10.35
	11,770,888	$ 2.30	17,165,833	$ 4.83

Warrant activity during the years ended December 31, 2024, and 2023 is summarized in the table below:

	Warrants	Weighted average (Canadian Dollars)	Warrants	Weighted average (U.S. Dollars)
Balance as of December 31, 2022	**11,482,766**	**7.22**	—	—
Issued	11,479,075	1.90		
Exercised	(356,970)	—		
Expired	(5,439,038)	4.01	—	—
Balance as of December 31, 2023	**17,165,833**	**4.83**	—	—
Expired	(5,394,945)	10.35	—	—
Balance as of December 31, 2024	**11,770,888**	**$ 2.30**	**$ —**	**$ —**

In January 2022, 180,000 warrants with an exercise price of $2.95 were exercised, resulting in the issue of 180,000 common shares. In 2023, 11,479,075 warrants were issued, in connection with the unit offering described in Note 5, Debt Transactions, of which 356,970 were prefunded and exercised in December 2023, resulting in the issue of 356,970 common shares.

13. SHARE-BASED PAYMENT ARRANGEMENTS

Omnibus Long-Term Incentive Plan (equity settled)

On April 26, 2019, the Company adopted a long-term incentive plan , which was amended on June 1, 2021 and November 8, 2023 (“LTIP”) to allow for a variety of equity-based awards that provide different types of incentives to be granted to the Company’s executive officers, directors, employees and consultants (options, stock appreciation rights (“SARs”), performance share units (“PSUs”), restricted stock units (“RSUs”) and deferred share units (“DSUs”)). Options, SARs, PSUs, RSUs and DSUs are collectively referred to herein as “Awards”. Each Award represents the right to receive common shares and in the case of SARs, PSUs, RSUs and DSUs, common shares or cash, in each case in accordance with the terms of the LTIP.

Under the terms of the LTIP, the Company’s board of directors may grant Awards to the Chief Executive Officer and review and approve the grant of Awards recommended by the Chief Executive Officer to other eligible participants. Participation in the LTIP is voluntary and if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution. The plan has a stated term of ten years and provides that the exercise of stock options granted will not be less than the market price of the Company’s common stock on the grant date. The plan does not specify grant dates or vesting schedules of awards as those determinations have been delegated to a committee of the Company’s Board of Directors. Each grant agreement reflects the vesting schedule for that particular grant as determined by the Committee.

The maximum number of common shares reserved for issuance, in the aggregate, under the LTIP is 10% of the aggregate number of common shares (assuming the conversion of all proportionate voting shares to common shares) issued and outstanding from time to time.

Restricted stock units

RSU awards currently outstanding generally vest in equal annual installments over a four-year period or cliff after a three-year period in each case, from the grant date. Each RSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. For RSU grants, the expense is measured at the grant date as the fair value of the Company's common stock and expensed as stock-based compensation over the vesting term.

A summary of RSU activity is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2022	16,384,468	$ 2.71
Granted	23,998,872	0.55
Vested	(10,966,667)	2.65
Forfeited	(2,694,954)	2.09
Unvested, December 31, 2023	26,721,719	0.86
Granted	15,646,684	0.26
Vested	(16,376,784)	0.81
Forfeited	(4,883,634)	0.69
Unvested, December 31, 2024	21,107,985	$ 0.49

The following table presents information about the Company's RSUs for the period presented:

	Year ended		
(Dollars in thousands)	**December 31, 2024**	**December 31, 2023**	**December 31, 2022**
Share-based compensation	$ 8,040	$ 17,076	$ 18,856

The following table presents information about the Company's RSUs as of the date presented:

	December 31, 2024	December 31, 2023
Unrecognized compensation costs	$ 4,790	$ 9,137
Weighted average period over which compensation cost will be recognized (in years)	1.38	1.8
Maximum term relating to outstanding RSUs (in years)	2.25	2.3

Performance share units

During the years ended December 31, 2024, 2023 and 2022, the Company granted PSUs that will vest on the achievement of internal performance targets. The Company monitors the probability of achieving the performance targets on an annual basis and adjusts periodic compensation expense accordingly.

A summary of PSU activity is presented below:

	Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2022	7,308,263	4.77
Vested	(2,307,905)	2.01
Forfeited	(2,781,120)	7.66
Unvested, December 31, 2023	2,219,238	4.02
Granted	2,734,375	0.28
Vested	(1,144,011)	1.21
Forfeited	(1,758,820)	4.40
Unvested, December 31, 2024	2,050,782	0.27

The following table presents information about the Company's PSUs activity:

	Year ended		
(Dollars in thousands)	**December 31, 2024**	**December 31, 2023**	**December 31, 2022**
Share-based compensation	$ (9,049)	$ (11,611)	$ 8,812

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The following table presents information about the Company's PSUs as of the date presented:

	December 31, 2024	December 31, 2023
Unrecognized compensation costs	$ 402	$ 458
Weighted average period over which compensation cost will be recognized (in years)	2.25	0.3
Maximum term relating to outstanding PSUs (in years)	2.25	0.5

14. INCOME TAXES

The components of tax expense (benefit) were as follows:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Current tax expense			
Federal	$ 47,009	$ 27,904	$ 48,273
State	3,167	3,481	9,797
Total current tax expense	50,176	31,385	58,070
Deferred tax expense (benefit)			
Foreign	(6,384)	(5,611)	(4,326)
Federal	(6,494)	(18,404)	(40,781)
State	(312)	(9,017)	(28,502)
Total deferred tax expense (benefit)	$ (13,190)	$ (33,032)	$ (73,609)
Change in Valuation Allowance - US	(62)	1,425	—
Change in Valuation Allowance - Foreign	6,383	5,611	4,326
Provision (benefit) for income taxes	$ 43,307	$ 5,389	$ (11,213)

The Company accounts for income taxes in accordance with ASC 740 – Income Taxes, under which deferred tax assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values and the tax bases for the respective items.

