

March 21, 2025



Greenlane Reports Fourth Quarter and Full Year 2024 Financial Results

BOCA RATON, FL / [ACCESS Newswire](#) / March 21, 2025 / Greenlane Holdings, Inc. ("Greenlane" or the "Company") (Nasdaq:GNLN), one of the premier global sellers of premium cannabis accessories, child-resistant packaging, and specialty vaporization products, today reported its financial results for the fourth quarter and twelve months ended December 31, 2024, and the filing of an annual report on Form 10-K, including the audited consolidated financial statements for the fiscal year ended December 31, 2024, and the unqualified report thereon of the Company's independent registered public accounting firm.

A Note on Our Revenue Reporting

Beginning with our second quarter 2023 earnings release, we implemented a major restructuring of our industrial product lines, transitioning much of this business from gross sales to a commission structure. While this change affects how we report revenue, we believe it enables us to preserve working capital and improve gross margins.

Full Year 2024 Financial Highlights

- **\$13.3 million vs \$65.4 million for full year 2023;** Y-o-Y decrease in net sales was due to a major restructuring in April of 2023, involving our packaging and industrial vaping product lines transitioning much of this business from a gross sale to a commission structure to preserve working capital.
- **Gross margin of 47.3%** compared to gross margin of 27.3% for the same period in 2023.
- **\$10.1 million, or 57.7% decrease in salaries and benefits vs full year 2023.**
- **\$14.4 million, or 59.9% decrease in G&A vs full year 2023.**
- Operating loss improved by \$14.3 million to \$11.7 compared to an operating loss of approximately \$26.1 million in the prior year period.

Fourth Quarter 2024 Operational Highlights

- Signed exclusive multi-year distribution agreement with Safety Strips Tech Corp to distribute fentanyl, xylazine and drink spike detection test strips in the U.S.
- Signed multi-year distribution agreement with Veriteque USA, Inc., a manufacturer of the patented SwabTek™ and Verifique™ brand of single-use, dry reagent presumptive field tests for detection of narcotics, explosives, gunshot residue and other harmful substances.

- Entered into exclusive multi-year global distributor agreement with CURB Lifestyle, Inc., manufacturer of a patented, non-heating, inhalation device capable of safely delivering a wide range of formulations, including nicotine, cannabinoids, and other wellness compounds.
- Appointed Rob Shields, a trusted global sales and marketing leader with over 30 years of experience in growing purpose-driven consumer and business technology brands, to the new role of Greenlane's Chief Growth Officer.
- **Streamlined our third-party product portfolio.**
- **Upgraded our sales and marketing organizations.**

Post Fourth Quarter 2024 Operational Highlights

- Announced the closing of a private placement of approximately \$25.0 million of shares of Common Stock and investor warrants at a price of \$1.19 per Common Unit. Aggregate gross proceeds to the Company were approximately \$25.0 million.
- Following recent balance sheet actions, the Company has no material debt obligations. The debt payments were funded from cash on hand and will reduce interest expense by approximately \$4.5 million annually.
- Entered into a new exclusive U.S. distribution agreement with Green Gruff USA Inc. ("Green Gruff"). Green Gruff offers a comprehensive line of veterinarian approved organic cannabidiol-infused supplements and treats manufactured in the U.S. to support a dog's overall health and vitality.
- Announced the selection of Cannabis Creative Group, a division of CHAMP Digital, an award-winning digital marketing agency specializing in Cannabis and CBD, as its new digital marketing agency.

Management Commentary

"We are proud of our team's efforts and operational focus in delivering another period of improving financial results to close out the year," said Barbara Sher, Chief Executive Officer for Greenlane. " We believe that our financial performance directly reflects our ability to manage costs in line with revenue performance. Our operational discipline and commitment to drive toward profitability have been key in navigating the unique challenges our industry faces, and we are now well-positioned to invest in our people and technology. As we build for the future, we will continue to focus on the value of our marketplace and enhance the Greenlane experience for both consumers and clients as we adapt in this evolving industry."

She added, "Our 2024 results demonstrate a challenging but transformative year as we worked our turnaround plan and reset almost all aspects of our business. We are starting 2025 with a new base focused on growth across all our revenue lines. Over the past two quarters, my primary objective has been to amplify our strengths, address key challenges, and stabilize the business. Having successfully achieved much of this, we are now forging ahead with our initiatives centered on driving organic growth, optimizing margins and cash flow, and reducing debt. With a strong cash position, we remain focused on initiatives that have the greatest impact on the company. With this sharp focus, I am confident that

Greenlane can not only maintain but expand its leadership position."

Lana Reeve, Chief Financial Officer of Greenlane, stated, "We have made remarkable progress and delivered dramatic reductions in expenses, cash burn, and debt over the past year. These efforts have significantly enhanced our financial stability and moved us toward our goal of achieving profitability. With no material debt obligations, Greenlane is equipped to capitalize on growth opportunities and enhance shareholder value."

