

Glass House Brands Inc. (2Q25 Earnings)
August 13, 2025

Corporate Speakers

- Kyle Kazan; Glass House Brands Inc.; Co-Founder, Chairman and Chief Executive Officer
- Mark Vendetti; Glass House Brands Inc.; Chief Financial Officer
- Graham Farrar; Glass House Brands Inc.; Co-Founder and President

Participants

- Frederico Yokota Gomes; ATB Capital Markets; Director of Institutional Research
- Andrew Semple; Ventum Financial; Equity Research Analyst
- Marc Cohodes; Alder Lane Farm; Head Bull Fighter

PRESENTATION

Operator^ Good afternoon, ladies and gentlemen. Welcome to the Glass House Brands Second Quarter 2025 Earnings Call.

Matters discussed during today's conference call may constitute forward-looking statements that are subject to the risks and uncertainties relating to Glass House Brands' future financial or business performance. Actual results could differ materially from those anticipated in those forward-looking statements.

The risk factors that may affect results are detailed in Glass House Brands' periodic filings and registration statements. These documents may be accessed via the SEDAR+ database. I'd also like to remind everyone that this call is being recorded today, Wednesday, August 13, 2025.

On today's call we have Kyle Kazan, Co-Founder, Chairman and Chief Executive Officer of Glass House Brands; and Chief Financial Officer, Mark Vendetti. Following prepared remarks, management will open the call to analyst questions. Also joining for questions is Graham Farrar, co-Founder and President. And with that, I turn the call over to Kyle Kazan.

Kyle Kazan^ Good afternoon. Thank you, Operator. And to all of you for joining today's call. For greater detail on results, please refer to our second quarter 2025 press release and financial filings.

Our second quarter results surpassed expectations and guidance targets across key metrics including biomass production, revenue, gross profit, adjusted EBITDA and period ending cash, despite continuing challenging California pricing conditions. Importantly, growth comes despite the second quarter being the first like-for-like quarter of comparison with Greenhouse five operating at full capacity.

Second quarter revenue was \$59.9 million, up 11% year-over-year and 34% quarter-over-quarter. Growth for the quarter was spread across all three revenue segments, but led by wholesale, where the team continued to outperform production expectations along with retail strength. Retail revenues remarkably increased 13% year-over-year in the second quarter, while over the same period, California Headset Data shows the state retail sales declining 15%. This was not a one-off performance. And for the first half of 2025, Glass House retail revenues increased 16%, with state sales down 15% per Headset, reflecting a remarkable variance of more than 31%.

We have not opened new stores, so retail strength comes on same-store sales and reflects our team's strong execution along with the continued benefit of the strategic pricing initiative that we began implementing last year. The everyday \$9.99 per 0.125 ounce out-the-door price for Allswell at our retail stores continues to be a differentiator, and overall, across both our stores and the wholesale channel, the brand is resonating. Allswell achieved an all-time dollar sales record in the second quarter and again tracked as a top three California flower brand per Headset for the period. Despite an increasing tax rate following California's disappointing decision not to override the excise tax increase on cannabis last month, we will maintain current pricing for Allswell.

We expect the increased excise tax, coupled with any broader economic pressure, will only further tighten consumer wallets. As you will hear momentarily, we found more efficiencies at the farm, which lowered our COGS. So while we vehemently disagree with California's decision to let the already highest state taxes go even higher, we know the consumer needs relief.

We will pass along some of those efficiencies by absorbing the 4% tax increase, so our loyal customers won't have to. Tightened consumer wallets is a trend that we have seen over the past year and we remain uniquely capable of withstanding and succeeding in this type of environment. Our ability to produce high-quality cannabis at a lower cost is what separates us from other operators.

On the cultivation side, during the quarter we produced almost 231,000 pounds of biomass, which was well ahead of guidance of between 210,000 and 215,000 pounds. Cost of production was \$91 per pound, which was ahead of our expectations and a substantial improvement compared to \$148 per pound last year.

As discussed on prior calls, we have implemented improved cultivation practices, which allow us to harvest and sell trim material that would have previously been disposed of, overall enabling more pounds of production at a lower cost. This has the effect of lowering our ASP as the additional material is predominantly trim, which garners lower ASP, but the extra pounds and the lower COGS approximately offset this reduction, resulting in a flat gross margin in wholesale biomass. Gross profit for the quarter was \$31.9 million or 53% of revenue, ahead of guidance of 49% and up from 45% in the first quarter.