The Cannabist Company Holdings Inc. is organized in Canada but operates inside the United States. Due to the Company's structure, the Company is subject to income tax both in the United States and Canada. The Company maintains full valuation allowances on its net operating losses at each of the foreign jurisdictions it operates in, resulting in a 0% effective tax rate for the foreign jurisdictions. The Company's domestic effective tax rate for the years ended December 31, 2024, 2023, and 2022 were (70.1)%, (3.2)%, and 2.6% respectively.

The reconciliation of the Company's income tax expense (benefit) on income (loss) before taxes at the U.S. federal statutory rate compared to the Company's effective tax rate was as follows:

	Year Ended					
	December 31, 2024		December 31, 2023		December 31, 2022	
Loss before provision for income taxes	$(61,819)		$(168,898)		$(432,694)	
Tax using the company's domestic tax rate	(33,097)	53.5%	(35,471)	21.0%	(90,866)	21.0%
Tax effect of:						
State taxes, net of federal benefits	3,626	(5.9%)	(4,957)	2.9%	(20,744)	4.8%
280E limitations	32,624	(52.8)%	36,737	(21.8)%	42,443	(9.8)%
Non-deductible partnership income	2,476	(4.0)%	2,602	(1.5)%	2,799	(0.6)%
Other Permanent Tax Differences	28,928	(46.8)%	1,558	(0.9%)	(3,956)	0.9%
Share-based compensation	1,668	(2.7)%	955	(0.6)%	8,710	(2.0)%
Change in tax status	—	—	—	—	—	— %
Other items	6,846	(11.1)%	2,538		741	(0.2)%
Provision to Return Adjustment	236	(0.4)%	(2,126)		13,825	(3.2)%
Goodwill impairment	—	— %	3,553	(2.1)%	35,835	(8.3)%
	$ 43,307	(70.1)%	$ 5,389	(3.2%)	$ (11,213)	2.6%

The Company operates in the legal cannabis industry but is subject to Section 280E of the Internal Revenue Code ("IRC") which prohibits the Company from deducting non cost of goods sold related expenses. Section 280E was originally intended to penalize criminal market operators, but because cannabis remains a Schedule I controlled substance for Federal purposes, the IRS has subsequently applied Section 280E to state-legal cannabis businesses. Cannabis businesses operating in states that align their tax codes with the IRC are also unable to deduct normal business expenses from their state taxes. The result of Section 280E's application to the Company results in permanent disallowance of ordinary and necessary business expenses. As a result of 280E the Company's effective tax rate can be highly variable and may not necessarily correlate with pre-tax income or loss. The non-deductible expenses shown in the effective rate reconciliation above is comprised primarily of the impact of applying IRC Sec. 280E to the Company's businesses that are involved in selling cannabis, along with other permanent tax adjustments as prescribed by relevant tax code.

The tax effects of the temporary differences giving rise to deferred tax assets and deferred tax liabilities as of December 31, 2024, 2023, and 2022 are summarized in the table below:

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Deferred Tax Assets			
Net Operating Loss Carryforwards	$ 24,421	$ 20,888	$ 14,066
Derivative liability	336	65	125
Inventory	1,796	1,639	1,275
Stock Based Compensation	1,112	3,420	3,288
Capitalized Expenses	18,869	20,737	20,769
Reserves	9,964	2,622	2,741
Right of Use Assets	30,131	42,965	37,652
Sale Leaseback	1,499	1,554	1,552
Other Assets	3,761	1,965	1,626
Gross Deferred Tax Assets	91,889	95,855	83,094
Valuation Allowance	(22,561)	(16,238)	(9,202)
Total Deferred Tax Assets, net	$ 69,328	$ 79,617	$ 73,892
Deferred Tax Liabilities			
Property, Plant and Equipment	$ 2,938	$ 748	$ (2,427)
Intangibles	(11,032)	(13,459)	(32,661)
Accruals	(90)	(90)	(91)
Debt discount	(1,240)	(3,556)	(5,712)
Right of Use Liabilities	(27,699)	(40,290)	(35,904)
Gross Deferred Tax Liabilities	$ (37,123)	$ (56,647)	$ (76,795)
Net Deferred Tax Liabilities	$ —	$ —	$ 2,903
Net Deferred Tax Assets	$ 32,205	$ 22,970	$ —

Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company's management assesses both positive and negative evidence regarding the Company's ability to realize its deferred tax assets and records a valuation allowance when it is more likely than not that deferred tax assets will not be realized. The valuation allowance as of December 31, 2024, 2023, and 2022 are $22,561, $16,238, and $9,202 respectively. The total change in the 2024 and 2023 valuation allowance, which was an increase of $6,321 and $7,036 respectively, is related to foreign activity and other activities.

During the year ended December 31, 2024 the company recorded a deferred tax asset pertaining to a deemed asset acquisition. The future tax benefit related to this acquisition is expected to be subject to Section 280E.

