



The Green Organic Dutchman Signs Agreement to Acquire Leading European CBD Company HemPoland

TORONTO, Aug. 21, 2018 -- The Green Organic Dutchman Holdings Ltd. (the “Company” or “TGOD”) (TSX: TGOD) (US: TGODF) is pleased to announce it has signed a definitive agreement to acquire 100% of the issued and outstanding shares of privately-held [HemPoland](#) in an immediately accretive cash and share transaction.

Transaction Highlights:

- Acquisition cost of US\$7.75 million in cash and 1,968,323 restricted TGOD shares currently worth US\$7.75 million (~CAD\$20.4 million combined) with an additional US\$10.3 million (CAD\$13.5 million) cash investment for rapid European expansion
- Additional performance based incentives of up to US\$12 million (CAD\$15.8 million) for delivery of US\$32 million (CAD\$42.1 million) of EBITDA in fiscal 2021
- European gateway with distribution channels to over 750 million people and sales in over 700 locations across 13 countries
- Premier selling CBD oil brand “Cannabigold”, a recognized leader in the EU
- 32,000 kgs of dried flower production from 1,250 acres of cultivation
- Leading innovative organic brand with diverse, novel product offerings and unique IP

HemPoland is a leading European manufacturer and marketer of premium organic CBD oils led by founder and CEO, Maciej Kowalski, one of Europe’s most widely recognized CBD experts. This strategic acquisition provides access to HemPoland’s vast distribution network, premium Cannabigold brand, state-of-the-art hemp oil extraction technologies, and provides a strategic pathway into the European market for TGOD’s medical & recreational products and licensing deals.

Founded in 2014, HemPoland was the first company in Poland to obtain a state licence allowing the company to grow hemp and manufacture CBD oil products. HemPoland’s management is comprised of experts in cultivation, oil extraction, and marketing of high-quality organic CBD oil. The company is vertically integrated, with over 1,250 acres of cultivation leveraging third parties, multiple commercial scale extraction units, local distributors in Poland, Austria, Netherlands, Germany, United Kingdom, Italy, Switzerland, Portugal, Ireland, Czech Republic, Slovenia, Lithuania, and Estonia, and product sales in over 700 locations. With a robust ecommerce platform, diverse wholesale model, and over 60 employees, HemPoland has proven the ability to execute by rapidly scaling across the European Union in a short timeframe. In 2017, the company produced over 32,000 kgs of organic dried flower and 310 kgs of organic CBD oils.

The financial terms of the transaction are US\$7.75 million (CAD\$10.2 million) cash and 1,968,323 restricted TGOD shares currently worth US\$7.75 million (CAD\$10.2 million), which will be escrowed for a term of three years from closing. In addition, there is contingent consideration of up to 3,047,722 shares of TGOD currently worth US\$12 million (CAD\$15.8 million) based on delivery of US\$32 million (CAD\$42.1 million) EBITDA in the 2021 fiscal year. TGOD will invest a further US\$10.3 million (CAD\$13.5 million) in HemPoland to fund product development, R&D, drug development and continue global expansion initiatives.

“HemPoland is a key component to a number of strategic acquisitions and planned partnerships focused on expanding our global distribution network. This acquisition will significantly add to the Company’s top and bottom line,” said Brian Athaide, CEO of TGOD. “Gaining market share with CBD products now, in the EU, with over 700 locations allows TGOD to establish immediate brand awareness across all verticals including infused beverages. This is an accretive acquisition and gateway to Europe’s 750 million people accelerating our plan of becoming the world’s largest organic cannabis brand,” continued Athaide.

“We are pleased to join forces with the premier brand in organic cannabis, TGOD, to scale the growth of our business both domestically and internationally,” said Maciej Kowalski, Founder and CEO of HemPoland. “The market and demand for premium organic cannabis and CBD oil is just the beginning, ultimately leading to a variety of higher margin products. Having access to TGOD’s capital, licensing deals, experienced leadership team, and intellectual property will significantly drive momentum for our brand and our company. We are proud to be part of the TGOD family and look forward to becoming the global leaders in organic cannabis.”

Closing of the transaction is subject to customary closing conditions and the approval of the Toronto Stock Exchange.

On Behalf of the Board of Directors,
The Green Organic Dutchman Holdings Ltd.

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 and is building 1,382,000 sq. ft. of cultivation facilities in Ontario, Quebec and Jamaica.

The Company has developed a strategic partnership with Aurora Cannabis Inc. (TSX:ACB) whereby Aurora has invested approximately C\$78.1 million for an approximate 17.5% stake in TGOD. In addition, the Company has raised approximately C\$350 million and has over 20,000 shareholders.

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

Investor Relations

Email: invest@tgod.ca

Phone: 1 (416) 900-7621

www.tgod.ca

Forward-Looking Information Cautionary Statement

This news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). Forward looking statements in this release includes, but is not limited to, statements about the future legalization of recreational cannabis and cannabis-infused products in Canada, statements about future research, development and innovation by the Company, statements about the offering of any particular products by the Company in any jurisdiction and statements regarding the future performance of the Company. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of Toronto Stock Exchange) accept responsibility for the adequacy or accuracy of this release.