The gross margin strength stemmed from continued execution at retail and the lower-than-anticipated cost of production at the farm.

Second quarter adjusted EBITDA was \$18.1 million, which was considerably higher than our original guidance of \$11 million to \$13 million and compared to \$4.4 million last quarter and \$12.4 million in the same period last year. Adjusted EBITDA gains stemmed from higher gross margin as well as improved OpEx utilization during the quarter. Beyond the reported results, the second quarter brought important progress on previously discussed longer-term priorities.

In May, we announced a managed services agreement with LEEF Brands and Glass House took on management of LEEF's Palm Desert dispensary last month.

Under the MSA, Glass House is responsible for all dispensary operations including the purchasing of inventory, allowing the company to expand retail operations without investing beyond our current 10-store footprint. The additional store also provides another site for our brands to be sold into. Recall in our existing stores, we typically realize almost 30% of the revenue from our brands.

We look forward to providing additional color on the LEEF MSA on our next earnings call and we continue to seek out additional MSA opportunities in the state. Our retail team's same-store sales strength provides a compelling narrative for potential partners.

Meanwhile, we enhanced our capital structure and negotiated the refinancing of our high-interest-rate Series B and C Preferred equity. Refinancing the high-interest preferred equity had been a top priority, and we were able to complete the recapitalization in early July with a nearly fully subscribed offering of a new Series E preferred stock. All existing B and C holders were given the opportunity to convert into the new series on a one-for-one basis, and I am pleased to say that more than 75% of investors did so despite a lower overall interest rate on the new security, 12% dividends to be paid annually as compared to 22.5% cumulative rate for the Bs and the Cs, inclusive of the payment-in-kind function and a challenging new cycle at the time of the closing.

The widespread conversion reflects the continued confidence in the company and shared vision of success between Glass House senior management and our long-term investors who have been with us for many years. I genuinely thank all for their continued confidence and support.

I want to briefly touch on the recent ICE activity that occurred at two of our facilities on July 10. We do not intend to comment further about those events at this time and I would refer you to the company's August four press release.

Since the events of July 10, 2025, the company has hired leading compliance consultants, Guidepost Solutions, led by former Director of ICE and Assistant Secretary of Homeland Security, Julie Myers Wood, to assist the company's counsel with ensuring eligibility of its employees and the employees of its farm labor contractors and to implement age-gating procedures at our facilities.

In addition, we have required our farm labor contracts to agree to and implement additional best-in-class compliance measures such as use of the E-Verify system and other verification of work and identity documents. The company has enhanced its age-gating procedures for everyone entering the farms including contracted employees, third-party vendors, visitors, customers, and employees of the company.

Like almost every agriculture company in the United States, we have long utilized third-party labor contractors to supply farm labor. For those unfamiliar, this is common practice as third-party labor contractors permit staffing flexibility in meeting seasonal demands. Cannabis is an agriculture business, and as with any agriculture business, seasonal trends in yields and harvests drive a need to scale up and down the workforce at the farms.

We are confident that we have best-in-class procedures in place to ensure that all of our employees and the employees of farm labor contractors at our facilities meet all legal requirements for age and immigration status. Onboarding new farm labor contractor workers and getting them to full capacity will take time and will impact results in the current and subsequent quarters.

I leave guidance numbers to Mark, but in recent weeks, we have scaled back new planting. More significantly in the near term, we are pushing some of our biomass processing into the fourth quarter. Processing is the most labor-intensive activity in our cultivation at the farm, so delaying this allows us to utilize our currently reduced labor force while we ramp back up to full production. This delay will result in our sales team having less biomass product available to sell in the wholesale channel during the third quarter and will cause a meaningful reduction to revenues and profitability for the period.

For the fourth quarter, we will start with a much higher-than-normal amount of harvested-but-not-yet-processed product available to sell during that quarter.

This will mitigate the revenue impact from reduced new planting in recent weeks, bringing revenues back closer in line to prior expectations before the typical seasonal dip in production in the first quarter of 2026. We expect to be back in our prior run rate of production capacity at existing greenhouses in the first quarter of 2026, with a flowthrough to results shortly thereafter.

In addition, we are slowing some components of expansion. We expected to complete the Greenhouse two retrofit in the third quarter. Instead, we will complete about a third of the greenhouse, which is almost complete now.

