



## “AND NOTHING’S QUITE AS SURE AS CHANGE”

– THE MAMAS & THE PAPAS



### TO OUR RYTHM, INC. SHAREHOLDERS,

2025 was a transformative year for RYTHM, Inc. We changed our name, expanded our THC beverage portfolio, and acquired a portfolio of leading THC brands. That acquisition brought together some of the most iconic and trusted names in THC, including RYTHM, Dogwalkers, incredibles, Señorita, Beboe, Doctor Solomon’s, &Shine, and Good Green. These brands are the foundation of RYTHM. They are what makes RYTHM *America’s THC Company*.

The demand for THC continues to rise. Americans across the country are turning to Snoozzeberry instead of traditional sleep aids. They are swapping their vodka sodas for Señoritas. And they are picking up RYTHM Kush four-packs instead of six-packs or bottles of wine at their local liquor store. Some of the nation’s largest and most respected grocery, mass market, and convenience store chains are carrying THC including Winn-Dixie, The Fresh Market, Target, and Circle K—each of which offer our products. Even at mainstream venues, consumers are reaching for THC cans instead of beer cans. Señorita and RYTHM Beverages made history at Chicago’s United Center as the first THC drinks offered at a major U.S. arena. Attendees at the country’s largest live entertainment venue can now grab a Señorita or RYTHM while enjoying concerts and other live events. We believe we are in the early stages of mass adoption of THC beverages on menus and on shelves wherever alcohol is sold.

The market will keep evolving, and RYTHM is evolving with it. Earlier this year, we established

annual fixed-fee licensing agreements with Green Thumb. This adjustment not only provides RYTHM established, predictable, long-term revenue in a way that is virtually unmatched in the THC space, but it solidifies our ability to expand brand reach into the regulated cannabis market and in other regulatory jurisdictions. It’s a win-win-win: for shareholders, for consumers, and for RYTHM.

Whether THC is being purchased in gas stations, dispensaries, online, or in a new undiscovered channel, the fact is, consumers want it. When it comes to THC beverages, despite current regulatory headwinds, savvy consumers and retailers will find a way to move forward, not backward. And at a time when drinking trends are negative, we believe the positive momentum behind THC beverages will remain. We know it will not be a straight line, but in three, five or 10 years from now, we believe the THC drink market will be materially larger than it is today.

Whatever comes next remains to be seen. We expect the unexpected, maximize optionality, and are ready for change.

### AND GOOD NEWS: IT IS ONLY DAY 1.



*Ben*

**BEN KOVLER**

CHAIRMAN & INTERIM  
CHIEF EXECUTIVE OFFICER

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