

**Grown Rogue International Inc.**

**First Quarter 2026 Results Call**

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## **CORPORATE PARTICIPANTS**

### **Obie Strickler**

*Grown Rogue International Inc. — Chief Executive Officer*

### **Josh Rosen**

*Grown Rogue International Inc. — Chief Strategy Officer*

### **Andrew Marchington**

*Grown Rogue International Inc. — Chief Financial Officer*

## **CONFERENCE CALL PARTICIPANTS**

### **Jerry Derevyanny**

*Bengal Capital — Analyst*

### **Aaron Edelheit**

*Mindset Capital — Analyst*

### **Brian Park**

*Private Investor*

### **Christopher Smith**

*Teamsters — Analyst*

### **Dharis Robinson**

*PharmaCann — Analyst*

## PRESENTATION

### Operator

Good afternoon, ladies and gentlemen. I would like to welcome everyone to Grown Rogues Rogue International Inc.'s first quarter 2026 results call.

As a reminder, during the course of this conference call, Grown Rogue's management may make forward-looking statements based on current expectations, estimates, and assumptions. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. These risks are described in the Risk Factors section of the Company's filings and other public disclosure materials.

Any forward-looking statements made on these calls speak only as of today, and Grown Rogue undertakes no obligation to update or revise them in the future, except as required by law.

During today's call, we will also refer to certain non-GAAP measures, including EBITDA and adjusted EBITDA. These measures do not standardize meanings under GAAP and may not be comparable to similarly titled measures used by other companies. Grown Rogue believes these measures provide useful supplemental information to investors, that they should not be considered a substitute for non-GAAP measures. A reconciliation to the most directly comparable GAAP measures is included in the press release issued earlier today.

After the speakers' remarks, there will be a question-and-answer session. If you wish to ask a question during this session, please press \*, 1.

With that, I'll turn the call over to Obie Strickler, Chief Executive Officer of Grown Rogue. Obie, please go ahead.

**Obie Strickler** — Chief Executive Officer, Grown Rogue International Inc.

All right. Thank you very much, and thanks, everyone, for joining today.

Today's going to sound a lot like the update we gave about a month ago, both because it wasn't that long ago and, also, because we've been head down, kind of executing on our growth plans with Phase II in New Jersey, the activation of our new project in Illinois, and the construction in Minnesota.

One topic I did want to talk about, and I'd be remiss not to spend a bit of time, is the recent DOJ announcement on April 23rd. You've heard us talk, and as we've noted previously, regarding federal regulatory environment. We stay educated with a willingness to make appropriate pivots, but as we've stated for years, our focus is to continue building a business that's resilient and successful, regardless of what happens with the federal legalization and the framework that's coming about.

Like many in the industry, we're super excited about the prospects of these announcements and trying to make sure we stay calibrated to specific opportunities that arise for us to capitalize on these shifting landscapes. For us, we really like our existing business and our growth plan, and you're not going to see us make any big bet-the-company pivots or spend heavily on speculative paths while uncertainty still remains quite high.

That said, we're from Oregon, and we've long daydreamed about leaning into kind of the Oregon outdoor roots and having access to an interstate commerce. So after the recent announcement, we obviously spent a bit of time educating ourselves around the opportunity, talking to different folks. And while we don't anticipate interstate commerce coming anytime soon, we're definitely taking some measured actions around this, mostly because of the cost, and then the time suck is going to be pretty well.

So last week, we submitted and received medical licensure in Oregon. And as some of you may or may not know, we already have medical licences in the state of Michigan.

So now, the next step is we're working through, again, since the cost of the DEA registration is low, of registering our state-sanctioned medical licences, just to make sure that we're—have the ability and can maintain the optionality as these kind of rules and different things kind of evolve.

One of the benefits of being in Oregon—and we anticipate and are confident the state of Oregon will be a cooperative partner if these paths kind of emerge as credible. And for those of you that may or may not know, and as a reminder, Oregon passed kind of pioneering legislation, I think back in 2019, Senate Bill 582, effectively designating and allowing Oregon to enter into interstate cannabis commerce acts or agreements with other states, that was, of course, contingent upon changes to federal law, which is now maybe coming to fruition.

But enough on kind of the speculative stuff and, again, our goal and our time is best spent making sure we execute upon the pretty demonstrable growth plans that are right in front of us.

Core message to leave everyone with today is that our business and projects remain on track. We've been talking about this for six months. We've talked about it on the last call just a month ago. And all that stuff stays on schedule and on track.