This will allow us to realize some revenue from Greenhouse two by the end of this year and get increased production in the first quarter of 2026 as Greenhouse two has supplemental lighting. Pending the ramp-up of production in the existing greenhouses, we expect to have the full project completed by the end of the second quarter of 2026.

We're also delaying construction on our Greenhouse four retrofit and specifically the hemp expansion effort. We remain committed to hemp and anticipate contributions from commercial hemp in 2026. However for the time we are prioritizing resource allocation to the existing core business.

In the interim, we continue to work closely with our partners at UC Berkeley on hemp-related research including novel medicinal product development, identification and improvement of hemp genetics, market analysis, supply chain sustainability, and, of course, artificial intelligence and agriculture. We remain in discussion with future distribution partners as we aim to be as well positioned as possible once fully operational.

We also continue talks with the Department of Cannabis Control and Governor Newsom's office on safe harbor language for hemp export out of California in accordance with the 2018 federal Farm Bill. The export of hemp presents a fantastic opportunity to California's agriculture industry and existing cannabis growers who have been burdened by compressed pricing and onerous taxes to pivot to selling hemp via interstate commerce. California growers can and should win nationally, and the export of hemp presents a real opportunity for job creation and tax generation.

While these temporary setbacks are unfortunate, they do not change the company's core competency of being able to produce and deliver high-quality, low-cost cannabis at scale.

We have not seen a change to our customer and vendor relationships and do not anticipate that the more stringent labor controls will materially impact on our cost of labor. Beyond staffing, we are using this experience to accelerate our automation efforts and refine our operations to promote even greater future efficiencies as we continue to plan for meaningful growth next year.

As a result, we are lowering our cost of production target from \$100 per pound to \$95 per pound. Like every obstacle we faced over 10 years, we will persevere and be that much more resilient as a company.

It is this grit developed as a team more than anything else, which makes us the outlier in the cannabis industry. With that, I'll turn the call over to Mark Vendetti, our Chief Financial Officer, to discuss our financial results for the quarter in detail.

Mark Vendetti^ Thank you, Kyle. Good afternoon, everyone. As Kyle referenced, second quarter revenue was \$59.9 million, compared to \$53.9 million in Q2 2024 and \$44.8 million in the first quarter 2025.

We produced 231,000 pounds of biomass in Q2, surpassing our guidance of 210,000 pounds to 215,000 pounds. Production cost per pound was \$91, substantially lower than the \$148 per pound in the second quarter of 2024, and for the first time coming in below our long-term target cost of \$100 per pound.

The reduced costs stem from efficiencies in operations, primarily in our processing operation. Within cost of production, labor is by far the largest component.

We sold 204,000 pounds of wholesale biomass in the quarter compared to 147,000 pounds in the first quarter and 138,000 pounds in the same period last year, while the average selling price for biomass sold was \$206 per pound.

By comparison, the average selling price in second quarter 2024 was \$283 as we are still operating amidst challenged California pricing conditions. Second quarter consolidated gross profit was \$31.9 million with gross margin of 53%, flat to the 53% second quarter 2024 and 45% for the first quarter this year.

Adjusted EBITDA was \$18.1 million for the period, was up from \$4.4 million in the first quarter and \$12.4 million in the same quarter last year. Adjusted EBITDA growth reflects the factors that drove our gross margin performance as well as disciplined spending in our overhead expenses. Despite our top line growth, we have cut operating expenses in recent quarters, second quarter operating expense was \$21.3 million, essentially flat to Q1 when excluding the noncash impairment charge in Q1.

Second quarter operating cash flow was \$17.7 million versus \$2.5 million in the first quarter and \$8.9 million last year. Turning to the balance sheet. We ended the quarter with roughly \$44 million in cash, up from \$38 million last quarter and \$26 million for Q2 2024. The company spent \$9.5 million in CapEx and paid \$1.9 million on dividends.

During the quarter, we received roughly \$5 million in ERC tax credits. CapEx for the quarter is attributed to the continued Phase three expansion, which is primarily the build-out of Greenhouse 2. As Kyle mentioned, we announced a preferred equity refinancing in July.

