

GLASS HOUSE  
BRANDS



ANALYST & INSTITUTIONAL INVESTOR DAY 2024

CBOE CANADA: GLAS.A.U

OTCQX: GLAS.F



**WE ARE  
CALIFORNIA  
CANNABIS**

# STRATEGIC OVERVIEW, CULTIVATION & INTERSTATE OUTLOOK



**KYLE KAZAN**  
Co-founder, Chairman  
& CEO



**GRAHAM FARRAR**  
Co-founder, President &  
Board Director



**MARK VENDETTI**  
Chief Financial Officer

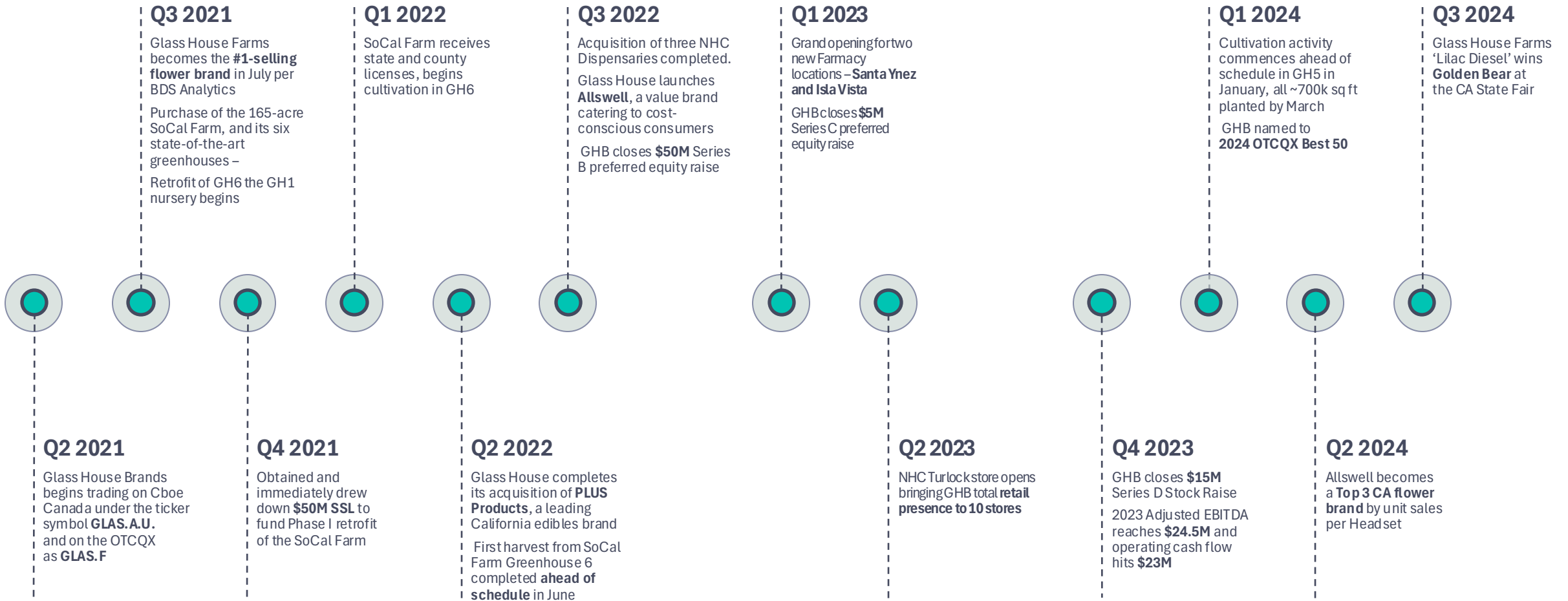
# STRATEGIC OVERVIEW

KYLE KAZAN, CO-FOUNDER, CHAIRMAN & CEO

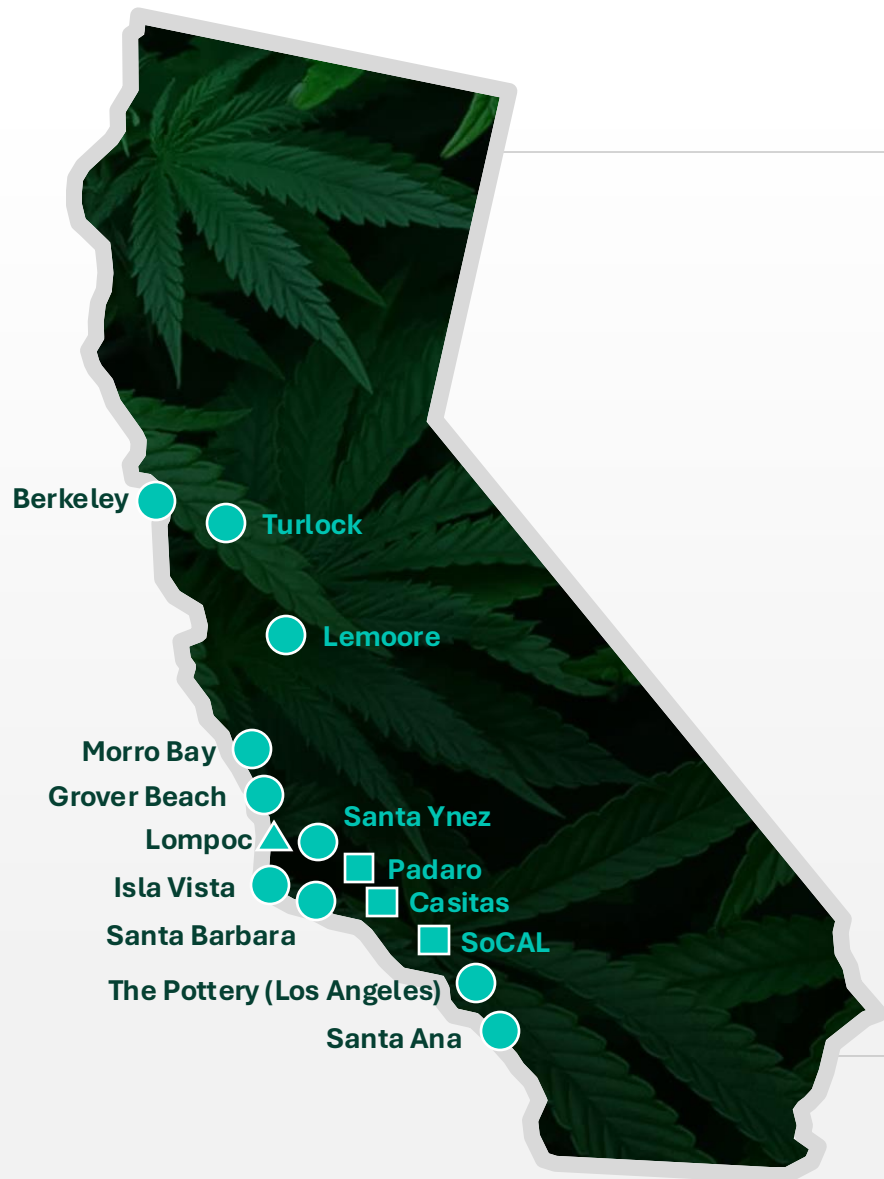
THE #1 CANNABIS  
COMPANY IN THE  
#1 MARKET IN THE WORLD



# Milestones



# 10 STORES STRATEGICALLY POSITIONED ACROSS CALIFORNIA



Vertical integration maximizes quality and protects margin

**3**  
CULTIVATION FACILITIES

- PADARO**  
350,000 ft<sup>2</sup>
- CASITAS**  
150,000 ft<sup>2</sup>
- SoCAL**  
5,500,000 ft<sup>2</sup>

**1**  
MANUFACTURING FACILITY

- LOMPOC**  
License Type  
6,7 & 11
- PLUS & Allswell**  
Flower  
Edibles  
Gummies

**10**  
RETAIL LOCATIONS

- FARMACY**  
5 Stores
- NHC**  
4 Stores
- THE POTTERY**  
1 Store

■ Cultivation Facility    ▲ Manufacturing Facility    ● Retail Store

# CULTIVATION

GRAHAM FARRAR, CO-FOUNDER, BOARD MEMBER & PRESIDENT



# THE GLASS HOUSE GROWING ADVANTAGE

**GLASS HOUSE  
CONSISTENTLY GROWS  
HIGH QUALITY CANNABIS,  
AT THE LOWEST COST**

## CLIMATE AND LOCATION

SoCal Sunshine is abundant and FREE!

Temperature is consistent and in a range that supports Cannabis cultivation

## FACILITY

The SoCal Greenhouse Farm was designed for tomatoes and cucumbers – a single digit gross margin business

Solar, cogeneration, well water, H2O recycling, etc. results in minimal utility costs and a reduced environmental footprint

## WORLD CLASS EXPERIENCE

Key Glass House cultivation team members are passionate about the plant. Their combined Cannabis growing experience exceeds a century and a half

17 employees that Glass House hired from the previous grower have provided a deep operational understanding of the SoCal Farm

## ACCESS TO LABOR

Located in Ventura County where access to agricultural labor is plentiful

## TECHNOLOGY

Glass House is a leader in applying mainstream agricultural technology to Cannabis

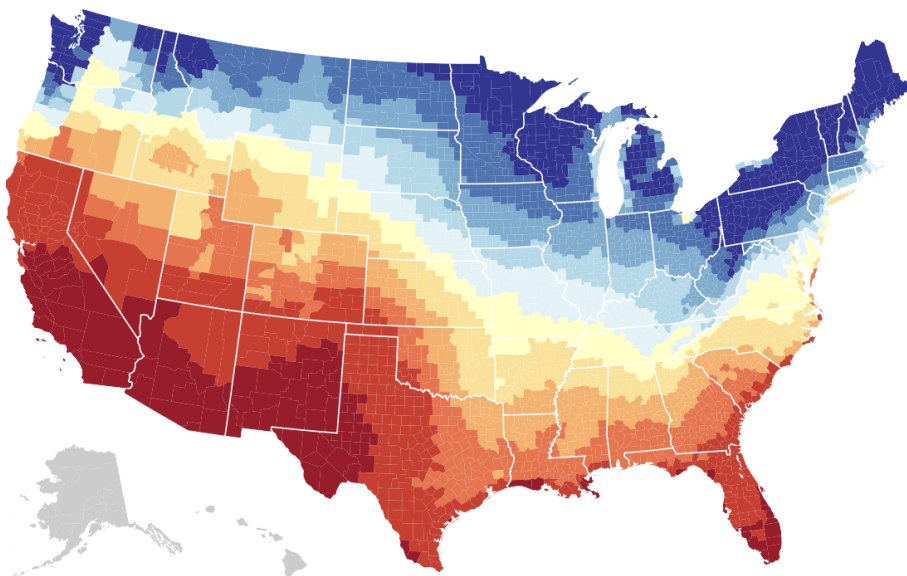
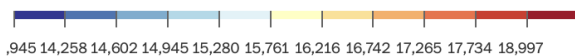
Positive pressure, photo-optical sorters, roof washing robots, black-out curtains, plant spacers, ebb and flood floors, etc.

# CANNABIS GROWS BETTER IN CAMARILLO CALIFORNIA

**More Sunlight:** Located in a US geographical region with the highest amount of average daily sunlight.

**Goldilocks Latitude:** Average day length is 12hrs with less variation than other parts of the US. The plants receive their preferred amount of sun on a more consistent basis.

**Avg. daily sunlight, 1979-2011 (measured in kilojoules of solar radiation per square meter)**

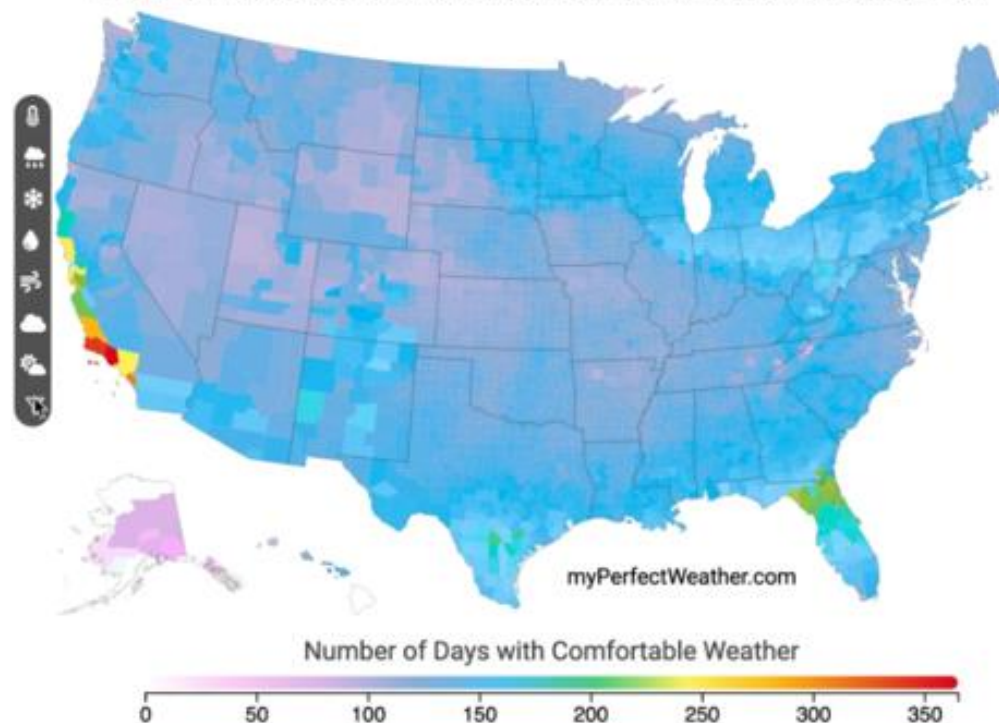


SOURCE: North America Land Data Assimilation System (NLDAS) Daily Sunlight (Insolation) years 1979-2011 on CDC WONDER

**Ideal Temperature Range:** There are more days of weather within the ideal cannabis growing temperature zone of 65 F to 85 F in Camarillo than anywhere else in the country

## Number of Days with Comfortable Weather

with Daily High Temperature between 65°F and 86°F, Daily Maximum Dewpoint Temperature <=65°F



# A SHOUTOUT TO OUR TALENTED CULTIVATION TEAM



## OPERATIONS:

## THE SOCAL GREENHOUSE FARM

UNMATCHED CAPACITY

&amp; LOW-COST PRODUCTION

5.5M<sub>SQ.FT.</sub>WE ARE INCREASING OUR FULL  
CAPACITY PRODUCTION ESTIMATE  
TO 1.6M POUNDS FROM 1.5M

Q2 2024 production from the newly retrofitted GH5 exceeded our expectations in terms of quantity and quality



At this early stage, GH 5 is already our most efficient greenhouse



Given the better than expected production at the SoCal Farm this year, we are increasing our total capacity estimate for when all retrofits to all greenhouses at the SoCal Farm are complete to 1.6M pounds from 1.5M

INDOOR QUALITY AT  
CLOSE TO OUTDOOR COSTS

# KEY FEATURES OF OUR SOCIAL FARM

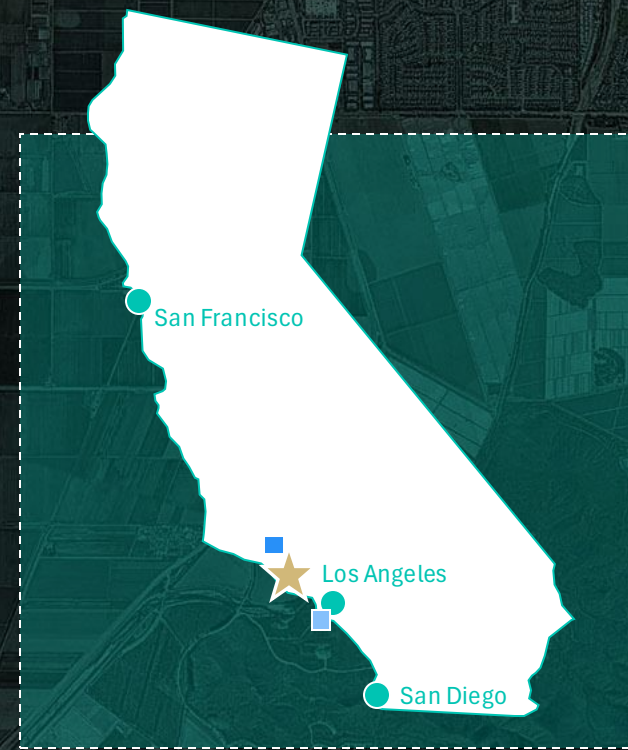


## 165-acre Farm

with 5.5M ft<sup>2</sup> of cultivation footprint spread amongst six state-of-the-art greenhouses.