As of December 31, 2024, the Company has $0 of gross federal net operating loss carryforwards which will not expire. The Company has $43,490 of gross state net operating loss carryforwards which begin to expire in 2036. The company has $76,710 of gross foreign net operating loss carryforwards which begin to expire in 2028.

Under Internal Revenue Code Section 382, utilization of net operating losses may be subject to annual limitations in the event of any significant future changes in its ownership structure. These annual limitations could adversely affect the company and result in the expiration of net operating losses prior to utilization.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state, and foreign jurisdictions, where applicable. Such examinations may result in future tax, penalty, and interest assessments by the respective taxing jurisdictions. For uncertain tax positions the Company believes does not meet the more likely that not threshold of being sustained upon examination by the relevant taxing authorities, the Company records a tax reserve in the period in which it arises. The Company adjusts its unrecognized tax benefit liability and provision for income taxes in the period in which the uncertain tax position is settled, the statute of limitations expires for taxing authority to examine the position or when new information becomes available that requires a change in the recognition and/or measurement of the liability.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance as of December 31, 2021	$ 4,111
Reductions for Expiration of Statute of Limitations	(1,337)
Balance as of December 31, 2022	2,774
Reductions for Expiration of Statute of Limitations	(761)
Balance as of December 31, 2023	2,013
Increases (Decreases) for prior years	8,018
Reductions for Expiration of Statute of Limitations	(2,013)
Balance as of December 31, 2024	$ 8,018

As of December 31, 2024 and 2023, the Company had $8,018 and $2,013 respectively of gross unrecognized tax benefits, $0 and $0 respectively of which would impact the effective income tax rate if recognized. As of December 31, 2024, 2023, and 2022 the Company recognized interest and penalties related to uncertain tax positions of $2,489, $903, and $554 respectively. The unrecognized tax benefits recorded by the company relate to historical tax positions taken by businesses previously acquired by the Company. The Company is subject to indemnification of any assessments related to these specific positions and has established a receivable for the same amount of the reserve. The US federal statute of limitations remains open for the tax year 2019 through the present. The state return statute of limitations generally remains open for the tax year 2019 through the present.

15. EARNINGS PER SHARE

Basic and diluted net loss per share attributable to the Company was calculated as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Numerator:			
Net loss	$ (105,126)	$ (174,287)	$ (421,481)
Less: Net loss attributable to non-controlling interests	760	1,425	(5,476)
Net loss attributable to shareholders	$ (105,886)	$ (175,712)	$ (416,005)
Denominator:			
Weighted average shares outstanding - basic and diluted	462,496,369	402,776,616	392,571,102
Loss per share - basic and diluted	$ (0.23)	$ (0.44)	$ (1.06)

Certain share based equity awards were excluded from the computation of dilutive loss per share because inclusion of these awards would have had an anti-dilutive effect. The following table reflects the awards excluded.

	Year Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Convertible Debt	94,921,481	11,479,199	13,362,177

16. LEASING ACTIVITIES

The Company leases its facilities under operating leases that provide for the payment of real estate taxes and other operating costs in addition to normal rent. The Company's real estate leases typically have terms of 1 to 15 years. Certain leases include extension options exercisable from one to five years before the end of the cancellable lease term. The Company typically leases equipment and vehicles with standard lease terms of 3 to 5 years. Expenses recognized relating to short-term leases and leases of low value during the years ended December 31, 2024 and 2023 were immaterial.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Weighted Average Remaining Lease Term		
Operating leases	12.5 years	14.1 years
Finance leases	9.1 years	9.1 years
Weighted Average Discount Rate		
Operating leases	7.46%	7.01%
Finance leases	7.11%	7.49%

The maturities of lease liabilities as of December 31, 2024 were as follows:

	Operating	Finance
Year Ending December 31:		
2025	$ 17,102	$ 7,711
2026	19,225	6,501
2027	18,356	6,666
2028	16,918	5,823
2029	14,864	5,414
Thereafter	125,470	26,992
Total lease payments	211,935	59,107
Less: interest	(78,334)	(16,260)
Present value of lease liabilities	$133,601	$ 42,847

The following summarizes the line items in the income statements which include the components of lease expense for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Operating lease expense	$ 27,729	$ 28,860
Included in		
Cost of sales	15,727	16,794
Selling, general and administrative expenses	12,002	12,066
Finance lease costs:	12,042	14,015
Amortization of lease assets included in cost of sales	5,842	7,146
Amortization of lease assets included in selling, general and administrative costs	2,730	2,691
Interest on lease liabilities included in interest (expense) income, net	3,470	4,178
Total lease costs	$ 39,771	$ 42,875

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The following summarizes cash flow information related to leases for the year ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 25,595	$ 26,547
Operating cash flows from finance leases	3,464	4,177
Financing cash flows from finance leases	6,904	6,788
Lease assets obtained in exchange for lease obligations:		
Operating leases	9,256	5,114
Finance leases	7	991
Lease assets obtained in business acquisitions		
Operating leases	$ —	$ —

17. COMMITMENTS AND CONTINGENCIES

Defined contribution plan

In 2021, the Company instituted a qualified 401(k) plan (the “401(k) Plan”) for its U.S. employees. The 401(k) Plan covers U.S. employees who meet certain eligibility requirements. Under the terms of the 401(k) Plan, the employees may elect to make contributions through payroll deductions within statutory and plan limits, and the Company may elect to make non-elective discretionary contributions. The Company may also make optional contributions to the 401(k) Plan for any plan year at its discretion. Expense recognized by the Company for matching contributions made to the 401(k) Plan was $697 and $1,328 for the years ended December 31, 2024, and December 31, 2023, respectively.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners, and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and senior management that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. The Company has not accrued any liabilities related to any pending claims potentially subject to any indemnifications in its consolidated financial statements.

