Exhibit 99.3

CURALEAF HOLDINGS, INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Three Months Ended
March 31, 2024 and 2023

(Expressed in Thousands United States Dollars Unless Otherwise Stated)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Amounts in thousands, except share and per share amounts)

This management discussion and analysis ("MD&A") of the financial condition and results of operations of Curaleaf Holdings, Inc. (the "Company" or "Curaleaf") is for the three months ended March 31, 2024 and 2023. It is supplemental to, and should be read in conjunction with, the Company's unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended March 31, 2024 and 2023 (collectively, the "Consolidated Financial Statements"). For the purposes of this MD&A, the terms "Company" and "Curaleaf" mean Curaleaf Holdings, Inc. and, unless the context otherwise requires, includes its wholly-owned subsidiaries and majority-owned subsidiaries as well as legal entities in which it, directly or indirectly, holds a controlling financial interest. Additional public disclosure documents and information pertaining to the Company, including the annual information form for the year ended December 31, 2023 (the "Annual Information Form" or the "AIF"), are available through the Company's profiles on SEDAR+ at www.sedarplus.ca and EDGAR at www.sec.gov/edgar.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators, Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana Related Activities ("Staff Notice 51-352") and Regulation S-K 229.303 – Management's discussion and analysis of financial condition and results of operations as issued by the United States ("U.S.") Securities and Exchange Commission ("SEC").

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws and securities laws of the U.S. (together, "forward-looking statements"). Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management's current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. In addition, the Company may make or approve certain statements in future filings with Canadian and U.S. securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal" or the negative of those words or other similar or comparable words and includes, among others, information regarding: expectations for the effects and potential benefits of any transactions; statements relating to the business and future activities of, and developments related to, the Company after the date of this MD&A, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations and plans; expectations that licenses applied for will be obtained; potential future legalization of adult use and/or medical cannabis under U.S. federal law; expectations of market size and growth in the U.S. and the states in which the Company operates; expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally; the ability for U.S. holders of securities of the Company to sell them on the Toronto Stock Exchange (the "TSX"); and other events or conditions that may occur in the future. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of and at the date they are made and are based on information currently available and on the then current expectations. Holders of securities of the Company are cautioned that forward-looking statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Company at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the legality of cannabis in the U.S., including the fact that cannabis is a controlled substance under the U.S. Federal Controlled Substances Act; anti-money laundering laws and regulations; the lack of access to U.S. bankruptcy protections; financing risks, including risks related to additional financing and restricted access to banking; general regulatory and legal risks, including potential constraints on the Company's ability to expand its business in the U.S. by virtue of the restrictions of the TSX following the TSX Listing (as defined herein); risk of legal, regulatory or political change; general regulatory and licensing risks; limitation on ownership of licenses; risks relating to regulatory action and approvals from the U.S. Food and Drug Administration (the "FDA"); the fact that cannabis may be subject to increased regulation by the FDA; potential

heightened scrutiny by regulatory authorities following the TSX Listing; loss of foreign private issuer status; risks related to internal controls over financial reporting; litigation risks; increased costs as a result of being a public company in Canada and the U.S.; recent and proposed legislation in respect of U.S. cannabis licensing; environmental risks, including risks related to environmental regulation and unknown environmental risks; general business risks including risks related to the Company's expansion into foreign jurisdictions; future acquisitions or dispositions; service providers; enforceability of contracts; the ability of our shareholders to resell their subordinate voting shares ("SVS") on the TSX; the Company's reliance on senior management and key personnel and the Company's ability to recruit and retain such senior management and key personnel; competition risks; risks inherent in an agricultural business; unfavorable publicity or consumer perception; product liability; product recalls; results of future clinical research; dependence on suppliers; reliance on inputs; risks related to limited market data and difficulty to forecast; intellectual property risks; constraints on marketing products; fraudulent or illegal activity by employees, consultants and contractors; increased labor costs based on union activity; information technology systems and cyber-attacks; security breaches; the Company's reliance on management services agreements with subsidiaries and affiliates; website accessibility; high bonding and insurance coverage; risks of leverage; management of the Company's growth; the fact that past performance may not be indicative of future results and that financial projections may prove materially inaccurate or incorrect; risks related to conflicts of interests; challenging global economic conditions; currency fluctuations; risks related to the Company's business structure and securities; including the status of the Company as a holding company; no dividend record; risks related to the Senior Secured Notes – 2026 (as defined herein); concentrated voting control; risks related to the sale of a substantial amount of our SVS; risks associated with securities or industry analysts not publishing or ceasing to publish research or reports or publishing misleading information about the Company; the potentially limited market for SVS for holders of the Company's securities who live in the U.S.; shareholders having little or no rights to participate in the Company's business affairs; the volatility of the market price for the SVS; liquidity risks associated with an investment in the SVS; enforcement against directors and officers outside of Canada may prove difficult; and tax risks; as well as those risk factors discussed under the heading "Risk Factors" in the AIF and the other risk factors described herein.

The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. In particular, but without limiting the foregoing, disclosure in this MD&A as well as statements regarding the Company's objectives, plans and goals, including future operating results and economic performance may make reference to or involve forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Certain of the forward-looking statements and other information contained herein concerning the cannabis industry, its medical and adult use, the general expectations of the Company concerning the industry and the Company's business and operations are based on estimates prepared by the Company. The Company prepares these estimates using reasonable data from publicly available governmental sources, market research and industry analysis as well as assumptions, which the Company believes to be reasonable based on data and knowledge of the cannabis industry. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any government or industry data presented herein, the cannabis industry involves risks and uncertainties that are subject to change based on various factors.

A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. You should not place undue reliance on forward-looking statements contained in this MD&A. Such forward-looking statements are made as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

OVERVIEW OF THE COMPANY

The Company is a leading producer and distributor of consumer products in cannabis, with a mission to improve lives by providing clarity around cannabis and confidence around consumption. As a vertically integrated, high-growth cannabis operator known for quality, expertise and reliability, the Company and its brands, including Curaleaf, Select and Grassroots, provide industry-leading services, product selection and accessibility across the medical and adult use markets in the U.S. and is headquartered in New York, New York. As of March 31, 2024, in the U.S., the Company had consolidated operations in 18 states and operated 145 dispensaries, 19 cultivation sites and 22 processing sites, through which the Company sells cannabis through wholesale channels. The Company places a premium on highly populated, limited license states, including Arizona, Connecticut, Florida, Illinois, Maryland, Massachusetts, Nevada, New York, New

Jersey, North Dakota and Pennsylvania. Internationally, the Company has a fully integrated cannabis business with licensed cultivation in Portugal, three pharma grade cannabis processing and manufacturing facilities in Germany, Spain and the United Kingdom ("U.K.") and licensed distribution of cannabis in Germany, Poland, Switzerland and the U.K. In the U.K., the Company also holds a pharmacy license and operates medical cannabis clinics in England and Scotland, enabling the retail supply of medical cannabis directly to the patient. Finally, the Company supplies cannabis on a wholesale basis across Europe, including Germany, Italy and Poland.

The Company leverages its extensive research and development capabilities to distribute cannabis products with the highest standard for safety, effectiveness, consistent quality and customer care. The Company is committed to leading the industry in education and advancement through research and advocacy. The Company markets to medical and adult use customers through brand strategies intended to build trust and loyalty.

The Company was an early entrant into the U.S. state-legal cannabis industry, which remains one of the fastest growing industries in the U.S. Currently, the Company is a diversified holding company dedicated to delivering market-leading products and services while building trusted national brands within the legal cannabis industry. Through its team of physicians, pharmacists, medical experts and industry innovators, the Company has developed a portfolio of branded cannabis-based therapeutic offerings in multiple formats and a strategic network of branded retail dispensaries.

The Company is operated by an executive team that has significant experience in the cannabis industry and a robust operational and acquisition track-record as to all facets of the Company's operations, which has executed its business plan to rapidly scale its business.

In order to achieve its strategy, the Company has completed several acquisitions since its formation and expects to continue to actively pursue other acquisitions, dispositions and investment opportunities in the future.

Formerly known as Lead Ventures, Inc., the Company was incorporated under the laws of British Columbia, Canada on November 13, 2014. On October 25, 2018, the Company completed a reverse takeover transaction and completed a related private placement, which closed one day prior on October 24, 2018 (collectively, the "Business Combination"). Following the Business Combination, the Company's SVS were listed on the Canadian Securities Exchange ("CSE") under the symbol "CURA" and quoted on the OTCQX ® Best Market ("OTCQX") under the symbol "CURLF". On December 14, 2023, the Company's SVS were listed and commenced trading on the TSX under the symbol "CURA" (the "TSX Listing"). In connection with the TSX Listing, the Company's SVS were delisted from the CSE at the close of markets on December 13, 2023.

On December 30, 2022, the Company filed a final short form base shelf prospectus in Canada (the "Base Shelf Prospectus") and on January 3, 2023, filed the Base Shelf Prospectus on a Form F-10 registration statement, (File No 333-269109) (the "Registration Statement"), with the SEC under the U.S./Canada Multijurisdictional Disclosure System ("MJDS"). The Base Shelf Prospectus and Registration Statement allow the Company to offer up to $1.0 billion (or the equivalent thereof, at the date of issue, in any other currency, or currencies, as the case may be) worth of SVS, debt securities, subscription receipts, warrants and units, or any combination thereof, from time to time during the 25-month period that the Base Shelf Prospectus and/or Registration Statement are effective (subject to MJDS eligibility). The specific terms of any future offering of securities, including the use of proceeds from any offering, will be established in a supplement to the Base Shelf Prospectus and/or Registration Statement, which will be filed with the applicable Canadian securities regulatory authorities and/or the SEC.

Company Performance and Objectives

The Company is currently active in numerous cannabis programs across the U.S. and internationally. In the U.S., 47 states and the District of Columbia have legalized some form of legalized cannabis use, including low dose THC/CBD medical programs, for patients with certain qualifying conditions. In most of these medical states, a regulatory framework is in place whereby patients can receive a recommendation from a certified physician to purchase medical cannabis in approved dispensaries. In the U.S., 24 states and the District of Columbia have legalized cannabis for adult use. In many of these adult use states, customers can purchase cannabis from approved dispensaries by providing identification proving the customer is 21 years of age or older. In most European countries, except Germany as of April 1, 2024, only medical cannabis sales are allowed, and cannabis products can be sold between jurisdictions.

While the Company seeks to build strong brands and brand recognition, under the current regulatory regime, a key aspect to successful distribution and strong margins is achieving "vertical integration" in each cannabis program in which it operates. Vertical integration means controlling the entire supply chain: from cultivating cannabis to processing the cannabis into oils and other formulated products and, ultimately, to selling the end-product to customers and/or patients.

The Company plans to continue to support the growth of its consolidated U.S. operations via expansion in three dimensions: (1) the acquisition of licenses in limited-license markets, (2) an accretive presence in current markets and (3) the optimization of exposure in mass markets. The Company's growth plans are subject in each case to the applicable requirements of the TSX. The Company also plans to continue investing internationally, in an effort to expand its vertically integrated presence in major cannabis markets across Europe and, as such, position itself to benefit from the potential legalization of adult use across Europe. On March 22, 2024, Germany's federal council passed a law allowing for the possession and cannabis for personal consumption starting from April 1, 2024. In contemplation of Germany's legalization of adult use cannabis and in anticipation of other European countries following suit, the Company completed two strategic acquisitions prior to the issuance of the MD&A and Consolidated Financial Statements aimed at expanding the Company's international operations and equipping the Company with a secure and consistent supply of high quality, non-irradiated indoor EU-GMP flower supply.

Limited-License Markets. The majority of the markets in which the Company currently operates have formal regulations limiting the number of cannabis licenses that are awarded, thus forming high barriers to entry, limited market participants and protected market share in these limited-license states. Curaleaf intends to apply for new licenses or acquire businesses within certain limited-license markets in which the Company does not currently operate.

Increasing Presence in Current Markets. The Company plans to grow within its current markets by pursuing opportunities for vertical integration, acquiring additional dispensary licenses and/or entering into production and marketing relationships to further build its brand and expand its distributional footprint. The Company intends to apply for certain new licenses as available and determined by each jurisdiction.

Optimizing Exposure in Mass Markets. The Company has established itself as a market leader in the U.S. and has become a dominant player due to its competitive pricing, experienced management, strong capitalization and strong brand goodwill. In mass markets, which exhibit a free market dynamic typical of other industries and may be pressured by certain aspects beyond the Company's control (e.g., unfavorable business and/or regulatory environment and/or lack of enforcement against the respective illicit markets), the Company intends to optimize its exposure by rationalizing its operations down to an asset-light structure, where its brands can maintain presence through licensing.

International Expansion. The Company believes it is currently the largest vertically integrated operator in the cannabis markets of Europe, with leading share in certain of its markets and the broadest overall footprint. The Company will continue to invest in vertical integration across Europe, in the form of licenses, production, medical clinics, brands and products, in order to grow its current share and position itself to benefit from the potential legalization of adult use cannabis.

The Company expects acquisition-related costs as well as marketing and selling expenses to increase as it expands its presence in current markets and expands into new markets, both domestically and internationally. The Company also expects to achieve operating efficiencies through synergies from acquisitions as well as via economies of scale that will arise through its continued expansion.

Operating Segments

The Company determines its operating segments according to how the business activities are managed and evaluated by the Company's chief operating decision maker ("CODM").

In October 2023, the Company announced the decision to adopt a decentralized operating model, structured to enhance the partnerships between the Company's regional teams and the Company's shared service teams. The restructure did not change the Company's operating segments: (i) Domestic operations and (ii) International operations. These two operating/ reportable segments reflect the manner in which the Company's operations are managed, how the CODM allocates resources and evaluates performance and how the Company's internal management of financial reporting is structured.

Domestic Operations

As of March 31, 2024, Curaleaf, Inc. derives the majority of its revenues from the U.S. states in which the Company operates. As of March 31, 2024, over 94% of the Company's consolidated operations are in the U.S. The Company's U.S. operations are based in the states of Arizona, Connecticut, Florida, Illinois, Maine, Maryland, Massachusetts, Missouri, Nevada, New Jersey, New York, North Dakota, Ohio, Pennsylvania and Utah. The Company has also partnered with an accredited medical school in the U.S. and obtained a "clinical registrant" license in Pennsylvania.

For further details on the Company's operations in the U.S., see the section "*Regulatory Environment: Issuers with United States Cannabis-Related Activities – The U.S. States The Company Operates In, Their Legal Framework and How It Affects Our Business*" of this MD&A.

International Operations

As of March 31, 2024, the Company's primary international operations are based in the U.K., Germany, Poland, Portugal, Spain and Switzerland. The Company derives its retail cannabis revenues in the U.K., where it holds a pharmacy license that enables it to fulfil cannabis prescriptions directly to the patient through its online pharmacy. In other countries in Europe (as well as also in the U.K.), including Germany, Italy, Poland, Czech Republic, Switzerland, Sweden, Norway and Malta, the Company supplies cannabis on a wholesale basis to pharmacies and/or other local distributors.

On July 5, 2023, Terra Verde LDA, a subsidiary of International Holdings, acquired the assets, including all equipment and lease rights, of Clever Leaves' EU-GMP certified cannabis processing and warehousing facility in Setubal, Portugal. The Clever Leaves acquisition strategically positioned the Company to expand its cultivation capacity at Terra Verde to meet the expected growth across Europe, especially within the Company's core markets: U.K. and Germany.

On February 2, 2024, the Company completed the acquisition of all issued and outstanding shares of Can4Med S.A. ("Can4Med") for total consideration of €1.5 million, which consisted of equal parts cash consideration and equity consideration. Additionally, the transaction included deferred consideration based on Can4Med's future performance. Can4Med is the first medical cannabis-specialized wholesaler in Poland, specializing in acquisition, registration and distribution of medical cannabis and products containing THC and other cannabinoids in Poland. The acquisition of Can4Med. increased the Company's international footprint.

All product that is supplied to Israel is sold to a wholesaler who imports the Company's flower. Refer to the heading "*Risk Factors – General Business Risks – Expansion into Foreign Jurisdictions*" of the Company's AIF for more information on the risks to which the Company's international operations are subjected.

Principal Products and Services

The Company and its affiliates operate in highly regulated markets that require expertise in cultivation, manufacturing, retail operations and logistics. The Company leverages its internal research and development capabilities to assist its state-licensed entities to manufacture cannabis products in multiple formats with high standards for safety, effectiveness, consistent quality and customer care. Currently, the Company cultivates, process, market and/or dispense a wide-range of permitted cannabis products across its operating markets, including: flower, pre-rolls and flower pods, dry-herb vaporizer cartridges, concentrates for vaporizing, such as pre-filled vaporizer cartridges and disposable vaporizer pens, concentrates for dabbing, such as distillate droppers, mints, topical balms and lotions, tinctures, lozenges, capsules and edibles.