In New Jersey, we'll be harvesting the first flower room that we built—this is flower room 5—later this month, as part of our Phase II expansion, and still expect to have the rest of our flower rooms fully completed at this facility by the end of the year. Right now, we're in the midst of a small power upgrade that will support those three main flower rooms and, yeah, looking forward to getting that done and having that facility fully constructed in 2026.

In Illinois, which is in Dwight, we are continuing to work on kind of the modest infrastructure improvements. As you remember, we took over a fully operational and built-out facility, and then

obviously working with local and state governments to get the occupancy approvals we need to move plants into the building.

Anticipate this being completed this quarter, so still on track with what we originally thought and just continue to work aggressively to get that done. Technically, we're definitely ready. Team's ready. All the systems are in place. And really, it's just into regulatory timing and approvals. And as you know, sometimes, that can not go directly according to plan but, so far, everything in working with them has been very positive.

Minnesota is in active construction and still targeting occupancy and plants in the building in late Q3. Team is obviously working diligently across technical planning, mark our (unintelligible) construction, obviously leading the construction process down there with all the different aspects that go into getting a facility up and operational.

If you've had time to look at the press release, you'll notice that we modestly increased our revenue guidance for the year, mostly tied to the fact that we entered in the year with some heightened uncertainty with respect to performance in Michigan with the implementation of that new punitive wholesale tax.

And we're pleased with how we've been seeing the market respond in March, April, and May. January was a little goofy with kind of the big December, as people were trying to get in front of that tax, but very pleased with how we're seeing Michigan kind of evolve. And you saw, in some of our KPIs, just the yield improvements and just the efficiency that's happening in that state.

I'd also like to kind of verbally add on this call—and we didn't put it in the print—but we strongly believe we'll be at the higher end of our adjusted EBITDA guidance. But again, up to that, leave that

unchanged as we work to get our new rooms productive in New Jersey and, also, finalize our Illinois regulatory approval over coming weeks and months.

Obviously, this is a big lift for the team this year. We talked historically a lot about how many projects we can take on in a year. And this year, we're doing a couple of them. And I'm sure the team will be glad to tell all of you that I won't let them get enough sleep until we have plans from the building in Illinois and Minnesota.

That being said, when I talked about, on the last call, as kind of the entry and the opener, the calibre of the team we have, their drive, intensity, passion, actually doesn't require much poking from me. It's just truly a blessing, and I think about this every day. It's such a motivated team, focused on achieving our goals collectively.

Some more general updates. We're a flower-forward business, and we continue to look at ways to stay true to that but also providing new products to our little customers. Recent launch of vape carts in Oregon is a testament to that, strain-specific products, so we can provide the same kind of Rogue flower with just a different experience.

Very excited about what that's going. The first kind of iterations of market and consumer feedback's been very strong. And we're starting to scale that kind of business segment up a little bit in Oregon.

While we're doing new products in the Grown Rogue way, measured and disciplined, developing quality, product fit, and market demand, before we scale aggressively, again, the feedback has just been exceptional, so very excited about that.

And then also kind of the—we have like social and across multiple states now, and then hearing some of the feedback from consumers in the other markets after seeing that launch of vapes in Oregon,

asking for those products, and so starting to see kind of where the brand's going and kind of some of that just consumer loyalty that we're building; continuing to invest in the brand and take our high-quality, low-cost foundation and ensure the brand matches kind of our core foundation of high-quality, low-cost flower production.

Particularly proud—and you guys will see this in the KPIs—of the 97 percent package sales number in Jersey this quarter. We might expect a little bit of that to move around as we bring out more capacity, but really kind of confirming, like, the ability of our brand to hit the consumer kind of demand in that state. And it's a very exciting kind of number for us.

You know we've been under price pressure in Oregon and Michigan for quite some time. And not to jinx us with any kind of—ourselves, internally or whatnot, and it's only a few months of data—but we are starting to see some early signs of pricing recovery in Oregon. We've been through several of these cycles in these mature markets. Think this is the third one we've seen in Oregon.

And kind of an interesting anecdote is, when we started Grown Rogue, like, I was the person in metric. It was literally my cell phone that we gave to the state for licensing, and so I'm still on all of, like, the state databases, metric manifests, things like that. Yes, I know I need to change that.

But for years, like, as avoiding want to change, avoiding, it actually acts as a very interesting signal to market conditions. As I get all the random outreach from people on the market, coupled with thousands of spam calls a day—just kidding. It's not that many, but spam calls definitely suck. But what you see is, during times of supply and pricing pressure, what I get is the inbound text or calls from people asking us if we will buy their product, since we have wholesale licences in the state, and we're well regarded in this jurisdiction.