Additionally, the Company may be contingently liable with respect to other claims incidental to the ordinary course of its operations. In the opinion of management, and based on management’s consultation with legal counsel, the ultimate outcome of such other matters will not have a materially adverse effect on the Company. Accordingly, no provision has been made in these consolidated financial statements for losses, if any, which might result from the ultimate disposition of these matters should they arise.

18. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Measurements

The following table presents the Company’s financial instruments that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Investment securities	$11,880	$ —	$ —	$11,880
Total assets	$11,880	$ —	$ —	$11,880
Derivative liability	$ —	$ —	$(621)	$ (621)
Total liabilities	$ —	$ —	$(621)	$ (621)
December 31, 2023				
Derivative liability	$ —	$ —	$(119)	$ (119)
	$ —	$ —	$(119)	$ (119)

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During the period included in these financial statements, there were no transfers of amounts between levels. For fair value measurements of assets and liabilities that are done on a non-recurring basis, refer to Note 20.

The following table summarizes the valuation techniques and key inputs used in the fair value measurement of level 3 financial instruments:

Financial asset/financial liability	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Derivative liability	Market approach	Conversion Period	Increase or decrease in conversion period will result in an increase or decrease in fair value.

The carrying amounts of accounts receivable, other current assets, accounts payable and other current liabilities, current portion of long-term debt and lease liability as of December 31, 2024 and 2023 approximate their fair values because of the short-term nature of these items and are not included in the table above. The Company's long-term debt and lease liabilities approximate fair value due to the market rate of interest used on initial recognition.

In addition to the disclosures for assets and liabilities required to be measured at fair value at the balance sheet date, companies are required to disclose the estimated fair values of all financial instruments, even if they are not presented at their fair value on the consolidated balance sheet. The fair values of financial instruments are estimates based upon market conditions and perceived risks as of December 31, 2024 and 2023. These estimates require management's judgment and may not be indicative of the future fair values of the assets and liabilities.

Financial assets and liabilities for which the carrying values approximate their fair values include cash and cash equivalents, accounts receivable included within prepaid expenses and other assets, and other payables. Generally, these assets and liabilities are short term in duration and their carrying value approximates fair value on the consolidated balance sheets.

19. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets consist of the following:

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2023	$ —	$ 129,755	$ 24,881	$ 15,263	$169,899
Impairment	—	(1,029)	(1,071)	—	(2,100)
Sale	—	(2,517)	—	—	(2,517)
Available for sale	—	(16,236)	—	—	(16,236)
As of December 31, 2024	$ —	$ 109,973	$ 23,810	$ 15,263	$149,046

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2023	$ —	$ (59,158)	$ (20,565)	$ (13,409)	$(93,132)
Sale	—	965	—	—	965
Available for sale	—	5,773	—	—	5,773
Amortization	—	(9,366)	(1,621)	(416)	(11,403)
As of December 31, 2024	$ —	$ (61,786)	$ (22,186)	$ (13,825)	$(97,797)

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Cost					
As of December 31, 2022	$ 19,274	$156,911	$ 45,936	$ 16,944	$239,065
Impairment	(19,274)	(23,512)	(21,055)	(1,681)	(65,522)
Disposals	—	(3,644)	—	—	(3,644)
As of December 31, 2023	$ —	$129,755	$ 24,881	$ 15,263	$169,899

	Goodwill	Licenses	Trademarks	Customer Relationships	Total
Accumulated Amortization					
As of December 31, 2022	$ —	$ (46,306)	$ (15,601)	$ (12,619)	$ (74,526)
Amortization	—	(12,852)	(4,964)	(790)	(18,606)
As of December 31, 2023	$ —	$ (59,158)	$ (20,565)	$ (13,409)	$ (93,132)

The carrying value of goodwill in each reporting unit is indicative of the expected growth and development of the business. In the fourth quarter of fiscal 2024, the Company identified qualitative indicators of impairment as a result of a strategic reassessment of its business, including an evaluation of current operations and its future growth outlook due to changing consumer trends within certain markets. The decision to reduce the long-term growth outlook resulted in a downward adjustment of the future financial forecasts for the Company's California and Colorado businesses, which indicated that impairment of the goodwill asset was a more-likely-than-not outcome.