Less than a **6-hour drive** to the three largest markets in California

- San Francisco: 375 miles, 5hr 47min
- Amazon Distribution Center: 7 miles, 10min
- Los Angeles: 56 miles, 1hr
- LAX: 61 miles, 1hr 10min
- San Diego: 180 miles, 2hr 49min



# OPERATIONS: EXPANDING FOOTPRINT

## GREENHOUSE 3

Gross Area (K ft <sup>2</sup> )	992
Estimated Cultivation Area (K ft <sup>2</sup> )	675
Year 1 Estimated Production (K lbs.)	265

## 3 FLOWER

Same size as GH4,  
and almost 10% larger than  
the other greenhouses

Occupied by Tenant

## FLOWER 4

Same size as GH3,  
and almost 10% larger than  
the other greenhouses

Occupied by Tenant

## GREENHOUSE 4

Gross Area (K ft <sup>2</sup> )	992
Estimated Cultivation Area (K ft <sup>2</sup> )	675
Year 1 Estimated Production (K lbs.)	265

## GREENHOUSE 2

Gross Area (K ft <sup>2</sup> )	861
Estimated Cultivation Area (K ft <sup>2</sup> )	585
Year 1 Estimated Production (K lbs.)	275

## 2 FLOWER

Equipped for light-assisted  
growing; To be converted to positive  
pressure to achieve capacity of  
300k lbs with grow light assist

Expansion Plans Underway

## FLOWER 5

Kubo Ultra Clima,  
Positive Pressure  
Our most efficient GH,  
incorporates all learnings from GH6

Operational

## GREENHOUSE 5

Gross Area (K ft <sup>2</sup> )	912
Estimated Cultivation Area (K ft <sup>2</sup> )	621
Current Production (K lbs.)	300

## GREENHOUSE 1

Gross Area (K ft <sup>2</sup> )	861
Estimated Cultivation Area (K ft <sup>2</sup> )	859

## 1 NURSERY

Ebb and flood floors  
Automated clone sticking,  
transplanting and spacing  
One of the largest Cannabis  
nurseries in the US

Operational

## FLOWER 6

Kubo Ultra Clima,  
Positive Pressure  
GH5 advanced features  
to be backported to GH6 soon

Operational

## GREENHOUSE 6

Gross Area (K ft <sup>2</sup> )	841
Estimated Cultivation Area (K ft <sup>2</sup> )	564
Current Production (K lbs.)	250

## OPERATIONS: ANCILLARY FEATURES

### WATER

- On-site well water with a backup well, fully self-sufficient
- 4x 1M gallons irrigation storage tanks
- Ultra Filtration and heat sterilization systems
- 100% recycling of cultivation over-drain water
- Rainwater capture

### COGEN

- 12.8 MW from 3 Natural Gas cogeneration units
- CO<sub>2</sub> and heat by-products aid plant growth
- Heat exchangers to capture the heat to warm the greenhouses

### SOLAR

- 1MW of Clean Solar to help power GH5 & GH6 climate control functions
- Rainwater storage in the shade of the PV panels

### DRYHOUSE

- 14 dry rooms, each with 200k lbs wet product capacity per annum
- Computer-controlled temperature, humidity and airflow
- Each strain has its own drying recipe

### PACKHOUSE

- High end photo optical sorters
- Capable of sorting up to 680k lbs/yr
- Helps with efficiency and accuracy, less human touches

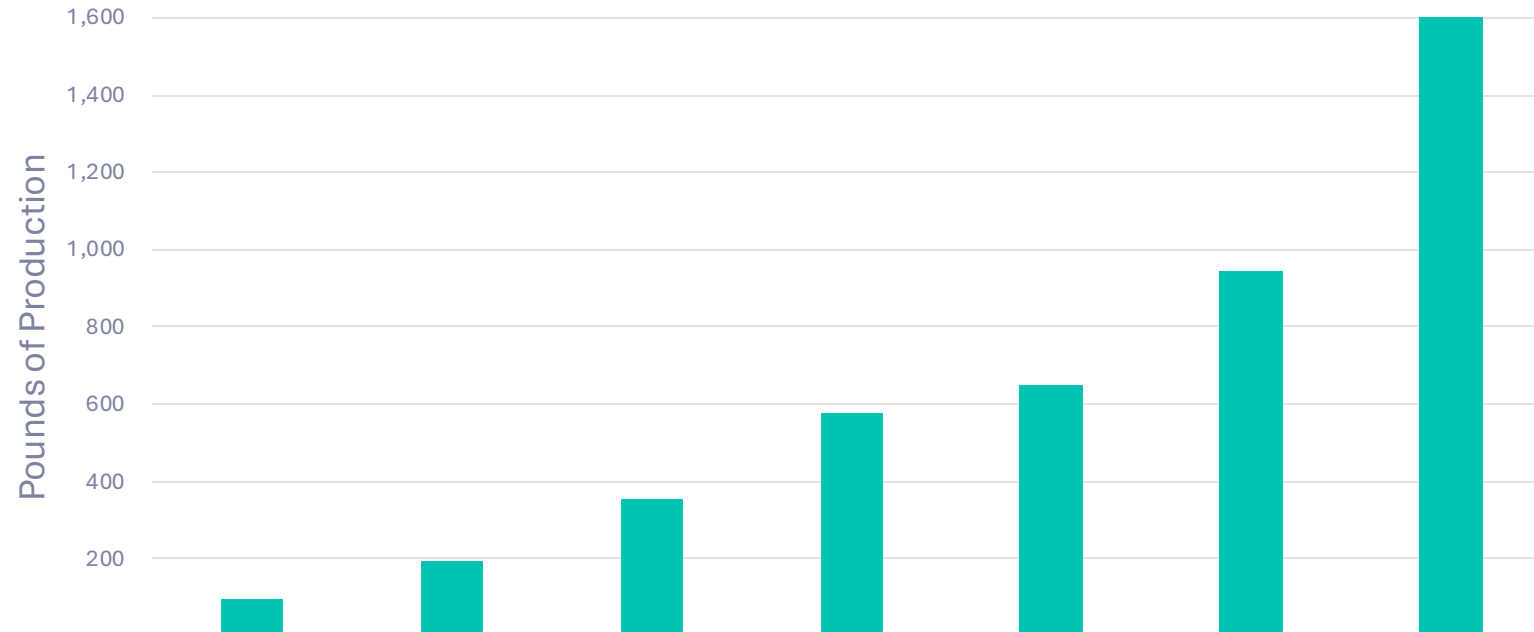
### ULTRA CLIMA

- 400 fans per greenhouse create overpressure to keep bugs and airborne pollutants out
- Climate room pulls in air
- Computerized heating, cooling & CO<sub>2</sub> infusion

### LOCATION

- Ample sunlight, less fog given 7-mile distance from the ocean
- Close proximity to customers in LA, OC & San Diego
- Ample supply of local agricultural-focused labor

# GLASS HOUSE IS ON TRACK TO PRODUCE 1.6M LBS AT FULL CAPACITY



Existing cultivation footprint is expected to produce 650K lbs

The remaining 3 Greenhouses plus ongoing improvements generate the balance

	2021	2022	2023	2024 Guidance	Phase 2	Phase 3	Phase 4
<b>Pounds of Production (000's)</b>	97	194	357	580	650	945	1,600
<b>Ending Cultivation Sq. Ft (000's)</b>	332	959	959	1,525	1,525	2,110	3,460
<b>Location</b>	Carpinteria	Carpinteria GH6 (1/2 yr)	Carpinteria GH6	Carpinteria GH6 GH5 (3/4 Yr)	Carpinteria GH6 GH5	Carpinteria GH6 GH5 GH2	Carpinteria GH6 GH5 GH2 GH3&GH4

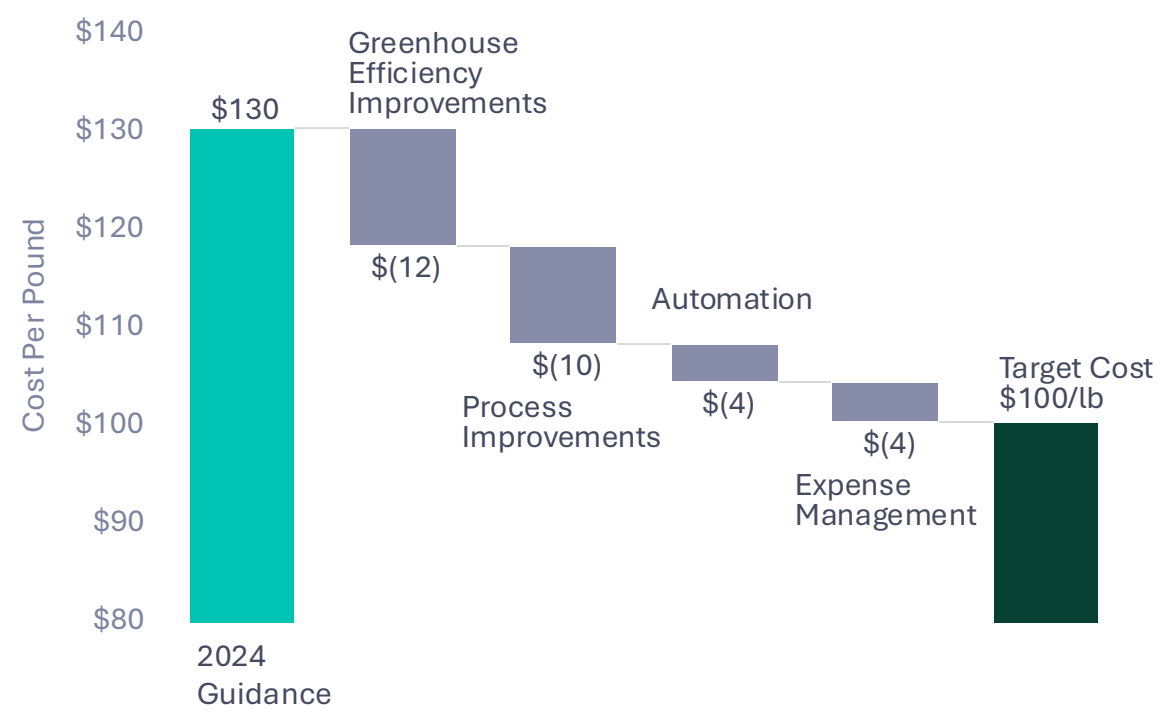


# GLASS HOUSE IS MAKING CONSISTENT PROGRESS TO ITS TARGET COST OF \$100 PER POUND

## Making Progress Towards Our Goal

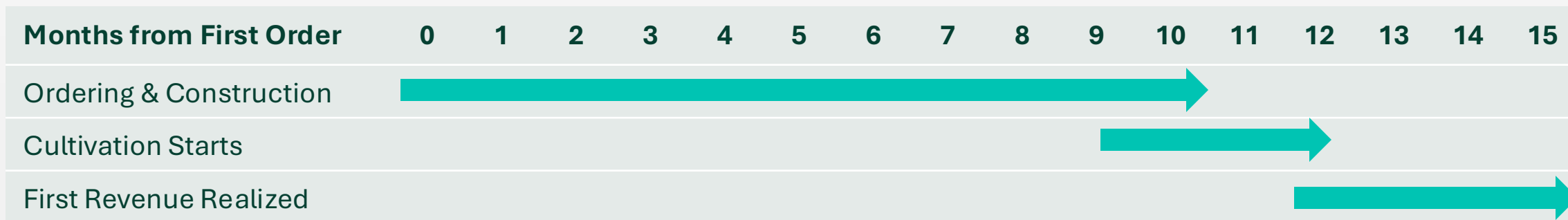


## Roadmap To \$100 Pound



## PHASE 3 EXPANSION – TIMING AND COSTS

- Projected total spending for Phase 3 is \$25M to \$30M
- Phase 3 retrofit of GH2 will add 585k square feet of licensed cultivation area, which is ~6% smaller than GH5. It is a more involved and complicated construction project than the GH6 and GH5 retrofits.
- GH2 retrofit will include the addition of blackout curtains, shade screens, new gutters, horizontal air fans, a misting system, grow pipes, 10,000 existing high-pressure sodium lights and will provide the option to implement positive pressure in the future.
- There will be additional nursery, drying, processing and storage infrastructure required to handle the increased capacity.
- Target is to generate first revenue by the end 2025.
- We expect GH2 to produce 275K pounds of cannabis in its first full year of production.



# PROJECTED YEAR ONE ECONOMICS FOR PHASE 3 EXPANSION – ASSUMING ALL THE CANNABIS PRODUCED IS SOLD IN CALIFORNIA

## Year One Projected Economics for Greenhouse 2

Pounds Produced and Sold (000's)		275
(\$M)		
Revenue	\$	85,290
Cost of Goods		42,886
<b>Gross Profit</b>		<b>42,403</b>
Gross Profit %		50%
Operating Expenses		10,235
<b>EBITDA</b>		<b>32,169</b>
EBITDA Margin		38%
Cap Ex		\$25 to \$30
Average Selling Price (\$/pound)	\$	310
Cost of Production (\$/pound)	\$	156

**GH2 ECONOMICS ARE ATTRACTIVE,  
WITH PROJECTED PRE-TAX PAYBACK  
AT ONLY ~10 MONTHS**








## HEMP-DERIVED CANNABIS VS. CANNABIS CULTIVATION

- On 8/13/24, Glass House announced that it was analyzing the hemp-derived cannabis market with the intent of potentially selling it outside of California
- As part of the analysis, Glass House will determine whether to grow hemp-derived cannabis in GH2 as part of its Phase 3 expansion
- Given the regulatory uncertainty regarding hemp-derived cannabis, Glass House will maintain the optionality on which market to pursue as long as possible
- Based on current plans this will be during Q2 2025
- Phase III capex spending requirements are the same whether we choose cannabis or hemp-derived cannabis
- Glass House has already applied for a hemp cultivation license and expects to receive it in the next 30 days
- Once received, the company will begin small scale planting, including developing testing protocols specific to hemp-derived cannabis
- This approach will allow Glass House to move quickly once a strategic direction is determined

# INTERSTATE OUTLOOK

MARK VENDETTI, CHIEF FINANCIAL OFFICER

# CALIFORNIA CAN DELIVER QUALITY CANNABIS FLOWER AT SIGNIFICANTLY BETTER PRICES THAN THE REST OF THE COUNTRY

State	2024 1H Flower \$ Sales	2024 Avg. Price Per Gram	Price Per Gram Change vs. LY	% Diff vs. CA Flower Avg.
 California	\$759,398,170	\$4.66	-14.7%	NA
 Illinois	\$476,014,843	\$7.74	-8.6%	66.1%
 Massachusetts	\$387,328,317	\$4.97	-20.5%	6.7%
 Missouri	\$355,663,131	\$7.47	-18.8%	60.2%
 Maryland	\$304,682,519	\$8.55	7.7%	83.4%
 Ohio	\$146,868,926	\$6.43	3.3%	38.0%
 New York	\$95,317,267	\$9.80	-9.0%	110.3%