This recapitalization transaction has eliminated burdensome payment-in-kind terms related to the former Series B and Series C Preferred stock, in turn, reducing cumulative interest. The Series E financing completed in July will save approximately \$5 million in dividends in the second half of this year and \$18 million through 2026. This follows the company's refinancing of an existing \$50 million in the first quarter of 2025, which saves the company over \$45 million in cash when including the maturity extension from November 2026 into Q1 2030. Turning to guidance.

As Kyle discussed, we made difficult decisions around labor that will reduce production and impact results.

We expect third quarter total revenue to be between \$35 million and \$38 million, which is \$25 million to \$30 million below where we were tracking based on production levels prior to July 10 and typical seasonality. The revenue drag will occur within the wholesale biomass segment as we will produce between 95,000 and 100,000 pounds of biomass for the quarter, less than 40% of what we would typically expect. This is due to labor constraints at our farms as we focus on ramping up labor in our nursery and cultivation first.

As we ramp up staffing during the second half of 2025, we will be able to increase processing resulting in doubling of Q4 production. With the increased production, we expect fourth quarter revenue to rebound and be slightly below last year's period of \$53 million.

The average Q3 selling price for wholesale biomass is assumed to be between \$178 and \$183 per pound, down from \$229 last year, while cost of production will be approximately \$160 per pound. The cost of production is high because of the low production in the quarter and labor inefficiency of bringing on a new workforce.

We expect fourth quarter cost of production to be approximately \$110 per pound as production increases and efficiency improves as the workforce gains experience. As a result of the higher cost of production, we anticipate gross margin in the second half of this year will be in the mid-30% range. With these updates, full year revenue is now anticipated to be in the range of \$190 million and \$195 million down from prior guidance of \$220 million to \$230 million.

We note that these assumptions include no contribution from Greenhouse 2. Full year adjusted EBITDA is now expected to be between \$23 million and \$26 million, which compared to prior guidance in the mid-\$40 million range, with adjusted EBITDA in the second half estimated at flat to \$3 million.

Within our assumptions, wholesale biomass production is forecast to be approximately 670,000 pounds with a cost of production of approximately \$110 per pound and an average selling price between \$183 and \$188 per pound. Given evolving factors within the market and recent changes we have enacted, we will provide further updates on guidance, pricing trends, and the timing of expansion projects as appropriate. And with that, I will turn the call back to Kyle for his closing remarks before opening up the call to Q&A.

Kyle Kazan^ Thank you, Mark. I remain steadfast in my confidence that cannabis will be America's next massive normalized industry. I am encouraged by the rhetoric coming from those with a close association to the President, and I'm hopeful that it is indicative of long anticipated reform to come later this year.

I'm also hopeful that progress is ahead as it relates to the widespread release for individuals incarcerated in federal and state prisons for nonviolent cannabis offenses. This is a cause that I care about deeply, and I'm thankful for all who are committed to promoting this effort.

Finally, I would like to thank all of our employees. The past weeks have been stressful and trying for all involved in the company, and the wonderful commitment shown and steadfast belief displayed in the company cannot be overstated. Thank you again, and I will now ask the operator to open the line for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Your first question comes from the line of Frederico Gomes with ATB Capital Markets.

Frederico Yokota Gomes^ Congrats on the great quarter here. I guess the first question on the labor constraints. Could the increased compliance measures and just the labor constraints lead to a permanent increase in your labor costs?

Kyle Kazan^ So Federico, number one, thank you for tuning in as always. And thank you for your question. We've had now about a month. And we don't think -- number one, we've always been committed to as much automation as possible.

We always layer that in after we've started with people and processes. And so happily, there is some fortunate timing here with some of the new technology that we have come across to Graham and his extremely diligent team. So overall, we don't think the rise in costs will be very significant. And with more automation, we think we'll just continue our downward trajectory. Graham, do you want to add in?

Graham Farrar^ Yes. Sure. Federico, I echo what Kyle said. I actually think that we'll come out of this stronger than we went into it. To use an analogy, you go to the gym, you work out, and you hurt your muscles, but you do that because they heal back stronger than when you started.

So we've always been looking at automation and efficiency from day one. We've very much been a long-term focused company. What this has done is accelerated and broadened our scope on that.

So a number of the initiatives that we had around automation, we're now pushing forward faster, and a number of the places where we were looking at things like post-harvest and things like that to automate have now been broadened to encompass the entire process from RFID tags on carts to make weighing them faster to using barcode scanners to the way that we input our data.

