



**G R O W N**  
**R O G U E**

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MARCH 2024 CORPORATE PRESENTATION

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CSE: GRIN | OTC: GRUSF

**“ACCELERATING THE GROWTH”**

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This presentation makes reference to certain non-IFRS measures, including "EBITDA" "aEBITDA" (or "Adjusted EBITDA"), "free cash flow" and to certain operating metrics in the industry. Non-IFRS measures, including industry metrics, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

The Company's "aEBITDA," or "Adjusted EBITDA," is a non-IFRS measure used by management that does not have any prescribed meaning by IFRS and that may not be comparable to similar measures presented by other companies. The Company defines "EBITDA" as the Company's net income or loss for a period, as reported, before interest, taxes, depreciation and amortization, and is further adjusted to remove transaction costs, stock-based compensation expense, accretion expense, gain (loss) on derecognition of derivative liabilities, the effects of fair-value accounting for biological assets and inventory, as well as other non-cash items and items not representative of operational performance as reported in net income (loss). Adjusted EBITDA is defined as EBITDA adjusted for the impact of various significant or unusual transactions. The Company believes that this is a useful metric to evaluate its operating performance.

The Company's "free cash flow" metric is defined by cash flow from operations minus capital expenditures and expansion related advances.

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For disclosure required under Staff Notice 51-352 (Revised) – Issuers with U.S.

Marijuana-Related Activities, please see the Company's most recent Management Discussion and Analysis, as filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

The Company's forward-looking statements and more broadly, this presentation, are expressly qualified in their entirety by the foregoing disclaimers and cautionary statements.



# OUR VALUES

**Mission:** Become the first nationally recognized craft cannabis brand

**Strategy:** Profitably deliver craft cannabis at appropriate scale and continue developing indoor and sungrown capabilities

**Competitive Advantage:** A passionate team dedicated to delivering craft cannabis at accessible prices, maintaining a healthy balance sheet and taking a measured approach to new market opportunities



# FISCAL YEAR FINANCIAL METRICS

| (\$USD MILLIONS)          |      |      |      |
|---------------------------|------|------|------|
|                           | 2021 | 2022 | 2023 |
| Revenue                   | 9.4  | 17.8 | 23.4 |
| Revenue Growth            |      | 89%  | 32%  |
| αEBITDA                   | 2.3  | 5.1  | 7.6  |
| αEBITDA Growth            |      | 126% | 50%  |
| OCF, Before Changes in WC | 1.9  | 3.2  | 6.4  |
| OCF Growth                |      | 68%  | 102% |

# ACCELERATING THE GROWTH

- Grown Rogue is in a unique position to accelerate growth: best-in-class cost per pound metrics, balance sheet, and access to capital should allow the Company to fulfill a strong expansion strategy over the next 3-5 years
- Target markets include, but are not limited to, limited license recreational markets or markets that are likely to flip to recreational sales within the next 24 months
- The Company believes a 10-12 state market footprint with ~40%+ EBITDA margins and high conversion to cash flow will provide tremendous value for the Company's consumers and shareholders

# INDOOR: THE CRAFT SWEET SPOT

## Low End Bulk

Very large, low-quality sungrown and greenhouse, often grown for biomass

## Broad Mass Market

Expensive, large indoor facilities

## GROWN ROGUE SWEET SPOT

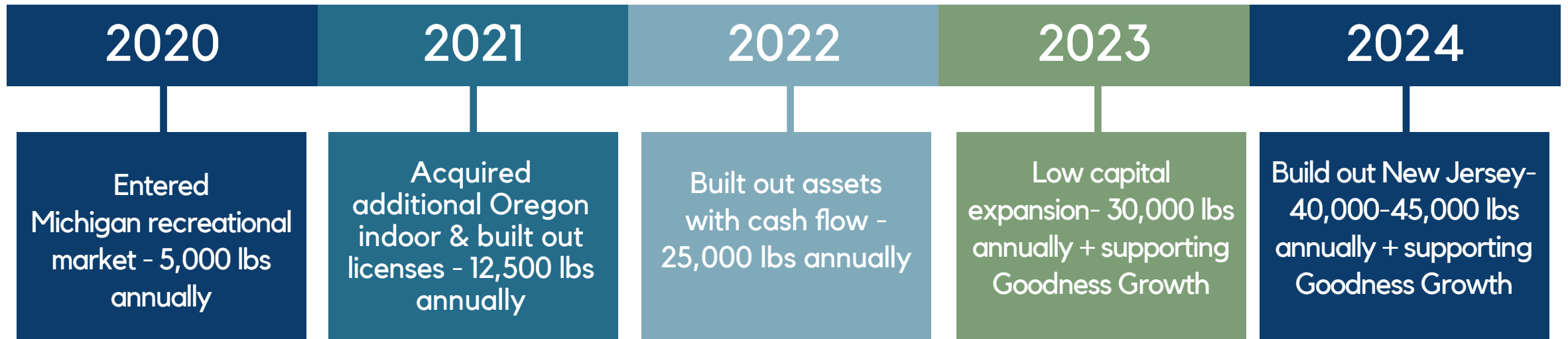
Right-sized, efficient facilities - modest capex, moderate volumes and high margins