Source: Headset Analytics

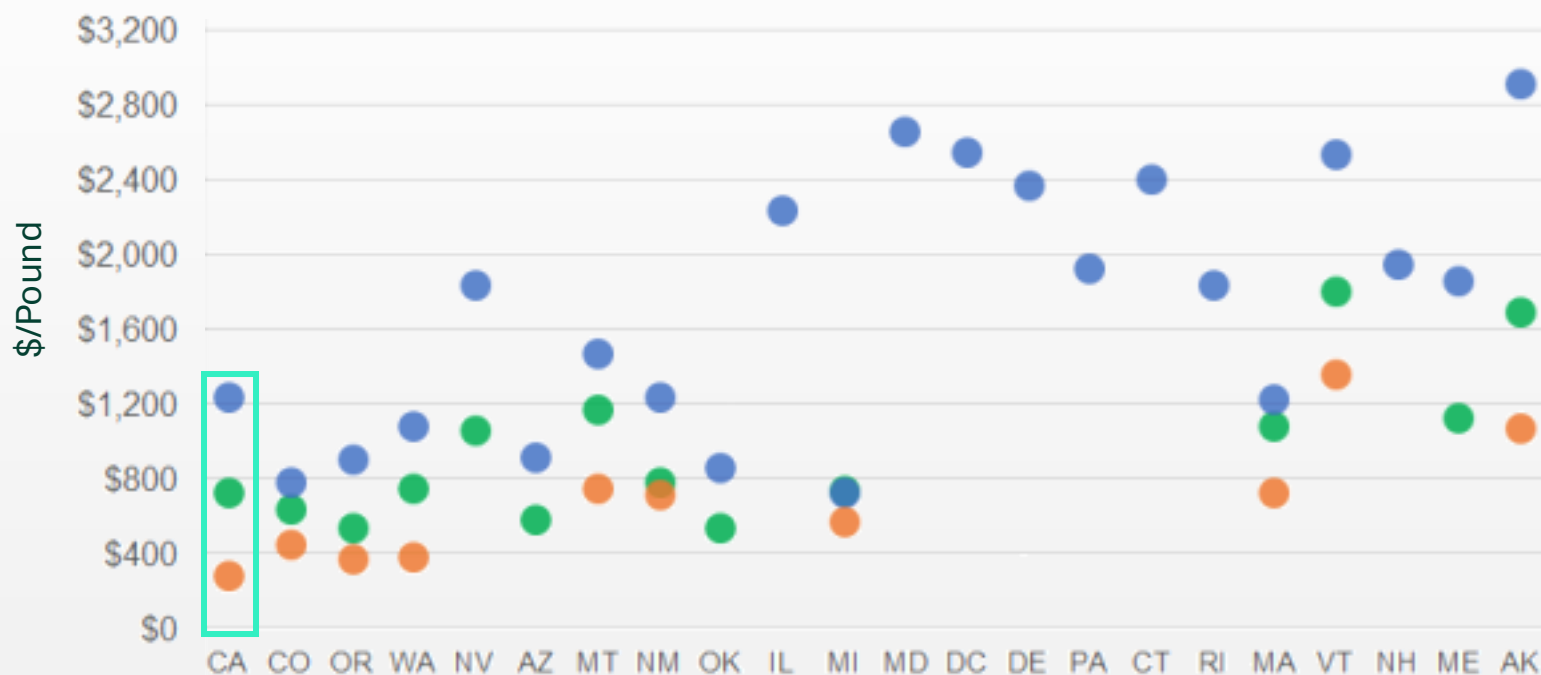
Note: IL, OH, MO & NY start at the inception of adult use

# INTERSTATE CANNABIS COMMERCE PRESENTS A SIGNIFICANT OPPORTUNITY FOR GLASS HOUSE TO INCREASE REVENUE AND MARGINS

## Wholesale Pricing by Grow Type

Week Ending Aug. 23, 2024

● Greenhouse ● Indoor ● Outdoor



## QUICK HITS

Midwestern & Eastern Wholesale Biomass Pricing is significantly above the CA Market

West Coast Legacy markets have the lowest selling prices

Many Midwestern & Eastern states do not produce greenhouse flower

# PROFORMA AEBITDA PROJECTIONS FOR SOCAL FARM AT FULL CAPACITY OPERATION

- There is significant growth opportunity for revenue and AEBITDA as the SoCal farm is retrofitted
- Our business model is built to withstand even the most difficult California market conditions
- Even under the extreme low pricing conditions in the 2022 Average Price proforma projection below, Glass House is still projected to enjoy AEBITDA margins greater than 20%
- Interstate Cannabis commerce would likely provide additional upside for the company to capture higher prices outside California

(000's)	2022 Average Price		CA Market Only 2024 Guidance		2023 Average Price		CA & US Market US 50% Premium to CA - 1)	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Revenue								
Wholesale	\$ 341,533		\$ 434,750		\$ 488,800		\$ 541,125	
CPG	25,000		25,000		25,000		100,000	
Retail	50,000		50,000		50,000		50,000	
<b>Total</b>	<b>\$ 416,533</b>		<b>\$ 509,750</b>		<b>\$ 563,800</b>		<b>\$ 691,125</b>	
Gross Profit								
Wholesale	\$ 184,867	54%	\$ 278,083	64%	\$ 332,133	68%	\$ 391,125	72%
CPG	8,750	35%	8,750	35%	8,750	35%	51,250	51%
Retail	22,500	45%	22,500	45%	22,500	45%	22,500	45%
<b>Total</b>	<b>\$ 216,117</b>	<b>52%</b>	<b>\$ 309,333</b>	<b>61%</b>	<b>\$ 363,383</b>	<b>64%</b>	<b>\$ 464,875</b>	<b>67%</b>
Overhead Expenses -2)	\$ 122,631	29%	\$ 134,590	26%	\$ 141,924	25%	\$ 162,209	23%
<b>AEBITDA</b>	<b>\$ 93,485</b>	<b>22%</b>	<b>\$ 174,743</b>	<b>34%</b>	<b>\$ 221,459</b>	<b>39%</b>	<b>\$ 302,666</b>	<b>44%</b>

1) 50% Pricing Premium to 2024 Guidance

2) OH Expenses exclude items excluded for AEBITDA such as Depreciation, Amortization, Interest Expense, Tax Expense and Stock Based Compensation



# KEY ASSUMPTIONS FOR PROFORMA AEBITDA FULL CAPACITY ANALYSIS

- Assumptions for each scenario are shared below
- All scenarios assume Glass House produces 1.6M pounds annually and cost of production reaches company target of \$100

	2022 Average Price	CA Market Only 2024 Guidance	2023 Average Price	CA & US Market US 50% Premium to CA - 1)
(000's)	Amount	Amount	Amount	Amount
Pounds Produced	1,600	1,600	1,600	1,600
California	1,567	1,567	1,567	600
US				900
<b>Pound sold through Wholesale</b>	<b>1,567</b>	<b>1,567</b>	<b>1,567</b>	<b>1,500</b>
California	33	33	33	33
US				67
<b>Pounds sold through CPG</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>100</b>
Average Selling Price / Pound - Wholesale				
- California	\$ 218	\$ 278	\$ 312	\$ 278
- US				416
<b>- Total</b>	<b>\$ 218</b>	<b>\$ 278</b>	<b>\$ 312</b>	<b>\$ 361</b>
Average Selling Price / Pound - CPG				
- California	\$ 750	\$ 750	\$ 750	\$ 750
- US				\$ 1,125
<b>- Total</b>	<b>\$ 750</b>	<b>\$ 750</b>	<b>\$ 750</b>	<b>\$ 1,000</b>
<b>Cost of Production</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 100</b>	<b>\$ 100</b>

1) 50% Pricing Premium to 2024 Guidance

# Q&A

# BUSINESS REVIEW – WHOLESALE & CPG SALES, RETAIL DISPENSARY SALES AND MARKETING



**HILAL TABSH**  
Chief Revenue Officer



**JACQUELINE  
DE GINESTET**  
VP Sales



**JENNIFER  
BARRY**  
VP Retail



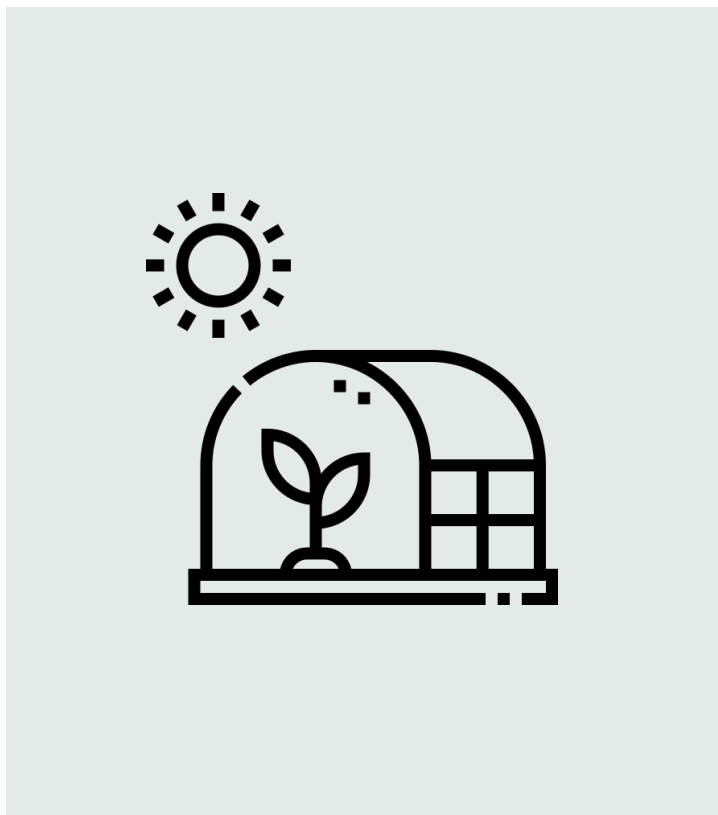
**JOSHUA  
KARCHMER**  
VP Marketing

# BUSINESS & MARKET OVERVIEW

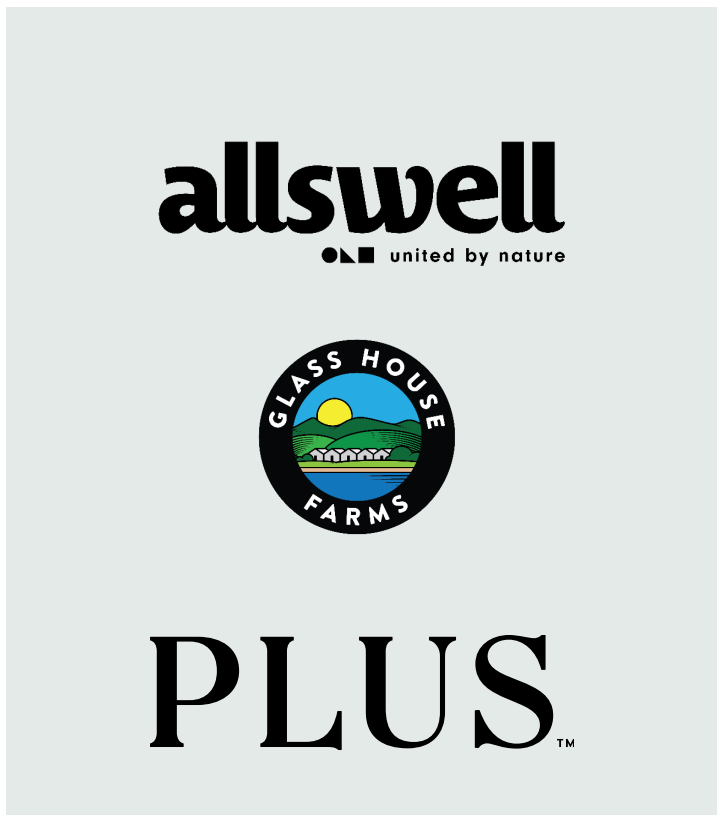
HILAL TABSH, CHIEF REVENUE OFFICER

# WE SELL THROUGH 3 SEPARATE, BUT INTERDEPENDENT CHANNELS IN CALIFORNIA

ONE OF THE LARGEST WHOLESALE GROWERS IN THE STATE



SELLING SOME OF CA'S MOST CONSUMED FLOWER BRANDS<sup>1</sup>



3 RETAIL BRANDS SERVING 10 UNIQUE MARKETS

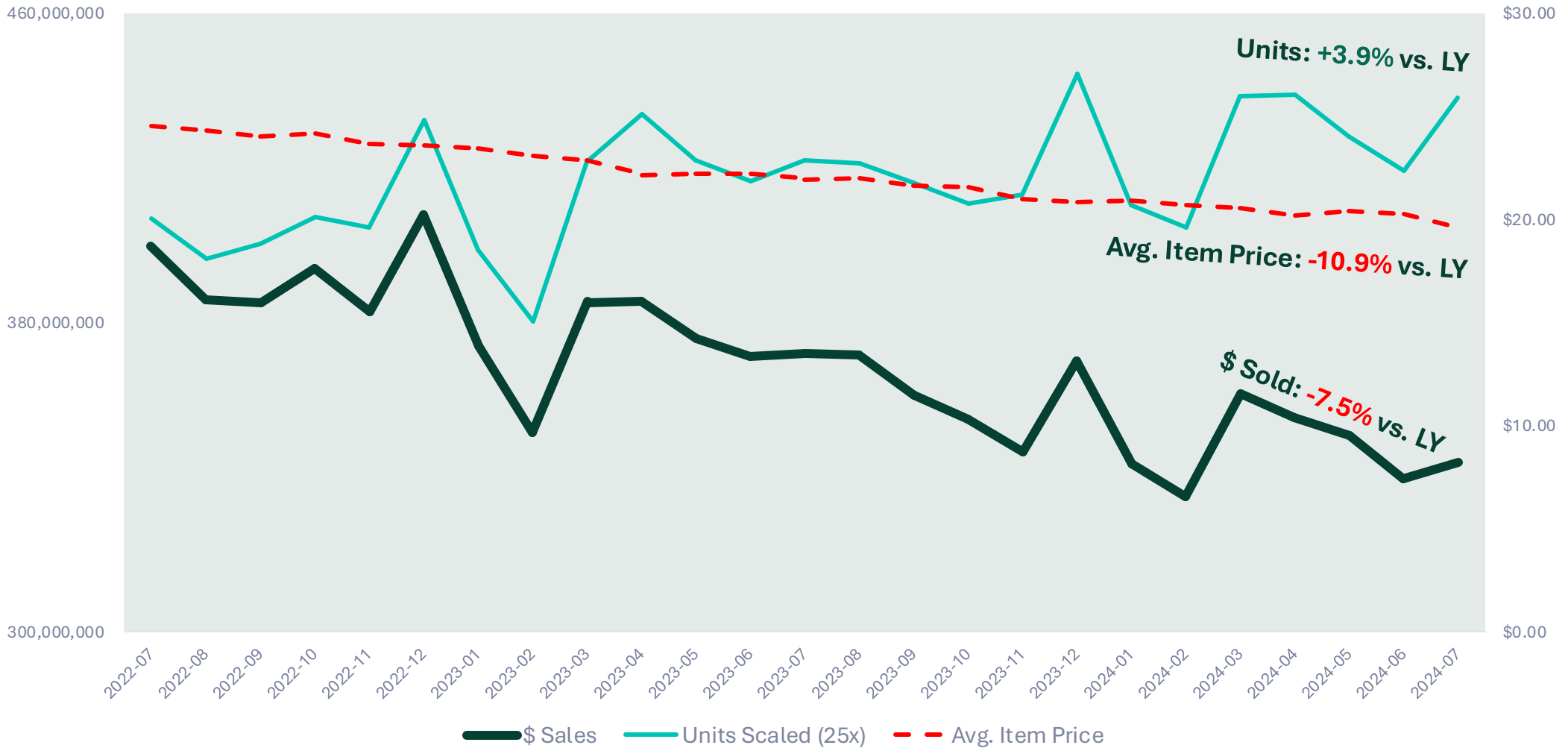


1) Headset Analytics

# DESPITE STEADY CONSUMPTION, PRICE COMPRESSION HAS DRIVEN AN OVERALL TOP LINE SALES DECLINE IN OUR HOME MARKET

GLASS HOUSE BRANDS

## CA \$ Sold vs. Units Sold vs. Avg. Item Price



# WINNING IN CA MEANS DELIVERING QUALITY FOR VALUE, AND WE'VE BUILT THE STRUCTURAL ADVANTAGES NECESSARY TO MEET THESE MARKET DEMANDS