In most of the U.S. and European markets in which the Company operates, its licensed entities are vertically-integrated, meaning the entire supply chain is managed from seed to sale, cultivating cannabis flower, processing the flower into manufactured products and selling the product to registered medical patients and/or adult consumers in states where adult use is legalized. In most U.S. states in which the Company's licensed entities operate, products are sold under the Curaleaf and Select brands as well as in the Company's licensed dispensaries. The Company is committed to being the industry's leading resource in education and advancement through research and advocacy and is focused on developing a trusted, national brand.

The Company believes that it has developed the in-house resources to ensure its U.S. state-licensed entities maintain best practices in cannabis cultivation, processing and dispensing and are dedicated to staying at the forefront of technology in the industry. The Company continues to invest strategically in infrastructure to ensure its U.S. state-licensed entities

maintain low overall production costs and adaptability in their product mix to ensure timely response to the rapidly developing cannabis market. The Company intends to use its footprint to share know-how and technology throughout its operations.

- *Cultivation*: The Company's U.S. cultivation facilities have 235 unique cultivars in the production phase, which have been tested and characterized for yield, cannabinoid content and other properties. Additionally, the Company's state-licensed entities cultivate cannabis using a variety of methods, including greenhouse, outdoor, indoor and two-tier indoor cultivation.
- *Extraction and Purification*: The Company's U.S. extraction facilities use proprietary processes for cannabis and terpene purification. The Company believes its manufacturers are industry leaders in achieving the desired composition of cannabinoids and terpenes in finished products through processing and purification; thereby enabling timely response to trends in medical product formulation.
- *Formulation and Quality Control*: The Company's U.S. processing facilities produce a wide spectrum of solid, liquid and inhaled products utilizing its vast in-house knowledge and experience. By combining expert cultivation, manufacturing and analytical laboratory operations, our processors have developed a complete in-house quality assurance and quality control program. In-house quality assurance enables rapid product development cycles and production of higher quality consumer products.

Research and Development

The Company's research and development activities primarily focus on optimizing cultivation and manufacturing techniques, developing new manufactured products and on understanding the medical benefits of cannabis.

The Company collects data on the number of grams of cannabis flower produced per watt of light, per square foot and per plant. This allows cultivators to gain insights on optimal cultivation methods by adjusting certain variables, such as cannabis strain variety and plant spacing. The Company's cultivators also institute pest management techniques in facilities and document successes and failures, sharing this knowledge across its cultivation operations.

The Company also researches new methods of cannabis extraction for the development of new manufactured products. The Company's research and development activities operate on an on-going basis, as the Company continually seeks to improve current methods for its licensed businesses.

The Company's acquisition of Dark Heart Nursery ("Dark Heart"), in the first quarter of 2024, represents a pivotal step forward in advancing the Company's research and development endeavors within the cannabis industry and solidifying further the Company's commitment to excellence and innovation in the cannabis space. With access to Dark Heart's exclusive cannabis strains and know-how, the Company is positioned to deepen its understanding of cultivation techniques and genetic properties as well as use this knowledge to drive continuous improvement across the Company's licensed operations. The Company anticipates this strategic acquisition will enable it to refine its cultivation practices, optimize yield efficiency and explore new avenues for product innovation.

Internationally, the Company continues to develop its clinical research program and in 2021 set up the first bench to bedside medicinal cannabis research and drug development pipeline with basic science and clinical research collaborations across leading universities, including Imperial College and Institute for Cancer Research. This program has included in vitro experiments, which have helped discover the mechanism of action of cannabinoids and terpenes in blocking pain signals. In addition, these experiments have also yielded the optimum ratios of cannabinoids and terpenes best used in the treatment of pain. These experiments have been published across four studies in the Journal of Pain Research and the International Journal of Molecular Sciences between 2021 and 2023.

In addition, the Company has further developed the pioneering U.K. Medical Cannabis Registry (the "**U.K. Registry**"), now the largest European real-world patient registry on medical cannabis prescribing. The U.K. Registry published four analyses of the Company's own branded and manufactured cannabis medicines for the treatment of chronic conditions in U.K. patients, the most recent of which was in February 2024 These analyses revealed positive findings in patients prescribed oils, dried flower and a combination of the Company's products in anxiety, chronic pain, and across all conditions. The results of the four analyses have been subsequently presented at international scientific conferences and published in peer reviewed journals, the most recent. Two additional evaluations of the Company's medical cannabis products in chronic pain and fibromyalgia have also been completed. The results of these were presented at the

International Cannabinoid Research Society's annual conference in Toronto in June 2023. They have also all been submitted for peer-reviewed publication.

The Company has continued to be an industry leader in publishing real-world evidence in Europe. At present, 22 research publications have arisen from the U.K. Medical Cannabis Registry, covering chronic pain, anxiety, insomnia, fibromyalgia, autism spectrum disorder, ADHD, PTSD, depression, inflammatory bowel disease, headaches and childhood epilepsy. This collective research has received two awards to date from the Japanese Society of Neuropsychopharmacology and the journal 'Neuropsychopharmacology Reports'.

In addition, the Company has published 14 further peer-reviewed research articles, including one in 2024, that demonstrate the value patients place in the Company's own research performed using the U.K. Medical Cannabis Registry, alongside providing expert commentary on the use of medical cannabis for the treatment of neurological disorders, inflammatory bowel disease, depression and attention-deficit hyperactivity disorder. The Company has published leading opinion pieces on the status of medical cannabis research, in addition to conducting fundamental research on the perceived stigma of medical cannabis patients in the U.K., which is strategically important in the future education of patients, public and healthcare professionals.

During the first quarter of 2024, the Company published three research papers in the U.K., with an additional three research papers accepted for publication in the near future. The Company has a total of eight studies submitted for peer review at present, with the majority of these expected to be published during 2024.

Production and Sales

As of March 31, 2024, the Company had 19 cultivation facilities in the U.S. totaling approximately 1.3 million square feet as well as 22 U.S. processing facilities. Each new manufacturing site is built to ISO 8 clean room specifications and employs advanced nutritional and pharmaceutical formulations technology for optimal delivery methods. Each production facility (cultivation and processing) primarily focuses on the commercialization of cannabis products, with a strict focus on quality control and patient care.

The Company's primary method of sales in the U.S. currently occurs through its licensed dispensaries across the U.S. In addition, certain of the Company's dispensaries offer home delivery services across several U.S. states, in compliance in all material respects with applicable regulations in those U.S. states. In Nevada, Utah and Florida, the Company offers drive-thru service at select dispensaries. In multiple states, the Company's dispensaries offer customers the option to order online to pick-up in store. In Europe, the method of sales occurs through medical cannabis distribution in the U.K., Germany and Switzerland and a medical cannabis pharmacy (direct to patient) in the U.K. as well as by supplying medical and/or adult use cannabis wholesale to several jurisdictions, including Italy and Germany.

The Company aims to expand dispensary e-commerce operations and delivery operations, where permitted, to offer convenient access to its customers and meet the demands of an evolving retail landscape.

Intellectual Property

The Company has spent considerable time and resources to establish premium and recognizable brands amongst consumers and retailers in the cannabis industry. The Company has developed multiple proprietary product formats, technologies and processes to ensure the high quality of licensees' premium cannabis products. These proprietary technologies and processes include its cultivation and extraction techniques, product formulations and cannabis delivery and monitoring systems. While actively determining and pursuing the patentability of these processes and materials, the Company ensures confidentiality through the use of non-disclosure and confidentiality agreements.

The Company has one federally registered patent with the United States Patent and Trademark Office ("USPTO") and two pending patent applications. Additionally, as of March 31, 2024, the Company had several registered trademarks and multiple trademarks that have been filed and are pending approval with the USPTO, and the Company is actively pursuing the filing of additional trademarks. All federal registered trademarks in the U.S. are subject to renewal 10 years from the date of registration. As of March 31, 2024, Curaleaf had 76 state trademark registrations. The Company is actively pursuing the filing of additional trademarks. The Company also has a significant number of trademarks registered and pending in various international jurisdictions.

In addition to its patent and trademarks, the Company owned, as of March 31, 2024, numerous website domains, including www.curaleaf.com, as well as numerous accounts across all major social media platforms.

The Company maintains an in-house legal team, as well as engages outside legal counsel, to actively monitor and identify potential infringements on its intellectual property.

Competitive Conditions

The cannabis industry is highly competitive. The Company competes on quality, price, brand recognition and distribution strength. The Company's cannabis products compete with other products for consumer purchases, as well as for shelf space in retail dispensaries and wholesaler attention. The Company competes with numerous cannabis producing companies with various business models, from small family-owned operations to multi-billion-dollar market capitalized multi-state operators. In certain markets, there are also a number of illegally operating dispensaries, which serve as competition. In some markets such as New York, the number of illegal retail dispensaries has been publicly reported to far exceed the number of legal (licensed) cannabis dispensaries. Moreover, competition from illegal operators is not limited to the retail market segment itself. The Company maintains an operational footprint primarily in U.S. states with high barriers to entry and limited market participants as a result of the limited availability of state licenses and/or local permitting as well as stringent operating requirements. The majority of the markets in which the Company's licensees operate have formal regulations limiting the number of cannabis licenses that will be awarded, helping to ensure the Company's market share is protected in these limited-market states under the current regulatory framework. The Company also faces competition from a number of companies operating in the European medical cannabis sector and in each specific country where the Company operates and intends to operate.

As cannabis remains federally illegal in the U.S., businesses seeking to enter the industry face additional challenges when accessing capital. Presently, there exists no reliable source of U.S. bank lending or equity capital available to fund operations in the U.S. cannabis sector. Nevertheless, the Company is well-capitalized and believes that the level of expertise and significant capital investment required to operate its large-scale, vertically-integrated cannabis operations make it difficult and inefficient for smaller cannabis operators to enter this sector of the market. As the cannabis industry continues to rapidly expand and its liberalization accelerates, it should be expected that the Company will face competition from other companies, some of which can be expected to have longer operating histories and more financial, production resources, marketing resources and experience than the Company.

For additional details on the competition faced by the Company, refer to the "*Risk Factors*" section in the AIF. For additional details on the U.S. regulatory environment and the U.S. states in which the Company operates, refer to the "*Regulatory Environment: Issuers with United States Cannabis-Related Assets*" section in this MD&A. The Company, through International Holdings, also faces competition from a number of companies operating in the European medical cannabis sector and in each specific country where the Company operates and intends to operate. Refer to the heading "*Risk Factors – General Business Risks – Expansion into Foreign Jurisdictions*" of the AIF.

Components of Our Results of Operations

U.S. Operations

Revenue

Retail and Wholesale Revenue

The Company derives its domestic retail and wholesale revenue in U.S. states in which it is licensed to cultivate, process, distribute and sell cannabis and other hemp-derived products. The Company sells directly to customers at its retail stores and sells wholesale to third-party dispensaries or processors.

Internationally, the Company also derives retail revenues in the U.K., where it holds a pharmacy license which enables it to fulfil cannabis prescriptions directly to the patient through its online pharmacy. In Germany and Poland, the Company supplies cannabis on a wholesale basis to pharmacies and to other distributors. All products that are supplied to Italy are sold to wholesalers who import the Company's products. Non-cannabis revenues are all derived from wholesale operations in Spain, the U.K., Switzerland and Germany.

For most of its locations, the Company offers a loyalty reward program to its retail dispensary customers that allows customers who enroll in the program to earn reward points at point of sale for use on future purchases. Loyalty reward points earned by the Company's retail customers are recognized as a reduction of revenue at the time of sale.

Management Fee Income

Management fee income primarily represents revenue related to management services agreements ("MSAs") pursuant to which the Company provides professional services, including cultivation, processing and retail know-how, back-office administration, intellectual property licensing, real estate leasing services and lending facilities to medical and adult use cannabis licensees. In addition, management fee income includes royalty fees earned on third-party use of certain of the Company's licenses, as well as consultation fees earned in the Company's international operations. The Company recognizes management fee income on a straight-line basis over the term of the associated agreements as services are provided.

Cost of Goods Sold

Cost of goods sold are derived from costs related to the cultivation and production of cannabis and from wholesale purchases made from other licensed producers within markets in which the Company operates. Cost of goods sold includes the costs directly attributable to the production of inventory and amounts incurred in the cultivation and manufacture of finished goods, such as flower, concentrates and edibles. Direct and indirect costs include, but are not limited to, biomass material, labor, supplies, depreciation expense on production equipment, utilities as well as facilities costs associated with cultivation.

Gross Profit

Gross profit is revenue less cost of goods sold. The Company does not utilize all available capacity, as the Company has built operations ahead of current capacity needs in contemplation of its strategic growth and market expansion plans.

Operating Expenses

In the Company's U.S. operations, salaries and benefits include non-cost-of-goods sold labor for each retail location and corporate labor expenses. Sales and marketing expenses consist of selling costs to support the Company's retail stores, including branding and marketing expenses and product development expenses.

In the Company's international operations, salaries and benefits include non-cost-of-goods sold labor, for each country in which the Company operates, and corporate labor expenses. Sales and marketing expenses consist of marketing expenses to support patient and doctor awareness of International Holdings' medical cannabis products and are focused in two key markets, U.K. and Germany.

Professional fees consist of accounting, legal and acquisition related expenses. The Company expects these fees to fluctuate as expansion continues and subsequent acquisitions occur.

Other general and administrative expenses consist of travel, general office supplies and monthly services, facilities and occupancy, insurance, director fees and new business development expenses.

The Company expects personnel and selling costs to increase proportionally with each store opening and/or international expansion and expects all other operating expenses to level off as operations are scaled in each market.

Other Income (Expense)

Interest income

The Company has notes receivable with various parties that earned interest income.

Interest expense

Interest expense consists of interest on the Company's outstanding borrowings under various promissory note agreements, amortization of debt discounts and deferred financing costs and the interest accreted on the Company's outstanding lease and sale-leaseback arrangements.

Other expense, net

Other expense, net consists of gains and losses related to fair value remeasurements, investments, gains and losses on the disposal of assets and liabilities, gains and losses on the extinguishment of debt and impairment losses. In the Company's international operations, *Other expense, net* primarily consists of gains and losses incurred in the mark-to-market revaluation of marketable securities held by the Company as well as gains and losses on the disposal of assets and liabilities.

Provision for income taxes

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.

Domestically, as the Company operates in the state-legal cannabis industry, the Company is subject to Section 280E of the Internal Revenue Code ("Section 280E"), which prohibits businesses engaged in the trafficking of controlled substances (within the meaning of Schedule I and II of the CSA, as defined herein) from deducting normal business expenses associated with the sale of cannabis, such as payroll and rent, from gross profit. Section 280E has a significant impact on the retail side of cannabis and a lesser impact on cultivation and manufacturing operations. Section 280E was originally intended to penalize criminal market operators; however, because cannabis remains a Schedule I controlled substance for U.S. federal purposes, the Internal Revenue Service ("IRS") has subsequently applied Section 280E to state-legal cannabis businesses. The effective tax rate on a cannabis business depends on how large its ratio of non-deductible expenses is to its total revenues. Certain states in which the Company operates align their tax codes with Section 280E; therefore, restricting the Company from deducting normal business expenses for state tax purposes. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable and a higher effective tax rate than most industries.

SELECTED FINANCIAL INFORMATION

The following four tables set forth select unaudited condensed interim consolidated financial information and were derived from the Consolidated Financial Statements. The following financial information may not be indicative of the Company's future performance.