The following table outlines the key assumptions used in calculating the recoverable amount for each Reporting Unit used in the impairment analysis performed during the fourth quarter of 2024:

	Goodwill impairment testing	
	Colorado	California
Significant estimates used by management		
Years of cash flows before terminal value	5 Years	5 Years
Discount rate	14%	14%
Terminal value multiple / rate	2%	2%

The recoverable amount of the reporting unit to which goodwill is allocated and the asset group to which intangibles are allocated were determined based on fair value using Level 3 inputs in a discounted cash flow analysis. Management performed the impairment test on the Colorado and California asset groups for the definite lived assets impairment. The Company determined that the Colorado reporting units were not impaired. The significant assumptions applied in the determination of the recoverable amount are described below:

i. Cash flows: Estimated cash flows were projected based on actual operating results from internal sources as well as industry and market trends. Estimated cash flows are primarily driven by sales volumes, selling prices and operating costs. The forecasts are extended to a total of five years (and a terminal year thereafter);

ii. Terminal value growth rate: The terminal growth rate was based on historical and projected consumer price inflation, historical and projected economic indicators, and projected industry growth;

iii. Corporate overhead allocation and the eventual reappeal of Schedule 208E.

iv. Post-tax discount rate: The post-tax discount rate is reflective of the reporting unit's Weighted Average Cost of Capital ("WACC"). The WACC was estimated based on the risk-free rate, equity risk premium, beta adjustment to the equity risk premium based on a direct comparison approach, an unsystematic risk premium, and after-tax cost of debt based on corporate bond yields; and

v. Tax rate: The tax rates used in determining the future cash flows were those substantively enacted at the respective valuation date.

There was indication of impairment in the Company's California Reporting Unit and $2,100 recorded as impairment of its intangible assets.

The Company separately performed sensitivity analyses to evaluate the changes in the fair value of goodwill and intangibles that would result from changes in certain assumptions, including cash flows and discount rate.

- The Company performed the aforementioned sensitivity analyses as follows:
  - If revenues for all years were to decrease 10%
  - If EBITDA is reduced by 5% each year
  - If the discount rate changes +2 and +5%
- In addition, the Company ran a sensitivity on the terminal value multiple as well:
  - If the terminal value multiple is reduced -2 and -5%

These changes would result in material adjustments to the goodwill and intangible amounts for Colorado in these scenarios.

Impairment – 2023

In the fourth quarter of fiscal 2023, the Company identified qualitative indicators of impairment as a result of a strategic reassessment of its business, including an evaluation of current operations and its future growth outlook due to changing consumer trends within certain markets. This resulted in a downward adjustment of the future financial forecasts for the Company's Colorado and California businesses, which indicated that impairment of the goodwill asset was a more-likely-than-not outcome.

The recoverable amount of the reporting unit to which goodwill is allocated and the asset group to which intangibles are allocated were determined based on fair value using Level 3 inputs in a discounted cash flow analysis. Management tested the Colorado and California asset groups for the definite lived assets impairment. Where applicable, the Company uses its market capitalization and comparative market multiples to corroborate discounted cash flow results.

The following table outlines the key assumptions used in calculating the recoverable amount for each Reporting Unit used in the impairment analysis during the fourth quarter:

	Goodwill impairment testing	
	Colorado	California
Significant estimates used by management		
Years of cash flows before terminal value	5	5
Discount rate	17.00%	17.0%
Terminal value multiple / rate	3.0%	3.0%

The impairment assessment process for 2023 covered the Colorado and California Reporting Units, with no difference in estimates used in 2022.

The below table summarizes the estimated aggregate amortization expense expected to be recognized on the intangible assets:

Selling, general and administrative expenses included the following:

		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2022
Goodwill impairment	$ —	$ 19,274	$ 170,642
Amortization expenses	11,403	18,606	44,530

Future estimated amortization expense:	Amount
2025	$ 9,534
2026	8,449
2027	8,178
2028	7,973
2029	7,768
2029 and thereafter	9,347
Total	$51,249

The Company will continue to monitor the impact of the goodwill associated with this reporting unit, and should it suffer additional declines in actual or forecasted financial results, the risk of goodwill impairment would increase.

20. NET ASSETS HELD FOR SALE

During 2023, the Company committed to a plan to sell its Utah operations. Accordingly, certain of the assets and liabilities held by the Company's Utah subsidiary were presented as a disposal group held for sale on the consolidated balance sheet as of December 31, 2023. The sale of the Utah assets was completed on March 7, 2024.

During 2023, in conjunction with the proposed transaction with Cresco Labs, the Company committed to a plan to sell parts of its operations in Florida, Illinois, Massachusetts, Ohio and New York. The divestiture of the Assets was required for Cresco to close its previously announced acquisition of the Company. On November 4, 2022 the Company and Cresco jointly announced the signing of definitive agreements to divest certain New York, Illinois, and Massachusetts assets to an entity owned and controlled by Sean "Diddy" Combs (the "Combs Transaction"). Accordingly, certain of the Company's long-lived assets and liabilities held in these three markets were presented as a disposal group held for sale on the consolidated balance sheet as of December 31, 2022. As a result of the termination of the proposed transaction with Cresco Labs, and termination of the proposed Combs Transaction, it was determined that the assets and liabilities in these three markets should no longer be classified as assets and liabilities held for sale.

On August 22, 2024, the Company entered into definitive agreement, subject to closing conditions, to dispose, of its Florida Lakeland Facility which are comprised of one cultivation / manufacturing facility. The Florida Lakeland Facility is being divested for gross proceeds of $11.4 million in cash.

On October 1, 2024, the Company entered into a definitive agreement, subject to closing conditions, to dispose of a vertically-integrated Florida paper license for gross proceeds of $7.5 million cash.