## CULTIVATION SCALE



~1.5M Sq. Ft. Active Canopy  
~3.5M Sq. Ft. Full Capacity

+

## BRAND SUPPLY CHAIN



One of the Largest Branded Flower Suppliers in the State<sup>1</sup>

+

## RETAIL SCALE



10 Retail Stores Across CA

=

## VERTICAL SUPPLY CHAIN ADVANTAGE

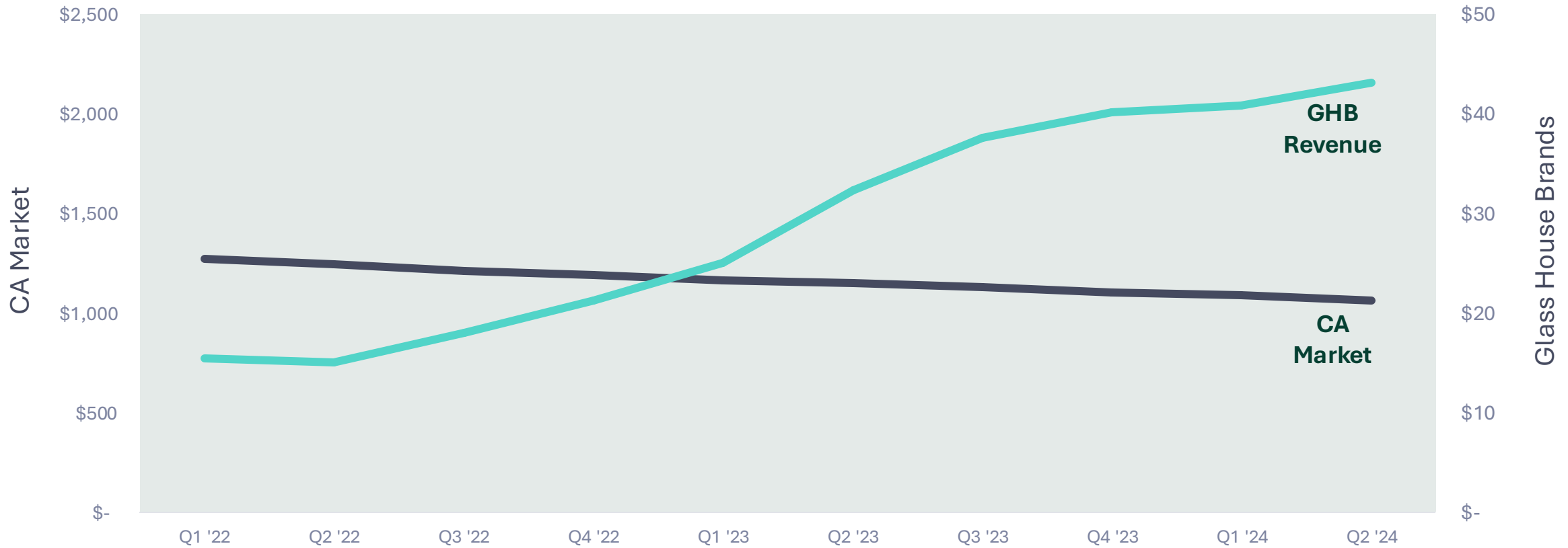


1) Allswell was a top 3 flower brand by volume sold in Q2 '24 per Headset

# THESE ADVANTAGES HAVE ENABLED US TO GROW RAPIDLY IN THE FACE OF MARKET REALITIES

## CA Market vs. GHB Revenue

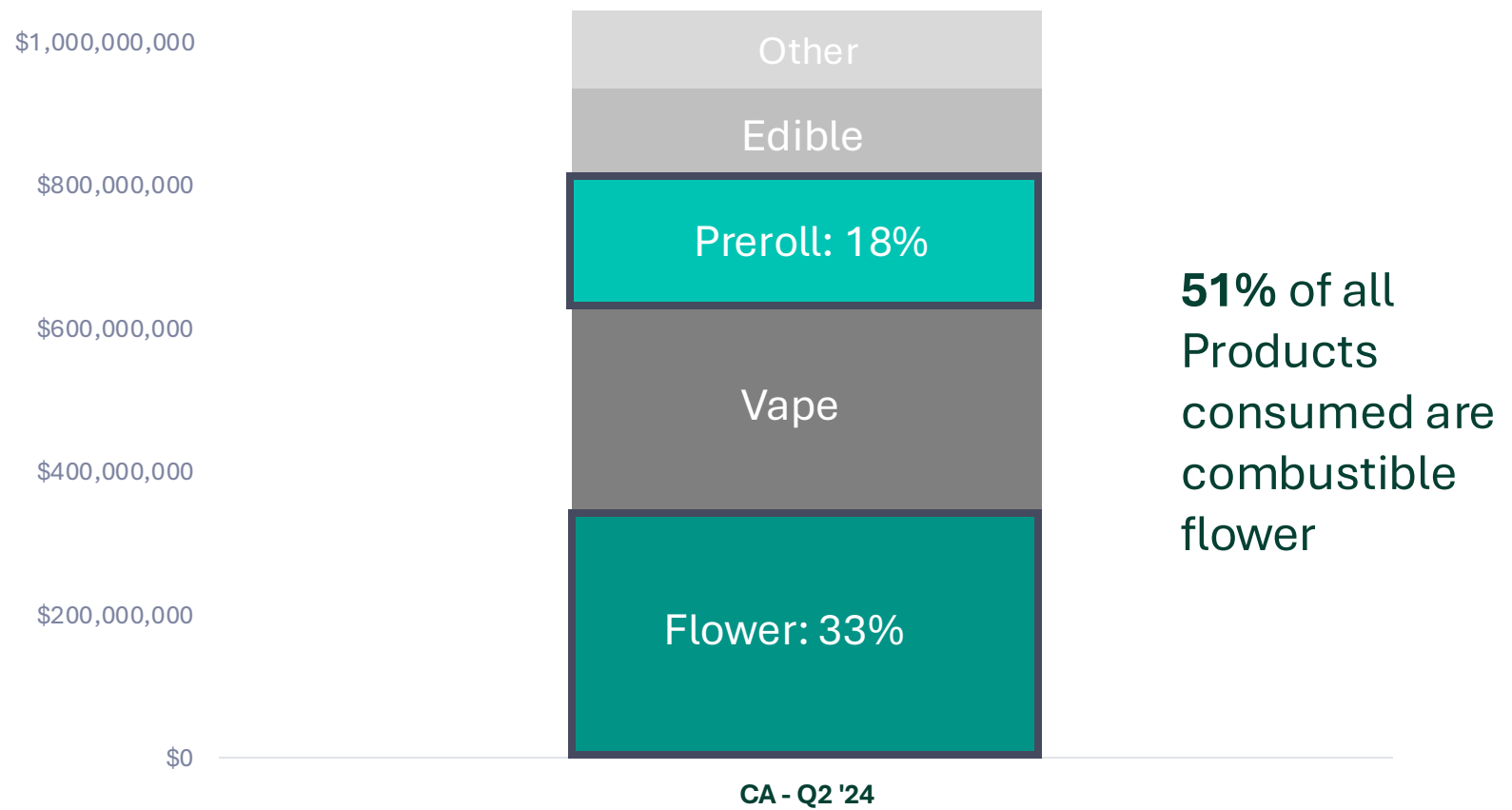
4Q Rolling Average (Millions)





# QUALITY LOW-COST FLOWER IS AT THE HEART OF OUR BUSINESS, AND IT STILL POWERS THE CA MARKET

CA CATEGORY SALES – Q2 '24

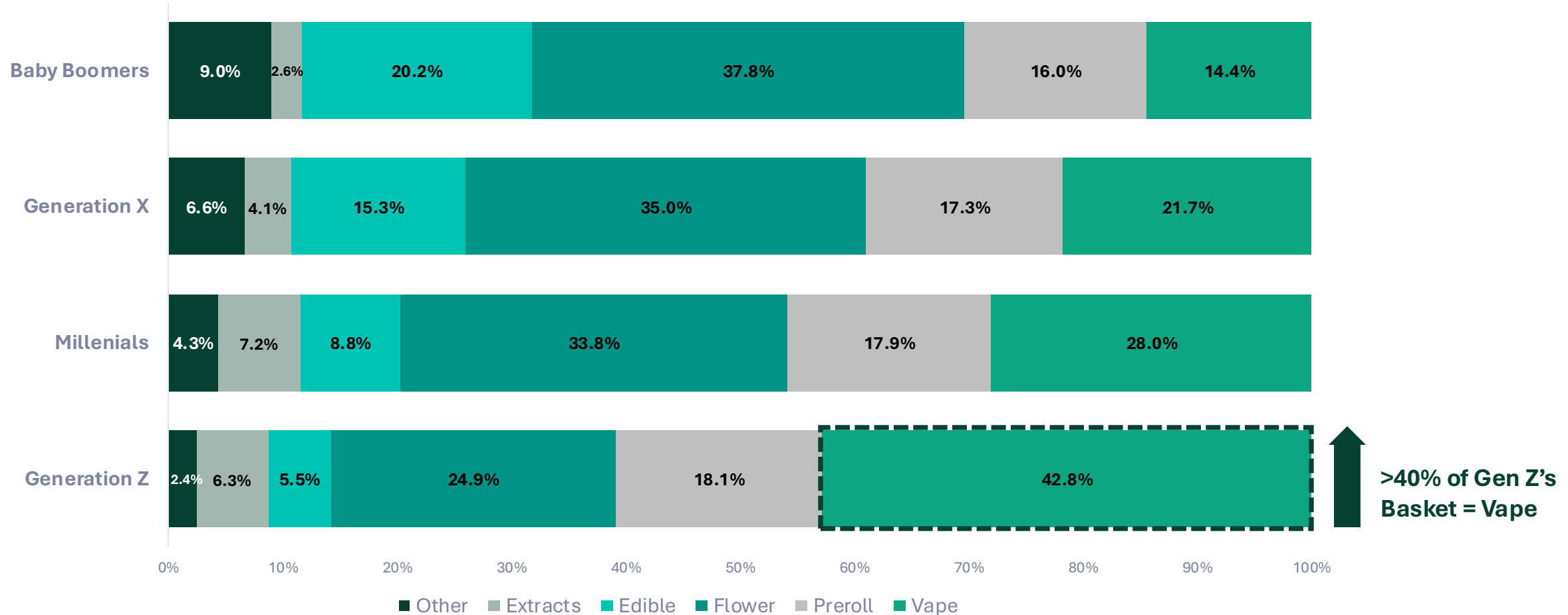


Source: Headset Analytics

# HOWEVER, IT IS CRITICAL WE CONTINUE TO KEEP OUR FINGER ON THE PULSE OF CHANGING CONSUMER PREFERENCES

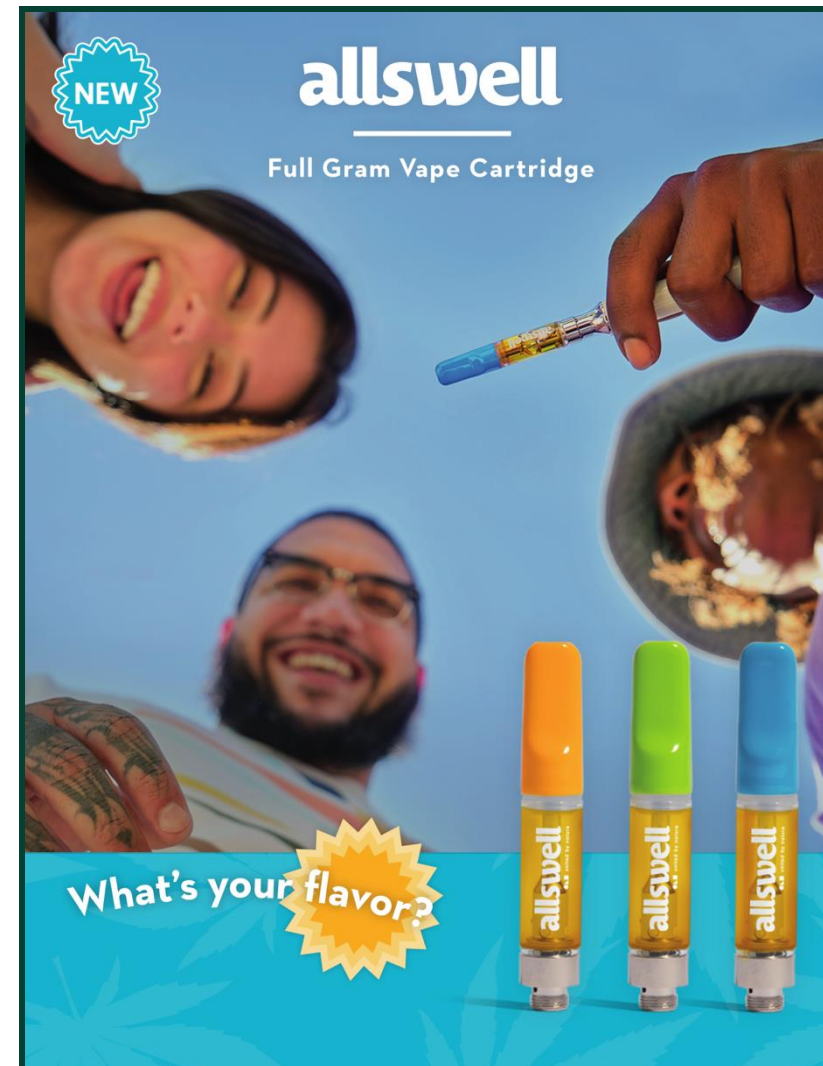
GLASS HOUSE BRANDS

## Generation Wallet Share (Last 90 Days)



# THE ALLSWELL VAPE LAUNCH DEMONSTRATES OUR ABILITY TO SUCCESSFULLY ACT ON CONSUMER TRENDS

Top 5 Vape Brand @ GHB Retail in  
First 30 Days on Shelf  
(Volume Sold)



The background is a dark green color with several faint, light green geometric patterns. On the right side, there are several overlapping triangles of varying sizes, creating a sense of depth and structure. A thin, wavy horizontal line is positioned in the middle of the green area, resembling a horizon or a stylized wave.