But you get the opposite during supply waning and pricing recovery. And recently, we've been seeing more inbound requests looking for product availability. And we started to see this, like uptick of ASP, particularly towards the end of March and definitely in through April.

And again, while things change quickly in these markets, and about six weeks of kind of pricing recovery in a demonstrable way, it can change quick. If it continues, it's going to bode well, very, very well for us, what we're doing in Oregon.

We also continue to augment our existing facilities with inexpensive upgrades and improvements. We have completely retrofitted all of Oregon with LEDs, which is our lighting technology. And ... Sorry, I just got distracted there for a second. These lights create a higher quality and more consistent product and just super excited to watch kind of the difference over the last couple of years—improved yield, improved quality, improved consistency.

And then, as we talked about kind of over the last three or four months, we're also seeing some of the fruits of our small technology improvements that are really starting to drive yield. We trialled these in Oregon starting, maybe, I don't know, 18 months ago, just to go through our kind of R&D process, and then rolled out that concept in Michigan, the middle of last year, where you can see the yield improvements in the KPIs. I think we're averaging 82 grams a foot over the last couple of quarters, which is a 20 percent-to-30 percent-plus improvements to kind of the historical yield kind of environment that Grown Rogue's operated in.

Expect to have Michigan fully outfitted with this technology this year, and then we have ordered and are implementing and installing this in about half of the Oregon indoor business, just as we continue to roll this out, to keep driving quality, yield, and consistency across the organization.

New Jersey is really starting to hit its stride with more consistent execution. With the completion of Phase II, we'll also be able to fully amortize our fixed costs against, essentially, twice the production capacity. So we expect to see some meaningful improvements in both yield and costs as we move through '26 and into '27.

We also—going back to brand and kind of how we're starting to interact with that portion of our business, we had our first brand party earlier this month in New Jersey, and it was a huge success. I think we had over 500 people attend.

Couple that on the back end as the same kind of—I think it was MJ Unpacked— Grown Rogue won a couple more awards in the state. We got first place for our indica flower, and then second place for the non-infused pre-roll category in the market. And this was on back of the awards we won, I don't know, six or eight months ago at the Miss Grass competition.

So just, again, overall positive quarter; excited about '26.

And with that, I will pass it over to Josh.

**Josh Rosen** — Chief Strategy Officer, Grown Rogue International Inc.

All right. Thanks, Obie.

I have not all that much to add this quarter. Much like Obie referenced, we covered a lot of ground last month.

One anecdote that is fun to share, and it dovetails to Obie's comment around New Jersey here, and this ties into something that those that have heard me talk about brands and cannabis before reference is, we had a handful of folks at that party actually get Grown Rogue tattoos. And my rule of thumb for cannabis brands is that you don't really know if you have a real brand in weed unless either, A, your product is being sold for premiums illegally in New York City bodegas and, actually, you get a little

extra bonus points if it's counterfeit product from a branding standpoint; or B, your fans put it in permanent ink on their body.

So, thought that was a fun anecdote for the—fun anecdotes for the team. It was, I think, six folks, one of them being an employee. They probably don't count but, nonetheless.

And, yeah, I'd still suggest that Grown Rogue is very much a sales-driven culture more than a marketing-driven culture, but it's fun to see the growth and acceptance of the brand. The roots and quality have always been there, and it's just great to see the greater recognition.

I'll wrap up my very short comments by noting that I'm still spending a lot of time evaluating and pursuing distressed opportunities. It's this work and networking that led to our Dwight, Illinois opportunity. These opportunities are episodic and very difficult to handicap with respect to timing and, ultimately, whether we can or want to get them to the finish line.

The underlying theme is bringing our capabilities to underperforming or overbuilt infrastructure, and that by getting the efficiency and quality and cultivation right, we're able to fix the engine of the supply chain. We're great at what I think is the hardest part to get consistently right and, ultimately, we're in the enviable position of not needing to do anything, as our existing path is a strong one as it is.

And with that, I will hand it over to Andrew.

**Andrew Marchington** — Chief Financial Officer, Grown Rogue International Inc.

Thanks, Josh.

We appreciate everyone's patience while we've navigated all of the GAAP conversion requirements, including, most recently, the refiling of all of our 2025 historical quarters under GAAP on SEDAR, which was finalized back on April 30th. We'll also be providing restated trailing four quarters of adjusted EBITDA in the next version of our investor deck as well. These quarters were unaudited, and

there may be some accounting noise related to the conversion. So as we go through 2026 comparatives, we'll do our best to quantify anything causing any unusual comparisons.