The following table summarizes the Company's Condensed Interim Consolidated Statements of Operations (Unaudited) for the three months ended March 31, 2024, March 31, 2023 and December 31, 2023:

	Three Months Ended			Variance			
				March 31, 2024 vs. March 31, 2023		March 31, 2024 vs. December 31, 2023	
	March 31, 2024	March 31, 2023	December 31, 2023	$	%	$	%
Revenues, net	$ 338,932	$ 332,640	$ 345,269	$ 6,292	2 %	$ (6,337)	(2)%
Cost of goods sold	178,028	172,198	189,077	5,830	3 %	(11,049)	(6)%
Gross profit	160,904	160,442	156,192	462	— %	4,712	3 %
Operating expenses	148,202	142,463	142,225	5,739	4 %	5,977	4 %
Other expense, net	(24,189)	(21,127)	(74,593)	(3,062)	14 %	50,404	(68)%
Income tax expense	(40,090)	(40,732)	2,974	642	(2)%	(43,064)	(1448)%
Net loss from continuing operations	(51,577)	(43,880)	(57,652)	(7,697)	18 %	6,075	(11)%
Net income (loss) from discontinued operations	567	(12,589)	(7,995)	13,156	(105)%	8,562	(107)%
Net loss	$ (51,010)	$ (56,469)	$ (65,647)	$ 5,459	(10)%	$ 14,637	(22)%
Loss per share attributable to Curaleaf Holdings, Inc. - basic and diluted	$ (0.07)	$ (0.08)	$ (0.09)	$ 0.01	(13)%	$ 0.02	(22)%

The following tables summarize revenue by segment for the three months ended March 31, 2024, March 31, 2023 and December 31, 2023:

	Three Months Ended			Variance			
				March 31, 2024 vs. March 31, 2023		March 31, 2024 vs. December 31, 2023	
	March 31, 2024	March 31, 2023	December 31, 2023	$	%	$	%
Domestic revenues, net:							
Retail revenue	$ 260,569	$ 267,152	$ 270,474	$ (6,583)	(2)%	$ (9,905)	(4)%
Wholesale revenue	57,886	52,117	56,094	5,769	11 %	1,792	3 %
Management fee income	414	788	708	(374)	(47)%	(294)	(42)%
Total domestic revenues, net	$ 318,869	$ 320,057	$ 327,276	$ (1,188)	— %	$ (8,407)	(3)%

	Three Months Ended			Variance			
				March 31, 2024 vs. March 31, 2023		March 31, 2024 vs. December 31, 2023	
	March 31, 2024	March 31, 2023	December 31, 2023	$	%	$	%
International revenues, net:							
Retail revenue	$ 7,502	$ 4,100	$ 6,641	$ 3,402	83 %	$ 861	13 %
Wholesale revenue	11,620	7,895	10,469	3,725	47 %	1,151	11 %
Management fee income	941	588	883	353	60 %	58	7 %
Total international revenues, net	$ 20,063	$ 12,583	$ 17,993	$ 7,480	59 %	$ 2,070	12 %

The following table summarizes total assets and long-term financial liabilities as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Total assets	$ 3,083,098	$ 3,096,576
Long-term liabilities	1,341,348	1,431,250

See "*Results of Operations for the three months ended March 31, 2024 and 2023*" in this MD&A for further discussion of the key significant drivers of the Company's financial performance during the *three months ended March 31, 2024 and 2023.*

KEY DEVELOPMENTS DURING THE THREE MONTHS ENDED MARCH 31, 2024

- Effective January 8, 2024 the Company rebranded its Sapphire Clinics in the U.K., which the Company acquired as part of its acquisition of Sapphire Medical Clinics Limited, to Curaleaf Clinic. This rebrand is aimed at providing the Company's U.K. patients with a uniform and enhanced patient experience.
- On January 17, 2024, Curaleaf DH, Inc., a subsidiary of the Company, acquired Half Moon Nursery, Inc. and all assets of Dark Heart Nursery from Grace & Co. via forgiveness of a $7.0 million promissory note, plus interest and cash consideration of $1.7 million. The acquisition provides the Company with the opportunity to continue expanding its domestic and international operations, as assets consisted of proprietary cannabis genetics and know-how (including all equipment and lease rights associated with Dark Heart Nursery's laboratory); the strains from which will be distributed to the Company's various other cultivation facilities, both domestic and international.
- On January 23, 2024, the Company amended and restated its Strain Exclusivity Supply Agreement (the "Amended Supply Agreement") with Northern Green Canada, Inc. ("NGC") in order for NGC to be able to meet the supply demands of the Company for its European operations, especially in the U.K. and Germany. Pursuant to the Amended Supply Agreement, the Company agreed to advance NGC a total of €0.8 million to be used by NGC for the sole purpose of financing the construction and working capital related to a new grow room. The new grow room will be used to increase NGC's growing capacity for certain designated products to be supplied to the Company. The grow room is expected to be completed within six months after the start of construction. The advance will be reimbursed by NGC to the Company through rebates on the supply of the products to be grown in the new grow room to be purchased by the Company.
- On February 2, 2024, the Company completed the acquisition of all issued and outstanding shares of Can4Med S.A. ("Can4Med") for total consideration of €1.5 million, which consisted of equal parts cash consideration and equity consideration. Additionally, the transaction included deferred consideration based on Can4Med's future performance. Can4Med is the first medical cannabis-specialized wholesaler in Poland, specializing in acquisition, registration and distribution of medical cannabis and products containing THC and other cannabinoids in Poland. The acquisition of Can4Med. increased the Company's international footprint.
- On January 8, 2024, the Company announced the expansion of product offerings under the Zero Proof and Select brands. The launch of Stiq by Zero Proof, featuring three enticing flavors with controllable dosing at 5mg THC per

sachet, signifies our dedication to providing accessible and enjoyable cannabis-infused beverages. This expansion follows the successful introduction of Squeeze by Zero Proof in September 2023, which offers a customizable experience with 2.5mg THC per dose. Both Stir and Squeeze are now available at all Curaleaf dispensaries in Illinois and through wholesale partners across the state. This strategic expansion aligns with the Company's vision to redefine socialization and enhance our portfolio of THC-infused drinkables.

- Effective February 9, 2024, the Company initiated adult use sales at its dispensary located in Hudson Valley, New York, marking an expansion beyond medical services. The expansion includes a 1,750 square foot addition to accommodate adult use consumers, offering a diverse product range of vapes, edibles and flower varieties. The Company's customers also now have access to free delivery and/or same day delivery pursuant to certain conditions. The Company now has 56 dispensaries through which it conducts adult use sales domestically.
- Effective February 24, 2024, the Company relocated its Curaleaf Phoenix Airport dispensary in Arizona to 4415 East Monroe Street, offering a newly updated and refreshed retail space. Positioned as the closest dispensary from the highly trafficked 44th St., a major roadway to the Sky Harbor Airport, the new location ensures convenient access for both existing and new customers. Situated in an optimal area of Phoenix, the dispensary features 5,000 square feet of retail floor space and has undergone a state-of-the-art renovation. Adult use and medical patients will have access to the Company's premium suite of products, including the newly launched 1g all-in-one vape, Select Stiq, as well as Select Briq, Grassroots, JAMS, Find, and more.
- In March 2024, Curaleaf International achieved a significant milestone by making its inaugural wholesale shipment to the Czech Republic through a partnership with Astrasana Pharma s.r.o., demonstrating the Company's commitment to expanding its footprint.

KEY DEVELOPMENTS SUBSEQUENT TO THE THREE MONTHS ENDED MARCH 31, 2024

Acquisition of Northern Green Canada, Inc.

On April 19, 2024, the Company completed the acquisition of all issued and outstanding shares of Northern Green Canada, Inc. ("NGC") for total consideration of approximately $16.0 million, subject to working capital adjustments, payable in either cash consideration or equity consideration, at the discretion of the Company. Additionally, the acquisition includes contingent consideration that is dependent on NGC's future performance. NGC is a vertically integrated Canadian licensed cannabis producer focused primarily on expanding in the international market through its EU-GMP certification. The acquisition of NGC will equip the Company with a secure and consistent supply of high quality, non-irradiated indoor EU-GMP flower supply, which the Company considers essential to maintaining its leading positions in Germany, the U.K. and Poland.

Sale of Rokshaw Limited's noncannabis operation

On April 29, 2024, the Company closed on the sale of Rokshaw Limited's noncannabis operation to Thistle Pharma Limited. The total proceeds received in the sale included cash consideration of £3.5 million consisting of £0.5 million paid upon signing of the definitive agreement, £1.9 million paid at the date of close and £0.5 million payable on the first and second anniversary of the closing date.

Rescheduling of Cannabis

On April 30, 2024, the Department of Justice announced its recommendation to reschedule cannabis from Schedule I to Schedule III, citing the medical benefits and lower abuse potential for cannabis. While this proposal still awaits publication in the Federal Register and is subject to a notice and comment period, the Company believes this decision will positively impact the cannabis industry. If implemented, the shift could potentially provide relief from regulatory burdens such as Section 280E, opening avenues for greater access and wider acceptance of the Company's customers' preferred cannabis products. However, it's important to note that this recommendation could lead to litigation against such recommendation, which may affect the timeline and outcome of the rescheduling process.

Purchase of Senior Secured Notes - 2026 for Cancellation

In connection with the Company's overall strategy to reduce debt and interest, on April 30, 2024, in an arms-length transaction, the Company paid $14.3 million to purchase for cancellation Senior Secured Notes – 2026, that had a face

value of $15.0 million, which represents a 7.75% discount from face value. The Company also saved on interest it had been accruing from December 15, 2023 through April 30, 2024 on these Senior Secured Notes – 2026 purchased for cancellation. Furthermore, the Company anticipates the cancellation of these Senior Secured Notes – 2026 will result in savings of approximately $3.2 million in interest over the remainder of the term of the Senior Secured Notes – 2026.

RESULTS OF OPERATIONS – CONSOLIDATED

The following table summarizes the Company's results of operations for the three months ended March 31, 2024 and March 31, 2023, as well as those for the three months ended December 31, 2023.

	Three Months Ended			Variance			
				March 31, 2024 vs. March 31, 2023		March 31, 2024 vs. December 31, 2023	
	March 31, 2024	March 31, 2023	December 31, 2023	$	%	$	%
Revenues, net:							
Retail revenues	$ 268,071	$ 271,252	$ 277,115	$ (3,181)	(1)%	$ (9,044)	(3)%
Wholesale revenues	69,506	60,012	66,563	9,494	16 %	2,943	4 %
Management fee income	1,355	1,376	1,591	(21)	(2)%	(236)	(15)%
Total revenues, net	338,932	332,640	345,269	6,292	2 %	(6,337)	(2)%
Cost of goods sold	178,028	172,198	189,077	5,830	3 %	(11,049)	(6)%
Gross profit	160,904	160,442	156,192	462	— %	4,712	3 %
Gross profit margin	47 %	48 %	45 %			—	— %
Operating expenses	148,202	142,463	142,225	5,739	4 %	5,977	4 %
Income from operations	12,702	17,979	13,967	(5,277)	(29)%	(1,265)	(9)%
Total other expense, net	(24,189)	(21,127)	(74,593)	(3,062)	14 %	50,404	(68)%
Loss before provision for income taxes	(11,487)	(3,148)	(60,626)	(8,339)	265 %	49,139	(81)%
Provision for income taxes	(40,090)	(40,732)	2,974	642	(2)%	(43,064)	(1448)%
Net loss from continuing operations	(51,577)	(43,880)	(57,652)	(7,697)	18 %	6,075	(11)%
Net income (loss) from discontinued operations	567	(12,589)	(7,995)	13,156	(105)%	8,562	(107)%
Net loss	(51,010)	(56,469)	(65,647)	5,459	(10)%	14,637	(22)%
Less: Net loss attributable to non-controlling interest	(2,697)	(2,089)	(2,419)	(608)	29 %	(278)	11 %
Net loss attributable to Curaleaf Holdings, Inc.	$ (48,313)	$ (54,380)	$ (63,228)	$ 6,067	(11)%	$ 14,915	(24)%

Comparison of the three months ended March 31, 2024 and 2023

Revenues

Revenue for the three months ended March 31, 2024 was $338.9 million, an increase of $6.3 million, or 2%, compared to revenues of $332.6 million, for the three months ended March 31, 2023. Wholesale revenues contributed $9.5 million of the Company's increased net revenues for the current quarter, largely as a result of the Company's strategic decision in 2024 to expand its brand presence through growing its wholesale operations. In contrast, Retail revenues decreased primarily due to increased competition, as additional stores opened and, in certain markets, additional licenses were granted. International operations contributed $7.5 million of the Company's increased net revenues for the current quarter.

Cost of goods sold

Cost of goods sold for the three months ended March 31, 2024 was $178.0 million, an increase of $5.8 million or 3%, compared to cost of goods sold of $172.2 million for the three months ended March 31, 2023. The primary drivers of the increase in Cost of goods sold during the current quarter are correlated with those discussed in *Revenues* above.

Gross profit

Gross profit for the three months ended March 31, 2024 was $160.9 million, or 47% of revenue, compared to $160.4 million, or 48% of revenue, for the three months ended March 31, 2023. The change in gross profit is directly attributable to the drivers of the changes in revenue and cost of goods sold as described above.

Comparison of the three months ended March 31, 2024 to the three months ended December 31, 2023

Revenue

Revenue was $338.9 million for the three months ended March 31, 2024 compared to $345.3 million in the prior quarter, which represents a decrease of $6.3 million or 2%. Retail revenues decreased by $9.0 million, or 3%, from the prior quarter primarily due to increased competition, as additional stores open and, in certain states, additional licenses are granted. The decrease in retail revenues was partially offset by increased wholesale sales during the current quarter, largely as a result of the Company's strategic decision in 2024 to expand its brand presence through growing its wholesale operations, and by the continued growth in the Company's international operations, which contributed $2.1 million of the Company's increased net revenues for the current quarter.

Cost of Goods Sold

Cost of goods sold for the three months ended March 31, 2024 was $178.0 million, a decrease of $11.0 million or 6% compared to cost of goods sold of $189.1 million in the prior quarter. The primary drivers of the decrease in cost of goods sold during the current quarter include increased labor and overhead absorption due restoration of under-utilized capacity in our cultivation and production facilities as well as lower scrap inventory disposal and revaluation adjustments in the first quarter of 2024 as compared to the prior quarter.

Gross Profit

Gross profit for the three months ended March 31, 2024 was $160.9 million, or 47% of revenue, compared to $156.2 million, or 45% of revenue in the prior quarter. The changes in gross profit are directly attributable to the changes in revenue and cost of goods sold, described above.

Total Operating Expenses

	Three Months Ended			Variance			
				March 31, 2024 vs. March 31, 2023		March 31, 2024 vs. December 31, 2023	
	March 31, 2024	March 31, 2023	December 31, 2023	$	%	$	%
Salaries and benefits	$ 57,763	$ 54,698	$ 51,603	$ 3,065	6 %	$ 6,160	12 %
Sales and marketing	11,154	9,386	9,324	1,768	19 %	1,830	20 %
Rent and occupancy	13,314	12,456	12,366	858	7 %	948	8 %
Travel	1,545	1,767	1,320	(222)	(13)%	225	17 %
Professional fees	5,482	11,319	7,639	(5,837)	(52)%	(2,157)	(28)%
Office supplies and services	11,254	12,794	5,761	(1,540)	(12)%	5,493	95 %
Other	3,880	8,062	10,445	(4,182)	(52)%	(6,565)	(63)%
Total selling, general and administrative expense	104,392	110,482	98,458	(6,090)	(6)%	5,934	6 %
Depreciation and amortization	36,301	30,273	37,934	6,028	20 %	(1,633)	(4)%
Share-based compensation	7,509	1,708	5,833	5,801	340 %	1,676	29 %
Total operating expenses	$ 148,202	$ 142,463	$ 142,225	$ 5,739	4 %	$ 5,977	4 %

Comparison of the three months ended March 31, 2024 and 2023

Total operating expenses for the three months ended March 31, 2024 were $148.2 million, an increase of $5.7 million, or 4%, compared to $142.5 million for the three months ended March 31, 2023. Total operating expenses represented 44% and 43% of total revenues for the three months ended March 31, 2024 and 2023, respectively. The increase in total

operating expenses was primarily attributable to the Company's organic and acquisitional growth during the current quarter, as described in this MD&A, *Key Developments During The Three Months Ended March 31, 2024*. The Company continued to make strategic acquisitions and dispositions during the first quarter of 2024, opened one new retail location, commenced adult use sales in its dispensary in Hudson Valley, New York and expanded its product offerings under the ZeroProof and Select brands. Depreciation and amortization, Salaries and benefits and Sales and marketing were most unfavorably impacted by these operational developments. In addition, despite the decrease in headcount year-over-year, Salaries and benefits increased from the first quarter of 2023 due to merit increases and higher bonus achievement, as part of the Company's annual performance review process, and Share-based compensation was unfavorably impacted due to the current quarter reflecting the full quarterly impact of 2023 grants issued subsequent to March 31, 2023. The largest offset to the aforementioned increased operating expenses was Professional fees, which decreased significantly due to the current quarter not being burdened with certain unique transactions consummated in the first quarter of 2023, such as the Company's conversion to U.S. GAAP, restatements of prior period financial statements and assessments of material weaknesses identified in the first quarter of 2023.

Comparison of the three months ended March 31, 2024 to the three months ended December 31, 2023

Total operating expenses for the three months ended March 31, 2024 were $148.2 million, an increase of $6.0 million or 4%, compared to $142.2 million in the prior quarter. Operating expenses represented 44% of total revenue in the three months ended March 31, 2024 and 41% in the three months ended December 31, 2023. Salaries and benefits increased from prior quarter due to merit increases, higher bonus achievement than anticipated in the prior quarter and higher payroll taxes and benefits, as is typical at the beginning of the new calendar year. The largest offset to the aforementioned increased operating expenses was Professional fees, which decreased significantly due to the current quarter not being burdened with certain transactions consummated in the fourth quarter of 2023, such as the Company's TSX Listing and capital raise of SVS.