# CPG SALES

JACQUELINE DE GINESTET, VP OF SALES

# OUR BRANDS ARE BUILT TO LAST



**Amongst CA's Fastest  
Growing Flower Brands<sup>1</sup>**



**Best Of California  
2024 CA State Fair**

**PLUS™**

**~200M Gummies  
Sold Since 2017**

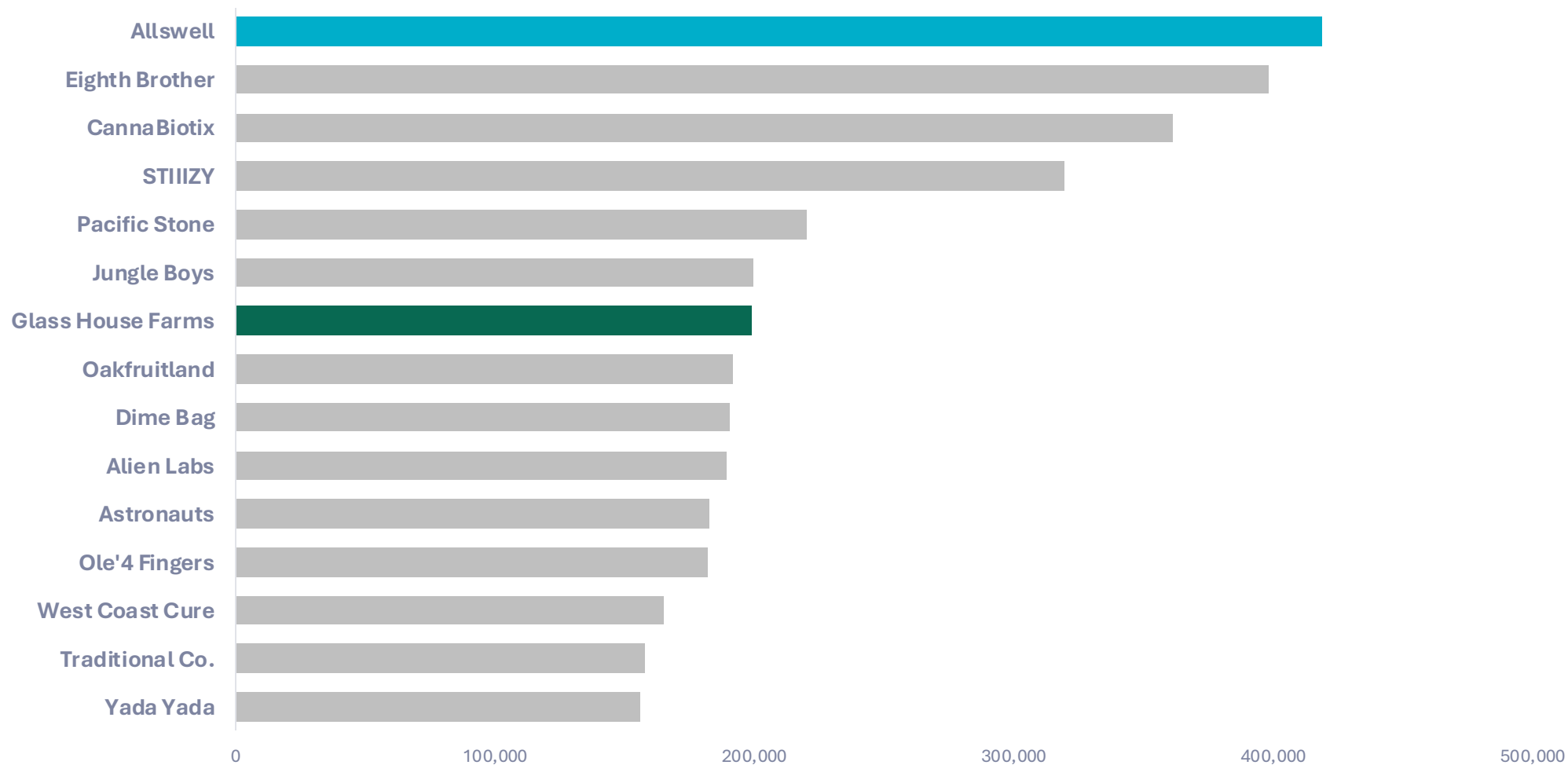
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THOUGHTFULLY ASSESS MARKET OPPORTUNITIES

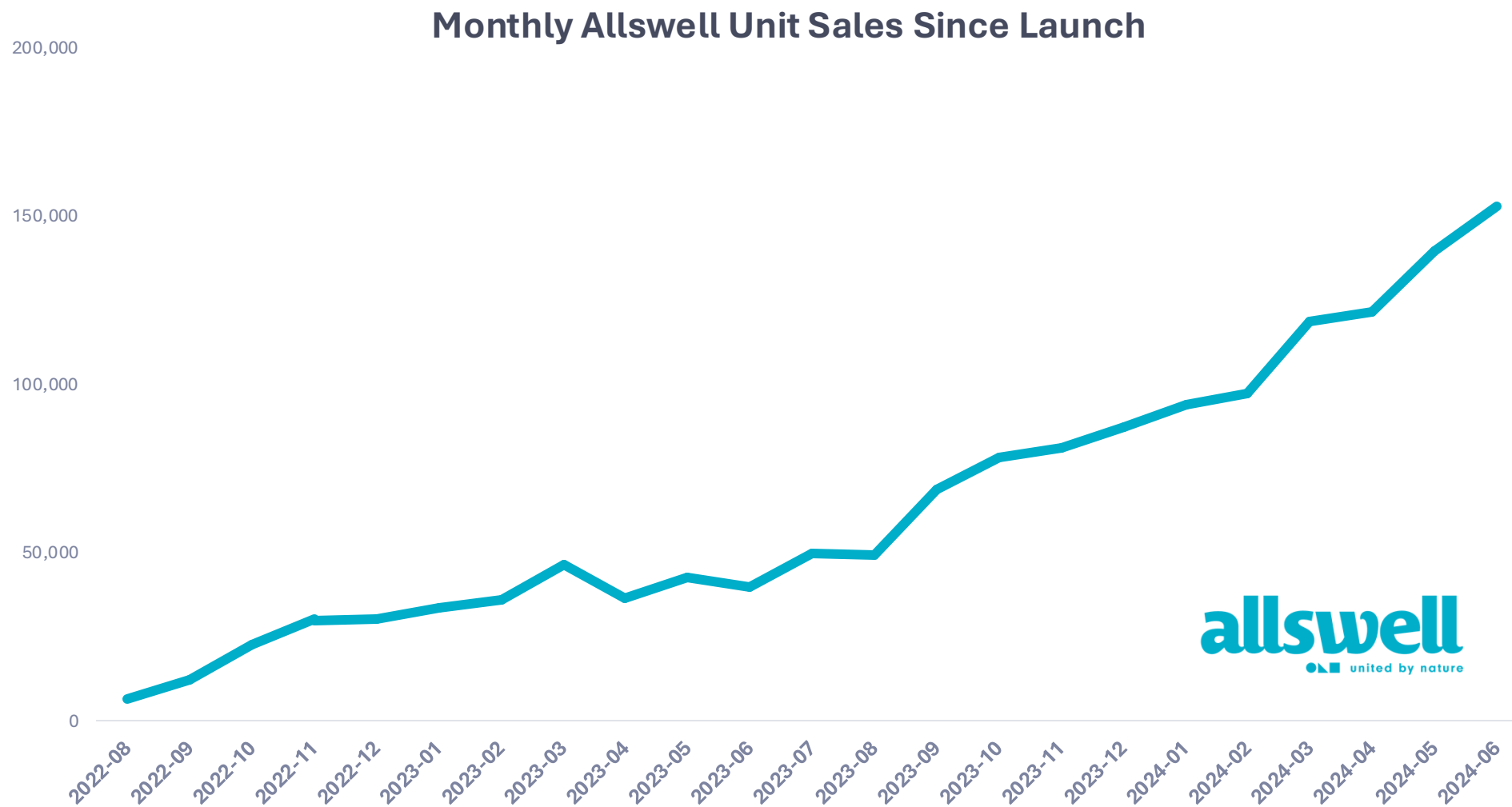
IDENTIFY CONSUMER NEED + A RIGHT TO WIN

# OUR BRANDS DELIVER A DISTINCT QUALITY & PRICE COMBINATION

## California Q2 '24 Units Sold



# HIGH QUALITY FLOWER AT AN EVERYDAY LOW PRICE



# GLASS HOUSE FARMS FLOWER MEETS THE NEEDS OF CONSUMERS WITH MORE REFINED TASTES



Differentiated value captures higher price points

Delivers on consumer's desire for higher potencies and larger buds

Utilizes strategic promotional support

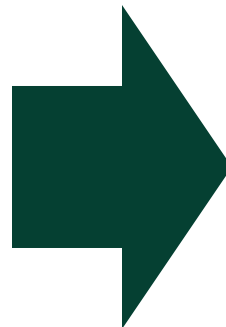


# PLUS CONTINUES TO EVOLVE AND SEIZE MARKET OPPORTUNITIES

1st Top 10 Edible brand<sup>1</sup> to move entire edible line to solventless

One of the largest sampling campaigns in the market designed to recapture share from competition

Revitalizing one of CA's most beloved edible gummy brands since 2017



# FOCUSED ON CONTINUOUS IMPROVEMENT

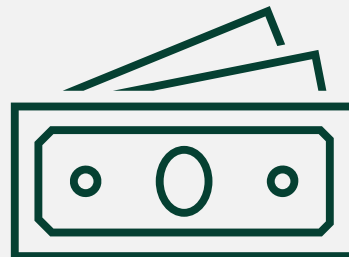
**Streamlined Partnerships**



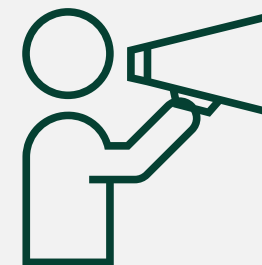
**Lean But Effective Team**



**High Quality Customers**



**Laser Focused Promotions**



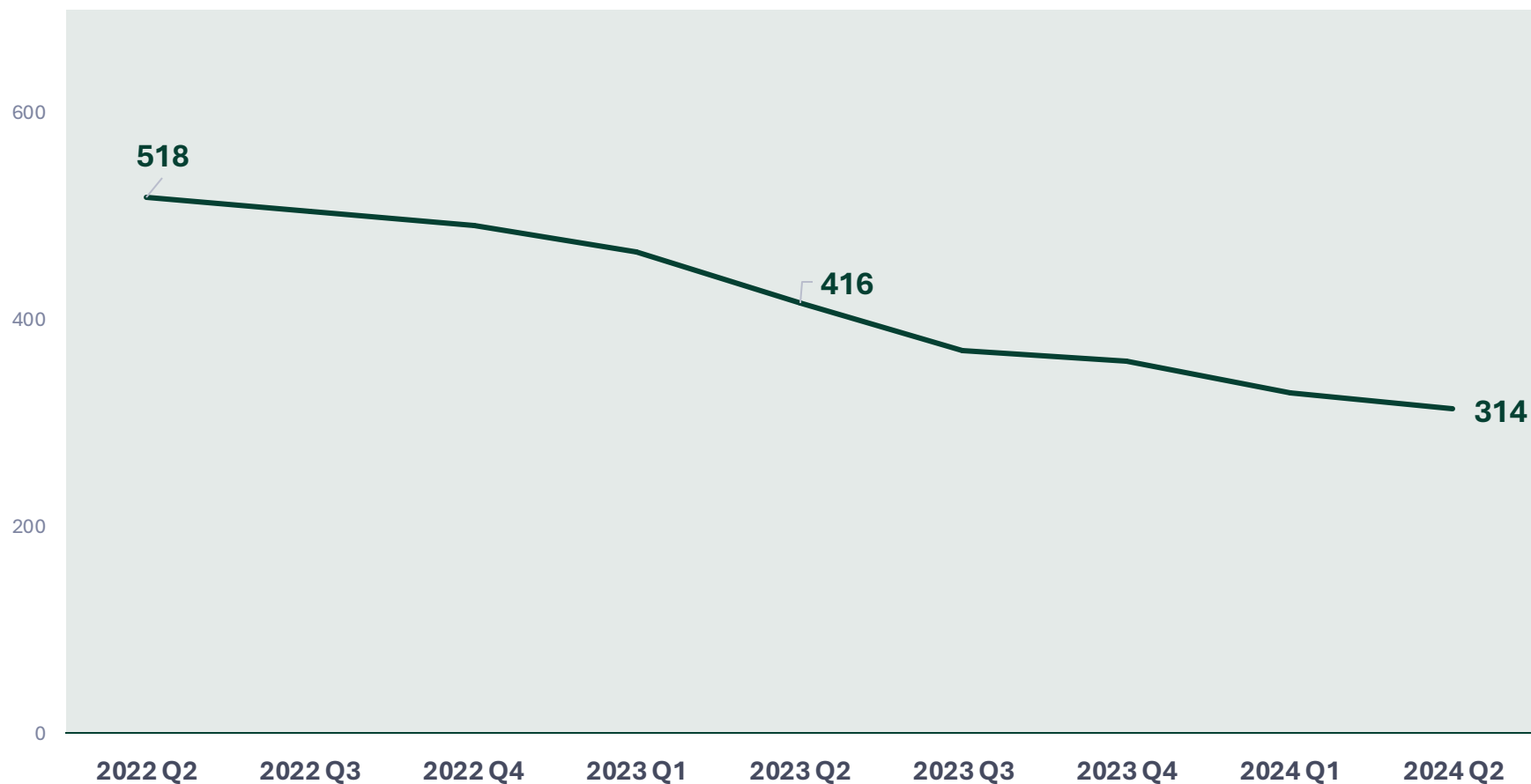
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CONSISTENTLY MAINTAINING AN ACUTE  
AWARENESS OF THE BOTTOM LINE

# CAPTURING SHARE THROUGH MARKET CONSOLIDATION

## CA Market Flower Brand Count

(>\$30k quarterly sales – Headset)