Our team is excited to be done with what was a compressed first quarter filing timeline, coming right after year-end, as well as the quarterly restatements. And we're excited to move forward under normal calendar quarters under US GAAP, in addition to all the support and growth we have with the initiatives Grown Rogue has on its plate this year.

I also want to highlight that our trailing KPI metric, specifically our cost-per-pound metric, has been recast to properly remove sales, admin, and packaging cost in an effort to express the most comparable metric of cost to sort our product across all of our markets, which normalizes significant differences related to the sorting and packaging process. We had a modest cleanup of that metric from our previous disclosure.

Finally, I'd like to speak briefly to how we're treating the new 24 percent excise tax in Michigan. This tax only applies to adult-use sales, so the full 24 percent burden isn't felt by our operation. In conformity with most of our peers in Michigan, we've chosen to invoice out the excise tax, effectively passing through to the customer in the invoice. However, as you could expect, there is some negotiation that goes on there with customers and, often, we're forced to reduce our underlying price on the cannabis to compensate.

And our ASP and KPIs isn't exactly comparative to historical periods, due to the fact that they're—oftentimes, we're splitting the baby with the customer in terms of who's taking on the burden of the tax. But we are ultimately required to pay this excise tax to the state and, therefore, our overall profitability was impacted in the first quarter. Margin will be lower on a comparative basis moving forward, as we deal with paying this tax.

With that, I'll pass it back to Obie.

**Obie Strickler**

Great. Thanks, guys. At this point, we'd love to open it up to questions.

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## Q&A

**Operator**

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press \*, followed by 1 on your touch-tone phone. You will hear a prompt that your hand has been raised. Should you wish to decline from the polling process, press the #, or \* key, followed by 2. If you are using a speakerphone, please lift the handset before pressing any keys.

One moment, please, for your first question.

Again, as a reminder, if you wish to ask a question, please press \*, 1 on your touch-tone phone.

Your first question comes from the line of Jerry Derevyanny. Please go ahead.

**Jerry Derevyanny — Bengal Capital**

Hey, guys. Great quarter, as they say. Could you guys—I noticed you guys talked about a little bit of CapEx that you guys put in for technology from Michigan and going to Oregon. Can you give a little bit of colour on kind of like what the magnitude of CapEx spend is, and then the kind of returns that you guys are getting off of it? It would be interesting to get that as a data point.

**Obie Strickler**

Yeah. Good question, Jerry.

The magnitude of the CapEx is measured in low \$100,000 across each facility. I think we spent \$60,000-ish to get half of Oregon, maybe a little bit more than half, outfitted. So call it less than \$150,000

to kind of get this technology improvement installed. And we think it should have a 20 percent-to-30 percent yield increase as just like a bottom-line-like improvement.

That does not include more consistent product, better quality, as you get from some of these improvements, especially the LEDs going up top, which is not part of the technology improvement, and so just a better experience for a customer. But you take 20 percent, 30 percent, amortize that over the production footprint that we have in place, and you're talking material improvements in pounds produced. I mean, if we're doing 1,000 pounds a month in Oregon, maybe a little bit more, 20 percent, 30 percent, you're adding 200 to 300 pounds a month.

And so our team estimated the return on investment on that is measured in like a couple cycles or a couple harvests, once you get those installed. So it's probably—and I was talking to the team about this—arguably the most interesting technological improvement I've seen in cannabis in my career in terms of just low cost, high return. It's pretty awesome.

**Jerry Derevyanny**

Great.

**Josh Rosen**

Yeah. I think—and, Obie, if I could just add—

**Jerry Derevyanny**

Sorry.

**Josh Rosen**

—one quick comment, Jerry, before, just to—I think, just kind of an anecdote that goes along this with—a long ways on this because, in true Grown Rogue fashion, we're able to use used equipment

a good portion of the time, or at least purchased but not fully implemented equipment a good portion of the time.

And then the other side of it, because this is part of the internal dialogue, is there's the implicit return that you have from using these improvements in the mature markets, but also getting the reps tying in these practices and adapting into the new markets as they come online is also part of this equation over time in terms of just, yeah, doing this work. And because it's so cost effective on the front end, it also has that secondary benefit as we go forward.

**Jerry Derevyanny**

Perfect. That's great.