## Ultra-Premium

Small, specialty production facilities

# GROWN ROGUE'S CULTIVATION GROWTH

## Grown Rogue's Timeline:



# ENTRY INTO ATTRACTIVE NEW JERSEY MARKET

## Option to Acquire ABCO

- Signed a definitely agreement with an option to acquire 70% of ABCO Garden State, LLC
- ABCO has all local zoning and planning approvals on ~50,000 sq ft facility with sufficient power supply
- Grown Rogue will pay \$2M to acquire the 70% membership and has committed to loan ABCO up to \$4M

## Retrofit Timeline

- Started construction in October 2023
- Phase 1
  - Expected first harvest: Q3 2024
  - Expected yield: 600 pounds of whole flower per month
- Phase 2
  - Expected first harvest: Q1 2025
  - Expected yield: 400 pounds of whole flower per month
- NJ wholesale pricing is currently ~\$2000 per pound higher than the Company's average indoor selling price



# GROWN ROGUE AUGMENTS NJ PRESENCE WITH RETAIL INVESTMENT

## Grown Rogue Retail Ventures

- Formed GRRV in collaboration with Bengal Capital to invest in and support the operations of social equity dispensaries in New Jersey
- GRRV is evaluating multiple retail locations for investment
- The capital and time requirements for these investments are relatively small

## Nile of NJ LLC ("Nile")

- GRRV signed a definitive agreement to invest in and support Nile, a Company that is developing an adult-use dispensary in West New York, New Jersey
- The opening of this dispensary is expected to be in May 2024
- The West New York dispensary is in a tremendous location, situated in one of the most densely populated communities in the country

# ENTRY INTO ILLINOIS MARKET

## Rogue EBC, LLC

- Signed a definitive agreement to form Rogue EBC, LLC, a joint venture with EBC Ventures
- The JV has a definitive agreement to acquire an entity that holds a craft growers license
- Grown Rogue will own 70% of the JV and contribute up to \$6M to support the development

## Retrofit Timeline

- Construction is expected to be completed in H1 2025 with first harvest to be completed H2 2025
- Phase 1
  - Expected first harvest: H2 2025
  - Expected yield: 300 pounds of whole flower per month
  - 4,700 square feet of dedicated processing and manufacturing space
- Phase 2
  - Expected first harvest: 2026
  - Expected yield: 500 pounds of whole flower per month

# STRATEGIC ADVISORY AGREEMENT WITH GOODNESS GROWTH

- ▶ Announced a strategic advisory agreement where Grown Rogue will support Goodness Growth in the optimization of its cannabis flower products across its various operating markets, starting with Maryland and Minnesota



**MINNESOTA**




- In 2023, Minnesota became the 23rd state in the nation to legalize adult use cannabis
- Anticipate launch of adult use sales in March 2025



**MARYLAND**



- Maryland launched adult use sales on July 1, 2023
- During the first weekend of adult use sales, sales grew 131% over the previous year period



# GENETICS AND BRANDING STRATEGY

- Genetics are critical to establishing strong flower brand and consumer loyalty
- Key genetic criteria:
  - ▶ Yield
  - ▶ Potency
  - ▶ Terpenes
  - ▶ Appearance
- Flower is like fashion – constantly changing consumer desires requires frequent innovation
- Rely on genetic diversity, quality and word of mouth to promote brand awareness



# AWARD WINNING FLOWER



# CAPITALIZATION TABLE

| GROWN ROGUE CAP TABLE                 |             |                          |
|---------------------------------------|-------------|--------------------------|
| Shares Outstanding                    |             | 182,005,886              |
| Stock Price @ [3/5/24]                |             | \$0.50                   |
| Market Cap (\$USD)                    |             | \$91.5M                  |
| Cash                                  |             | \$8.5M                   |
| Net Debt                              |             | <\$1.0M                  |
| <b>Enterprise Value (\$USD)</b>       |             | <b>\$92.5M</b>           |
|                                       |             |                          |
| Dilutives                             | #           | Cash Upon Exercise (USD) |
| Convertible Debenture (@ \$0.176 USD) | 36,148,649  | ---                      |
| Warrants (@ \$0.192 USD)              | 31,770,249  | \$6.1M                   |
| Options (@ \$0.130 USD)               | 12,080,000  | \$1.6M                   |
| Fully Diluted Shares Outstanding      | 262,004,784 | \$7.7M                   |

Convert CAD:USD @ .740

# 2024 CORPORATE OBJECTIVES

## CORPORATE OBJECTIVES

### **Continue to Improve:**

- Fine tune production, genetics and efficiencies in all markets
- Continue to drive increases in total harvested flower for Goodness Growth
- Gain market share with new packaged products in MI and OR

### **Build Out New Jersey Assets:**

- Complete both phases of construction and have multiple harvests from phase 1.
- Open West New York dispensary, source and fund additional dispensaries in NJ

### **Expand:**

- Finalize expansion into at least one additional market



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