



PRESS RELEASE

Grown Rogue Reports 388% Growth First Quarter F2019

Established Oregon Platform currently in development in California and Michigan

MEDFORD, OREGON – April 2, 2019 -- Grown Rogue International Inc. (CSE:GRIN | OTC: NVSIF) (“Grown Rogue” or the “Company”), a vertically-integrated, multi-state cannabis company, with licenses and operations in Oregon, California, and now Michigan, has released its financial and operating results for the three months ended January 31, 2019. The Company’s financial statements and related management’s discussion and analysis for the period are available on the Company’s SEDAR profile at www.sedar.com and on the Company’s website at www.grownrogue.com. All amounts are expressed in United States Dollars unless otherwise indicated. Certain metrics, including those expressed on an adjusted basis, are non-IFRS measures.

First Quarter F2019 Highlights

- First quarter revenue grew 388% year-over-year to \$834,309 and is expected to continue as the Company proceeds with its expansion plans in Oregon, California and Michigan.
- Gross margin improved to 31% compared to negative gross margin Q1-F2018.
- Grown Rogue products in over 220 dispensaries in Oregon.
- Launched innovative nitrogen sealed 3.5g glass jars inspired by Grown Rogue’s patent pending nitrogen sealed pre-rolls
- Achieved Oregon outdoor THC potency record and won the prestigious Growers Cup in two of three categories.
- Established partnership with international award-winning chocolatier
- Management expansion including the addition of Adam Wolf as Chief Operating Officer
- Expanded into California
- Signed MOU to expand into the Michigan market through strategic partnership

Grown Rogue current multi-state presence

- Expanding presence to its third state, the highly populated, limited-license state of Michigan through a partnership agreement
- From 3 licenses in 1 state Q1-F2018, to control of assets with opportunity for 22 licenses in three states at the end of Q1-F2019.

Oregon Operations

- Cultivating 90,000 sq. ft. of canopy in Oregon including two outdoor farms and a state-of-the-art indoor facility
- Increased outdoor yield from 2018 to 2019 by over 50%
- Increasing market penetration and sales revenue

California Operations

- Expanding into California with a 16,000-square-foot microbusiness facility in Eureka with retail, processing and distribution licensing partnership spanning San Francisco to Los Angeles.
- Secured state and local approval for distribution license and type 6 manufacturing (non-volatile), and local approval for type 7 manufacturing (volatile).

Michigan Operations

- Subsequent to the close of the first quarter a binding agreement was signed with Michigan partners and includes two strategically positioned retail centres (“provisional licences”) in Hazel Park and Midtown Detroit as well as a 19,000-square-foot cultivation centre in Detroit. Additional licence acquisitions under review.

“Our Fiscal 2019 Q1 represents the first full quarter for Grown Rogue as a public company and marks the Company’s 5th consecutive quarter of revenue growth since launching first in the state of Oregon in late 2017,” said Obie Strickler, President and CEO of Grown Rogue. “To have gained this brand recognition and sales traction, in what is arguably the world’s most competitive legalized cannabis market, bodes very well for our expansion into California and particularly the newly legalized market in Michigan. We’ve grown very quickly from controlling just 3 licenses in one state a year ago to assets allowing us to have 22 licences in three states today.”

Selected Financial Information (Complete financial tables have been filed on www.sedar.com)

	Three Months	
Period Ended January 31, (in \$000s except per share amounts)	2019	2018
Sales	834	171
Gross profit	256	(314)
Expenses		
Operating Expenses	1,191	676
Other Expenses	140	347
RTO Transaction	3,724	-
Net loss	(4,799)	(1,337)
Net loss per share	(0.08)	(0.35)
Cash & cash equivalents	532	1,363
Weighted Common Shares Outstanding	61,324	3,774

For the first quarter of fiscal 2019 Grown Rogue revenue grew to US\$834,309 (C\$1.11 million), an increase of 388% from revenue of US\$170,960 (C\$227,592) in its fiscal first quarter ended January 31, 2018. Since the Company's first products began selling in late 2017, Grown Rogue has demonstrated meaningful sales traction in one of the world's most competitive cannabis markets. The increase is a result of continued addition of the internal sales force, third party distribution, as well as an increase in awareness of the Grown Rogue brand.