**Obie Strickler**

Yeah. We expect to roll this out across the portfolio. I mean, there is changes to your growing practices, not to get too technical. But with added production, you get different watering rates, so is your fertigation prepared for that; is your mechanical system set up for that; the way you manage the plants is going to be different, so you got to train your team a little bit.

And so, we always talk about there's 50 levers in cannabis that you play with when you're doing production properly, and you can never change just one. You got to move all the levers a little bit to kind of just get back to that kind of excellent kind of output and performance that we expect.

**Jerry Derevyanny**

Mm-hmm. Can you give any kind of early indications on how the vape launch is going? And if you could talk about what margins look like there? I'm not sure if you guys are in-housing it or tolling it.

And then if you guys—what you guys need to see out of Oregon to push that product into Michigan and into other markets?

## Obie Strickler

Yeah. I don't have great margin data on it. I mean, we're using—and a lot of companies do this, but we're doing it in the Grown Rogue fashion. We're outsourcing the production of the cured resin product. Again, it's strain-specific. We don't have that infrastructure in-house, and we may or may not decide to build, like, C1D1s for processing.

So using a third-party manufacturer, we launched very, very lightly. I think we had—and we think of things in pounds—but, like, 10 pounds of vape carts. What does that translate into, a gram per cart or a half-gram; call it 20,000 cartridges or something like that.

And we did that because, again, we want to just define that there's a market before we invest heavily in packaging, infrastructure, all of those types of things. So we send the product up, it gets made into the oil, it gets loaded at this third-party manufacturer, and then the cartridges get sent back to us, where it goes into our packaging. Our team does that, and then our sales team is obviously distributing it.

And the initial response was fantastic. And so, I think, the first order was, call it, this 20,000 carts. We'll probably double that in this next order that's going to come up, with the goal of establishing a six-figure kind of business in the vape cart space inside of Oregon.

And a couple things. We are looking at rolling this out into the other markets. There's some early discussions going on in Michigan, again, with a third-party contractor. But we're patient when it comes to these things. We don't want to rush it. We want to make sure the quality specs are there.

When you're relying upon third-party contractors, you also want to make sure that they're going to meet your standards, and so you got the reliability that our customers have come to depend upon us for. And then also sustainability of that. You don't want to go in and out of the market with products. And so you want to make sure you've got a manufacturer that can kind of meet your demand requirements.

And so doing it in Oregon, the Grown Rogue way, having discussions in Michigan because, again, the response has been so good here. And we were getting feedback from customers in other states saying, hey, when are you going to have that product for us in Michigan, we love your flower, we love your pre-rolls, we'd love to have your flower in a different form factor.

And then in early discussions in New Jersey, thinking about how we just continue to expand our product portfolio into these markets and attract existing and new customers into what Grown Rogue's offering.

**Jerry Derevyanny**

Okay. Great. Thanks. Appreciate it.

**Obie Strickler**

Yeah. Of course. Thank you for the questions.

**Operator**

Thank you. Your next question comes from the line of Aaron Edelheit from Mindset Capital. Please go ahead.

**Aaron Edelheit** — Mindset Capital

Hey, guys. Thank you for just sharing all the very clear, concise data. I had a question, specifically, when I look at the A flower yield in New Jersey, and I compare them to Oregon or Michigan, it's lower. Is there any reason why—is it just the first starting of New Jersey? Or do you need to be fully built out to get a higher quality of flower out of New Jersey? Is there any reason why that wouldn't eventually be where Oregon and Michigan are?

**Obie Strickler**

There's no reason why it should not get to Oregon and Michigan standards. Obviously, deploying our system into new markets, it's a process. Right? You got to get a team in, trained. You got to make sure your genetics are spot on, that you understand your facility.

**Aaron Edelheit**

Mm-hmm.

**Obie Strickler**

And so we like the improvements we're seeing there. I would say my expectation is, by the end of this year, as you get—there were some staffing challenges in Jersey, which everyone faces there because the badging process takes so long. There was times when we'd have two months between hiring someone and then being able to come into the facility.

And so little things like that just create, I mean, kind of gaps with how you care for your plants and things like that, which drives the yield.

But, yeah, there's no reason why we're not going to hit those numbers. And our expectation, kind of internally is, by the end of this year, we should be kind of getting closer to that 65, 70 grams of square foot of total production with A kind of ratios in the 45 to 50-gram kind of a square foot range.

And so that's the expectation in, kind of, markets that don't have that technology improvements, and confident that Jersey will get there as we kind of navigate and kind of fine-tune everything in 2026.