Total Other Expense, net

	Three Months Ended			Variance			
				March 31, 2024 vs. March 31, 2023		March 31, 2024 vs. December 31, 2023	
	March 31, 2024	March 31, 2023	December 31, 2023	$	%	$	%
Interest income	$ 17	$ 22	$ —	$ (5)	(23)%	$ 17	100 %
Interest expense	(15,363)	(9,995)	(17,838)	(5,368)	54 %	2,475	(14)%
Interest expense related to lease liabilities and financial obligations	(10,416)	(10,667)	(10,585)	251	(2)%	169	(2)%
Gain (loss) on impairment	3,926	—	(42,286)	3,926	100 %	46,212	(109)%
Other expense, net	(2,353)	(487)	(3,884)	(1,866)	383 %	1,531	(39)%
Total other expense, net	$ (24,189)	$ (21,127)	$ (74,593)	$ (3,062)	14 %	$ 50,404	(68)%

Comparison of the three months ended March 31, 2024 and 2023

Total Other Expense, net

Total other expense, net for the three months ended March 31, 2024 was $24.2 million, compared to $21.1 million for the three months ended March 31, 2023. The net increase in Total other expense, net of $3.1 million is primarily attributable to increased Interest expense resulting from additional financing and refinancing that the Company consummated subsequent to March 31, 2023 and a $2.6 million loss on investments triggered by ordinary and routine fair value remeasurements of the Company's investments. Partially offsetting the increases to Total other expense, net are net gains totaling $0.3 million that the Company recognized upon disposal of certain discontinued operations.

Provision for income taxes

The Company recorded income tax expense of $40.1 million for the three months ended March 31, 2024, a decrease of $0.6 million, or 2%, compared to $40.7 million in the prior year three months. The decrease was primarily due to the benefit of certain states decoupling from Internal Revenue Code Section 280E.

Net loss from continuing operations

Net loss from continuing operations for the three months ended March 31, 2024 and 2023 was $51.6 million and $43.9 million, respectively, which represents an increase in loss of $7.7 million, or 18%. The increase in net loss from continuing operations during the current quarter is the result of the aggregate net impact of the aforementioned factors discussed in the "Results of Operations" section of this MD&A.

Net loss from discontinued operations

Net loss from discontinued operations for the three months ended March 31, 2024 and 2023 was $0.6 million and $12.6 million, respectively, which represents a decrease in loss of $13.2 million, or 105%. The decrease is primarily due to the current quarter reflecting the full quarterly benefit of the discontinued operations that were divested and/or deconsolidated throughout 2023.

Comparison of the three months ended March 31, 2024 to the three months ended December 31, 2023

Total Other (Expense), net

Total other expense, net for the three months ended March 31, 2024 was $24.2 million, a decrease of $50.4 million, or 68%, compared to $74.6 million in the prior quarter. The decrease in total other expense, net is primarily due to the prior quarter being burdened by $42.3 million of loss on impairment (for further details see *Note 12 — Intangible assets, net and Goodwill*, *Note 10 — Property, plant and equipment, net*, and *Note 11 — Leases* in the Company's Annual Financial Statements). Additionally, the Company recognized lower interest expense in the current quarter as a result of the Company's refinancing of its Bloom 2024 Note, which went into effect during the current quarter.

Provision for Income Taxes

The Company recorded an income tax expense from continuing operations of $40.1 million for the three months ended March 31, 2024, an increase of $43.1 million or 1448% compared to an income tax benefit from continuing operations of $3.0 million in the prior quarter. The increase in income tax expense was primarily due to the release of certain uncertain tax positions in the prior quarter, as a result of the expiration of the statute of limitations for the 2019 tax year.

Net Loss from continuing operations

Net loss from continuing operations for the three months ended March 31, 2024 was $51.6 million, a decrease in net loss of $6.1 million, or 11%, compared to a net loss of $57.7 million in the prior quarter. The decrease in net loss during the current quarter is the result of the aggregate net impact of the aforementioned factors discussed in the "Results of Operations" section of this MD&A.

Net Loss from discontinued operations

Net loss from discontinued operations for the three months ended March 31, 2024 and the three months ended December 31, 2023 decreased by $8.6 million from $8.0 million to $0.6 million, respectively. The decrease is primarily due to the current quarter reflecting the full benefit of discontinued operations that were divested and/or deconsolidated throughout 2023.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

The Company's primary need for liquidity is to fund working capital requirements of the business, capital expenditures, acquisitions, debt service and for general corporate purposes. To date, the Company's primary source of liquidity has been from funds generated by financing activities, including the private placement of $475 million aggregate principal amount of Senior Secured Notes – 2026 (as defined below) completed in December 2021 and the overnight marketed public offering of SVS completed on October 3, 2023. The Company's ability to fund the Company's operations, to make planned capital expenditures, to complete planned acquisitions, to make scheduled debt and lease payments and to repay or

refinance indebtedness depends on future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond the Company's control. See the "*Financial Instruments and Financial Risk Management*" and "*Risk Factors*" sections herein for additional details.

As of March 31, 2024, the Company had $105.0 million of Cash and cash equivalents and negative working capital of $170.8 million (current assets minus current liabilities), compared with $91.8 million of Cash and cash equivalents and negative working capital of $75.4 million as of December 31, 2023. The decrease of $95.4 million in working capital was primarily due to higher accrued payroll expenses, interest payable, income tax payable and current portion of notes payable at March 31, 2024, as compared to December 31, 2023. See the "*Results of Operations - Consolidated*" sections herein for additional details.

The Company is generating cash from asset sales and dispositions and is investing its capital reserves in current operations and new acquisitions that are expected to generate additional earnings in the long term.

The Company expects that its cash on hand and cash flows from operations, along with private and/or public financing, will be adequate to meet its capital requirements and operational needs for the next 12 months.

Cash Flows

The following table summarizes the sources and uses of cash for each of the periods presented:

	Three months ended March 31,		Variance	
	2024	**2023**	**$**	**%**
Net cash provided by (used in) operating activities from:				
Continuing operations	$ 46,066	$ 17,742	$ 28,324	160 %
Discontinued operations	(2,290)	(9,846)	7,556	(77)%
Net cash provided by operating activities	43,776	7,896	35,880	454 %
Net cash (used in) provided by investing activities from:				
Continuing operations	(19,893)	(26,547)	6,654	(25)%
Discontinued operations	2,345	(184)	2,529	(1374)%
Net cash used in investing activities	(17,548)	(26,731)	9,183	(34)%
Net cash (used in) provided by financing activities from:				
Continuing operations	(12,866)	(28,642)	15,776	(55)%
Discontinued operations	(84)	(5)	(79)	1580 %
Net cash used in financing activities	(12,950)	(28,647)	15,697	(55)%
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 13,278	$ (47,482)	$ 60,760	(128)%

Operating Activities

The Company's operating activities provided $43.8 million and $7.9 million of cash during the three months ended March 31, 2024 and 2023, respectively. For the three months ended March 31, 2024, cash provided by operating activities from continuing operations was primarily attributable to income from operations, partially offset by cash interest payments for the Company's obligations for its operating leases, finance leases and sale leasebacks as well as debt service during the period and an increased income tax payable, net resulting from timing of payments. For the three months ended March 31, 2023, cash provided by operating activities was driven by timing of vendor payments along with increased Inventories, net to support growth in operations and increased income tax payable, net due to timing of payments

Investing Activities

The Company's investing activities used $17.5 million and $26.7 million during the three months ended March 31, 2024 and 2023, respectively. For the three months ended March 31, 2024, cash used in investing activities from continuing operations was primarily attributable to purchases of property and equipment and certain adult use licenses as well as acquisition related payments, partially offset by proceeds from completed disposals of certain of the Company's held for sale assets and operations. For the three months ended March 31, 2023, cash used in investing activities was primarily attributable to purchases of property and equipment.

Financing Activities

The Company's financing activities used $13.0 million of cash during the three months ended March 31, 2024 and used $28.6 million of cash during the three months ended March 31, 2023. For the three months ended March 31, 2024, cash used in financing activities was primarily attributable to principal payments on the Company's Bloom Notes (as defined herein), finance leases and financial obligations on its sale leasebacks. For the three months ended March 31, 2023, cash used in financing activities was almost exclusively attributable to principal payments on the Bloom Notes (as defined herein).

SUMMARY OF QUARTERLY RESULTS

	Three months ended							
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Revenues, net	$ 338,932	$ 345,269	$ 333,172	$ 335,550	$ 332,640	$ 340,189	$ 325,813	$ 320,641
Cost of goods sold	178,028	189,077	183,120	187,788	172,198	220,554	158,119	142,878
Gross profit	160,904	156,192	150,052	147,762	160,442	119,635	167,694	177,763
Operating expenses	148,202	142,225	134,839	152,040	142,463	151,729	135,179	141,635
Other expense, net	(24,189)	(74,593)	(51,167)	(20,359)	(21,127)	(105,652)	(23,964)	(3,117)
Net loss from continuing operations	(51,577)	(57,652)	(70,833)	(66,589)	(43,880)	(176,385)	(41,420)	(16,124)
Net loss from discontinued operations, net of tax	567	(7,995)	(22,896)	(7,903)	(12,589)	(86,366)	(12,734)	(5,638)
Net loss	(51,010)	(65,647)	(93,729)	(74,492)	(56,469)	(262,751)	(54,154)	(21,762)
Less: Net (loss) income attributable to redeemable non-controlling interest	(2,697)	(2,419)	(1,382)	(3,250)	(2,089)	(2,418)	(2,767)	127
Net loss attributable to Curaleaf Holdings, Inc.	$ (48,313)	$ (63,228)	$ (92,347)	$ (71,242)	$ (54,380)	$ (260,333)	$ (51,387)	$ (21,889)
Loss per share - basic and diluted	$ (0.07)	$ (0.09)	$ (0.13)	$ (0.10)	$ (0.08)	$ (0.36)	$ (0.07)	$ (0.03)
Weighted average SVS outstanding - basic and diluted	736,147,618	733,514,919	725,319,477	719,269,057	718,117,628	715,796,271	709,638,533	709,965,526

Over the last eight quarters, revenue has been impacted by the following factors:

- Organic and acquisitional growth over the period, as disclosed further below;
- Divestiture of certain discontinued operations; and
- Increased competition due to launch and expansion of new dispensaries in our existing markets.

Over the last eight quarters, net loss has been affected by the following factors:

- Impact of the items affecting revenue, as outlined above;
- Costs associated with adjustments to assets held for sale carrying values;
- Timing of leases signed and costs associated with the opening of new and/or expanded retail locations;
- Impact of lower fixed cost of goods sold absorption resulting from operational capacity adjustments throughout the period;
- The timing and nature of transaction costs incurred in connection with the Company's acquisitions over the period;

- Costs incurred in connection with the TSX Listing and related Reorganization executed in the fourth quarter of 2023;
- Increased labor and product costs due to inflationary factors; and
- Implementation of strategic cost optimization measures.

ACQUISITIONS COMPLETED DURING THE THREE MONTHS ENDED MARCH 31, 2024

For further details on the Company's acquisitions during the three months ended March 31, 2024, see the section titled *Key Developments During The Three months Ended March 31, 2024* of this MD&A .

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following table summarizes the Company's transactions with related parties during the three months ended March 31, 2024 and 2023:

	Three months ended March 31,		Balance receivable (payable) as of	
Transaction	**2024**	**2023**	**March 31, 2024**	**December 31, 2023**
Consulting fees [(1)]	$ 85	$ 184	$ —	$ —
Travel and reimbursement [(2)]	4	2	—	—
Rent expense [(3)]	40	—	—	—
Platform fees [(4)(6)]	748	557	—	—
Senior Secured Notes - 2026 [(5)]	222	217	10,000	10,000
	$ 1,099	$ 960	$ 10,000	$ 10,000

(1) Consulting fees relate to real estate management and general advisory services provided by (i) Frontline Real Estate Partners, LLC, a company controlled by Mitchell Kahn, a Board member, and in which Matt Darin, Chief Executive Officer, has a minority interest, and (ii) Measure 8 Venture Management, LLC ("Measure 8"), an investment company controlled by Boris Jordan, Executive Chairman and control person of the Company (including funds managed by Measure 8). There are on-going contractual commitments related to these transactions.

(2) Travel and reimbursement relate to payments made to Coherent Strategies Consulting and Coaching, a company of which Mr. Shasheen Shah, a director of the Company, is the CEO, for reimbursements of certain expenses incurred. There are on-going contractual commitments related to these transactions.

(3) Rent expense relates to a lease between GR Companies, Inc. and FREP Elm Place II, LLC, a company owned in part by Mitchell Kahn, a Board member. There are on-going contractual commitments related to the lease arrangement

(4) Leaf Trade and Sweed provide Curaleaf with their B2B platform for the Company's Wholesale sector in exchange for fees to use the platform. Measure 8 acquired a 5.86% stake in High Tech Holdings, Inc., the parent holding company of Leaf Trade and Sweed in 2023, and received a seat on the board of directors.

(5) Baldwin Holdings, LLC, in which Joseph F. Lusardi, the Company's Executive Vice Chairman, owns a direct equity interest, held $10 million of the total $475 million of Senior Secured Notes – 2026. For the three months ended March 31, 2024 and 2023, the Company recognized interest expense under the Senior Secured Notes - 2026, some of which are attributable to Baldwin Holdings, LLC's direct equity interests. The Senior Secured Notes – 2026 held by Baldwin Holdings, LLC contain certain repayment and interest components that represent on-going contractual commitments.

(6) Fyllo provides platform fees — One of the Company's Board member, Mitchell Kahn, is also on Fyllo's board of directors.

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company and consist of the Company's executive management team and management directors. Key

management personnel compensation and other related party expenses for the three months ended March 31, 2024 and 2023 were as follows:

Key management personnel compensation	2024	2023
Short-term employee benefits	$ 948	$ 2,529
Other long-term benefits	10	11
Share-based payments	3,264	4,354
	$ 4,222	$ 6,894

CHANGES IN OR ADOPTION OF ACCOUNTING PRACTICES

The Company has implemented all applicable U.S. GAAP standards issued by the FASB that are both currently in effect and to which the Company is subject. Pronouncements that are not applicable or where it has been determined do not have a significant impact to the Company have been excluded herein.

For further details, refer to *Note 3 — Significant accounting policies - New, amended and future U.S. GAAP pronouncements within* the accompanying Consolidated Financial Statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and contingencies. Although actual results in subsequent periods may differ from these estimates, such estimates are developed based on the best information available to management and based on management's best judgments at the time. The Company bases its estimates on historical experience, observable trends and various other assumptions that the Company believes are reasonable under the circumstances. All significant assumptions and estimates underlying the amounts reported in the Consolidated Financial Statements and accompanying notes are regularly reviewed and updated when necessary. Changes in estimates are reflected prospectively in the financial statements based upon on-going trends or subsequent settlements and realization depending on the nature and predictability of the estimates and contingencies. Although management believes that all estimates are reasonable, actual results could differ from these estimates.

The most significant assumptions and estimates underlying the Consolidated Financial Statements are described below:

Consolidation

When determining the appropriate basis of accounting for the Company's interests in affiliates, the Company makes judgements about the degree of influence that it exerts directly or indirectly through an arrangement over the investees' relevant activities. See *Note 27 — Variable interest entities* of the Consolidated Financial Statements for further detail.

Accounting for acquisitions and business combinations

Classification of an acquisition as a business combination or asset acquisition hinges on whether the asset acquired constitutes a business, which can be a complex judgment.

In determining the fair value of all identifiable assets, liabilities and contingent liabilities acquired, the most significant estimates are related to the valuation of contingent consideration and intangible assets. Management exercises judgement in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert may be engaged to apply the appropriate valuation techniques to management's forecast of the total expected future net cash flows in order to estimate fair value.

The primary intangible assets typically acquired in a business combination within the cannabis industry are cannabis licenses, as they provide companies with the ability to operate in additional markets. To estimate the fair value of intangible assets management exercises judgement in developing cash flow projections and choosing discount and terminal growth rates. The estimated fair value of intangible assets is most sensitive to changes in the discount rate applied. The

terminal growth rate represents the rate at which businesses will continue to grow into perpetuity. Other significant assumptions include revenue, gross profit, operating expenses and anticipated capital expenditures which are based on the historical operations of the acquiree along with management's projections. These valuations are closely linked to the assumptions made by management regarding future performance of the assets acquired and any changes in the discount rate applied.

Contingent consideration payable as a result of a business combination is recorded at fair value at the date of acquisition. The fair value of contingent consideration is subject to significant judgments and estimates, such as projected future revenue. See *Note 4 — Acquisitions* of the Consolidated Financial Statements for further detail.