The planned disposals as of December 31, 2024 did not represent a strategic shift of the Company that had or will have a major effect on the Company's operations and financial results. Accordingly, the operations were not segregated and were presented as continuing operations in the consolidated statements of operations and comprehensive loss for the years ended December 31, 2024 and 2023. The disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	December 31, 2024	December 31, 2023
Cash	$ 239	$ —
Accounts receivable	34	—
Inventory	364	—
Prepaid expenses and other current assets	381	1,223
Property, plant and equipment	9,516	414
Right-of-use assets	2,364	115
Right of use assets - finance leases, net	102	—
Intangible assets, net	4,778	—
Assets held for sale	**$ 17,778**	**$ 1,752**
Accounts payable and other liabilities	(104)	(1,161)
Lease liabilities	(2,552)	(114)
Liabilities held for sale	**$ (2,656)**	**$ (1,275)**

The non-recurring fair value measurement for the disposal group has been categorized as a Level 3 fair value utilizing Level 3 inputs and using a market approach, based on available data for transactions in the region and discussions with potential acquirers.

The changes in assets and liabilities held for sale are as follows as of December 31, 2024 and 2023:

Assets held for Sale	Held for Sale Entities
Balance at December 31, 2022	$ 29,089
Transferred in/(out)	(27,337)
Balance at December 31, 2023	1,752
Transferred in/(out)	16,026
Balance at December 31, 2024	$ 17,778

Liabilities associated with assets held for sale	Held for Sale Entities
Balance at December 31, 2022	$ 20,179
Transferred in/(out)	(18,904)
Balance at December 31, 2023	1,275
Transferred in/(out)	1,381
Balance at December 31, 2024	$ 2,656

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21. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Details of the Company's accrued expenses and other current liabilities are summarized in the table below:

	December 31, 2024	December 31, 2023
Taxes - property and other	$ 4,912	$ 12,067
Other accrued expenses	13,477	26,323
Payroll liabilities	10,709	13,260
Other current liabilities	3,741	7,009
Accrued expenses and other current liabilities	$ 32,839	$ 58,659

22. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Details of the Company's selling, general and administrative expenses are summarized in the table below:

		Year ended	
	December 31, 2024	December 31, 2023	December 31, 2022
Salaries and benefits	$ 79,723	$ 89,794	$ 125,702
Professional fees	10,862	13,290	19,208
Depreciation and amortization	24,897	35,358	59,470
Operating facilities costs	42,329	41,759	42,631
Operating office and general expenses	23,898	10,612	9,879
Advertising and promotion	3,945	5,894	14,173
Other fees and expenses	2,694	2,884	6,267
Total selling, general and administrative expenses	$ 188,348	$ 199,591	$ 277,330

23. OTHER EXPENSE (INCOME), NET

Details of the Company's other expense (income), net is summarized in the table below:

		Year ended	
	December 31, 2024	December 31, 2023	December 31, 2022
Change in fair value of the derivative liability	$ 502	$ (116)	$ (6,560)
Change in fair value of the investment in Verano	25,406	—	—
(Gain) on remeasurement of contingent consideration	(1,108)	—	(37,362)
(Gain) loss on disposal group	(52,355)	6,122	—
Loss on held-for-sale disposal group	22,191	—	—
Earnout adjustment	—	—	349
Loss on Restructuring	5,674	5,396	3,089
Other (income) expense, net	(1,997)	(188)	6,605
Rental income	(214)	(2,421)	(3,564)
Total other expense (income), net	$ (1,901)	$ 8,793	$ (37,443)

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24. NON-CONTROLLING INTERESTS

The non-controlling interests of the Company for each affiliate before intercompany elimination are summarized in the tables below:

Summarized balance sheet	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Columbia Care Ohio	Columbia Care Missouri	Other	Green Leaf Medical Inc.	Total
	December 31, 2024													
Current assets	$ 449	$ —	$ 4,119	$ 590	$ 660	$ —	$ —	$ 22,404	$ 315	$ 14,451	$ —	$ 9	$ 70,727	$ 113,724
Current liabilities	—	—	(1,946)	(61)	(1,092)	—	—	(7,219)	(2,590)	(1,154)	—	(6)	$ (13,820)	(27,888)
Current net assets (liabilities)	449	—	2,173	529	(432)	—	—	15,185	(2,275)	13,297	—	3	56,907	85,836
Non-current assets	$ —	$ —	$ 7,622	$ —	$ 521	$ —	$ 5,125	$ 51,935	$ 1,025	$ 22,031	$ —	$ —	$ —	88,259
Non-current liabilities	—	—	(8,627)	(10,973)	(3,957)	—	—	(48,078)	(1,225)	(37,156)	—	—	$ (46,070)	(156,086)
Non-current net assets (liabilities)	—	—	(1,005)	(10,973)	(3,436)	—	5,125	3,857	(200)	(15,125)	—	—	(46,070)	(67,827)
Accumulated NCI	$ —	$ —	$ —	$ —	$ (157)	$ —	$ —	$ 1,411	$(2,364)	$ —	$ —	$ 3	$ (258)	$ (1,365)