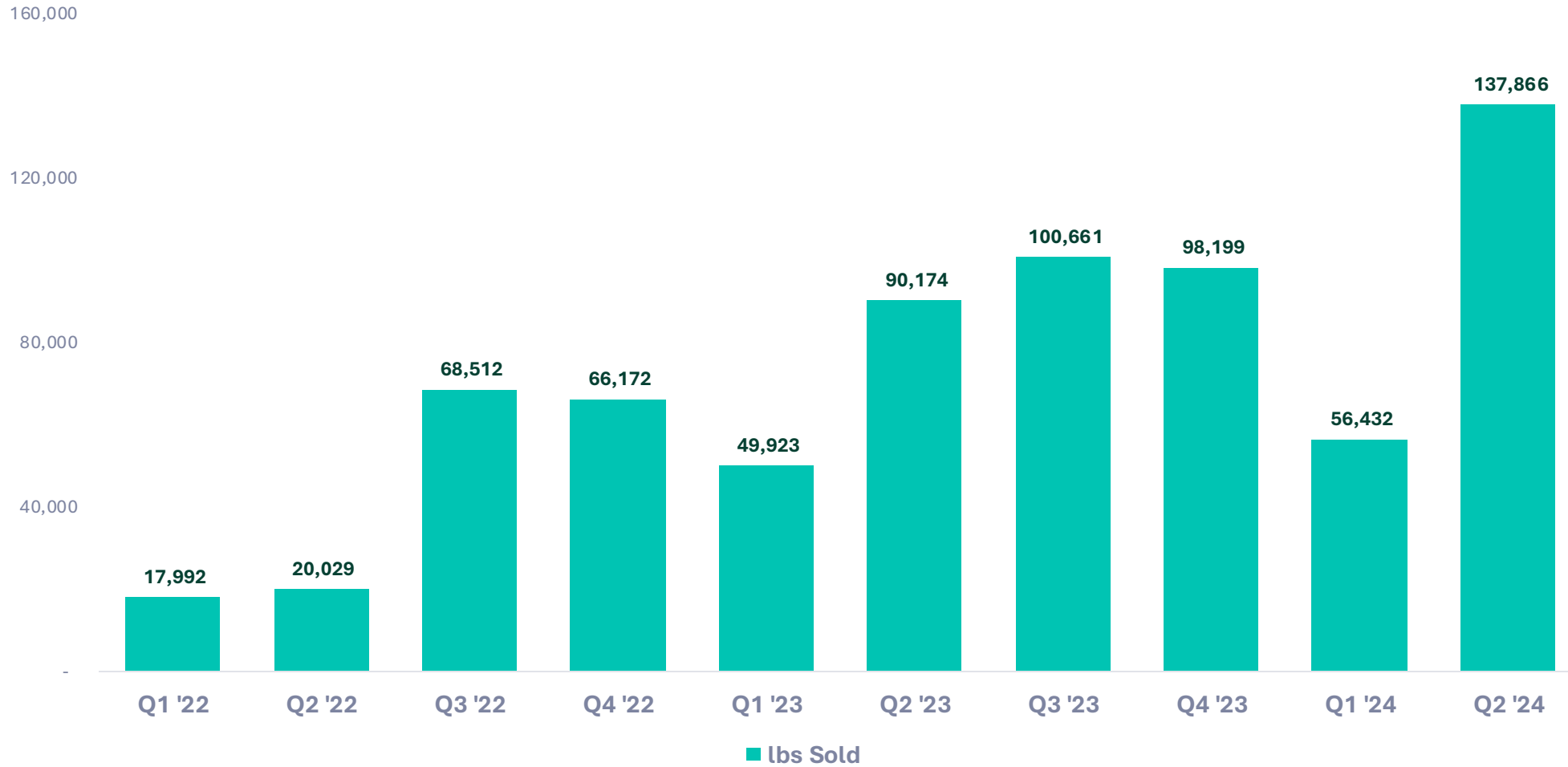


# WHOLESALE SALES

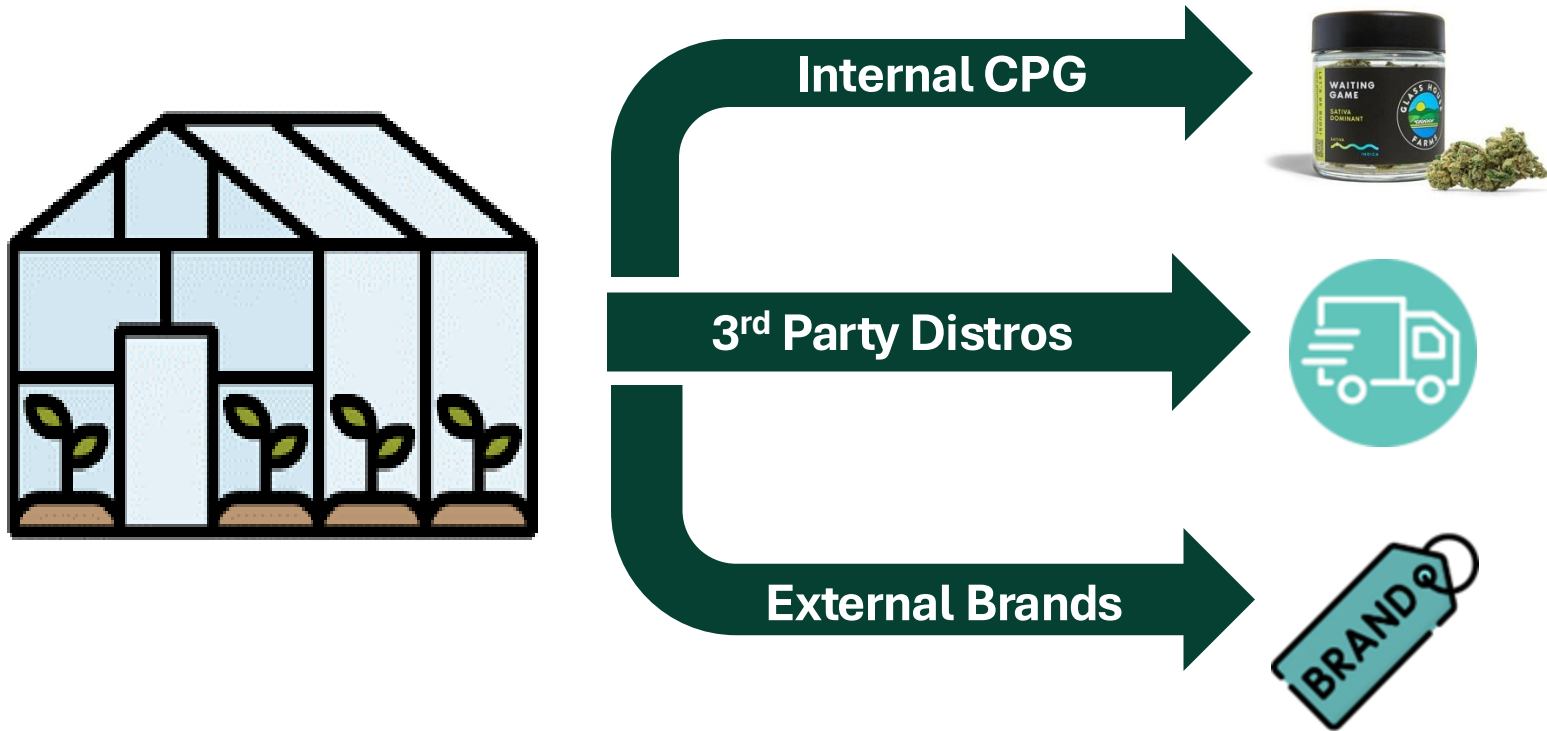
JACQUELINE DE GINESTET, VP OF SALES

# UNPARALLELED GROWTH

## Finished Biomass Sold By Quarter



# SELLING AT THE HIGHEST POSSIBLE PRICE



OUR SCALE, CONSISTENT QUALITY AND VARIETY OF POPULAR STRAINS ENSURES WE COMMAND THE **BEST PRICES**

# WE CONTINUE TO DIVERSIFY OUR CUSTOMER BASE

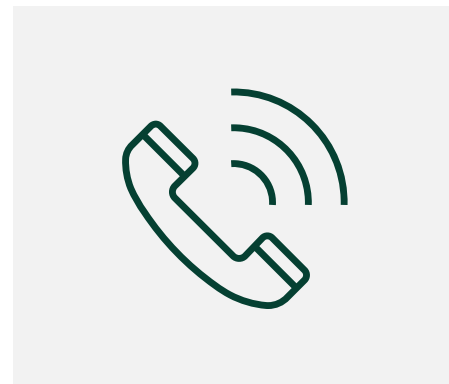
## Last 60 Days



**901** Cold Emails  
**687** Tailored Emails



**1,165** Text Reach Outs



**873** Cold Calls



**86** Initiated Onboardings  
**38** Completed Onboardings

---

OPENING MORE GREENHOUSES =  
NEW STRATEGIC OPPORTUNITIES

# CULTIVATION LICENSE STATUS

## Active Licenses

	30-Jun-22	31-Dec-22	30-Jun-23	31-Dec-23	30-Jun-24	31-Aug-24
Green House / Mixed Light	7,190	6,219	4,871	4,136	3,768	3,682
Indoor	809	902	913	884	868	863
<b>Total Cultivation</b>	<b>7,999</b>	<b>7,121</b>	<b>5,784</b>	<b>5,020</b>	<b>4,636</b>	<b>4,545</b>

## Quarterly Change

	30-Jun-22	31-Dec-22	30-Jun-23	31-Dec-23	30-Jun-24	31-Aug-24
Green House / Mixed Light		(971)	(1,348)	(735)	(368)	(86)
Indoor		93	11	(29)	(16)	(5)
<b>Total Cultivation</b>		<b>(878)</b>	<b>(1,337)</b>	<b>(764)</b>	<b>(384)</b>	<b>(91)</b>

## Estimated Cultivation Square Feet

(M)	30-Jun-22	31-Dec-22	30-Jun-23	31-Dec-23	30-Jun-24	31-Aug-24
Green House / Mixed Light	79.7	69.7	63.0	58.8	56.4	57.5
Indoor	7.8	8.9	9.2	9.0	8.9	8.8
<b>Total Cultivation</b>	<b>87.5</b>	<b>78.7</b>	<b>72.2</b>	<b>67.8</b>	<b>65.3</b>	<b>66.4</b>

## Quarterly Change

(M)	30-Jun-22	31-Dec-22	30-Jun-23	31-Dec-23	30-Jun-24	31-Aug-24
Green House / Mixed Light		(10.0)	(6.7)	(4.2)	(2.4)	1.1
Indoor		1.2	0.3	(0.2)	(0.1)	(0.0)
<b>Total Cultivation</b>		<b>(8.8)</b>	<b>(6.4)</b>	<b>(4.4)</b>	<b>(2.5)</b>	<b>1.1</b>

## OVERVIEW

Cultivation License data suggests that after significant declines in the second half of 2022 and 2023, the cultivation market stabilized during 2024