Share-based compensation

The Company uses the Black-Scholes valuation model to determine the fair value of stock options granted to employees and directors under share-based awards, where appropriate. In instances where stock options or units have performance or market conditions, the Company utilizes the Monte Carlo valuation model to simulate the various outcomes that affect the value of the stock option or units. In estimating fair value, management is required to make certain significant assumptions and estimates such as the expected life of stock options or units, volatility of the Company's future share price, risk free rates and future dividend yields. Changes in assumptions used to estimate fair value could result in materially different results. See *Note 17 — Share-based compensation* of the Consolidated Financial Statements for further detail.

Goodwill impairment

Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired in accordance with ASC 350. In order to determine the amount, if any, the carrying value might be impaired, the Company performs the analysis on a reporting unit level using both an income and a market approach. Under the income approach, fair value is estimated on the present value of estimated cash flows (i.e. discounted cash flows). The market approach estimates fair value using comparable marketplace fair value data from within a comparable industry grouping. A number of factors, including historical results, business plans, forecasts and market data are used to determine the fair value of the Company's reporting units. In addition, determining the composition of the Company's reporting units require significant management judgment. Changes in the conditions for these judgments and estimates can significantly affect the estimated fair value of the reporting units and the implied fair value of goodwill. See *Note 12 — Intangible assets, net and Goodwill* of the Consolidated Financial Statements for further detail.

Inventories, net

In measuring the value of its inventories, net at the end of the reporting period, the Company compares inventoried costs to estimated NRV. The NRV of inventories, net represents the estimated selling price for the Company's goods in the ordinary course of business, less all estimated costs of completion and costs necessary to sell. The determination of NRV requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling prices and contractual arrangements with customers. Reserves for excess and obsolete inventory are also based upon quantities on hand and projected volumes from demand forecasts. Developing these estimates require significant management judgment and are made at a point in time, using available information, expected business plans and expected market conditions. The future realization of these inventories may be affected by market-driven changes that reduce future selling prices. As a result, the actual amount received from sale of inventories, net could differ from estimates. See *Note 8 — Inventories, net* of the Consolidated Financial Statements for further detail.

Income taxes

The Company records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. There is inherent uncertainty in quantifying income tax positions, especially considering the complex tax laws and regulations for federal, state and foreign jurisdictions in which the Company operates. The Company has recorded tax benefits for those tax positions where it is more likely than not that a tax benefit will result upon ultimate settlement with the relevant tax authority that has all relevant information.

Assets and liabilities held for sale

The Company classifies assets held for sale in accordance with ASC 205*, Presentation of Financial Statements* ("ASC 205"). When the Company makes the decision to sell an asset, disposal group or to cease operations for a portion of its business, the Company assesses whether such assets and related liabilities, should be classified as held for sale. To be classified as held for sale, the asset or disposal group must meet all of the following conditions at the end of the reporting period:

i. available for immediate sale in its present condition;
ii. management is committed to a plan to sell;
iii. an active program to locate a buyer and complete the plan has been initiated;
iv. the asset or disposal group is being actively marketed at a sales price that is reasonable in relation to its fair value;
v. the sale is highly probable within one year from the date of classification and
vi. actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

An asset held for sale is measured at the lower of its carrying amount or fair value less cost to sell unless the asset held for sale meets the exceptions as prescribed by ASC 205. Fair value is the amount obtainable from the sale of the asset in an arm's length transaction, less the costs of disposal. See *Note 5 — Assets and liabilities held for sale* of the Consolidated Financial Statements for further detail.

Discontinued Operations

The Company classifies held for sale assets and liabilities as discontinued operations in accordance with ASC 205. A disposal of a component of an entity or group of components of an entity shall be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results and meets the criteria for assets held for sale, is already disposed of by sale, or is disposed of other than by sale (i.e. via abandonment, distribution to owners in a spin off, etc.). The held for sale classification criteria is presented above under *'Assets and liabilities held for sale'*.

When the Company makes the decision to sell an asset or disposal group, management makes significant assumptions in its evaluation of whether the asset or disposal group can be classified as discontinued operations and/or held for sale. of the Consolidated Financial Statements for further detail. See *Note 6 — Discontinued operations* of the Consolidated Financial Statements for further detail.

There have been no changes to the Company's significant accounting policies as described in *Note 3 — Significant accounting policies* of the Consolidated Financial Statements.

SUMMARY OF OUTSTANDING SHARE DATA

The Company had the following securities issued and outstanding as of May 7, 2024:

Securities	Number of Shares
Multiple Voting Shares	93,970,705
Subordinate Voting Shares	647,711,327
Restricted Share Units	11,203,223
Stock Options	29,505,385

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, restricted cash and cash equivalents, notes receivable, accounts payable, accrued expenses, long-term debt and a redeemable non-controlling interest contingency. The fair values of cash, restricted cash, cash equivalents, notes receivable, accounts payable and accrued expenses approximate their carrying values due to the relatively short-term to maturity. The carrying value and fair value of the Company's long-term notes

payable was $580.3 million and $553.3 million, respectively, as of March 31, 2024. The carrying value and fair value of the Company's long-term notes payable was $587.8 million and $530.9 million, respectively, as of December 31, 2023.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The Company's assets measured at fair value on a nonrecurring basis include investments, long-lived assets, indefinite-lived intangible assets and goodwill. The Company reviews the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, or at least annually for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurements of the assets are considered to be Level 3 measurements.

The Company's assets measured at fair value on a nonrecurring basis include investments, long-lived assets and goodwill. The Company reviews the carrying amounts of such assets whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable or at least annually for indefinite-lived intangible assets and goodwill. Any resulting asset impairment would require that the asset be recorded at its fair value. Fair value measurements of these assets are derived using inputs that are not based on observable market data and are classified within Level 3 of the fair value hierarchy. See *Note 10 — Property, plant and equipment, net*, *Note 11 — Leases* and *Note 12 — Intangible assets, net and Goodwill* of the Consolidated Financial Statements for further details.

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's notes and accounts receivable. The maximum credit exposure as of March 31, 2024 and December 31, 2023 equates to the carrying amount of cash, cash equivalents and restricted cash, accounts receivable and notes receivable. The Company does not have significant credit risk with respect to its customers, since 79% of its Total revenues, net is retail-based. All of the Company's cash, cash equivalents and restricted cash are placed with major U.S. financial institutions, and accounts at each institution are insured by the FDIC up to $250,000. The Company's cash balances in certain bank deposit accounts, at times, may exceed federally insured limits.

The Company provides credit to its wholesale and management services agreement ("MSA") customers in the normal course of business and has established processes to mitigate credit risk. The amounts reported in the Condensed Interim Consolidated Balance Sheets (Unaudited) are net of allowances for credit losses, estimated by the Company's management based on prior experience and its assessment of the current economic environment. The Company reviews its trade receivable accounts regularly and reduces amounts to their expected realizable values by adjusting the allowance for credit losses when management determines that the account may not be fully collectible. The Company applies *ASC 310 – Receivables* for the measurement of expected credit losses, which uses an expected loss allowance model for all trade receivables accounts. The Company has not adopted standardized credit policies and assesses credit on a customer-by-customer basis in an effort to minimize associated risks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the financial obligations associated with its financial liabilities. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

In December 2021, the Company closed a private placement of Senior Secured Notes - 2026, for aggregate gross proceeds of $475 million to the Company. The Note Indenture governing the Senior Secured Notes - 2026 contains numerous

positive and negative covenants of the Company. If the Company breaches a covenant under the Note Indenture, the trustee may, under certain circumstances, accelerate the maturity of the principal amount outstanding or realize on the collateral granted by the Company over its assets. A breach of covenant under the Note Indenture could have a material adverse impact on the Company's financial position. Refer to *Note 14 — Notes payable* of the Consolidated Financial Statements for further details on the Senior Secured Notes – 2026.

In connection with the Bloom acquisition, the Company issued the Bloom Notes, under which $98.3 million and $107.5 million aggregate principal amount remain outstanding as of March 31, 2024 and December 31, 2023. Refer to "*Financial Condition, Liquidity and Capital Resources – Liquidity and Capital Resources – Recent Financings – Bloom Notes*" above for more information on the Bloom Notes.

Currency Risk

The operating results and financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions have been and may be denominated in currencies other than the U.S. dollar. The results of the Company's operations are subject to currency transaction and translation risks.

As of March 31, 2024 and 2023, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash, cash equivalents and restricted cash bear interest at market rates. The Company's notes receivable and financial debts have fixed rates of interest and are carried at amortized cost. The Company does not account for any fixed-rate financial assets or financial liabilities at fair value; therefore, a change in interest rates at the reporting date would not affect its results of operations.

REGULATORY ENVIRONMENT: ISSUERS WITH UNITED STATES CANNABIS-RELATED ASSETS

In accordance with Staff Notice 51-352, below is a discussion of the current U.S. federal and U.S. state-level regulatory framework applicable to the cannabis industry in the states in which the Company and its affiliates operate.

In accordance with Staff Notice 51-352, the Company evaluates, monitors and reassesses this disclosure, along with any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding the cannabis industry. Any non-compliance, citations or notices of violation which may have an impact on the Company's licenses, business activities, or operations, will be promptly disclosed by the Company.

The Company derives its revenues from the cannabis industry in certain states of the U.S., and the industry is illegal under U.S. federal law.

In the U.S., the Company is involved in the cannabis industry where local state laws permit such activities. Currently, the Company is engaged in the cultivation, manufacture, processing, sale and distribution of cannabis. The Company holds licenses in the adult use and/or medicinal cannabis marketplaces in the states of Arizona, Connecticut, Florida, Illinois, Maine, Maryland, Massachusetts, Missouri, Nevada, New Jersey, New York, North Dakota, Ohio, Pennsylvania, and Utah, and has partnered with an accredited medical school and obtained a "clinical registrant" license in Pennsylvania.

The Company's Statement of Financial Position and Operating Statement Exposure to U.S. Cannabis Related Activities

As of the date of this MD&A, the majority of the Company's business was directly derived from U.S. cannabis-related activities. As such, the Company's statement of financial position and statement of profits and losses exposure to U.S. cannabis-related activities, is over 95%.

U.S. Federal Overview

The Controlled Substances Act

The U.S. federal government regulates drugs through the federal Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), which places controlled substances, including cannabis, in one of five different schedules. Cannabis, except hemp containing less than 0.3% (on a dry weight basis) of tetrahydrocannabinol ("THC"), the psychoactive ingredient in cannabis, is classified as a Schedule I drug. As a Schedule I drug, the federal U.S. Drug Enforcement Agency considers cannabis to have a high potential for abuse, no currently accepted medical use in treatment in the U.S. and a lack of accepted safety for use of the drug under medical supervision[1]. The classification of cannabis as a Schedule I drug is inconsistent with what the Company believes to be many valuable medical uses for cannabis accepted by physicians, researchers, patients and others. As evidence of this, the FDA on June 25, 2018, approved Epidiolex, an oral solution with an active ingredient, CBD, that is derived from the cannabis plant for the treatment of seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome, in patients two years of age and older. Epidiolex was initially placed on Schedule V, the least restrictive schedule of the CSA. On April 6, 2020, the DEA removed Epidiolex entirely from the CSA. This is the first FDA-approved drug that contains a purified drug substance derived from the cannabis plant. CBD is a chemical component of cannabis that does not contain the intoxicating properties of THC, the primary psychoactive component of cannabis[2]. The Company believes the CSA categorization as a Schedule I drug is not reflective of the medicinal properties of cannabis or the public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties and can be safely administered[3].

The federal position is also not necessarily consistent with democratic approval of cannabis at the state level in the U.S. Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the Cannabis Act, S.C. 2018, c. 16, (Canada) and the Cannabis for Medical Purposes Regulations. In the U.S., cannabis is largely regulated at the state and local level and U.S. state laws regulating cannabis conflict with the CSA, pursuant to which cannabis use and possession are federally illegal. Although certain states and territories of the U.S. authorize medical or adult use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts. Although the Company's activities are compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law nor provide a defense to federal criminal charges that may be brought against the Company. The Supremacy Clause of the U.S. Constitution establishes that the U.S. Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, federal law shall apply.

Nonetheless, 47 U.S. states, the District of Columbia and the territories of Puerto Rico, the U.S. Virgin Islands, Guam and the Northern Mariana Islands have legalized some form of cannabis for medical use, with 24 states, the Northern Marian Island, Guam and the District of Columbia have legalized the adult use of cannabis for recreational purposes. As more and more states legalized medical and/or adult use cannabis, the federal government has attempted to provide clarity on the incongruity between federal prohibition under the CSA and these state-legal regulatory frameworks. Notwithstanding the foregoing, cannabis remains illegal under U.S. federal law, with cannabis listed as a Schedule I drug under the CSA.

Until 2018, the federal government provided guidance to federal law enforcement agencies regarding cannabis through a series of memoranda from the Department of Justice ("DOJ"). The most recent such memorandum was drafted by former Deputy Attorney General James Cole on August 29, 2013 (the "Cole Memorandum"). The Cole Memorandum offered

[1] 21 U.S.C. 812(b)(1).

[2] Cannabis containing THC in excess of 0.3% on a dry weight basis is defined federally as marijuana. The federal definition of marijuana is commonly incorporated into state laws and regulations. Unless otherwise noted herein, the Company uses cannabis and marijuana interchangeably.

[3] See Lachenmeier, DW & Rehm, J. (2015). Comparative risk assessment of alcohol, tobacco, cannabis and other illicit drugs using the margin of exposure approach. *Scientific Reports, 5,* 8126. doi: 10.1038/srep08126; see also Thomas, G & Davis, C. (2009). Cannabis, Tobacco and Alcohol Use in Canada: Comparing risks of harm and costs to society. *Visions Journal*, 5. Retrieved from http://www.heretohelp.bc.ca/sites/default/files/visions_cannabis.pdf; see also Jacobus et al. (2009). White matter integrity in adolescents with histories of marijuana use and binge drinking. *Neurotoxicology and Teratology, 31, 349-355.* https://doi.org/10.1016/j.ntt.2009.07.006; Could smoking pot cut risk of head, neck cancer? (2009 August 25). Retrieved from https://www.reuters.com/article/us-smoking-pot/could-smoking-pot-cut-risk-of-head-neck-cancer-idUSTRE57O5DC20090825; Watson, SJ, Benson JA Jr. & Joy, JE. (2000). Marijuana and medicine: assessing the science base: a summary of the 1999 Institute of Medicine report. *Arch Gen Psychiatry Review, 57, 547-552.* Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/10839332; see also Hoaken, Peter N.S. & Stewart, Sherry H. (2003). Drugs of abuse and the elicitation of human aggressive behavior. *Addictive Behaviours, 28, 1533-1554.* Retrieved from http://www.ukcia.org/research/AgressiveBehavior.pdf; and see also Fals-Steward, W., Golden, J. & Schumacher, JA. (2003). Intimate partner violence and substance use: a longitudinal day-to-day examination. *Addictive Behaviors, 28, 1555-1574*. Retrieved from https://www.ncbi.nlm.nih.gov/pubmed/14656545.

guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding cannabis in all states and acknowledged that, notwithstanding the designation of cannabis as a Schedule I controlled substance at the federal level, several states have enacted laws authorizing the use of cannabis. The Cole Memorandum also noted that jurisdictions that have enacted laws legalizing cannabis in some forms have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis. As such, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. The Cole Memorandum was seen by many state-legal cannabis companies as a safe harbor for their licensed operations that were conducted in full compliance with all applicable state and local regulations. However, on January 4, 2018, former U.S. Attorney General Jeff Sessions rescinded the Cole Memorandum. In the absence of a uniform federal policy, U.S. Attorneys with state-legal cannabis programs within their jurisdictions are responsible for establishing enforcement priorities for their respective offices. For instance, Andrew Lelling, a former U.S. Attorney for the District of Massachusetts, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's cannabis enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds. Other U.S. attorneys provided less assurance, promising to enforce federal law, including the CSA in appropriate circumstances.

Following his election, President Biden appointed Merrick Garland to serve as the U.S. Attorney General. While Attorney General Garland indicated in his confirmation hearing that he did not feel that enforcement of the federal cannabis prohibition against state-licensed business would not be a priority target of Department of Justice resources, no formal enforcement policy has been issued to date. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the U.S. congress ("Congress") amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law.