Summarized balance sheet	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Columbia Care Ohio	Columbia Care Missouri	Other	Green Leaf Medical Inc.	Total
	December 31, 2023													
Current assets	$ 1,206	$ 2,731	$ 3,208	$ 590	$ 316	$ 10,214	$ 7	$ 18,714	$ 268	$ 12,977	$ —	$ 9	$ 30,503	$ 80,743
Current liabilities	(2,408)	(50)	(1,076)	(63)	(982)	(9,259)	—	(7,581)	(1,532)	(1,014)	—	(5)	(21,089)	(45,059)
Current net assets (liabilities)	(1,202)	2,681	2,132	527	(666)	955	7	11,133	(1,264)	11,963	—	4	9,414	35,684
Non-current assets	515	996	8,295	—	653	31,663	5,118	52,263	1,569	24,083	—	—	2,024	127,179
Non-current liabilities	(19,041)	(1,707)	(9,555)	(10,973)	(3,650)	(18,383)	(1)	(53,131)	(1,333)	(41,955)	—	4	(3,851)	(163,576)
Non-current net assets (liabilities)	(18,526)	(711)	(1,260)	(10,973)	(2,997)	13,280	5,117	(868)	236	(17,872)	—	4	(1,827)	(36,397)
Accumulated NCI	$ —	$ 256	$ —	$ —	$ (149)	$ (228)	$ —	$ 797	$(1,642)	$ —	$ —	$ 3	$ (557)	$ (1,520)

The net change in the non-controlling interests is summarized in the table below:

	Venture Forth	Columbia Care Arizona-Tempe	Columbia Care Delaware	Columbia Care Puerto Rico	Columbia Care Maryland	Columbia Care Florida	Columbia Care Eastern Virginia	Columbia Care International HoldCo	Columbia Care New Jersey	Access Bryant	Leafy Greens	Columbia Care Ohio	Columbia Care Missouri	Green Leaf Medical Inc.	Other	Total
Balance, December 31, 2021	**$(19,114)**	**$ 283**	**$ —**	**$ —**	**$ (80)**	**$ —**	**$ (105)**	**$ —**	**$ (277)**	**$ (50)**	**$ —**	**$ 1**	**$ (1,360)**	**$ 129**	**$ 5**	**$(20,568)**
Net income (loss) attributable to NCI	(550)	8	0	—	(37)	0	270	—	302	(826)	—	—	(3,574)	(1,048)	(21)	(5,476)
Other adjustments	19,664	—	—	—	—	—	—	—	—	—	—	(1)	—	—	—	19,663
Balance, December 31, 2022	**$ —**	**$ 291**	**$ —**	**$ —**	**$ (117)**	**$ —**	**$ 165**	**$ —**	**$ 25**	**$ (876)**	**$ —**	**$ —**	**$ (4,934)**	**$ (919)**	**$ (16)**	**$ (6,381)**
Net income (loss) attributable to NCI	—	10	—	—	(26)	—	873	—	772	(766)	—	—	—	562	—	1,425
Other adjustments	—	(45)	—	—	(6)	—	(1,266)	—	—	—	—	—	4,934	(200)	19	$ 3,436
Balance, December 31, 2023	**$ —**	**$ 256**	**$ —**	**$ —**	**$ (149)**	**$ —**	**$ (228)**	**$ —**	**$ 797**	**$(1,642)**	**$ —**	**$ —**	**$ —**	**$ (557)**	**$ 3**	**$ (1,520)**
Net income (loss) attributable to NCI	—	10	—	—	(8)	—	567	—	614	(723)	—	—	—	300	—	760
Other adjustments	—	(266)	—	—	—	—	(339)	—	—	—	—	—	—	—	—	(605)
Balance, December 31, 2024	**$ —**	**$ —**	**$ —**	**$ —**	**$ (157)**	**$ —**	**$ —**	**$ —**	**$ 1,411**	**$(2,365)**	**$ —**	**$ —**	**$ —**	**$ (257)**	**$ 3**	**$ (1,365)**

* Represents non-controlling interests acquired as a result of the Green Leaf Transaction.

During the year ended December 31, 2022, VentureForth Holdings, LLC, a consolidated subsidiary which previously had a management services agreement with the company, was acquired by merger. The Company issued 18,755,082 common shares and issued approximately $26,000,000 to buy out the non-controlling interest in VentureForth LLC and resolve any litigation relating to VentureForth LLC.

25. DIVESTITURES

Utah Business Divestiture

On October 6, 2023, the Company entered into a definitive agreement, subject to closing conditions, to dispose of its Utah operations (the "Utah Business") which are considered non-core and comprised of one dispensary and one cultivation facility. The Utah Business was divested for gross proceeds of approximately $6.5 million, with approximately $3.9 million due on closing of the transaction, and a $2.6 million Seller note payable to the Company not later than July 2025. The sale of the Utah assets was completed on March 7, 2024.

Arizona Divestiture

On July 29, 2024, the Company entered into definitive agreements, subject to closing conditions, to dispose of its Arizona operations (the "Arizona Business") which are comprised of two dispensaries and one cultivation / manufacturing facility. The Arizona Business is being divested for gross proceeds of $15 million, with approximately all $15 million which was received on signing of the definitive agreement.

Eastern Virginia Divestiture

On July 29, 2024, the Company entered into a definitive agreement, subject to closing conditions, to dispose of a portion of its Virginia operations (the "East Virginia Business") which are comprised of six dispensaries and one cultivation / manufacturing facility. The East Virginia Business is being divested for gross proceeds of $90 million, consisting of approximately $20 million in cash, $40 million of equity in the Buyer, Verano Holdings Corp., due on closing of the transaction, and a $30 million seller note payable to the Company over a 14 month period.

Florida Business Divestiture

On August 21,2024 and August 22, 2024, the Company entered into definitive agreements, subject to closing conditions, to dispose, of its Florida operations (the "Florida Business") which are comprised of fourteen dispensaries and three cultivation / manufacturing facility.

The Florida Business is being divested for gross proceeds of $16.4 million, consisting of approximately $14.4 million in cash, and $2 million of promissory note payable to the Company over a one year period.