**Aaron Edelheit**

And when I compare Michigan to Oregon, I see the technology improvements you've made in Michigan gets a greater flower yield per gram, but it doesn't seem like the A flower yield is that different. Can you explain just the nuance of that? Or will that—do you expect the A flower to go up eventually in Michigan?

**Obie Strickler**

I think what you're—I'd want to look at the KPIs going back a little bit but, I think, in Oregon, we've always had a slightly better A flower kind of ratio, like that's home base. That's where our best talent is, which is why we pulled a bunch of that talent out, but the team behind them was ready to step into it. So I'd want to look at kind of the gradational period over the last, call it, two years.

But I think you see a material increase in total yield that maybe skews a little bit more towards B flower, but. And we've seen a pretty strong kind of return on both that side.

So I think what you're seeing in Oregon is just a better outcome of A flower production. And as we install this new technology there, I think we'll see that grow with the overall yield improvements.

**Aaron Edelheit**

Gotcha. And then, in terms of Minnesota, your—I mean, I saw your update in your comments. You've—start planting Q3, sales, sounds like January or so. But do you—I've heard reports that people are like contracting in advance, that we've done due diligence checks. There's stores just very short of flower. Do you have any commentary or just how you're thinking on—it sounds like it'll be a very different kind of entry into the market than New Jersey. But do you have any thoughts on how you plan to turn that on? Or will you—is there a potential to have kind of like offtake agreements or contracts for people because the market's so short? Any commentary on Minnesota would be helpful.

**Obie Strickler**

Yeah. I think all of the above. We're very excited about Minnesota. I saw something today saying that there's now close to 100 dispensaries or retail that are opened in that state. So you're seeing the retail turn on. There's obviously still very little product. We've had a few interactions with some of the retailers, but we don't want to get ahead of ourselves.

And so part of the planning for a new state is not only construction and technical and market launch, but it's also the team. Right? And so, we're making more of a change that we're going in, and we talked about this last call, just the benefit and value of our team—is our GM from Oregon has been with us for years, was our sales director to start. I think we hired him in 2021. He's going to move to Minnesota. He's going to be out there next week. He's starting to do some due diligence in the market, starting to kind of understand like what that landscape looks like.

And I think, over the next month or two, as we prepare for TCO (phon), which is the occupancy and getting the state licensure, and knowing when our plants come in, we got a couple months before they'll be ready for sale, like starting to have those conversations, building relationships with the retailers. And we'll know a lot more over the next couple, two, three months as we get prepared for actual physical product to be sold.

But, again, all signs point towards a very kind of product-constrained marketplace and, as we know, there's not a lot of capital in the space right now. And so we're not seeing big grows come online. The way they built their regulatory structure is somewhat restricted for kind of the more well-capitalized larger companies in the space because there's limited retail kind of access.

So we're excited and confident that we'll be one of the first kind of independent-scale operators in that state with a high-quality product that we can give to the customers there and help kickstart that market. So, yeah, super excited about it.

### **Aaron Edelheit**

And can I—can you—is there any chance that you could also launch a vape product in Minnesota? Or would you need to partner with someone? How do you think about that with the early success in Oregon, and that it's such a new market in Minnesota and potentially grabbing market share?

Do you have any thoughts on potentially—or how aggressive or you might be in launching a non-flower, like a vape product, in Minnesota?

**Obie Strickler**

I haven't given it a ton of thought because our focus, again, is on the core business. Our licence does not allow for manufacturing. Like in Oregon, we have all the licences, wholesale, cultivation, processing. In Michigan, we just have cultivation, which is why we're using the third party. But in Michigan, you can take the product back and then self-distribute.

In Jersey, for instance, you can't do that. We don't have—we have a manufacturing licence there that's not active. And so, when you outsource it to someone to make the product, you actually physically can't take it into your vault. So there's a little bit more logistics.

And I think the same answer in Minnesota. We'll look for the right partners. We've had some discussions with manufacturing licence holders that may be thinking about collocating inside of our building. And if people remember, we got 109,000, 110,000 square feet. Obviously, that's because we have a 30,000-square-foot canopy potential there, which is about double what we have in most of our markets, and so the opportunity for increased flower production is really high.

But we'll definitely be looking at that. And you're hitting the right points, which is, as we learned in Jersey, you can build the brand, you can get that market share. But being early is important. Right? You establish kind of that pole position and that presence from day one. And we're very excited about being in kind of that position in Jersey—or in Minnesota.