Full Year 2024 Financial Overview

For the year ended December 31, 2024, total net sales were approximately \$13.3 million, compared to approximately \$65.4 million for the year ended December 31, 2023, representing a decrease of \$52.1 million, or 79.7%. The year-over-year decrease in net sales was due to a major restructuring in April of 2023, involving our packaging and industrial vaping product lines, transitioning much of this business from a gross sales to a commission structure to preserve working capital. Revenues decreased in the Consumer Brands Group due, in part, to restructuring efforts and shift in strategy to focus on in-house brands that carry a higher margin profile while rationalizing third-party brand offerings, which generated top line revenue with lower margins.

Gross margin increased by 20.0% to 47.3% for the year ended December 31, 2024, compared to gross margin of 27.3% for the same period in 2023. The increase in gross margins is in part related to transitioning to a commission revenue model for the majority of the vaporizer sales with 100% margin versus gross revenue with lower margins.

General and administrative expenses decreased by approximately \$14.4 million, or 59.7%, for the year ended December 31, 2024, compared to the same period in 2023. The decrease is related to major restructuring effort by the Company to reduce cost and right-size the business.

Operating loss improved by approximately \$14.3 million to \$11.7 compared to an operating loss of approximately \$26.1 million in the prior year period.

Net loss was \$16.2 million, compared to a net loss of \$32.0 million in the prior year period.

Balance Sheet

As of December 31, 2024, the Company had cash and cash equivalents of approximately \$0.9 million. Subsequent to the close of the fourth quarter, the Company announced the closing of its private placement of approximately \$25.0 million of shares of Common Stock and investor warrants at a price of \$1.19 per Common Unit. Aggregate gross proceeds to the Company were approximately \$25.0 million. The transaction closed on February 19, 2025. The Company expects to use the net proceeds from the offering, together with its existing cash, for the repayment of existing indebtedness, general corporate purposes and working capital.

About Greenlane Holdings, Inc.

Founded in 2005, Greenlane is a premier global platform for the development and distribution of premium smoking accessories, vape devices, and lifestyle products to thousands of producers, processors, specialty retailers, smoke shops, convenience stores,

and retail consumers. We operate as a powerful family of brands, third-party brand accelerator, and an omnichannel distribution platform.

We proudly offer our own diverse brand portfolio and our exclusively licensed Marley Natural and K.Haring branded products. We also offer a carefully curated set of third-party products through our direct sales channels and our proprietary, owned and operated e-commerce platforms which include [Vapor.com](https://vapor.com) , , [PuffitUp.com](https://puffitup.com) , [HigherStandards.com](https://higherstandards.com) , Wholesale.Greenlane.com and [MarleyNaturalShop.com](https://marleynaturalshop.com) .

For additional information, please visit: <https://investor.gnln.com> . For additional information, please visit: <https://gnln.com/> .

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 concerning Greenlane and other matters. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this press release are only predictions. Greenlane has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You should carefully consider the risks and uncertainties that affect our business, including those described in our filings with the Securities and Exchange Commission ("SEC"), including under the caption "Risk Factors" in Greenlane's Annual Report on Form 10-K filed for the year ended December 31, 2023 and the Company's other filings with the SEC, which can be obtained on the SEC website at www.sec.gov. These forward-looking statements speak only as of the date of this communication. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our public announcements and filings with the SEC.

GREENLANE HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands, except par value per share amounts)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	\$ 899	\$ 463
Accounts receivable, net of allowance of \$2,616 and \$2,209 at December 31, 2024 and 2023, respectively	4,262	1,693
Inventories, net	14,215	20,529
Vendor deposits	3,091	3,765
Other current assets (Note 8)	1,305	3,319
Total current assets	23,772	29,769
Property and equipment, net	1,420	2,476
Operating lease right-of-use assets	1,043	1,936
Other assets	2,397	3,912
Total assets	\$ 28,632	\$ 38,093
LIABILITIES		
Current liabilities		
Accounts payable	\$ 9,787	\$ 12,103
Accrued expenses and other current liabilities (Note 8)	1,218	3,056
Customer deposits	2,661	2,775
Notes payable	7,958	7,283
Current portion of operating leases	926	866
Current portion of finance leases	-	7
Total current liabilities	22,550	26,090
Operating leases, less current portion	83	1,010
Other liabilities	-	1
Total long-term liabilities	83	1,011
Total liabilities	22,633	27,101
Commitments and contingencies (Note 7)	-	-
STOCKHOLDERS' EQUITY*		
Preferred stock, \$0.0001 par value, 10,000 shares authorized, none issued and outstanding	-	-
Class A common stock, \$0.01 par value per share, 600,000 shares authorized, 2,267 shares issued and outstanding as of December 31, 2024; 600,000 shares authorized, and 339 shares issued and outstanding as of December 31, 2023 *	21	36
Class B common stock, \$0.0001 par value per share, 30,000 shares authorized, and 0 shares issued and outstanding as of December 31, 2024; 30,000 shares authorized, and 0 shares issued and outstanding as of December 31, 2023*	-	-
Common stock, value	-	-
Additional paid-in capital*	279,375	268,132
Accumulated deficit	(273,513)	(257,289)
Accumulated other comprehensive income	265	245
Total stockholders' equity attributable to Greenlane Holdings, Inc.	6,228	11,124
Non-controlling interest	(149)	(132)
Total stockholders' equity	6,079	10,992
Total liabilities and stockholders' equity	\$ 28,632	\$ 38,093