On October 1, 2024, the Company entered into a definitive agreement, subject to closing conditions, to dispose of a vertically-integrated Florida paper license for gross proceeds of $7.5 million cash. On completion of this transaction and the divestitures of the Florida Business and the Lakeland Business, the Company will have exited its entire Florida operations.

Further to the previous announcements and Note 17 above, effective November 6, 2024 the Company closed one of its Florida transactions, covering 14 retail locations and 2 cultivation facilities for gross proceeds of $5 million, $2 million of which will be in a promissory note.

Missouri Business Divestiture

On March 13, 2023, a definitive agreement was signed to sell the Missouri Business, which is considered non-core, and the Company no longer operated the Missouri Business as of that date. The assets of the Missouri Business are comprised of one dispensary and one processing facility and are being divested for gross proceeds of approximately $7 million.

As of December 31, 2024, no assets or liabilities of the disposed-of business remained on our consolidated balance sheets.

The table below summarizes the operating results of the divested businesses for the years ended December 31, 2024, December 31, 2023, and December 31, 2022:

	Year ended		
	2024	2023	2022
Arizona			
Revenue	$13,540	$ 22,133	$ 23,893
Expense	14,064	24,602	30,604
District of Columbia			
Revenue	1,131	1,447	1,371
Expense	1,999	1,918	2,398
Eastern Virginia			
Revenue	29,809	39,604	20,861
Expense	17,426	25,643	16,538
Florida			
Revenue	16,522	26,946	31,249
Expense	33,876	45,801	55,143
Utah			
Revenue	943	5,231	5,200
Expense	822	4,810	5,457
Missouri			
Revenue	—	221	587
Expense	—	2,694	3,757
Venture Forth			
Revenue	1,758	4,298	4,729
Expense	4,145	5,687	6,441
Total			
Revenue	63,703	99,880	87,890
Expense	$72,332	$111,155	$120,338

26. SUBSEQUENT EVENTS

The Company has evaluated all events and transactions that occurred after December 31, 2024 through the filing of these audited annual financial statements. Certain subsequent events noted in these audited annual financial statements include the following:

- On January 15, 2025, the Company completed the sale of a non-operating facility in DE for gross proceeds of $3.4 million, and fully settled the outstanding mortgage on the property of $1.8 million
- On February 27, 2025, the Company entered into a support agreement (the "**Support Agreement**") with certain holders (the "**Supporting Noteholders**") representing approximately 61% of the aggregate principal amount of issued Senior Notes (as defined below) regarding the exchange of their Senior Notes for new notes having a later maturity date and additional covenants, all as described herein (the "**2025 Debt Transaction**"). The Senior Notes consist of: (i) the six percent (6.0%) Senior Secured Convertible Notes due June 29, 2025 for an aggregate amount of US$59.5 million (the "**2025 Notes**"); (ii) the nine and one half percent (9.5%) Senior Secured First-Lien Notes due February 3, 2026 for an aggregate amount of US$185 million (the "**2026 Notes**"); and (iii) the nine percent (9.0%) Senior Secured Convertible Notes due March 19, 2027 for an aggregate amount of US$25.55 million (the "**2027 Notes**", and together with the 2025 Notes and the 2026 Notes, the "**Senior Notes**"). Under the terms of the 2025 Debt Transaction, among other provisions, the holders of the 2025 Notes and the 2026 Notes will exchange their Senior Notes for an equal principal amount of 9.25% senior secured notes due December 31, 2028 (subject to two six-month extension options available to the Company upon payment of a 0.50% fee, payable in cash) (the "**New Senior Notes**") and the holders of the 2027 Notes will be given the right to elect to receive either (i) an equal principal amount of New Senior Notes or (ii) an equal principal amount of newly issued 9.0% convertible notes, which will have the same conversion price as the existing 2027 Notes but will have the same extended maturity date as the New Senior Notes (the "**New Convertible Notes**", and together with the New Senior Notes, the "**New Notes**").

Exhibit 23.1

CONSENT OF PRIOR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-264008 and 333-278077), Form S-3 (File Nos. 333-275821 and 333-278472), and Form S-1 (File Nos. 333-275061 and 333-265095) of The Cannabist Company Holdings Inc. (the "Company") of our report dated March 13, 2024 relating to the consolidated financial statements of the Company appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ DAVIDSON & COMPANY LLP

Vancouver, Canada

Chartered Professional Accountants

April 30, 2025

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, David Hart, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of The Cannabist Company Holdings Inc.;

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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 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 fourth fiscal quarter 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 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: April 30, 2025

/s/ David Hart
David Hart
Chief Executive Officer

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Derek Watson, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of The Cannabist Company Holdings Inc.;

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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 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 fourth fiscal quarter 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 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: April 30, 2025

/s/ Derek Watson
Derek Watson
Chief Financial Officer

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, David Hart, the Chief Executive Officer of The Cannabist Company Holdings Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K/A for the year ended December 31, 2024 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David Hart

David Hart
Chief Executive Officer
April 30, 2025

Exhibit 32.2

Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Derek Watson, the Chief Financial Officer of The Cannabist Company Holdings Inc. (the "**Company**"), hereby certify, that, to my knowledge:

1. The Annual Report on Form 10-K/A for the year ended December 31, 2024 (the "**Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Derek Watson
Derek Watson
Chief Financial Officer
April 30, 2025