The Green Organic Dutchman Reports Second Quarter 2021 Results

- **Consolidated revenue of $11.82 million increased 32% compared to Q1-2021**
- **Paid down over $30 million in debt during the quarter**
- **Continued growth targeted in the second half of the year**

TORONTO, August 11, 2021 - The Green Organic Dutchman Holdings Ltd. (the "Company" or "TGOD") (TSX: TGOD) (US: TGODF), a leading producer of premium certified organically grown cannabis, reports its unaudited interim financial results for the quarter ended June 30, 2021. These filings are available for review on the Company's SEDAR profile at www.sedar.com.

Management Commentary:

“Growth continued in the second quarter as the organization remained focused on executing our turnaround plan and fulfilling the TGOD Promise. Our premium flower SKUs performed strongly and our mainstream portfolio under the Highly Dutch brand also contributed to the quarter’s sales growth which together, lead to our highest quarterly revenue to date,” commented Sean Bovingdon, TGOD’s CEO and interim CFO. “We continued our transformation with our strategic asset monetization initiatives such as the sale of our Quebec Facility in Valleyfield, which allowed us to eliminate our senior term debt while maintaining operations at the site through a lease agreement with the purchaser. Benefiting from a stronger balance sheet and lower operating costs out of the Quebec Facility, TGOD is well positioned for continued expansion.”

Second Quarter 2021 Financial Highlights:

- Earned quarterly consolidated revenues of $11.82 million in Q2-2021 compared to $8.98 million in Q1-2021, representing a quarter-over-quarter increase of 32%. Sales from cannabis products in Canada of $10.4 million for Q2-2021 and hemp-derived product sales in Europe of $1.42 million for Q2-2021. European revenues were affected by the impact of COVID-19 on distribution channels. Sales levels in Europe are expected to normalize towards the end of the year.

- Canadian sales grew 55% quarter-over-quarter as Highly Dutch Amsterdam Sativa gained traction and as the COVID-19 lockdown restrictions began to ease. Experienced a gross profit (before changes in fair value of biological assets) of $3.27 million compared to $1.34 million in the previous quarter, and of $0.99 million in Q4-2020. This positive result is primarily driven by the year over year improvement of $2.87 million in the Company’s gross profit before changes in biological assets. The Company’s cash return on each sale has improved as the efficiencies of scale are being realized at the Hamilton Facility as the fixed costs are being absorbed at higher rates, in line with Company expectations.

- Continued to focus on costs with G&A expenses remaining relatively flat compared to the prior year at $5.74 million despite the Company experiencing additional professional expenses and costs related to the annual meeting in Q2-2021. TGOD expects G&A expenses to normalize in line with Q1-2021 levels for the remainder of 2021.

- Sales and marketing expenses of $1.34 million for the quarter decreased in comparison to expenses of $2.24 million for the same period in 2020 primarily due to strategic partnership payments being paid on a new set of performance indicators. Personnel costs related to sales and marketing are expected to slightly increase through the rest of the year with the addition of the Chief Growth Officer. The Company also expects to invest an additional $0.5 million into strategic partnerships to continue to drive retail sales and build recurring business with chains, where possible.

- Registered a net loss of $32.48 million for the quarter comprised primarily of the loss on the assets held for sale (Quebec Facility) of $17.69 million and a loss from operations of $9.08 million. However, the cash used in operating activities was only $5.8 million in comparison to $8.29 million for the same period in the prior year. The Company expects to achieve positive monthly operating cash flow before the end of 2021.

Sale of Quebec Facility

On June 22, 2021, the Company completed the sale of the majority of its assets in Valleyfield, Quebec, including all of the industrial and agricultural land, main hybrid greenhouse, rooftop greenhouse, all support buildings and certain related equipment for gross proceeds of $27 million. The Company was also refunded the deposit of $5.76 million it had with Hydro-Quebec, including interest. In conjunction with the sale, TGOD eliminated its senior term debt of over $30 million at a 13% interest rate, resulting in a more manageable debt load and greater financial flexibility. The Company incurred a non-cash loss of $17.69 million in its Q2-2021 results representing the difference between the carrying value of the asset held for sale and the net proceeds; this non-cash loss has no impact on the Company's operations or liquidity.

The Company entered into a leaseback of for approximately 80,000 square feet of cultivation and processing space at Valleyfield and remains committed to maintaining a significant portion of its operations, including all 2.0 product manufacturing, in Quebec which is one of the Company's most important markets.

Other Strategic Initiatives

The Company continues to review other strategic initiatives to maximize shareholder value including further monetization initiatives with its subsidiaries and/or the potential for mergers and acquisitions in the Canadian cannabis LP sector.

The Company also continues to pursue other international opportunities specifically focusing on Germany, Mexico, Australia, and South Africa. TGOD is one of very few Canadian licensed producers with access to the Mexican market, with 4 SKUs already well into the review process by the Mexican regulators. In Australia, the Company continues to make progress with its in-country partner for medical cannabis, LeafCann, and expects to move towards exporting product in the next few months.

In addition, the Company continues to investigate a listing on the Canadian Securities Exchange, which would allow for immediate involvement in potential opportunities in the United States where cannabis is legal for medical or adult-use in several states.

Investor Conference Call to Discuss First Quarter Results

Management will host a conference call with analysts on August 12 at 10:00 a.m. Eastern Time to discuss the results. Participants may access the call by dialing 416-764-8688 (Toronto) or 1-888-390-0546 (North America); Conference ID 88603432. For those unable to participate on the live call, a playback will be available for one week after the conference call using this URL:
https://produceredition.webcasts.com/starthere.jsp?ei=1482090&tp_key=1d3456e442.

About The Green Organic Dutchman Holdings Ltd.

The Green Organic Dutchman Holdings Ltd. (TSX: TGOD) (US-OTC: TGODF) is a premium certified organically grown cannabis company focused on the health and wellness market. Its organic cannabis is cultivated in living soil, as nature intended. The Company is committed to cultivating a better tomorrow by producing its products responsibly, with less waste and impact on the environment. Its Canadian facility has been built to LEED certification standards and its products are sold in recyclable packaging. In Canada, TGOD sells dried flower and oil, and recently launched a series of next-generation cannabis products such as hash, vapes, organic teas and dissolvable powders. Through its European subsidiary, HemPoland, the Company also distributes premium hemp CBD oil and CBD-infused topicals in Europe. By leveraging science and technology, TGOD harnesses the power of nature from seed to sale.

TGOD's Common Shares and warrants issued under the indentures dated December 19, 2019, June 12, 2020, October 23, 2020 and December 10, 2020 trade on the TSX under the symbol "TGOD", "TGOD.WS", "TGOD.WR", “TGOD.WA”, and “TGOD.WB” respectively, and TGODF trades in the US on the OTCQX. For more information on The Green Organic Dutchman Holdings Ltd., please visit www.tgod.ca.

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