And if vapes becomes part of that and we find the right manufacturer, yes, we would absolutely be considering that. But again, not to distract from the core business. Right? That would be just in addition

to, but nothing that's going to distract from getting the building constructed, plants in, flower coming out, and focuses on that core kind of business dynamic for Grown Rogue.

**Aaron Edelheit**

Thanks so much.

**Operator**

Thank you. Your next question comes from the line of Brian Park. Please go ahead.

**Brian Park — Private Investor**

Hey, guys. Congrats on the progress. Just got one for you. In the event you could ship out of state with your outdoor from Oregon, just wondering what your game plan would be, if you have one, and what capacity you think you could have, et cetera.

**Josh Rosen**

Obie, I'm happy to—

**Obie Strickler**

Josh, you—

**Josh Rosen**

Yeah.

**Obie Strickler**

You want to take that one? (unintelligible)

**Josh Rosen**

Go down the—go down the speculative route? Yes.

I mean, truly, I mean, on this topic, it really depends on the counterparty side of the equation in terms of what states and/or countries would allow for said export.

And so, from my vantage point and our vantage point—and we’ve talked about it internally—we’re really comfortable, confident in our ability to develop the rails, both from a self-production standpoint but, also, Obie, born and raised in the top of the Emerald Triangle, the access to other outdoor. There are a lot of quality producers in southern Oregon, and you’ve got a state that would like to see the industry go down this path over time.

So our ability to navigate the distribution rails over time is something we’re really comfortable that we can navigate as we get clarity.

So make up a for-instance. For instance, if the state of Florida were to open up import, DEA licence to DEA licence from a medical standpoint, and we were able to partner with, and if—the way Florida runs today, from a state standpoint, it’s solely vertical. Right? You can only sell what you can grow in your own facility, with a few exceptions, if you’re supply constrained, et cetera. So that would be one very interesting state, given how medical that state is, or Pennsylvania is still a medical state, as an example, where it’s very clear, and there’s a lot of depth in the market, potentially.

But pure speculation, nothing we expect to happen very, very soon, but something that we pay very close attention to and are part of the conversations around.

**Brian Park**

Right on. Thank you.

**Obie Strickler**

It’s good Josh answered that, because I would have said we’re ready to ship 10 million pounds. Just kidding.

**Brian Park**

Yeah. You are.

**Obie Strickler**

But the other thing that's really important—we've talked about this, right—this is the multi-state strategy that we have, like getting into these markets, taking advantage. It's not only for the current business, when you don't have interstate, but they also create these hubs. Right? I think people miss how important the consumer relationship is. Right? You don't just show up and, all of a sudden, be like, oh, I'm here, I've got all this weed, and people are going to buy it. Like, you have to build that brand. You have to build that customer loyalty.

And so having these relationships with customers in Michigan, in New Jersey now, soon to be in Illinois, soon to be in Minnesota, I think it sets us well up for that eventuality, if it comes to comes to bear. And so really excited about that kind of piece of our business that, again, is just building reputation and building customer loyalty and connection across multiple markets, so.

**Brian Park**

Cool. That's all I got. Thank you.

**Obie Strickler**

Thanks.

**Operator**

Thank you. Your next question comes from the line of Christopher Smith from Teamsters. Please go ahead.

**Christopher Smith — Teamsters**

I appreciate you taking the time to answer this question. So regarding the Dwight, Illinois cultivation facility, is the Company willing to work with the Teamsters Union in hopes of employing individuals who lost their job at that facility when working under PharmaCann?

**Obie Strickler**

Yes. We are in current communication with plenty of the former PharmaCann employees. A couple of them are on contract with us right now that are kind of providing continuity.

And so, definitely, one of the big things that we saw, as we entered into that opportunity, was a lot of people lost their jobs. And we're excited about the chance to kind of bring jobs back to Dwight, including some of the people that were former employees at the former PharmaCann facility.

**Christopher Smith**

Would you be willing to recognize the Teamsters Union, as they were right about to recognize the—or ratify their first contract with PharmaCann? Is that something the Company would be willing to do?

**Obie Strickler**

I'm not sure. We'd have to look at that. I'm not a—I mean, we have a labour peace agreement in New Jersey. I'm not sure what the requirements are in Illinois. But I'm sure you can get a hold of us, and we can talk through something like that.

**Christopher Smith**

Perfect. Thank you.

**Josh Rosen**

Yeah. I think, Chris, along those lines, I mean, from our vantage point, we're drinking from the firehose trying to get the facility back up and running on the regulatory side. And as you can imagine, having visibility on when we can actually get plants back in the building is kind of gating factor for even when we can more fully employ folks as well. So we're still kind of all systems to go just trying to get operational and jobs back.