As an industry best practice, despite the rescission of the Cole Memorandum, the Company abides by the following standard operating policies and procedures:

1. Ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough and other political/administrative divisions;
2. Ensure that its cannabis related activities adhere to the scope of the licensing obtained (for example: in the states where cannabis is permitted only for adult use, the products are only sold to individuals who meet the requisite age requirements);
3. Implement policies and procedures to ensure that cannabis products are not distributed to minors;
4. Implement policies and procedures to ensure that funds are not distributed to criminal enterprises, gangs or cartels;
5. Implement an inventory tracking system and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or across any state lines in general;
6. Ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, is engaged in any other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes; and
7. Ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

In addition, the Company conducts background checks to ensure that its principals and management are of good character, have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence or use of firearms in cultivation, manufacturing, or distribution of cannabis. The Company also conducts ongoing reviews of the activities of its cannabis businesses, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of the licensed premises, including the cases where such possession is permitted by regulation. See "*Compliance and Monitoring*" section herein for additional details.

One legislative safeguard for the medical cannabis industry remains in place: Congress has passed a so-called "rider" provision in the FY 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 Consolidated Appropriations Acts to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated

medical cannabis actors operating in compliance with state and local law. The rider is known as the "Rohrabacher-Farr" Amendment after its original lead sponsors (it is also sometimes referred to as the "Rohrabacher-Blumenauer" or "Joyce-Leahy" Amendment, but it is referred to in this MD&A as the "Rohrabacher-Farr Amendment"). The Rohrabacher-Farr Amendment was included in the Consolidated Appropriations Act, 2023 signed into law by President Biden on December 29, 2022. The Rohrabacher-Farr Amendment was most recently renewed on January 19, 2024. The Continuing Resolution will remain in effect through March 8, 2024. There is no guarantee that the Rohrabacher/Farr Amendment will be included in the omnibus appropriation package or a continuing budget resolution once the current spending bill expires.

On October 6, 2022, President Biden announced a series of marijuana-related initiatives. Included amongst them was a directive to the Secretary of Health and Human Services ("HHS") and the Attorney General "to initiate the administrative process to review expeditiously how marijuana is scheduled under federal law. Federal law currently classifies marijuana in Schedule I of the Controlled Substances Act, the classification meant for the most dangerous substances." This administrative review would be conducted by the FDA and the DEA. On August 29, 2023, HHS and FDA issued a recommendation that the DEA reschedule marijuana from its current status in Schedule I to Schedule III of the CSA. The recommendation detailed the grounds for the agency's conclusion that it no longer considered marijuana a drug with no potential medical use and high potential for abuse-the criteria for inclusion on Schedule I. In particular, HHS found that there is scientific support for therapeutic uses of marijuana, including treatment of anorexia, pain, and nausea and vomiting related to chemotherapy. Furthermore, while marijuana presents risk of abuse and public health threat, its potential for abuse, and the negative outcomes from abuse, are significantly less than other scheduled drugs, as well as for alcohol. On April 30, 2024, the U.S. Department of Justice ("DOJ") announced that Attorney General Merrick Garland was recommending that cannabis be rescheduled to Schedule III from Schedule I. The recommendation is before the White House Office of Management and Budget ("OMB") for review and finalization. If approved, the proposed rule change will be published int he Federal Register following which a public comment period will commence. It is unclear if and when the OMB will complete its review nor is known what outcome of the public comment period will bring. It is possible that litigation against the recommendation could ensue following publications of the proposed rule change which would impact the timing of the effectiveness of the rule change.

On December 2, 2022, President Biden signed into law H.R. 8454, the "Medical Marijuana and Cannabidiol Research Expansion Act," (the "Research Expansion Act") which establishes a new registration process for conducting research on marijuana and for manufacturing marijuana products for research purposes and drug development. The Research Expansion Act is the first piece of standalone federal cannabis reform legislation in U.S. history. Among other things, the Research Expansion Act; (i) directs the DEA to register practitioners to conduct cannabis and CBD research and manufacturers to supply cannabis for research purposes; (ii) expressly allows the DEA to register manufacturers and distributors of cannabis or CBD for the purposes of commercial production of a drug approved by the FDA; (iii) requires the DEA to assess whether there is an adequate and uninterrupted supply of cannabis for research purposes; (iii) permits registered entities to manufacture, distribute, dispense, or possess cannabis or CBD for purposes of medical research; (iv) clarifies that physicians do not violate the CSA when they discuss the potential harms and benefits of cannabis and CBD with patients; and (v) directs the HHS to coordinate with the National Institutes of Health and other agencies to report on the "therapeutic potential" of cannabis for conditions such as epilepsy and the impact of cannabis on adolescent brain development.

Nevertheless, for the time being, cannabis remains a Schedule I controlled substance at the federal level. The federal government of the U.S. has always reserved the right to enforce federal law regarding the sale and disbursement of medical or adult use cannabis, even if state law sanctions such sale and disbursement. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects could be materially adversely affected.

There is a growing consensus among cannabis businesses and numerous members of Congress that prosecutorial discretion is not law and temporary legislative riders, such as the Rohrabacher-Farr Amendment, are an inappropriate way to protect lawful medical cannabis businesses. Numerous bills have been introduced in Congress in recent years to decriminalize aspects of state-legal cannabis trades. The Company has observed that each year more congressmen and congresswomen sign on and cosponsor cannabis legalization bills. In light of all this, the Company anticipates that the federal government will eventually repeal the federal prohibition on cannabis and thereby leave the states to decide for themselves whether to permit regulated cannabis cultivation, production and sale, just as states are free today to decide policies governing the distribution of alcohol or tobacco.

The most comprehensive proposal for reform of federal legislation on cannabis was introduced on July 21, 2022, by U.S. Senate Majority Leader Chuck Schumer (D-NY), along with Cory Booker (D-NJ) and Ron Wyden (D-OR), when they filed the Cannabis Administration and Opportunity Act (the "CAOA"). The CAOA would have removed cannabis from Schedule I of the CSA, which would permit its decriminalization and allow the expungement of federal non-violent cannabis crimes. The CAOA would also have imposed a federal tax on cannabis of 10% in its first year of enactment, eventually increasing to 25% in 5% increments. The taxes raised would be used to petition fund programs to benefit communities disproportionately impacted by the "War on Drugs".

The CAOA would have enshrined the current state cannabis licensing regimes but introduces additional federal permitting of cannabis wholesalers. Regulatory responsibility for cannabis control would be transferred from the Drug Enforcement Administration ("DEA") to the Alcohol and Tobacco Tax and Trade Bureau ("TTB"), the Bureau of Alcohol Tobacco Firearms and Explosives ("ATF").

The filing of the CAOA by Democratic congressional leaders in the 117th Congress represented a significant milestone in the move toward federal legalization of cannabis. While the CAOA suggested that legalization may come with significant federal tax burden, federal legalization will also bring long-awaited benefits to the industry of the removal of the Section 280E tax burden, clarity as to the status of state-licensed cannabis businesses, broad access to the banking and card payment system, increased availability and reduced cost of capital.

The CAOA failed to pass the 117th Congress. The CAOA was reintroduced in the 118th Congress on May 1, 2024.

Another bill, the Marijuana Opportunity Reinvestment and Expungement (MORE) Act, proposed in the U.S. House of Representatives, would have decriminalized and de-scheduled cannabis from the CSA, provided for reinvestment in certain persons adversely impacted by the "War on Drugs" and provided for expungement of certain cannabis offenses, among other things. The MORE Act passed U.S. House of Representatives on December 4, 2020 and again on April 1, 2022 but was not taken up in the Senate before the end of the 117th Congress. On September 20, 2023, the MORE Act was reintroduced into the House of Representatives.

There can be no assurance that the CAOA, the MORE Act, or similar comprehensive legislation that would de-schedule and decriminalize cannabis will be passed in the near future or at all. If such legislation is passed, there is no guarantee that it will include provisions that preserve the current state-based cannabis programs under which the Company operates or that such legislation will otherwise be favorable the Company and its business.

Money Laundering Laws

Under U.S. federal law, it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of any Schedule I controlled substance. Due to the CSA categorization of marijuana as a Schedule I drug, federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from marijuana sales as deposits. Banks and other financial institutions could be prosecuted and, possibly convicted of money laundering for providing services to cannabis businesses under the U.S. Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act"). Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to accommodate businesses in the large and increasing number of U.S. states that have legalized medical and/or adult use marijuana, in 2014, the Department of the Treasury Financial Crimes Enforcement Network ("FinCEN") issued guidance to prosecutors of money laundering and other financial crimes (the "FinCEN Guidance") and notified banks that it would not seek enforcement of money laundering laws against banks that service cannabis companies operating under state law, provided that strict due diligence and reporting standards are met. The FinCEN Guidance advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve marijuana-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memorandum are being violated (such as keeping marijuana away from children and out of the hands of organized crime). The FinCEN Guidance also clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations, including thorough

customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

1. Verifying with the appropriate state authorities whether the business is duly licensed and registered;
2. Reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its marijuana-related business;
3. Requesting from state licensing and enforcement authorities' available information about the business and related parties;
4. Developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus adult use customers);
5. Ongoing monitoring of publicly available sources for adverse information about the business and related parties;
6. Ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and
7. Refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk.

With respect to information regarding state licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Because most banks and other financial institutions are unwilling to provide any banking or financial services to cannabis businesses, these businesses can be forced into becoming "cash-only" businesses. While the FinCEN Guidance decreased some risk for banks and financial institutions considering serving the industry, in practice it has not increased banks' willingness to provide services to cannabis businesses, and most banks continue to decline to operate under the strict requirements provided under the FinCEN Guidance. This is because, as described above, the current law does not provide banks immunity from prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each cannabis business they accept as a customer.

The few state-chartered banks and/or credit unions that have agreed to work with marijuana businesses are limiting those accounts to small percentages of their total deposits to avoid creating a liquidity risk. Since, theoretically, the federal government could change the banking laws as it relates to marijuana businesses at any time and without notice, these state-charted banks and credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from marijuana businesses in a single day, while also keeping sufficient liquid capital on hand to serve their other customers. Those state-chartered banks and credit unions that do have customers in the marijuana industry charge marijuana businesses high fees to pass on the added cost of ensuring compliance with the FinCEN Guidance. Unlike the Cole Memorandum, however, the FinCEN Guidance from 2014 has not been rescinded.

The former Secretary of the U.S. Department of the Treasury, Steven Mnuchin, publicly stated that he did not have a desire to rescind the FinCEN Guidance. The current Secretary of the Treasury, Janet Yellen, has not yet articulated an official position of the U.S. Department of the Treasury with regard to the FinCEN Guidance and thus as an industry best practice and consistent with its standard operating procedures, the Company adheres to all customer due diligence steps in the FinCEN Guidance.

In both Canada and the U.S., transactions involving banks and other financial institutions are both difficult and unpredictable under the current legal and regulatory landscape. Legislative changes could help to reduce or eliminate these challenges for companies in the cannabis space and would improve the efficiency of both significant and minor financial transactions. In the absence of comprehensive reform of federal cannabis legislation that would decriminalize the cannabis industry, a growing number of members of Congress have expressed support for federal legislation that would eliminate from the scope of federal money laundering statutes the financing activity of businesses operating under state-sanctioned cannabis programs. On September 26, 2019, the U.S. House of Representatives passed the Secured and Fair Enforcement Banking Act of 2019 (commonly known as the "SAFE Banking Act"), which aims to provide safe harbor and guidance to financial institutions that work with legal U.S. cannabis businesses. The SAFE Banking Act has been introduced and has passed the U.S. House of Representatives on seven separate occasions since 2019, either as a standalone bill or attached to other legislation, including most recently in 2022 with the America Competes Act which passed the House of Representatives on February 4, 2022, but the proposed bills either failed to pass through the Senate or the SAFE Banking

Act provisions were ultimately removed from enacted legislation. Most recently, a slightly revised bill known as the Secure and Fair Enforcement Regulation Banking Act ("SAFER Banking Act") was introduced in the Senate on September 21, 2023. The SAFER Banking Act bill was heard by the Senate Banking Committee and was adopted on September 27th by a notable bipartisan majority of 14-9. The bill has now been placed on the Senate legislative calendar under general orders and is awaiting a Senate floor vote. Once again, there can be no assurance of the content of any final proposed legislation or that such legislation is ever passed.

While Congress may consider legislation in the future that may permanently address these issues, there can be no assurance of the content of any proposed legislation or that such legislation is ever passed. The Company's inability, or limitations on the Company's ability, to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for the Company to operate and conduct its business as planned or to operate efficiently.

Federal Taxation of Cannabis Businesses

An additional challenge to cannabis-related businesses is that the provisions of Section 280E are being applied by the IRS to businesses operating in the medical and adult use cannabis industry. Section 280E prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances within the meaning of Schedule I and II of the CSA. The IRS has applied Section 280E broadly in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws, seeking substantial sums in tax liabilities, interest and penalties resulting from underpayment of taxes due to the lack of deductibility of otherwise ordinary business expenses, the deduction of which is prohibited by Section 280E. Although the IRS issued a clarification allowing the deduction of certain expenses that can be categorized as cost of goods sold, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. Therefore, businesses in the state-legal cannabis industry are subject to higher effective tax rates and thus may be less profitable than they would otherwise be. As discussed above, the DOJ recently announced that it is recommending the rescheduling of cannabis from Schedule I to Schedule III. While this proposal still awaits publication in the Federal Register and is subject to a notice and comment period, if adopted, the rescheduling of cannabis would have positive implications for the Company's federal tax liabilities.

Reform of Federal Legislation on Industrial Hemp

On December 20, 2018, former President Donald Trump signed the Agriculture Improvement Act of 2018, Pub. L. 115-334, (popularly known as the "2018 Farm Bill") into law. Under the 2018 Farm Bill, industrial and commercial hemp is no longer to be classified as a Schedule I controlled substance in the U.S. Hemp includes the plant cannabis sativa L and any part of that plant, including seeds, derivatives, extracts, cannabinoids and isomers, which contain no more than 0.3% of delta-9-THC concentration by dry weight. The 2018 Farm Bill allows states to create regulatory programs allowing for the licensed cultivation of hemp and production of hemp-derived products. Hemp and products derived from it, such as CBD, may then be sold into commerce and transported across state lines, provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program approved by the U.S. Department of Agriculture and otherwise meets the definition of hemp.

Despite the removal of CBD extracted from hemp and other hemp extracts, produced under authorized state hemp programs from the CSA, the FDA's stated position remains that it is a prohibited act under the Federal Food, Drug and Cosmetic Act to introduce into interstate commerce a food to which CBD, THC or cannabinoids has been added, or to market a product containing these ingredients as a dietary supplement. However, on January 26, 2023, the FDA concluded that a new regulatory pathway for CBD is needed that balances individual's desire for access to CBD products with the regulatory oversight needed to manage risks. The FDA is seeking support from Congress to develop a new regulatory pathway.

Service Providers

As a result of any adverse change to the approach in enforcement of U.S. cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to the Company could suspend or withdraw their services, which may have a material adverse effect on the Company's business, revenues, operating results, financial condition or prospects.

Ability to Access Capital

Given the current U.S. federal laws regarding cannabis, traditional bank financing is typically not available to U.S. cannabis companies. Specifically, the federal illegality of marijuana in the U.S. means that financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under money laundering statutes, the unlicensed money transmitter statute and the Bank Secrecy Act. As a result, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. Banks who do accept deposits from cannabis-related businesses in the U.S. must do so in compliance with the Cole Memorandum and the FinCEN guidance, both discussed above.

The Company requires equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing through traditional banking to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition, or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing Company shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to existing holders of SVS.

Heightened Scrutiny by Regulatory Authorities

For the reasons set forth above, the Company's existing operations in the U.S. and any future operations or investments of the Company, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to operate or invest in any other jurisdictions or have consequences for its stock exchange listing or Canadian reporting obligations, in addition to those described herein.

Change to government policy or public opinion may also result in a significant influence on the regulation of the cannabis industry in Canada, the U.S., or elsewhere. A negative shift in the public's perception of medical or adult use cannabis in the U.S. or any other applicable jurisdiction could affect future legislation or regulation, or enforcement. Such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical or adult use cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's business strategy in the states in which the Company currently operates or in the Company's ability to expand its business into new states, may have a material adverse effect on the Company's business, financial condition and results of operations. See the "*Risk Factors*" section of the AIF for additional details.

Further, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, asset forfeiture and cessation of business activities or divestiture. Any enforcement action against the Company or any of its licensed operating facilities could have a material adverse effect on: (1) the Company's reputation, (2) the Company's ability to conduct business, (3) the Company's holdings (directly or indirectly) of medical or adult use cannabis licenses in the U.S., (4) the listing or quoting of the Company's securities on various stock exchanges, (5) the Company's financial position, (6) the Company's operating results, profitability, or liquidity, or (7) the market price of the Company's publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or their final resolution, because the time and resources that may be necessary depend on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. See the "*Risk Factors*" section of the AIF for additional details. The Company's business activities, while believed to be compliant with applicable U.S. state and local laws, currently are illegal under U.S. federal law.