# GHB RETAIL DISPENSARY SALES

JENNIFER BARRY, VP OF RETAIL

# WE SERVE CUSTOMERS ACROSS CALIFORNIA



**10**  
DISPENSARY  
LOCATIONS

APPROACHING  
**1M**  
ANNUAL  
CUSTOMER  
RUN RATE

**100s**  
OF BRAND  
RELATIONSHIPS



Santa Barbara  
Santa Ana  
Berkeley  
Isla Vista  
Santa Ynez

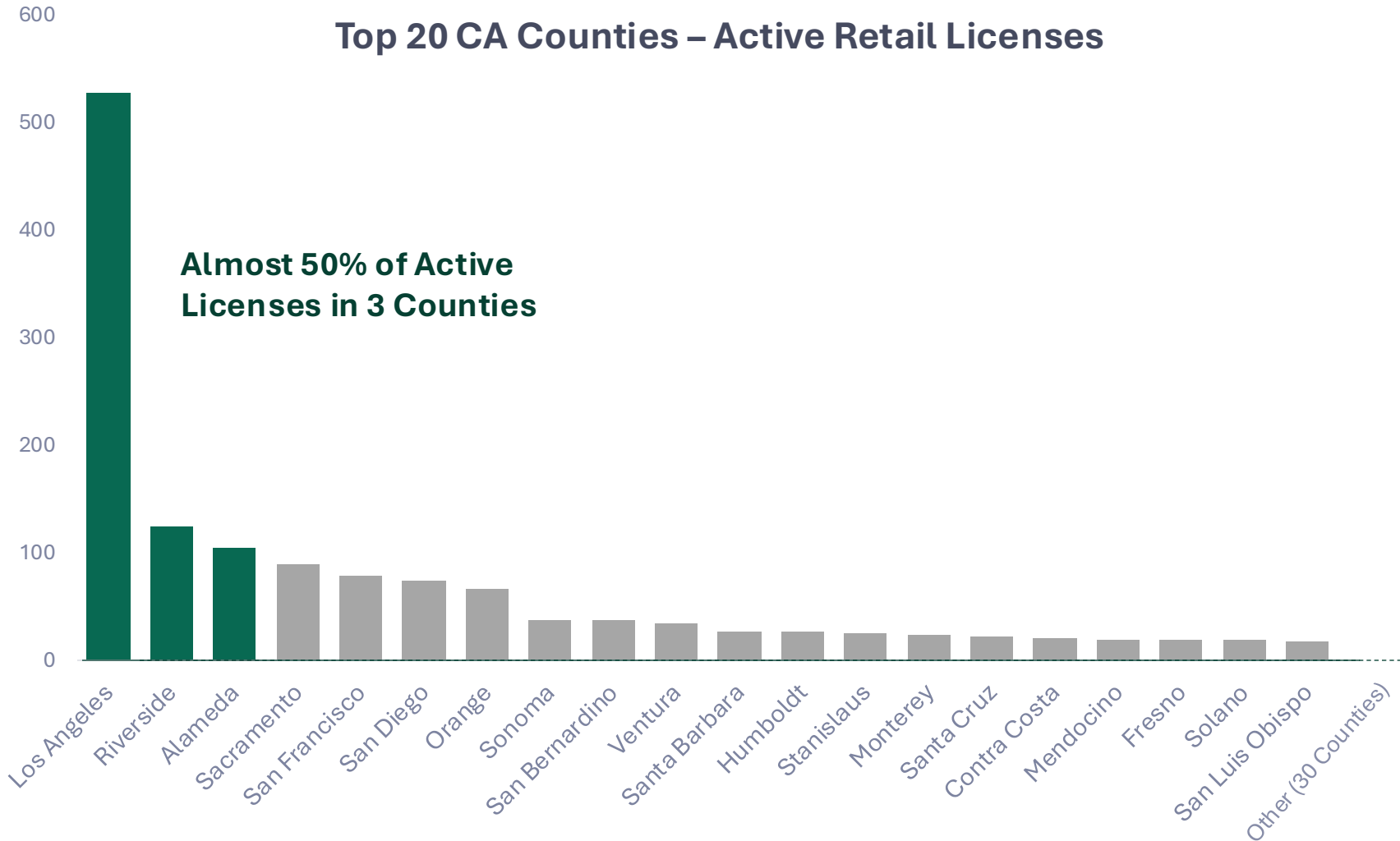


Grover Beach Lemoore  
Morro Bay  
Turlock



Los Angeles

# CALIFORNIA'S COMPLICATED LEGAL RETAIL LANDSCAPE IS A MIX OF OVERSATURATED MARKETS AND "WEED DESERTS"



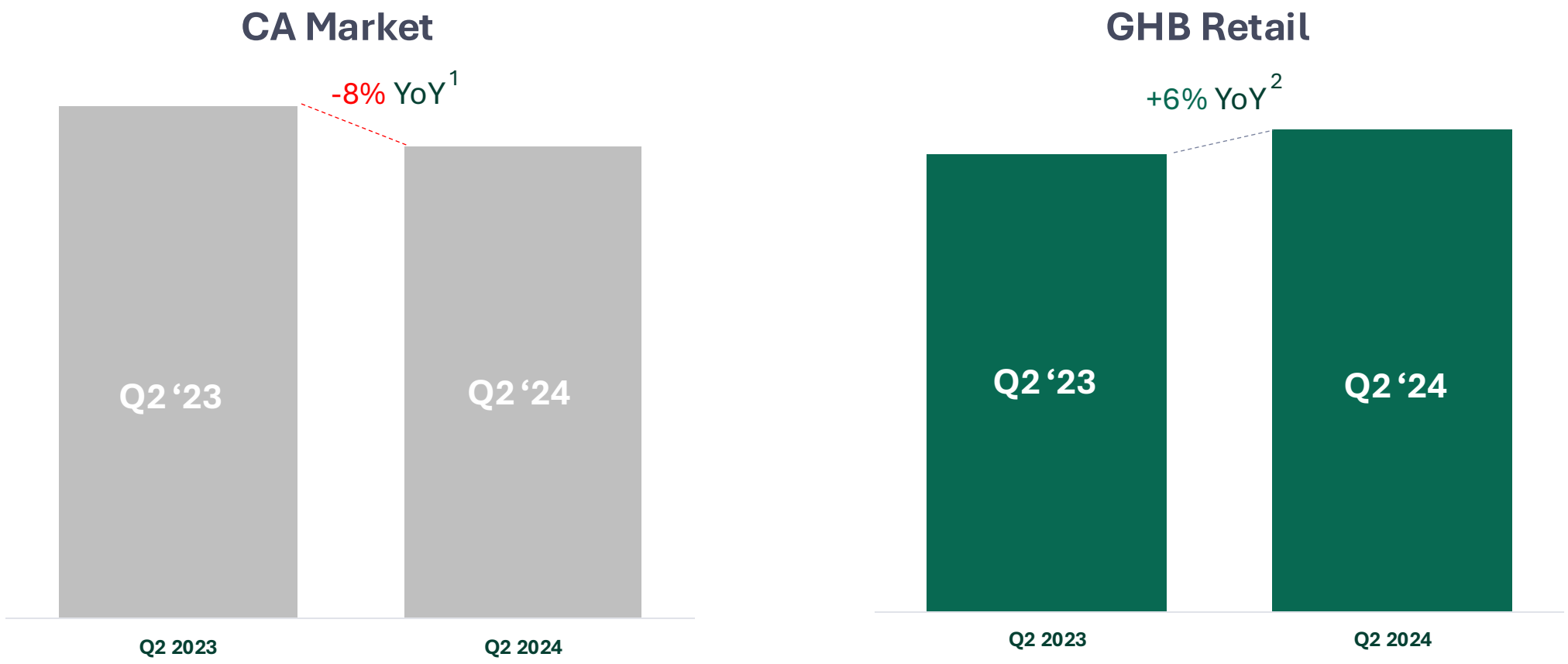
## QUICK HITS

1 Active Retail License per **26k** CA Residents

1 Active Retail License per **8.3k** CO Residents

1 Liquor License per **1.3k** CA Residents<sup>1</sup>

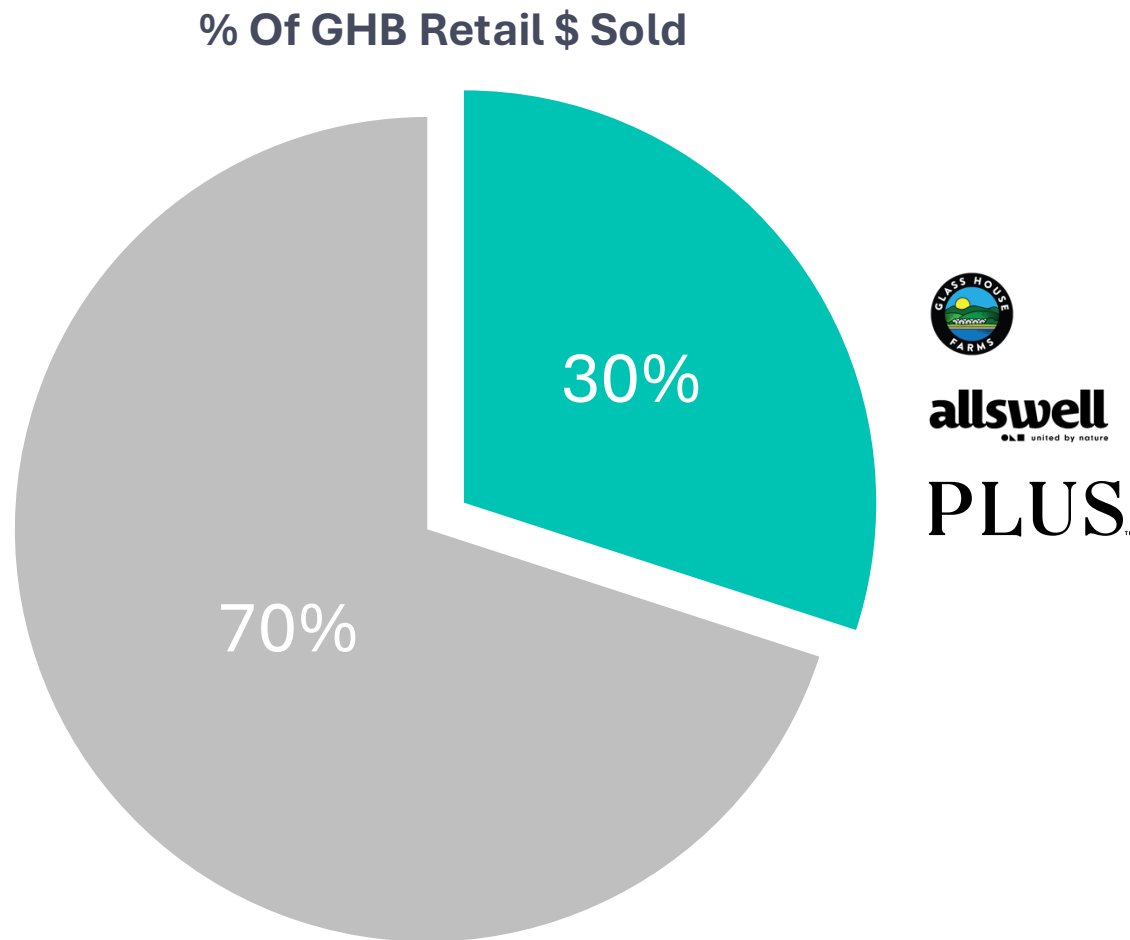
# WE LAUNCHED THE RETAIL DISPENSARY STRATEGIC PRICING PLAN TO MEET THESE CONDITIONS AND ARE OUTPERFORMING THE MARKET



IMPLEMENTED IN Q1, THE STRATEGIC PRICING PLAN WAS IMMEDIATELY SUCCESSFUL IN RECAPTURING GROWTH

Source: Glass House Brands, Headset  
1: CA Market Size by Total Dollars & 2: Retail Revenue on a same store sales basis

# PRIORITIZING GHB BRANDS IN OUR STORES ENABLES US TO SUSTAIN HIGHER RETAIL MARGINS



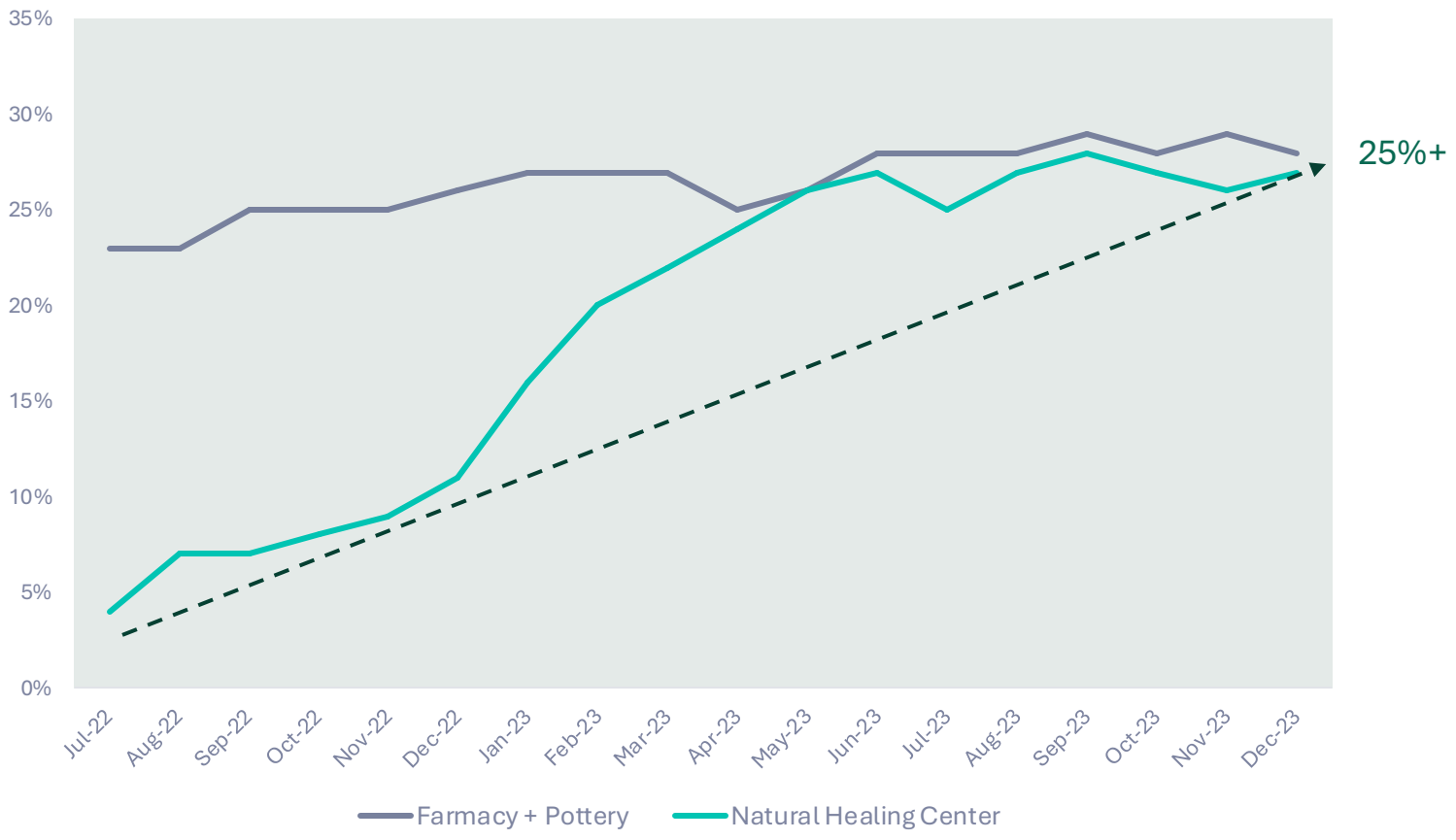
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GHB BRANDS DELIVER AN APPROXIMATE  
**20 PERCENTAGE POINT HIGHER MARGIN**  
TO GHB RETAIL VS. 3RD PARTY BRANDS

# THE QUALITY OF OUR BRANDS & STRONG EXECUTION FROM OUR RETAIL TEAM HAVE FACILITATED SWIFT GHB BRAND GROWTH IN OUR STORES

### Ghb % Of Sales Trendline

(July '22 – December '23)



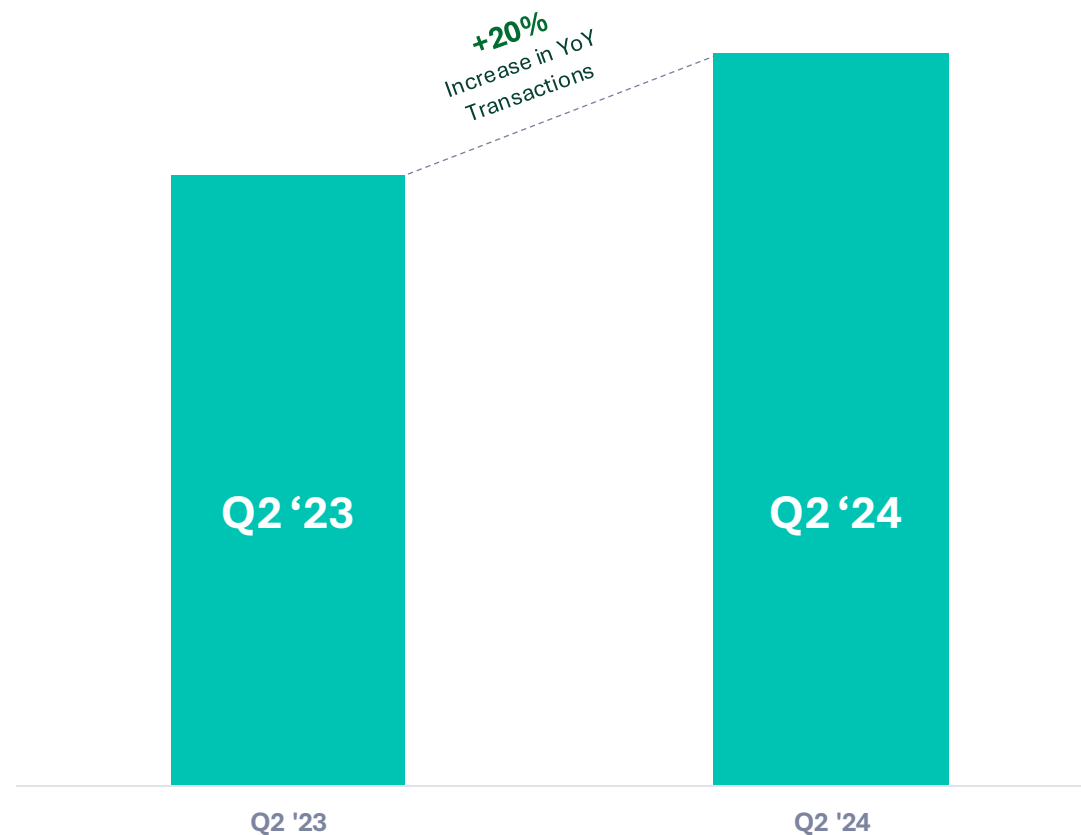
GHB % OF SALES AT NHC STORES GREW TO MORE THAN ¼ OF SALES WITHIN ~1 YEAR AFTER ACQUISITION

# AND THESE MARGIN ADVANTAGES HAVE ENABLED GLASS HOUSE TO DELIVER ROBUST OFFERINGS TO INCREASINGLY PRICE CONSCIOUS CONSUMERS

DISRUPTIVE DEALS =  
INCREASED FOOT TRAFFIC

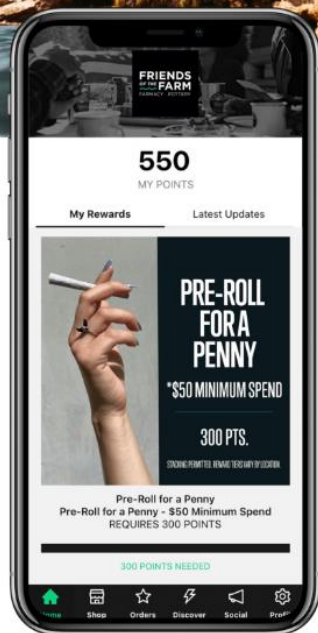


GHB Retail % Change In Transactions<sup>1</sup>



Source: Glass House Brands  
1. On a same store sales basis

# WHICH WE DELIVER THROUGH OUR HIGHLY ENGAGING FRIENDS OF THE FARM LOYALTY PROGRAM



## HIGHER THAN EVER

MEET THE FRIENDS OF THE FARM APP

Join Friends of the Farm to get discounts, rewards, and exclusive perks when you shop at California's finest cannabis dispensaries.

### REWARD POINTS

- Get 1 reward point for every dollar spent at any Farmacy, NHC, or Pottery location
- Redeem points for rewards and exclusive discounts!



**170k**  
TOTAL MEMBERS



**44%**  
REVENUE CONTRIBUTION



**250x**  
SALES ROI

Scan to get the Friends of the Farm app today!

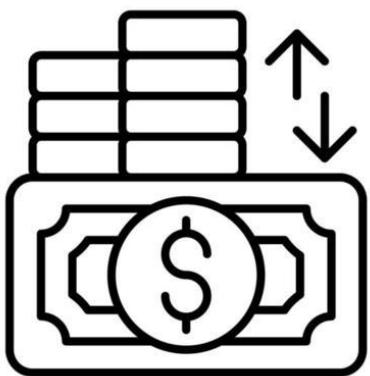


[LEARN MORE](#)



# OUR CENTRAL GOAL IS TO ENABLE CONTINUOUS GROWTH WHILE SUSTAINING THE BOTTOM LINE

We've maintained **healthy margins** despite offering **industry-best pricing** to consumers



# MARKETING STRATEGY

JOSH KARCHMER, VP OF MARKETING

# MARKETING CONNECTS GLASS HOUSE

## MARKETING



SALES



SUPPLY CHAIN



CORPORATE & IR



RETAIL



FARM



# MARKETING STRATEGY IS DRIVEN BY GLASS HOUSE BRANDS CORE VALUES

## CUSTOMER FIRST

Serve both internal and external customers

Act as the voice of the end consumer

## DO THE RIGHT THING

Always do what is best for the company

Stay laser focused on strategic priorities – tune out noise

## GRIT

Do more with less

Eliminate everything that doesn't add value

Lean on internal team, not outside agencies

## POSITIVE ATTITUDE

Positivity is infectious

Continually learn, grow and develop new skills

# OUR MARKETING PILLARS

## BRANDS & INNOVATION



## STORYTELLING



## CONSUMER ENGAGEMENT





**BEST OF CALIFORNIA**

**1st PLACE** TOTAL TERPENES  
**1st PLACE** TERPINOLENE  
**1st PLACE** OCIMENE  
**2nd PLACE** CBG<sub>a</sub>

# Harvested Fresh Daily



MADE WITH SOLVENTLESS ROSIN

# PLUS™

Find Your Just Right



# allswell

united by nature





# Q&A

# CAPITAL STRUCTURE AND CONCLUDING STATEMENTS



**KYLE KAZAN**  
Co-founder, Chairman  
& CEO



**GRAHAM FARRAR**  
Co-founder, President &  
Board Director



**MARK VENDETTI**  
Chief Financial Officer

# SHARE LIABILITIES, NOTES PAYABLE AND PREFERRED EQUITY

- As of 6/30/24, Glass House had \$182M of liabilities related to incentive shares, notes payable and preferred equity
- \$55M of liabilities will be paid using Glass House shares
- Per contractual acquisition obligations and based on the Q2 2024 closing share price of \$7.21, Glass House would need to issue 7.7M shares to pay off these liabilities if payout occurred today.
- \$127M require cash payments for interest, amortization, and dividends
- As of 6/30/24, there are 44.5M warrants outstanding
  - 30.7M SPAC warrants
  - 13.9M related to the Preferred Equity

(in thousands, as of 6/30/24)	Balance Sheet	Shares	Warrants Outstanding
<b>Contingent Shares and Earnout Liabilities</b>	\$ 33,132	4,595	
<b>Shares Payable</b>	\$ 5,825	873	
<b>Notes Payable</b>			
<b>Secured Credit Facility</b>	\$ 45,625		
Series A	\$ 11,895		
Series B	4,111		
<b>Plus Convertible Debt</b>	<b>\$ 16,006</b>	<b>2,220</b>	
Other	(380)		
<b>Notes Payable Total</b>	<b>\$ 61,251</b>	<b>2,220</b>	
<b>Preferred Equity</b>			
Series B	\$ 60,881		9,880
Series C	5,927		1,000
Series D	15,000		2,980
<b>Preferred Equity Total</b>	<b>\$ 81,808</b>		<b>13,860</b>
<b>SPAC Warrants</b>			30,665
<b>RSU's and Stock Options</b>		4,942	
<b>Equity and Exchangeable Shares (6/30/24)</b>		74,370	
<b>Cash Payments</b>	<b>\$ 127,053</b>		
<b>Share Payments</b>	<b>\$ 54,963</b>	<b>12,630</b>	
<b>Total</b>	<b>\$ 182,016</b>	<b>87,000</b>	<b>44,525</b>

## CONTINGENT SHARES, EARNOUT AND SHARES PAYABLE

- The balance sheet items shown below resulted from the SoCal Farm and Natural Healing Center acquisitions. They will be paid in shares.
- Balance sheet \$ amounts for Contingent Earnout and Share Holdback are determined using the Q2 2024 end of quarter share price of \$7.21
- Changes in balance sheet amounts are reflected in our P&L statement under the 'Change in Fair Value of Contingent Liabilities and Shares Payable' category

(000's)	Q2 24	Potential Shares to Be Issued	Comments	Timing
<b>Camarillo Transaction</b>				
<b>Contingent Shares and Earnout Liabilities</b>				
Share Holdback	\$ 25,235	3,500	3.5M share holdback from Camarillo purchase	Expect all 3.5M shares to be issued the sooner of full cannabis licensing of SoCal Farm or June 2026
Contingent Earnout	\$ 7,897	1,095	Earnout of up to \$75M worth of shares based on the VWAP of the last 20 trading days of the earnout period which ends March 31, 2025	Any potential shares earned will be issued in Q3 2025.
<b>Balance Sheet Amount</b>	<b>\$ 33,132</b>	<b>4,595</b>		
<b>NHC Transaction</b>				
<b>Shares Payable</b>				
Deferred Shares	\$ 5,825	873	Deferred shares earned as part of the NHC purchase	582K to be issued in Q3 2024; 291K to be issued in Q3 2026
<b>Balance Sheet Amount</b>	<b>\$ 5,825</b>	<b>873</b>		

# NOTES PAYABLE AND PREFERRED EQUITY

- The outstanding balance of the secured credit facility is declining as it amortizes, and the total Preferred Equity balance is increasing by roughly the same amount. As a result, the Total Balance for Cash Payments has remained roughly flat.