**Christopher Smith**

Yes. No. And perfect. And in that time, when you guys are looking for it, when you guys are ready, we're here to help in any way, whether that's through the leads or the people we had there. So, thank you for answering that question. And I'll definitely reach out for further conversations.

**Obie Strickler**

Great. Thank you.

**Operator**

Thank you. Your next question comes from the line of Dharis Robinson from PharmaCann. Please go ahead.

**Dharis Robinson — PharmaCann**

Hi. Yes. I had a few different questions. One involves, do you guys plan on adopting all the different licences that PharmaCann had? Are you going to be looking at bringing up the kitchen again? Or how quickly do you plan on doing C1D1 extractions, if you do plan on doing them?

**Obie Strickler**

Yeah. We did not take over PharmaCann's existing licence. So the licence we have at Dwight is a craft grower licence, which has manufacturing capabilities. We do plan on having extraction because there's a full lab built out of that facility. It's one of the benefits of that one.

As it relates to individual products, that's something our team is working through, infused pre-rolls, vape carts, edibles, things like that. But, yeah, so we're looking at all those things.

But, again, Josh said it so eloquently. Like core for us, right now, is getting the regulatory approval, getting plants in the ground because all that stuff comes post having plants in the building and getting your first harvest, where you do have flower for sale or the subsequent biomass trim that can turn

into kind of those value-add products. But, yeah, absolutely, and excited about that part of the business there.

**Dharis Robinson**

Now futuristically—and this could be at any timeline—do you guys plan on ever growing for other brands or sharing the licence with another company? Are you trying to just keep it SEA Craft and Grown Rogue brand? Are you going to be doing a lot of third-party extractions for other people or vice versa?

**Obie Strickler**

Josh, do you want to take that one?

**Josh Rosen**

To Obie's point, I'll—yeah, I'll jump in real quick. I mean, I think, to Obie's point, at this juncture, it could be fairly speculative to be specific in terms of answering that. It's a little—on the manufactured goods side, the answer, as Obie answered it, yes, we're moving in that direction. But this is a flower-forward business. That's the focus of the effort, particularly in Grown Rogue, branded flower-forward business where we can.

And that being said, we are a profit-seeking enterprise, and we recognize there are some inherent challenges in the—yes, just being a naked wholesaler in the state of Illinois, the way that the markets works today. And so where it is a benefit and we can be collaborative, we're pretty open-minded and, ultimately, really just want to build around our core competencies in terms of flower-forward and team-building from a culture standpoint.

And so, over time, what you're alluding to are things that we'd be open to from a conversation standpoint. But when you looked—when you look at the next six months in front of this company, like we

are just laser-focused on standing up operations, getting quality flower through the door in an efficient fashion, and leading in the market. And so, yeah, the rest of it gets pretty speculative when you get beyond that.

But the team does—broadly, across the Grown Rogue team, we have a multitude of experience across the sector. So we have some in-house capabilities that we'd lean into and, obviously, we'd have to build in the local market as we add.

**Dharis Robinson**

That's an excellent answer. So how do you guys plan on competing with the high prices in Illinois?

**Josh Rosen**

Efficient production of quality flower. I mean, that is the—yeah, that is the blueprint for us. And so I think you noted it—inherent in the question. We think—we spend most of our time focused on markets where we think we can bring that quality at an affordable price point, and we see opportunity for that in Illinois.

And also, as Obie referenced, it's a craft cultivation licence. So we're not coming into the market with 40,000 square feet of cultivation capacity. That, by regulatory constraints, we got to start with 5,000 square feet. And so we feel like entering that market in a prudent, measured fashion is going to be a way that we can really start earning customer loyalty.

**Dharis Robinson**

Okay. Thank you. That's all I have.

**Obie Strickler**

Thank you.

**Operator**

Thank you. There are no further questions at this time. I will now turn the call over to Obie.

Please continue.

**Obie Strickler**

Great. Everyone, thanks so much for joining and taking the time out of your days to hear about the business and what we're trying to accomplish. And so, you got any additional questions, feel free to reach out.

But again, thanks, everyone, for coming and look forward to catching up here in a few months and furthering the updates around our objectives for 2026.

**Josh Rosen**

Thanks, everyone.

**Operator**

Thank you. Ladies and gentlemen, this concludes today's conference call. Thank you for your participation. You may now disconnect.