So I'm confident that not only is this not going to raise our cost, but over time will lower our costs quicker and get us -- as you saw, we lowered our guidance from \$100 a pound to \$95 a pound as a long-term cost goal. So that's reflected there. So I think we'll reach that goal sooner and faster than we would have otherwise.

Frederico Yokota Gomes^ Appreciate that color. And then just a second question. Does that have any impact on, I guess, the pricing conditions in California? Are you seeing any other cannabis cultivators also having to -- I guess, who've faced same issue in terms of labor and being more diligent maybe and seeing those labor constraints as well?

Kyle Kazan^ So that's a great question. I think I would tell you that we've really been head down, focused in on ourselves. We certainly have always -- we're always very open book with other folks in the legal cannabis space here in California to -- where we learn things, we're always

happy to share. But we haven't heard those kind of reports as we've just really been focused in on solving our issues.

Graham Farrar^ I think, we wouldn't necessarily wish this on anybody. We do think it's likely to come for everybody. The general impacts of what's going on here are not cannabis specific, they're agricultural.

So if this is the new world that agriculture is going to be living in, I would much rather have the first-mover advantage and be at the top of the mountain first rather than last. So we made the decisions to do the things that we did so that we're essentially bulletproof on everything going forward and don't have to worry about what happens next.

Operator^ Your next question comes from the line of Andrew Semple with Ventum Financial.

Andrew Semple^ Congrats on the very strong Q2 results. Just maybe I want to start with just getting a temperature check on how the California retail market is doing in kind of the third quarter and what you're kind of expecting going forward here. Just looking at the third quarter, we've had the excise tax come in.

So that's been an impact. So wondering how you're seeing retailers respond to that. It's also notable that Glass House is a fairly meaningful supplier to the markets, and you probably work with a lot of partners there.

So just wondering if maybe production issues you're going to have in the third quarter could have any impact on some of your retail partners. So how are you ensuring -- how are those retail partners doing and how are you ensuring that they stay in those doors and the Glass House brands remain on shelf?

Kyle Kazan^ So thanks for the question, Andrew. I would tell you that other than maybe one major retail player that has -- they have their own tax scheme, if you will, that we don't think is legal, everybody else is vehemently against the fact that the state of California allowed the 15% to go to 19% at retail.

We don't think that helps the legal market in any way. I commented a little bit that we are going to continue -- we're going to suck up that 4% and keep the \$9.99 eighth at our stores the same. So we're going to use those efficiencies that Graham and his team got and pass them on to Hilal and his team.

In regards to our retail partners, we will have enough biomass for our CPG, no problem. We're not expecting any issues. We want to make sure that we keep supplying our very highly ranked flower to the retail market to keep people coming to the legal stores, and we're working quietly with the -- actually not quietly. The whole industry is kind of yelling for the legislature and the Governor to please take things back down to the still highest state taxes.

But we're hopeful that, that extra 4% doesn't really impact the legal market, and we're watching it carefully. So far, we've seen no impact on our stores. Our numbers are still moving in the right direction.

Andrew Semple^ Great. That's helpful. And then maybe just my follow-up here would be on the CPG segment of the business. You mentioned that you should continue to have enough production and supply available for that.

In the second quarter, I think we saw gross margins in that segment, I believe, as high as we've ever seen them. Is that just scale economics flowing through that segment? Or did you do anything different with pricing or product mix within this quarter?

Kyle Kazan^ So since you just got wonky on me, Andrew, I'm going to pass this over to the head wonk, which would be Mark Vendetti.

Mark Vendetti^ Andrew, how are you? So we continue to make progress in our CPG business with, I'm just going to call it, general improvements in production costs.

We put in some additional automation to help lower costs during the quarter. And since one of the largest inputs in our product is our own cannabis cost, and that continues to come down, that's helping to drive margin. So those were the two primary aspects of what helped improve overall gross margin in Q2.

Operator^ Your last question comes from the line of Marc Cohodes with Alder Lane Farm.

Marc Cohodes^ Guys, can you articulate your views on reschedule versus deschedule and what pricing variance looks like in both? That's my first shot.

Kyle Kazan^ So Marc, let me take the first part. I'm going to pass the second part to Graham since he loves the pricing kind of questions. So deschedule basically is a way of just legalizing the market and letting the states figure that out. That's what we're built for. We do fine in the prohibitory market.