(\$000)	Q4 2023	Q1 2024	Q2 2024	Comments	Action
Secured Credit Facility	49,375	47,500	45,625	Maturity is 11/30/26 with a pay off amount of \$27.5M	Target to refinance below 10%
Series A	11,895	11,895	11,895	8% semi annual interest, cash or shares, higher of 10 day VWAP 5 trading days prior to pay date or \$4.08, Maturity 4/15/27	Wait until end of term and pay off with shares
Series B	4,111	4,111	4,111	8% semi annual interest, cash or shares, lower of 10 day VWAP 5 trading days prior to pay date or \$10.00, Maturity 4/15/27	Pay off with shares once GLASF 10 day VWAP crosses \$10 per share
<b>Plus Convertible Debt</b>	<b>16,006</b>	<b>16,006</b>	<b>16,006</b>		
Other	(1,318)	(1,072)	(380)	Mostly original issue discount	
<b>Notes Payable - Total</b>	<b>64,063</b>	<b>62,434</b>	<b>61,251</b>		
<b>Preferred Equity</b>					
Series B	57,545	59,172	60,881	Currently at 22.5% dividend with 10% cash payment	Considering various alternatives to pay off including equity, debt, convertible debt, or a new Series E Preferred Equity offering
Series C	5,608	5,763	5,927	Currently at 20% dividend with 10% cash payment	Considering various alternatives to pay off including equity, debt, convertible debt, or a new Series E Preferred Equity offering
Series D	15,000	15,000	15,000	Currently at 15% dividend with 15% cash payment	Considering various alternatives to pay off including equity, debt, convertible debt, or a new Series E Preferred Equity offering
<b>Total</b>	<b>78,153</b>	<b>79,936</b>	<b>81,808</b>		
<b>Total Balance for Cash Payments</b>	<b>127,528</b>	<b>127,436</b>	<b>127,433</b>		

# NOTES PAYABLE AND PREFERRED EQUITY CASH PAYMENTS

- During Q2 2024, total Quarterly Debt Service and Dividend Payments were \$5.3M. These will gradually decrease to \$4.5M by Q3 2026 as the outstanding balance on the Senior Secured Loan falls.
- Annual Cash Dividend Payments will remain at \$7.7M through 2026, at which point they will increase to \$20M in 2027 as the Series B (2/28/27) and Series C (6/30/27) switch to 20% annual cash dividend rates and PIK accrual is discontinued.

(\$000)	Q4 2023	Q1 2024	Q2 2024	Comments	Action
<b>Cash Payments</b>					
Debt Amortization	638	1,888	1,889	\$625K per month for the credit facility	Target to refinance with interest only for at least 2 years
Cash Interest	2,648	1,511	1,467	Currently 12% interest rate on the secured credit facility, index is Prime +8.50%, min. 10%, max. 12%	Target to refinance below 10%
<b>Debt Service</b>	<b>3,286</b>	<b>3,399</b>	<b>3,356</b>		
<b>Cash Dividend</b>					
Series B	1,250	1,250	1,247	10% annual rate until 2/28/27 when it increases to 20%	Considering various alternatives to pay off including equity, debt, convertible debt, or a new Series E Preferred Equity
Series C	125	125	125	10% annual rate until 6/30/27 when it increase to 20%	Considering various alternatives to pay off including equity, debt, convertible debt, or a new Series E Preferred Equity
Series D	565	563	563	15% annual rate until 8/24/28 when it increase to 20%	Considering various alternatives to pay off including equity, debt, convertible debt, or a new Series E Preferred Equity
<b>Preferred Equity Dividends</b>	<b>1,940</b>	<b>1,938</b>	<b>1,935</b>		
<b>Total Cash and Debt Service and Dividends</b>	<b>5,226</b>	<b>5,337</b>	<b>5,291</b>		

	Dividend Rates for Series B, C, and D			Comments
	22.5%	25.0%	20.0%	
Series B	2024-08-31	2025-08-31	2027-02-28	Currently at 22.5% dividend with 10% cash payment
Series C	2024-12-30	2025-12-30	2027-06-30	Currently at 20% dividend with 10% cash payment
Series D			2028-08-24	Currently at 15% dividend with 15% cash payment

# WARRANTS, STOCK OPTIONS AND RSU'S

- To minimize dilution, Glass House is evaluating various warrant redemption strategies depending on the time to maturity of the warrants and on market conditions.
- We expect to issue ~2M RSU's annually depending on Glass House's share price

(000's)	Q2 24	Forced Redemption of Warrants New Shares Issued	Shares if Warrants exercised on a Cash Basis	Cash Received if Warrants exercised on a Cash Basis	Comments	Consideration
<b>Total Warrants</b>						
Series D	2,980	1,490	2,980	\$ 17,880	Exercise price of \$6.00 with an expiration date of August 2028	Can force cashless conversion at \$12 (need 10 out of 15 consecutive days at closing price of \$12.00 or higher)
Series C	1,000	583	1,000	\$ 5,000	Exercise price of \$5.00 with an expiration date of August 2027	Can force cashless conversion at \$12 (need 10 out of 15 consecutive days at closing price of \$12.00 or higher)
Series B	9,880	5,763	9,880	\$ 49,400	Exercise price of \$5.00 with an expiration date of August 2027	Can force cashless conversion at \$12 (need 10 out of 15 consecutive days at closing price of \$12.00 or higher)
SPAC Warrants	30,665	4,477	-	\$ -	Exercise price of \$11.50 with an expiration date of June 2026	Can force cashless redemption at \$10 (prior day closing price must be greater than \$10.00) with VWAP as close to \$10 as possible. Assumes 12/28/2024 redemption date
<b>Total Warrants</b>	<b>44,524</b>	<b>12,314</b>	<b>13,860</b>	<b>\$ 72,280</b>		
Stock Options	1,199				Exercise Price between \$2.26 and \$4.60 with expiration dates from October 2024 to October 2026	
RSU's	3,743				Up to 3-year vesting through 2027	
<b>Total</b>	<b>4,942</b>					

## WARRANTS – EARLY EXPIRATION

- As discussed earlier, Glass House can force early expiration of the SPAC warrants when certain share price conditions are met.
- The decision will include factors such as time to expiration and market conditions.
- Glass House can force early expiration of the Preferred Equity warrants when certain share price conditions are met (discussed earlier).
  - These preferred equity warrants will be far in the money at \$12/share. If executed on a cash basis they could generate significant funds for the company.

Series	SPAC Warrants	
Warrants Outstanding		30,665
Exercise Price	\$	11.50
Cash Proceeds	\$	352,648
Expiration Date		2026-06-28

No cashless conversion, unless redeemed by company  
Assumes 100% of warrants are exercised by investors with cash.

Redemption Share Price	Number of Shares Issued									
	\$	10	\$	12	\$	14	\$	16	\$	18
2024-09-28		4,937		6,838		8,555		9,997		11,162
2024-12-28		4,477		6,470		8,310		9,874		11,131
2025-03-28		3,986		6,041		8,034		9,721		11,131
2025-06-28		3,404		5,550		7,666		9,567		11,131
2025-09-28		2,760		4,968		7,267		9,353		11,101
2025-12-28		1,993		4,201		6,716		9,077		11,101
2026-03-28		1,043		3,189		6,041		8,770		11,070
2026-06-28		-		1,288		5,489		8,617		11,070

Series	B&C		D		B,C&D	
Warrants Outstanding		10,880		2,980		13,860
Exercise Price	\$	5.00	\$	6.00	\$	5.22
Cash Proceeds	\$	54,400	\$	17,880	\$	72,280
Expiration Date		2027-08-31		2028-08-31		

Cashless conversion is an option for warrant holders.  
Assumes 100% of warrants are exercised by investors with cash.

	Number of Shares Issued - Cashless							
	\$	6	\$	8	\$	10	\$	12
Series B&C		1,813		4,080		5,440		6,347
Series D		-		745		1,192		1,490
Total		1,813		4,825		6,632		7,837



## PROFORMA SHARES OUTSTANDING

- The table below shows various estimated share counts depending on share prices achieved before warrants expire and due dates on liabilities
- Warrant conversions assume forced redemption for the SPAC warrants and cashless conversion of Preferred Equity warrants

	30-Jun-24		Share Price					
	\$ 7.21	\$ 8.00	\$ 10.00	\$ 12.00	\$ 14.00	\$ 16.00	\$ 18.00	
Equity and Exchangeable Shares	74,370							
RSU's and ISO's	4,942							
Deferred Camarillo Shares	3,500							
Deferred NHC Shares	873							
<b>Sub-total</b>	<b>83,685</b>	<b>83,685</b>	<b>83,685</b>	<b>83,685</b>	<b>83,685</b>	<b>83,685</b>	<b>83,685</b>	
Camarillo Earnout Plus CD	1,095	987	790	658	564	494	439	
- Series A	1,650	1,487	1,190	991	850	743	661	
- Series B	570	514	411	411	411	411	411	
- Interest Payments		454	363	303	259	227	202	
<b>Total</b>	<b>2,220</b>	<b>2,455</b>	<b>1,964</b>	<b>1,705</b>	<b>1,520</b>	<b>1,381</b>	<b>1,274</b>	
Preferred Equity Warrants		4,825	6,632	7,837	7,837	7,837	7,837	
<b>Sub-total</b>	<b>87,001</b>	<b>91,952</b>	<b>93,071</b>	<b>93,885</b>	<b>93,606</b>	<b>93,397</b>	<b>93,234</b>	
SPAC Forced Redemption (12/28/24)			4,477	6,470	8,310	9,874	11,131	
<b>Total</b>	<b>87,001</b>	<b>91,952</b>	<b>97,548</b>	<b>100,355</b>	<b>101,916</b>	<b>103,271</b>	<b>104,366</b>	
or								
SPAC Forced Redemption (6/28/26)				1,288	5,489	8,617	11,070	
<b>Total</b>	<b>87,001</b>	<b>91,952</b>	<b>93,071</b>	<b>95,173</b>	<b>99,095</b>	<b>102,014</b>	<b>104,304</b>	

# FUNDING GROWTH AND RECAPITALIZING THE BALANCE SHEET

- Glass House will raise ~\$25M for Phase 3 expansion, with a focus on equity issuance
- Glass House is considering various options to lower its cost of capital
  - Because the company can pay existing obligations from current operating cash flow and has no maturing obligations in the next 2 years, timing and market conditions will be a factor in execution

(\$000's)	Q2 2024	Low	High	Source	Comments
Credit Facility	\$ 45,625	\$ 50,000	\$ 50,000	Credit Facility	Replace using a bank group targeting rate below 10%
Plus Convertible Debenture	\$ 16,006	\$ 16,006	\$ 16,006	Plus Convertible Debenture	Favorable terms, will not be replaced
Preferred Equity					
Series B	\$ 60,881	\$ 77,433	\$ 27,433	Debt, Convertible Debt or Series E Preferred Equity	Considering debt, convertible debt or Series E Preferred Equity as a replacement for the balance of Preferred Equity. These may be executed in a series of separate transactions.
Series C	\$ 5,927				
Series D	\$ 15,000				
Total	\$ 81,808	\$ 25,000	\$ 75,000	Additional Equity	Considering various alternatives
Debt, Preferred Equity and Equity	\$ 143,439	\$ 168,439	\$ 168,439		
Expansion - Phase 3	\$ 25,000				
<b>Total</b>	<b>\$ 168,439</b>	<b>\$ 168,439</b>	<b>\$ 168,439</b>		

## Additional Tax Credits and Refunds

ERTC	\$ 11,500	\$ 11,500		Above funding may be adjusted based on tax refunds and 280e strategy
California Refund	\$ 1,200	\$ 1,200		
Total	\$ 12,700	\$ 12,700		

## TAX STRATEGY & 280E

- Glass House is current on all Federal and State income taxes, on California state excise and sales taxes and on local cannabis taxes
- The company filed for \$11.5M ERTC in September, October, and November of 2023
  - We still expect to receive the credit payments but do not have clarity on timing
- In addition, the company filed an amended 2022 CA return and expects a refund of \$1.2M
  - We moved to a unitary tax approach for state taxes vs. a prior approach of reporting for individual entities
- 280(e) tax penalty for 2023 is ~\$10M
  - The company's practice is to file Federal and State income tax returns in October for the prior year
  - Tax payments are made during the fourth quarter of each year for the prior year
  - 2023 Federal and State tax returns have not yet been filed
  - Glass House is evaluating its 2023 tax strategy
- If Cannabis is rescheduled to Schedule 3, it would have a significant impact on taxes
  - In 2023, we would save about \$10M due to the discontinuation of the 280e penalty and that figure would increase as the company grows
  - It would reduce the cost of interest payments on debt (deductible) vs. dividend payments on preferred equity (non-deductible)

# Q&A

# DISCLAIMER

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In particular, and with out limiting the generality of the foregoing, forward looking statements in this presentation include statements related to the buildout and development of the cultivation facility owned by the Company in Camarillo, California (referred to herein as the SoCal Farm); the Company's business plans and strategies; the addressable markets for the Company's products; the Company's competitive position; the ability to develop products, scale production and distribute products; the Company's plans to grow its market share in existing and new markets; the Company's investment in new technologies and products; the Company's expansion of production capacity; the development and expansion of the Company's brands; strategic acquisition opportunities; the future size of the cannabis market in California and the United States; the receipt of licenses from regulatory authorities; and the Company's future financial performance. In addition, the financial

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## Cannabis-related Activities are Illegal Under U.S. Federal Laws

The Company derives 100% of its revenues from doing business in the cannabis industry in the U.S. The concepts of "medical cannabis" and "adult-use cannabis" do not exist under U.S. federal law. The U.S. Federal Controlled Substances Act classifies "marijuana" as a Schedule I drug. Accordingly, cannabis-related practices or activities, including, without limitation, the manufacture, sale, importation, possession, use or distribution of cannabis and its derivatives, are illegal under U.S. federal law and the enforcement of the relevant laws poses a significant risk. These laws and their enforcement are in flux and vary dramatically from jurisdiction to jurisdiction. The enforcement of these laws and its effect on the Company and its business, employees, directors and shareholders are uncertain, and accordingly, involve considerable risk. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

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