



## The Green Organic Dutchman Accelerates European Expansion with Denmark Joint Venture including 200,000 sq ft Cannabis Facility and Offtake Agreement

TORONTO, June 27, 2018 -- The Green Organic Dutchman Holdings Ltd. (the “**Company**” or “**TGOD**”) (TSX:TGOD) (OTCQX:TGODF) is pleased to announce it has signed a letter of intent (“LOI”) for a 50/50 joint venture (“JV”) with Queen Genetics/Knud Jepsen A/S (“Knud Jepsen”) based in Hinnerup, Denmark. The JV will initially consist of 200,000 sq. ft. located within Knud Jepsen’s 1.3 million sq. ft. state-of-the-art automated greenhouses in Denmark. The approximately 200,000 square feet of advanced buildings to be dedicated to the JV were designed and engineered by Thomas Larssen of Aurora Larssen Projects Inc. and will provide an opportunity for TGOD to increase its total organic funded capacity by approximately 25,000 kgs. This will provide a consistent supply of high-quality organic cannabis grown in Europe, ready for the local European markets and increases TGOD’s funded capacity to 195,000 kgs.

The JV will focus on the cultivation of premium organic cannabis and primary extraction following TGOD’s organic growing protocols and using Knud Jepsen’s years of advanced R&D directed towards plant genetics and breeding, including many patented discoveries that could be applied towards the cultivation of premium organic medicinal cannabis. TGOD will have the exclusive right to all cannabis-related production at the JV through a guaranteed offtake agreement at a pre-determined value over the production cost to the JV.

Founded in 1939, Knud Jepsen has more than 75 years of experience in all areas of horticulture ranging from genetics and breeding to international partnerships and setting-up global distribution networks. Knud Jepsen is the world’s largest Kalanchoes breeder and producer distributing and selling more than 35 million finished plants in Europe and 90 million cuttings to over 75 countries each year. Over 425 people are employed by Knud Jepsen within their global operations which in addition to Denmark include an 880,000 sq. ft. flower and young plant production facility in Turkey, and a 700,000 sq. ft. facility in Vietnam specializing in producing cuttings belonging to the Queen<sup>®</sup> Genetic assortment.

A strong focus on R&D has been at the core of Knud Jepsen’s operations since inception with special attention paid to genetic stock development and novel trait identification with a goal to create plants that have consistent regulated heights, are more compact, have stronger cell walls, are more resistant to disease, and have increased secondary metabolite production. In a testament to their award-winning team, each year between 20-30 new novel traits are introduced, and a partnership with The University of Copenhagen has yielded several registered patents related to their team’s advanced research around Natural Transformance. Environmental sustainability and energy conservation has also been a core principal of Knud Jepsen where the drive to save energy and reduce power costs within their Denmark operations has led to integrated grid planning in an effort to reduce the overall blended rate of energy through the use of a 6MW natural gas co-generation facility, the extraction of solar energy through heat pumps, the integration of waste-based district heating through a direct pipeline from a biomass waste plant for low-cost heating, as well as planning of energy usage and storage based on production planning and the incorporation of weather forecasts into AI-type energy consumption planning.

“Europe, being home to 750 million people, is a key market, and Knud Jepsen has nearly 3 million sq. ft. of horticultural operations, 75 years of operating experience and a significant focus on R&D providing an incredible platform for TGOD to enter the European market,” said Csaba Reider, the Company’s President. “These first two facilities are simply the first step in our business plan to enter Europe at scale. We look forward to completing our final agreement in the coming weeks,” continued Mr. Reider.

“We are very excited about entering the European market as the leader of international organic cultivation,” said Robert Anderson, TGOD’s CEO. “Organic is one of our key differentiators, and when creating a catalog of higher margin products across varying delivery methods, organic inputs make a significant difference in the end product. This JV establishes TGOD’s product across Europe and increases our funded capacity to 195,000 kgs. This represents another significant step forward as we create the largest organic cannabis brand in the world,” Anderson continued.

“We are excited to partner with TGOD, the global leader in organic cannabis, to launch our company’s cannabis division,” stated Frands Jepsen, Knud Jepsen’s CEO. “This is a symbiotic relationship in which TGOD can leverage our global footprint, 450+ employees, and 75+ years’ operating experience and we can leverage TGOD’s organic cannabis brand, cultivation experience, and proven management team to enter the European cannabis market quickly, and at scale.”

Closing of the transaction is subject to customary conditions, including the signing of definitive documents, completion of satisfactory due diligence, and applicable regulatory approvals.

### **ABOUT THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.**

The Green Organic Dutchman Holdings Ltd. is a research & development company licensed under the *Access to Cannabis for*

*Medical Purposes Regulations* (“ACMPR”) to cultivate medical cannabis. The Company carries out its principal activities producing cannabis from its facilities in Ancaster, Ont., pursuant to the provisions of the ACMPR and the *Controlled Drugs and Substances Act* (Canada) and its regulations.

The Company grows high quality, organic cannabis with sustainable, all-natural principles. TGOD's products are laboratory tested to ensure patients have access to a standardized, safe and consistent product. TGOD has a funded capacity of 170,000 kg of cultivation facilities in Ontario and Quebec and Jamaica.

TGOD's Common Shares and warrants issued under the indenture dated November 1, 2017 trade on the TSX under the symbol "TGOD" and "TGOD.WT", respectively.

## **CONTACT INFORMATION**

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## **Forward-Looking Information Cautionary Statement**

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