GREENLANE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)

	For the year ended December 31,	
	2024	2023
Net sales	\$ 13,275	\$ 65,373
Cost of sales	<u>6,993</u>	<u>47,547</u>
Gross profit	<u>6,282</u>	<u>17,826</u>
Operating expenses:		
Salaries, benefits and payroll taxes	7,380	17,454
General and administrative	9,685	24,213
	153	-
Depreciation and amortization	<u>800</u>	<u>2,243</u>
Total operating expenses	<u>18,017</u>	<u>43,910</u>
Loss from operations	(11,735)	(26,084)
Other (expense) income, net:		
Interest expense	(4,525)	(5,450)
Change in fair value of contingent consideration	1,000	-
Loss on extinguishment of debt	(876)	-
Other expense, net	<u>(8)</u>	<u>(791)</u>
Total other expense, net	<u>(4,409)</u>	<u>(6,241)</u>
Loss before income taxes	(16,144)	(32,325)
Provision for (benefit from) income taxes	-	-
Net loss	<u>(16,144)</u>	<u>(32,325)</u>
Less: Net loss attributable to non-controlling interest	<u>(17)</u>	<u>(150)</u>
Net loss attributable to Greenlane Holdings, Inc.	<u>\$ (16,161)</u>	<u>\$ (32,175)</u>
Net loss attributable to Class A common stock per share - basic and diluted (Note 9)*	\$ (13.32)	\$ (8.16)
Weighted-average shares of Class A common stock outstanding - basic and diluted (Note 9)*	1,212	3,993
Other comprehensive income (loss):		
Foreign currency translation adjustments	20	190
Comprehensive loss	(16,124)	(32,135)
Less: comprehensive loss attributable to non-controlling interest	<u>(17)</u>	<u>(150)</u>
Comprehensive loss attributable to Greenlane Holdings, Inc.	<u>\$ (16,107)</u>	<u>\$ (31,985)</u>

GREENLANE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the year ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (16,224)	\$ (32,325)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	800	2,242
Equity-based compensation expense	86	284
Change in fair value of contingent consideration	(1,000)	262
Change in provision for credit losses	245	188
(Gain) loss on disposal of fixed assets	215	118
Loss on extinguishment of debt	876	
Unrealized loss on equity investments	-	629
Amortization of deferred financing costs and debt discount	3,511	2,820
Changes in operating assets and liabilities, net of the effects of acquisitions:		
(Increase) decrease in accounts receivable	(2,814)	4,586
Decrease in inventories	6,315	20,113
Decrease in vendor deposits	674	2,531
Decrease in other assets	3,533	7,769
Decrease in accounts payable	(2,319)	(2,770)
Decrease in accrued expenses and other liabilities	(841)	(7,032)
Decrease in customer deposits	(114)	(1,208)
Net cash used in operating activities	(6,750)	(1,793)
Cash flows from investing activities:		
Purchase of property and equipment, net	(244)	(1,007)
Proceeds from sale of equity investments	-	1,037
Net cash (used in) provided by investing activities	(244)	30
Cash flows from financing activities:		
Proceeds from issuance of Class A common stock, net of issuance costs	5,640	3,852
Proceeds from exercise of stock options and warrants, net of costs	1,827	-
Repayment of Asset-Based Loan	-	(15,000)
Proceeds from Secured Bridge Loan, net of costs	-	2,090
Debt issuance costs	-	(751)
Repayment of loan against future accounts receivable	(939)	(1,721)
Proceeds from future receivables financing	225	3,894
Payments on Eyce and DaVinci promissory notes	-	(2,133)
Repayments of notes payable	(2,275)	-
Proceeds from notes payable	2,950	-
Purchase consideration paid for Eyce and DaVinci acquisition	-	(350)
Other	(1)	(21)
Net cash (used in) provided by financing activities	7,427	(10,140)
Effects of exchange rate changes on cash	3	190
Net decrease in cash and cash equivalents	436	(11,713)
Cash and cash equivalents, as of beginning of the year	463	12,176
Cash and cash equivalents, as of end of year	\$ 899	\$ 463

SOURCE: Greenlane Holdings, Inc.

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