Further to the indication by CDS Clearing and Depository Services Inc. ("CDS"), Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets that it would refuse to settle trades for cannabis issuers that have investments in the U.S., the TMX Group, the owner and operator of CDS, subsequently issued a statement in August 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related

activities in the U.S., despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On October 16, 2017, the TSX provided clarity provided clarity regarding the application of Sections 306 (Minimum Listing Requirements) and 325 (Management) and Part VII (Halting of Trading, Suspension and Delisting of Securities) of the TSX Company Manual (collectively, the "TSX Requirements") to issuers with business activities in the cannabis sector, such as the Company. In TSX Staff Notice 2017-0009, the TSX stated that issuers with ongoing business activities that violate U.S. federal law regarding cannabis are not in compliance with the TSX Requirements. The TSX noted that these non-compliant business activities may include (i) direct or indirect ownership of, or investment in, entities engaging in activities related to the cultivation, distribution or possession of cannabis in the United States, (ii) commercial interests or arrangements with such entities, (iii) providing services or products specifically targeted to such entities, or (iv) commercial interests or arrangements with entities engaging in providing services or products to U.S. cannabis companies.

Following completion of the TSX Listing, the Company is now subject to the TSX Requirements and accordingly is prohibited from owning or investing, either directly or indirectly, in entities engaging in activities related to the cultivation, distribution or possession of cannabis in the United States that could be deemed to violate applicable federal laws relating to cannabis. As a result of the TSX Listing, Curaleaf, Inc. and the Company is subject to certain restrictions on cash or cash-equivalent transfers, whereby, amongst other things, (i) Curaleaf Holdings, Inc. is prohibited from flowing any cash to Curaleaf, Inc. and any of its operations engaged in ongoing business activities that violate U.S. federal law regarding cannabis and (ii) Curaleaf, Inc. (including its subsidiaries and legal entities in which it has a controlling financial interest) are prohibited from flowing any cash to Curaleaf Holdings, Inc., whether by way of dividend or otherwise. Such restrictions may restrict the ability of the Company to make and finance acquisitions of its U.S. cannabis related assets or businesses, which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

Although the Company expects to be able to comply with the TSX Requirements following the TSX Listing, there is a risk that the Company's interpretation may differ from the TSX and failure to comply with the TSX Requirements could result in the denial of an application for certain approvals, such as to have additional securities listed on the TSX and could even lead to a delisting from the TSX, which could have a material adverse effect on the trading price of the SVS and could have a material adverse effect on the Company's business, financial condition and results of operations.

In February 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("MOU") with The Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSX Venture Exchange. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS, as it relates to issuers with cannabis-related activities in the U.S. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the SVS are listed on a stock exchange, it would have a material adverse effect on the ability of holders of SVS to make and settle trades. In particular, the SVS would become highly illiquid as until an alternative was implemented, investors would have no ability to affect a trade of securities through the facilities of the applicable stock exchange. Curaleaf has obtained eligibility with The Depository Trust Company ("DTC") for its SVS quotation on the OTCQX and such eligibility provides another possible avenue to clear the SVS in the event of a CDS ban. Revocation of DTC eligibility or implementation by DTC of a ban on the clearing of securities of issuers with cannabis-related activities in the U.S. would similarly have a material adverse effect on the ability of holders of the SVS to make and settle trades.

Compliance and Monitoring

As of the date of this MD&A, the Company believes that each of its licensed operating entities: (a) holds all applicable licenses to cultivate, manufacture, possess and/or distribute cannabis in each respective state and (b) is in good standing and in material compliance with each respective state's cannabis regulatory program. While the Company may be cited and fined by state regulators from time to time for failure to comply with cannabis regulations related to product labelling and testing, product potency, the use of banned additives and similar regulatory matter, the Company is not aware of any circumstances that are likely to result in regulatory actions that would have a material impact on its operations in any state.

The Company uses reasonable commercial efforts to ensure that its business is in material compliance with laws and applicable licensing requirements, and the Company engages in the regulatory and legislative process nationally and in every state in which the Company operates through our compliance department, government relations department, outside government relations consultants, cannabis industry groups and legal counsel.

The compliance department consists of our Chief Compliance Officer ("CCO"), James Shorris, as well as regional and state-level compliance officers. Each compliance officer is charged with knowing the local regulatory process in the state or states for which he or she is responsible and for monitoring developments with their governing bodies. Each compliance officer regularly reports regulatory developments to the Company's CCO through written and oral communications and are charged with the creation and implementation of plans regarding all regulatory developments. The Company's CCO collaborates with external legal advisors in the states in which the Company operates to ensure that the Company is in on-going compliance with applicable state laws.

The government relations department, consisting of two vice presidents, Matt Harrell and Don Williams, work closely with Curaleaf management to develop relationships with local and state regulators, industry groups and elected officials, in order to effectively monitor and engage in the regulatory and legislative processes. The Company's Government Relations Department develops strategies, engages legislative consultants, directly lobbies and works with third party groups to protect the Company's right to operate and to advocate for legislation, regulations and oversight under which it can be successful.

Although the Company believes that its business activities are materially compliant with applicable and state and local laws of the U.S., strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law nor provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may result in a material adverse effect on the Company. The Company derives nearly 100% of its revenues from the cannabis industry in certain states, which industry is illegal under U.S. federal law. Even where the Company's cannabis-related activities are compliant with applicable state and local law, such activities remain illegal under U.S. federal law. The enforcement of relevant federal laws is a significant risk.

In addition to the above disclosure, please see the "*Risk Factors*" section of the AIF for further risk factors associated with the operations of the Company and the Company.

The U.S. States The Company Operates In, Their Legal Framework and How It Affects Our Business

The chart below depicts: (i) the states in which the Company operates and includes the date of legalization of cannabis for medicinal and/or recreational use and (ii) for each U.S. state the Company operates in, the number of dispensaries, processing facilities and cultivation sites (along with cultivation square footage) the Company owns, as well as the categories of products that are permitted in each such state.

Each U.S. state has various licensing requirements, restrictions on the number of facilities license holders may operate, limitations on the number of license holders in the state and various other regulations, which are enforced by applicable state agencies as discussed below. The Company conducts its operations in each respective state in compliance, in material respects, with each regulation applicable to it in such state.

All the states in which the Company operates have adopted legislation to permit the use of cannabis products for certain qualifying conditions and diseases, when recommended by a medical doctor, including Kentucky which recently allowed the use and possession of medical cannabis legally purchased from neighboring states by patients with qualifying medical conditions. Recreational marijuana, or adult use cannabis, is legal cannabis sold in licensed dispensaries to adults ages 21 and older.

The following table summarizes the domestic continuing operations of the Company as of March 31, 2024:

State	Medicinal legalization	Adult use legalization	Dispensaries	Processing facilities	Cultivation sites	Square feet	Permitted products				
							Oil	Edibles	Flower	Delivery	Wholesale
AZ	2010	2020	16	3	3	193,300	X[1]	X	X	X[4]	X
CT	2012	2021	4	1	1	24,510	X[1]	X	X	—	X
FL	2014	—	61	2	2	386,110	X[1]	X	X	X	X
IL	2013	2019	10	1	1	104,418	X[2]	X	X	—	X[3]
KY	—	—	—	1[6]	—	—	—	—	—	—	—
MA	2012	2016	4	1	1	59,474	X[2]	X	X	X[5]	X
MD	2013	2023	4	1	1	30,982	X[1]	X	X	X	X
ME	1999	2019	4	1	1	79,926	X	X	X	—	X
MO	2018	2022	—	1	—	—	—	—	X	—	—
ND	2016	—	4	1	1	16,500	X[2]	X	X	X[5]	X
NJ	2010	2020	3	1	2	61,000	X[1]	X	X	X	X
NV	2013	2016	7	3	1	33,866	—	—	X	—	—
NY	2014	2021	4	1	1	110,496	X[1]	X	X	X[5]	X[3]
OH	2016	—	2	1	1 Level 1	20,100	X	—	X	X[3]	X
PA	2016	—	18	2	2	131,500	X[1]	X	X	X	X
UT	2018	—	4	1	1	67,500	X[2]	—	X	—	—
			145	**22**	**19**	**1,319,682**					

(1) Extracted oils only

(2) Oil-based formulations only

(3) Permitted with approval

(4) Medical only

(5) Permitted by the State, but the Company's dispensaries are not yet participating in home delivery

(6) In the first quarter of 2024, the Company made a strategic decision to enter the hemp market and is repurposing its pre-existing leased facility in Lexington, Kentucky. Operations are expected to commence in 2024.

Arizona

Arizona Licensing Scheme

Arizona's licensing body for medical and adult use cannabis is the Arizona Department of Health Services ("AZDHS"). The market is divided into two classes of licenses: medical and adult use. Each license grants the licensee the ability to have one dispensary, one processing site, and one cultivation site. There is no requirement for vertical integration in Arizona and off-site processing and cultivation locations can be jointly used by marijuana establishments. As of March 31, 2024, there were 187 operating dispensaries.

Arizona Medical Patient Requirements

For medical card holders, acceptable diagnoses include agitation of Alzheimer's disease, Amyotrophic Lateral Sclerosis ("ALS"), any chronic or debilitating medical condition or disease or the treatment for one that causes cachexia or wasting syndrome, cancer, chronic pain, such as from migraines or arthritis, Crohn's disease, glaucoma, human immunodeficiency virus ("HIV") or acquired immune deficiency syndrome ("AIDS"), hepatitis C, post-traumatic stress disorder ("PTSD"), severe nausea, severe or persistent muscle spasms, such as those associated with multiple sclerosis ("MS") and seizures, including from epilepsy.

Arizona Recent and Proposed Legislation

Some of the recently proposed legislation currently under review in Arizona includes: HB2770: Marijuana; Interstate Agreements; Delivery, which would allow for the Governor to enter into agreements with other states for the purpose of the interstate sale of marijuana between the states upon a change in federal law permitting the same; SB1262: Marijuana;

Social Equity Licenses; Enforcement, which would create a new legal pathway for social equity licensees to report so-called predatory financial agreements, and let the state attorney general's office investigate and prosecute some of the companies that now control many of the permits; and HB2301: Landlords: Tenant's Marijuana Use, which prohibits a landlord from terminating a tenant's rental agreement because the tenant uses marijuana.

Connecticut

Connecticut Licensing Scheme

The Connecticut Department of Consumer Protection (the "DCP") is responsible for licensing and regulating both medical and adult use cannabis establishments in Connecticut. The market is divided in five overarching categories of licenses: retail, cultivation, manufacturing, delivery, and individual licenses and registrations. There are 14 different cannabis license types and registrations issued by the DCP that fall into such categories. As of March 31, 2024, there were 23 medical dispensaries and the DCP had approved 25 provisional adult use retail licenses. A board-certified pharmacist must be on-site to dispense medical cannabis at a dispensary.

Connecticut Medical Patient Requirements

For medical card holders that are over 18, acceptable diagnoses include: cancer, glaucoma, positive status for HIV or AIDS, Parkinson's Disease, MS, damage to the nervous tissue of the spinal cord with objective neurological indication of intractable spasticity, epilepsy, cachexia, wasting syndrome, Crohn's Disease, PTSD, sickle cell disease, post laminectomy syndrome with chronic radiculopathy, severe psoriasis and psoriatic arthritis, ALS, ulcerative colitis, complex regional pain syndrome, ("CRPS"), Type 1 and Type II, cerebral palsy, cystic fibrosis, irreversible spinal cord injury with objective neurological indication of intractable spasticity, terminal illness requiring end-of-life care, uncontrolled intractable seizure disorder, spasticity or neuropathic pain associated with fibromyalgia, severe rheumatoid arthritis, post herpetic neuralgia, hydrocephalus with intractable headache, intractable headache syndromes, neuropathic facial pain, muscular dystrophy, osteogenesis imperfecta, chronic neuropathic pain associated with degenerative spinal disorders and interstitial cystitis. For medical card holders under 18, acceptable diagnoses include: cerebral palsy, cystic fibrosis, irreversible spinal cord injury with objective neurological indication of intractable spasticity, severe epilepsy, terminal illness requiring end-of-life care, uncontrolled intractable seizure disorder, muscular dystrophy, osteogenesis imperfecta, intractable neuropathic pain that is unresponsive to standard medical treatments, Tourette's Syndrome for patients who have failed standard medical treatment, and chronic pancreatitis for patients whose pain is recalcitrant to standard medical management.

Connecticut Recent and Proposed Legislation

Retail sales of adult use cannabis commenced in Connecticut on January 10, 2023. More recent legislation enacted last year, among other things, defined edible cannabis product, established off-site event permits for retailers and hybrid retailers of adult use cannabis and required the Commissioner of Consumer Protection to adopt certain regulations concerning cannabis labeling and packaging.

Florida

Florida Licensing Scheme

Florida's licensing body is the Department of Health Office of Medical Marijuana Use ("OMMU"). The OMMU has authorized 25 Medical Marijuana Treatment Centers in the state that cover all vertically integrated sites (cultivation, processing, fulfillment/storage, and dispensing) and sites are approved under a function that falls under either cultivation, processing, fulfillment/storage, or dispensing. There is no limit on the number of dispensaries, fulfillment/storage warehouses, processing sites, or cultivation sites. However, there is a requirement to receive local zoning approval for each proposed dispensary.

Florida Medical Patient Requirements

For medical card holders, acceptable diagnoses include: cancer, epilepsy, glaucoma, HIV or AIDS, PTSD, ALS, Crohn's disease, Parkinson's disease, MS, medical conditions of the same kind or class as or comparable to those enumerated in the above, a terminal condition diagnosed by a physician other than the qualified physician issuing the physician certification and chronic non-malignant pain.

Florida Recent and Proposed Legislation

Last year, legislation was enacted that requires qualified physicians to perform in-person physical patient examinations before issuing initial physician certifications for the medical use of marijuana, authorizes such qualified physicians to perform patient examinations and evaluations through telehealth for renewals of physician certifications for the medical use of marijuana under certain circumstances. On April 2, 2024, Florida's Supreme Court in a 5-2 ruling determined that the ballot language proposed by the Smart & Safe Florida committee should go before Florida voters in November's election. The initiative, if approved by at least 60% of voters would legalize marijuana for adults 21 years old and older and allow individuals to possess up to three ounces of marijuana.

Illinois

Illinois Licensing Scheme

Illinois' licensing body is the Illinois Department of Financial and Professional Regulation ("IDFPR") for retail and Illinois Department of Agriculture for cultivation/processing. The main classes of licenses include retail, cultivation, craft growers, infusers and transporters. For cultivation/processing, no more than three cultivation licenses are allowed per entity and for retail, no more than 10 locations per entity. As of March 31, 2024, there were 193 adult use operational dispensaries.

Illinois Medical Patient Requirements

For medical card holders, acceptable diagnoses include: Alzheimer's Disease, HIV or AIDS, ALS, Arnold-Chiari Malformation, cachexia/wasting syndrome, cancer, causalgia, chronic inflammatory demyelinating polyneuropathy, Crohn's Disease, CRPS, dystonia, fibrous dysplasia, glaucoma, hepatitis C, hydrocephalus, hydromyelia, interstitial cystitis, intractable pain, lupus, MS, muscular dystrophy, myasthenia gravis, myoclonus, nail patella syndrome, neurofibromatosis, Parkinson's Disease, PTSD, reflex sympathetic dystrophy, residual limb pain, rheumatoid arthritis, seizures disorders, severe fibromyalgia, Sjogren's Syndrome, spinal cord disease, spinal cord injury, indication of intractable spasticity, spinocerebellar ataxia, syringomyelia, Tarlov cysts, Tourette Syndrome, traumatic brain injury and patients with valid opioid prescriptions.

Illinois Recent and Proposed Legislation

Last year, legislation was enacted amending the Cannabis Regulation and Tax Act, to provide among other things that a craft grower may contain up to 14,000 square feet of canopy space on its premises for plants in the flowering state.

Maine

Maine Licensing Scheme

Maine's licensing body is the Department of Administrative and Financial Services Office of Cannabis Policy. There currently is no limit on the number medical or adult use licenses, however, municipalities must opt-in for adult use and medical dispensary owners must be Maine residents. Medical licenses can be vertical (one license per dispensary, one license per entity) and must have local approval and relevant licensing (tobacco, food license). Additionally, adult use licenses are also unlimited and are as follows: retail, cultivation, and manufacturing. Licensees may obtain licenses in each license type. As of March 31, 2024, there were 224 adult use dispensaries in operation.

Maine Medical Patient Requirements

For medical use, qualified practitioners may issue a certificate for any condition/reason where in their professional opinion a qualifying patient is likely to receive therapeutic or palliative benefit from the medical use of marijuana to treat or alleviate the patient's medical diagnosis. Medical patients may possess up to eight pounds of harvested marijuana.