Grown Rogue's award winning flower production (indoor and outdoor) represents approximately 55% of total sales with the remainder coming from concentrates (oil cartridges and extracts), pre-rolls, 3rd party products, and a new edibles line launched in December of 2018 that is produced in partnership with an award winning chocolatier. Demand for Grown Rogue branded products that exceed current internal production capacity, is supplemented with quality products from other qualified purveyors and manufacturers inside of Oregon. Grown Rogue products typically receive premium pricing at retail over the Oregon state average.

F2019 Q1 gross margin was \$256,330, or 31% of revenues, a substantial improvement from negative gross margin of (\$314,205) for the same period last year. A significant component of the difference relates to a substantial adjustment related to the fair market value of the Company's biological assets during the quarter ended January 31, 2018. While the Company did not have such an adjustment during the quarter ended January 31, 2019, gross margin improved as a result of the efforts of the Company over the past year to refine its cultivation processes to be more efficient resulting in lower cost of goods.

F2019 Q1 operating expenses of \$4,915,040, include non-recurring costs of \$3,723,724 related to the Company's Reverse Take-Over Transaction (the "Transaction") pursuant to its public listing on the Canadian Securities Exchange during the quarter. Of this transaction cost, \$2,700,682 was a non-cash component related to the fair value of shares issued to effect the Transaction.

Excluding Transaction costs, operating expenses for the three months ended January 31, 2019 were \$1,191,316, compared to expenses of \$676,277 for the first quarter of fiscal 2018. The increase in expenses was primarily related to the increased the scope of operations, resulting in increased salaries and benefit expenses as the Company continued to increase its number of staff, marketing and promotion, capital markets and travel expenses.

After Transaction costs, Grown Rogue's net loss from operations amounted to \$4,798,562 for the three months ended January 31, 2019, compared to a loss from operations of \$1,337,095 for the three months ended January 31, 2018. The primary component of the loss for the three months ended January 31, 2019 are the Transaction costs of \$3,723,724. These expenses are not expected to recur in the future.

The Company's cash and cash equivalents position was \$531,908 as at January 31, 2019 and working capital of \$840,575.

About Grown Rogue

[Grown Rogue International](#) (CSE: GRIN | OTC: NVSIF) is a vertically-integrated, multi-state cannabis company curating innovative products to provide consumers with the right cannabis experience. Each of Grown Rogue's products and strains are categorized and marketed based on unique effects and designed for the full range of a consumers' lifestyle. Grown Rogue is scaling the vertically integrated model into multiple states by incorporating best-in-class manufacturing facilities and a proprietary distribution platform based on Microsoft technology. Grown Rogue's diverse cannabis product suite includes premium flower, patent-pending nitrogen sealed pre-rolls, oil and concentrates, and edibles featuring a partnership with world-renowned chocolatier, Jeff Shepherd.

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This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) statements regarding the future direction of the Company (ii) the ability of the Company to successfully achieve its business and financial objectives, (iii) plans for expansion of the Company into Michigan and securing applicable regulatory approvals, and (iv) expectations for other economic, business, and/or competitive factors. Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning the business of the Company's future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic,

business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws; compliance with extensive government regulation and related costs, and other risks described in the Company's Listing Statement available on www.sedar.com.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

Safe Harbor Statement:

This press release may contain forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including all statements that are not statements of historical fact regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things: (i) the Company's financing plans; (ii) trends affecting the Company's financial condition or results of operations; (iii) the Company's growth strategy and operating strategy; and (iv) the declaration and payment of dividends. The words "may," "would," "will," "expect," "estimate," "anticipate," "believe," "intend" and similar expressions and variations thereof are intended to identify forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date hereof. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond the Company's ability to control, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors including the risk disclosed in the Company's Form 20-F and 6-K filings with the Securities and Exchange Commission.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational cannabis marketplace in the United States through its indirect operating subsidiaries. Local state laws where its subsidiaries operate permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are disclosed in the Company's Listing Statement filed on its issuer profile on SEDAR at www.sedar.com. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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