And I'll let Graham answer the pricing. That's obviously we favor. We think freedom for Americans is the best thing, freedom for the consumers. Also it would -- we think it would allow us to ship internationally where it's legal like in Europe and things like that.

So we think that just opens up the market in a great way. And we'd certainly like to be good partners to our MSO partners out there. Reschedule is certainly a step in the right direction.

We won't scoff at that because it'd be the first thing done since basically 1971, since this thing was put on a Schedule 1. And we think that would certainly be a step in the right direction but not the full step that we will eventually get to and hopefully much sooner than later because it's our

understanding the President is considering rescheduling and even descheduling. Graham, do you want to share the numbers that Marc asked about?

Graham Farrar^ Yes. Sure. So I think rescheduling or descheduling, one is a triple and the other is the grand slam for us because when you look across the market, across the country and really across the globe, what you see is higher pricing than what we are currently able to do, 53% margins in.

So basically, the West Coast becomes the supplier, we think, California being the frontrunner on that, Oregon and Washington probably in the mix as well. But when you look across east from here, almost every other state has significantly higher prices.

So like our Allswell \$7.50 an eighth before the crazy California taxes that's still getting out the door under \$10. If you look at that product on a New Jersey market or a Massachusetts or a Maine market, you'd likely see lower quality flower for 4x the cost. So we wouldn't expect that the cost stays there, but they could go from \$35, cut the price in half, and it would still be 3x, and we're happy, what we sell it in our stores for 62% margin for today.

So I think the really exciting thing about any opening up is we've got the most best weed grown for the lowest cost, i.e., the best value for the consumer. And we know that consumers have a preference and are willing to pay a premium for cannabis that comes from California just like they do from wine from Napa or tequila from Mexico. So everywhere we look, looks like more and more margin for Glass House.

Marc Cohodes^ Okay. Obviously you guys have cut back on planting because of labor. When do you see back to full tilt?

Kyle Kazan^ So I'm just going to comment, and I'm going to really let Graham lay into it. Right now we're working with a number of -- we had two farm labor contractors before.

Today we have more than that. And so we're working with a number of different channels. And I would tell you, it's the number one thing that Graham and I talk every day, but it's the number one thing he and I talk about.

And let me ask Graham to answer the question a little bit more in detail and also the numbers we're thinking that gets us back to kind of full operations.

Graham Farrar^ Sure. So for anyone who knows Kyle and I and Glass House in general, you know that we've always been a long-term-focused company.

So as we were going through this, we made the decision on prioritizing the long-term over the immediate or near-term. And so as we're going through this, if you're remodeling your house, you don't put everything back exactly the way you had it. You put in the extra bathroom and take out the wall that you learned in hindsight that you wish wasn't there.

So we basically are going through a retooling process where we're evaluating every step in our system, deleting where we can, automating what we can to making more efficient what we can automate.

I'm also cleaning up and going through a much stricter vetting process, probably the most vetted agricultural force ever created right now. So to do that, we wanted to make sure that everything we did do continue to be the quality and consistency that Glass House is known for. So we scaled back to work with the labor that we had as we rebuild it and ramp it back up.

We would expect to see that we're back into normal production early next year, focused on Q1, and that when we come back out of this, we'll actually come back out faster, more efficient, and at a lower cost than we originally went into it.

Kyle Kazan^ And if I can follow up on your question, Marc, us being in California, we always know if we're not the highest cost of labor, it will always be very, very close. And so to us, it's not just, hey, what's federal minimum wage, which is like less than half of what California's is, as a starting point.

But we look at it as if we're going to compete internationally, the UC Berkeley partnership, I know everybody was focused in on the hemp side of that with missing the AI side of it. So to us, we look at it as how do we compete globally where labor costs are actually lower than U.S. federal labor costs. So we see this as sort of our ongoing white whale that we're trying to chase, and all this did was shorten that timeframe for us.

Marc Cohodes^ Okay. Very well done on the quarter. It's outstanding.

Operator^ This concludes our Q&A session. I will now turn the call back over to Kyle Kazan for closing remarks.

Kyle Kazan^ Thank you, Operator. And thank you, Federico and Andrew and Marc, for your questions. Thank you, everybody, for listening. And we look forward to you guys joining us for our Q3 going to be coming up and then hopefully next June, come visit us at the farm for our Investor Sesh. Thank you, Operator.

Operator^ Ladies and gentlemen, that concludes today's call. Thank you all for joining. You may now disconnect.