Maine Recent and Proposed Legislation

Legislation enacted last year defined the term cannabis paraphernalia for purposes of the State Medical Use of Cannabis Act and the Cannabis Legalization Act, permits a caregiver to sell or provide cannabis paraphernalia to a qualifying patient for the patient's medical use of cannabis and provides that the medical use of cannabis does not permit any person to sell,

offer to sell or furnish any products containing tobacco, nicotine or synthetic nicotine to any person without first obtaining a retail tobacco license. In addition, legislation enacted last year required implementation of a seed to sale tracking for cannabis plants, adult use cannabis and adult use cannabis products.

Maryland

Maryland Licensing Scheme

Maryland's licensing body is the Maryland Medical Cannabis Commission. The market is divided into the following types of licenses: dispensary, grower/cultivator, processor, independent testing laboratory and ancillary business. Each issued license is associated with one facility. As of March 31, 2024, there were 101 operational dispensaries. A person may not have interest in or control of, including the power to manage or operate, more than one grower license, one processor license and four dispensary licenses. Edibles are permitted under the condition that they are shelf stable. Topicals are also permitted.

Maryland Medical Patient Requirements

For medical use, acceptable diagnoses include cachexia, anorexia, wasting syndrome, severe or chronic pain, severe nausea, seizures, severe or persistent muscle spasms, glaucoma, PTSD, or another chronic medical condition which is severe and for which other treatments have been ineffective. A clinical director is required to be available electronically for all dispensaries.

Maryland Recent and Proposed Legislation

On July 1, 2023, the purchase and possession of cannabis for personal adult use became legal in Maryland for adults 21 and older. Other legislation enacted last year renamed the Alcohol and Tobacco Commission to be the Alcohol, Tobacco and Cannabis Commission; established the Maryland Cannabis Administration as an independent unit of State government and established a regulatory and licensing system for adult use cannabis under the Administration, including imposition of a sales and use tax on the sale of adult use cannabis; in addition, the Administration is required to establish and maintain a State cannabis testing laboratory.

Massachusetts

Massachusetts Licensing Scheme

Massachusetts' licensing body for medical and adult use is the Cannabis Control Commission. Massachusetts' medical market includes the licensing of Medical Treatment Centers ("MTCs"), vertically integrated businesses that cultivate, process, and retails their own marijuana and marijuana products for medical use. The adult use market is divided into the following types of licenses: retail, cultivation, product manufacturer, testing laboratory, transporter, courier, research, social consumption establishments, microbusinesses, and delivery. As of March 31, 2024, there were 325 operational MTCs. No person or entity having direct or indirect control shall be granted, or hold, more than three licenses in a particular class and is limited to 100,000 square feet of canopy which is distributed across no more than three cultivation licenses and three MTCs.

Massachusetts Medical Patient Requirements

For medical use, acceptable diagnoses include cancer, glaucoma, positive status HIV, AIDS, hepatitis C, ALS, Crohn's disease, Parkinson's disease and MS, when such diseases are debilitating, and other debilitating conditions as determined in writing by a Qualifying Patient's healthcare provider.

Missouri

Missouri Licensing Scheme

Missouri's licensing body is the Missouri Department of Health and Senior Services ("DHSS"). The market is divided into the following types of licenses: cultivation, infused products manufacturing facility, dispensary facility, transportation facility, testing facility, and microbusiness. As of March 31, 2024, there were 204 operational dispensaries. There are no

vertical integration requirements in Missouri and one license allows one facility. Facilities may not be owned, in whole or in part, or have as an officer, director, board member, or manager, any individual with a disqualifying felony offense. Any owner may not be an owner in more than ten percent of the total number of comprehensive and medical licenses, within a facility type.

Missouri Medical Patient Requirements

For medical card holders, acceptable diagnoses/qualifying medical conditions include: cancer; epilepsy; glaucoma; intractable migraines unresponsive to other treatment; a chronic medical condition that causes severe, persistent pain or persistent muscle spasms, including, but not limited to, those associated with MS, seizures, Parkinson's disease and Tourette's syndrome; debilitating psychiatric disorders, including, but not limited to, PTSD, if diagnosed by a state licensed psychiatrist; HIV or AIDS; a chronic medical condition that is normally treated with a prescription medication that could lead to physical or psychological dependence, when a physician determines that medical use of cannabis could be effective in treating that condition and would serve as a safer alternative to the prescription medication; any terminal illness; or in the professional judgment of a physician, any other chronic, debilitating or other medical condition, including, but not limited to, hepatitis C, ALS, inflammatory bowel disease, Crohn's disease, Huntington's disease, autism, neuropathies, sickle cell anemia, agitation of Alzheimer's disease, cachexia and wasting syndrome.

Nevada

Nevada Licensing Scheme

Nevada's licensing body for medical and adult use is the Cannabis Compliance Board ("CCB"). The market is divided into the following types of licenses: cultivation, product manufacturing, distribution, dispensary/retail, testing laboratory and a newly available consumption lounge license. There is no specific limit on licenses for Nevada and as of March 31, 2024, there were 101 operational retail dispensaries. Licenses are only granted during licensing rounds and licensing rounds are not regularly scheduled but held as needed, per jurisdiction.

Nevada Medical Patient Requirements

For medical use, acceptable diagnoses include: AIDS; an anxiety disorder; an autism spectrum disorder; an autoimmune disease; anorexia nervosa; cancer; dependence upon or addiction to opioids; glaucoma; cachexia; muscle spasms, including, without limitation, spasms caused by MS; seizures, including, without limitation, seizures caused by epilepsy; nausea; or severe or chronic pain; a medical condition related to the HIV; and a neuropathic condition, whether or not such condition causes seizures.

Nevada Recent and Proposed Legislation

Legislation enacted last year provides that the CCB has the power to, among other things, seize and destroy cannabis and cannabis products involved in unlicensed cannabis activities and commit resources and take action to address unlicensed cannabis activities, including, without limitation investigating and referring matters involving unlicensed cannabis activities to the appropriate State or local law enforcement agency. Other legislation enacted last year requires a cannabis establishment agent to verify the age of a consumer before selling cannabis or a cannabis product to the consumer, sets forth the method by which the age verification is required to be performed.

New Jersey

New Jersey Licensing Scheme

New Jersey's licensing body is the New Jersey Cannabis Regulatory Commission. The medical market consists of licensed "alternative treatment centers" ("ATCs"), which are vertically integrated licenses that allow the holder to seek cultivation, manufacturing, or dispensing specific licensure. The adult use market consists of separate cultivation, manufacturing, wholesale, distributor, retail, and delivery licenses. Adult use licensees may integrate vertically and hold any combination of a cultivator license, a manufacturer license, a retailer license, and a delivery service license simultaneously or hold a wholesale and a distributor license simultaneously. All recreational license holders can have only one business in each

class. There is no established limit on the number of cannabis business licenses available statewide. As of March 31, 2024, there were 23 operational medical dispensaries. Adult use sales began on April 21, 2022.

New Jersey Medical Patient Requirements

For medical use, acceptable diagnoses include: ALS, anxiety, cancer, chronic pain, dysmenorrhea, glaucoma, inflammatory bowel disease, including Crohn's disease, intractable skeletal muscular spasticity, migraines, MS, muscular dystrophy, opioid use disorder, positive status for HIV and AIDS, PTSD, seizure disorder, including epilepsy, terminal illness with prognosis of less than 12 months to live, or Tourette's Syndrome.

New Jersey Recent and Proposed Legislation

Legislation enacted last year provides that in the case of a taxpayer that is a cannabis licensee, there shall be allowed as a deduction an amount equal to any expenditure that is eligible to be claimed as a federal income tax deduction but is disallowed because cannabis is a controlled substance under federal law and income shall be determined without regard to section 280E of the Internal Revenue Code for cannabis licensees.

New York

New York Licensing Scheme

New York's licensing body, the Cannabis Control Board ("CCB") within the Office of Cannabis Management is responsible for regulating the new adult use marijuana market as well as the existing medical marijuana and hemp cannabinoid programs. The CCB approves entities to operate as "registered organizations," which are vertically integrated and permit the entity to operate one medical cultivation/processing facility and up to four medical dispensaries. The CCB also issues adult use licenses, including cultivation, processing, distributing, retail, and microbusiness licenses. To date, there are 40 operational registered organization dispensary locations and 99 adult use cannabis dispensaries across New York State.

New York Medical Patient Requirements

On January 24, 2022, the OCM announced the launch of a new Medical Cannabis Program certification and registration system expanding the existing medical cannabis program. Moving forward, the program will allow the certification of a patient by a practitioner for any condition that the practitioner believes can be treated with medical cannabis.

New York Recent and Proposed Legislation

On November 21, 2022, the CCB released draft regulations implementing the adult use cannabis program. Among these regulations were specific provisions outlining the licensing requirements and processes for registered organizations to participate in the adult use market. The draft regulations were published in the New York State Register on June 14th, 2023. The regulations were approved by the CCB on September 12th, 2023. Litigation was filed in 2023 challenging the constitutionality of the New York regulations the result of which was an injunction against the issuance of certain licenses. That litigation was settled in late 2023 November with one group of litigants, military veterans, receiving dispensary licenses, while each existing medical operator, including Curaleaf, given permission to open three dispensaries.

North Dakota

North Dakota Licensing Scheme

The licensing body is the North Dakota Department of Health and Human Services. The market is divided into two classes of licenses: manufacturing facility and dispensary. Each license grants the licensee the ability to have one dispensary or manufacturing facility. State law only permits the licensing of up to 2 manufacturing facilities, and no more than 8 dispensaries, unless the DHHS determines additional licenses are necessary. All licenses have been awarded at this time.

The activities of a manufacturing facility are limited to producing and processing and to related activities, including acquiring, possessing, storing, transferring and transporting marijuana and usable marijuana (other than edibles), for the sole purpose of selling usable marijuana to a dispensary. Additional subcategories of cultivation only and manufacturing licenses only were established in October 2022. The activities of a dispensary are limited to purchasing usable marijuana

from a manufacturing facility, and related activities, including storing, delivering, transferring, and transporting usable marijuana, for the sole purpose of dispensing usable marijuana to a registered qualifying patient/designated caregiver.

North Dakota Medical Patient Requirements

For medical card holders, acceptable diagnoses include cancer; positive status for HIV; AIDS; decompensated cirrhosis caused by hepatitis C; ALS; PTSD; agitation of Alzheimer's disease or related dementia; Crohn's disease; fibromyalgia; spinal stenosis or chronic back pain, including neuropathy or damage to the nervous tissue of the spinal cord with objective neurological indication of intractable spasticity; glaucoma; epilepsy; anorexia nervosa; bulimia nervosa; anxiety disorder; Tourette's syndrome; Ehlers-Danlos syndrome; endometriosis; interstitial cystitis; neuropathy; migraine; rheumatoid arthritis; autism spectrum disorder; a brain injury; a terminal illness; or a chronic or debilitating disease or medical condition or treatment for such disease or medical condition that produces one or more of the following: cachexia or wasting syndrome; severe debilitating pain that has not responded to previously prescribed medication or surgical measures for more than three months or for which other treatment options produced serious side effects; intractable nausea; Seizures; or severe and persistent muscle spasms, including those characteristic of MS.

Ohio

Ohio Licensing Scheme

As of January 1, 2024, regulatory oversight of Ohio's cannabis program is shared between two offices: (a) the Division of Cannabis Control ("DCC") within the Ohio Department of Commerce oversees the registration of patients and caregivers, and licenses medical cultivators, processors, dispensaries, and testing laboratories; and (b) the State Medical Board of Ohio is responsible for certifying physicians to recommend medical cannabis and approving qualifying conditions. The DCC will also oversee the licensing and regulation of the adult use cannabis program as well. The medical market is divided into the following types of licenses: cultivator (Level I and Level II), processor, dispensary, and testing. Each license grants access to one facility and as of March 31, 2024, there were 120 dispensaries with certificates of operation.

Ohio Medical Patient Requirements

For medical card holders, acceptable diagnoses include AIDS, Alzheimer's disease, ALS, cachexia, cancer, chronic traumatic encephalopathy, Crohn's disease, epilepsy or another seizure disorder, fibromyalgia, glaucoma, hepatitis C, Huntington's disease, inflammatory bowel disease, MS, pain that is either chronic and severe or intractable, Parkinson's disease, positive status for HIV, PTSD, sickle cell anemia, spasticity, spinal cord disease or injury, terminal illness, Tourette's syndrome, traumatic brain injury, or ulcerative colitis.

Ohio Recent and proposed Legislation

Ohio became the 24th state to legalize adult use cannabis when voters approved Issue 2 in November of 2023. Legal possession of marijuana and home-grow cultivation became legal effective December 7, 2023. The first set of proposed rules for adult use license applications were published on January 29, 2024. The initial applications for licenses will be available by June 7, 2024, and provisional licenses will be granted by September 7, 2024.

Pennsylvania

Pennsylvania Licensing Scheme

Pennsylvania's licensing body is the Pennsylvania Department of Health. The market is divided into the following types of licenses: grower processor, dispensary, and clinical registrants. A pharmacist is required to be available for all dispensaries and as of March 31, 2024, there were 175 operational dispensaries and 12 operational grower/processors.

Pennsylvania Medical Patient Requirements

For medical card holders, acceptable diagnoses include ALS; anxiety disorders; autism; cancer, including remission therapy; Crohn's disease; damage to the nervous tissue of the central nervous system (brain-spinal cord) with objective neurological indication of intractable spasticity and other associated neuropathies; dyskinetic and spastic movement disorders; epilepsy; glaucoma; HIV or AIDS; Huntington's disease; inflammatory bowel disease; intractable seizures; MS; neurodegenerative diseases; neuropathies; opioid use disorder for which conventional therapeutic interventions are

contraindicated or ineffective, or for which adjunctive therapy is indicated in combination with primary therapeutic interventions; Parkinson's disease; PTSD; severe chronic or intractable pain of neuropathic origin or severe chronic or intractable pain; sickle cell anemia; terminal illness; and Tourette's syndrome.

Pennsylvania Recent and Proposed Legislation

Legislation enacted last year impacts which grower-processors may also hold dispensary licenses. Under prior state law, no more than five of the state's 25 grower-processor license holders could also hold dispensary licenses. Others were required to sell their products to a licensed dispensary, which in turn can sell products to patients. Under the enacted legislation, all 10 of the state's independent grower-processors may receive a dispensary permit that would allow them to operate up to three retail locations. And all independent dispensaries would be eligible to grow and process marijuana products.

Utah

Utah Licensing Scheme

As of January 1, 2024, Utah's medical only market is overseen by the Utah Department of Agriculture ("DOA"). In addition to the DOA's licensing of pharmacies (retail) and couriers, the newly established Cannabis Production Establishment Licensing Advisory Board within the DOA also regulates cannabis cultivation and processing licenses. There are currently no new pharmacy or cultivation licenses available, but Utah does not restrict the number of processing licenses available within the state. Licensees are permitted to hold multiple types of licenses, but licenses are not transferable or assignable, though changes of ownership of less than 50% are permitted without the need to apply for a new license.

Utah Medical Patient Requirements

For medical card holders, acceptable diagnoses include HIV or AIDS; Alzheimer's disease; ALS; cancer; cachexia; persistent nausea that is not significantly responsive to traditional treatment, except for nausea related to: pregnancy, cannabis-induced cyclical vomiting syndrome, cannabinoid hyperemesis syndrome; Crohn's disease or ulcerative colitis; epilepsy or debilitating seizures; MS or persistent and debilitating muscle spasms; PTSD that is being treated and monitored by a licensed health therapist, and that has been diagnosed by a healthcare provider by the Veterans Administration and documented in the patient's record or has been diagnosed or confirmed by evaluation from a psychiatrist, masters prepared psychologist, a masters prepared licensed clinical social worker, or a psychiatric advanced practice registered nurse; autism; a terminal illness when the patient's life expectancy is less than six months; a condition resulting in the individual receiving hospice care; a rare condition or disease that affects less than 200,000 individuals in the U.S., as defined in federal law, and that is not adequately managed, despite treatment attempts using conventional medications (other than opioids or opiates) or physical interventions; or pain lasting longer than two weeks that is not adequately managed, in the qualified medical provider's opinion, despite treatment attempts using conventional medications other than opioids or opiates or physical interventions.

RISK FACTORS

A discussion of the risk factors to which Curaleaf is subject is presented in the section entitled "*Risk Factors*" of the Company's AIF, which section is incorporated by reference herein. The AIF is available on SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov/edgar) under the Company's profile.

The risks and uncertainties outlined in the AIF and elsewhere in this MD&A are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company, may also impair the operations of the Company. If any such risks actually occur, shareholders of the Company could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

The acquisition of any of the securities of the Company is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of

their investment. The Company's shareholders should carefully evaluate the following risk factors associated with the Company's securities described in the AIF, along with the risk factors described elsewhere in this MD&A.