

The Green Organic Dutchman Reports Fourth Quarter and Fiscal Year 2021 Financial Results

- Gross revenue of \$39.19 million for Fiscal Year 2021, a 149% increase over last year
- Achieved record quarterly gross revenues of \$12.37 million, a 27% increase quarter over quarter; with record monthly gross revenue of \$5.18 million in December 2021
- Achieved record quarterly net revenue of \$9.47 million, a 30% increase quarter over quarter
- Improved gross margin (before changes in fair value adjustments) to 32% for Q4
- Reduced G&A expenses by 28% quarter over quarter
- Completed strategic acquisition of Galaxie Brands Corporation, the exclusive Canadian producer of Wyld edibles
- Significantly increased market share in 28g and 3.5g flower category and in hash category

TORONTO, April 5, 2022 – The Green Organic Dutchman Holdings Ltd. (the “**Company**” or “**TGOD**”) (CSE: TGOD) (US-OTC: TGODF), a sustainable global cannabis company, reports its results for the three months ended December 31, 2021 (“**Fourth Quarter**” or “**Q4 2021**”) and for the twelve months ended December 31, 2021 (“**Fiscal Year 2021**”). These filings are available for review on the Company’s SEDAR profile at www.sedar.com.

All financial information is provided in Canadian dollars except where otherwise indicated.

Management Commentary

"We closed 2021 with strong momentum as we saw significant growth quarter-over-quarter, reflecting continued execution of our strategic plan as we remain focused on quality, consistency and transparency. We are seeing the early benefit of our enhanced sales strategy which has accelerated sell-through. Our two-prong approach of onboarding key retail chains while having boots on the ground with our dedicated sales force is starting to bear fruit," said Sean Bovingdon, CEO of TGOD. "We are on track to hit our positive Adjusted EBITDA⁽¹⁾ target in Q2 2022, with continued monthly sales progression from the strong month of December," added Bovingdon.

Fourth Quarter and Year-End 2021 Financial Highlights

In Canadian dollars (\$000's)	For the three months ended				Three months ended		
	December 31, 2021	December 31, 2020	Variance to Q4-2020 (\$)	Variance to Q4-2020 (%)	September 30, 2021	Variance to Q3-2021 (\$)	Variance to Q3-2021 (%)
Revenue from adult-use cannabis products	11,056	7,571	3,485	46%	8,689	2,367	27%
Revenue from medical cannabis products	988	584	404	69%	552	436	79%
Revenue from toll agreements	328	394	(66)	(17%)	504	(176)	(35%)
Total	12,372	8,549	3,823	45%	9,745	2,627	27%
Excise Duties	(2,906)	(1,654)	(1,252)	76%	(2,465)	(441)	18%
Net Revenue	9,466	6,895	2,571	37%	7,280	2,186	30%

<i>In Canadian dollars (\$000's)</i>	For the twelve months ended			
	December 31, 2021	December 31, 2020	Variance to Q4- 2020 (\$)	Variance to Q4- 2020 (%)
Revenue from adult-use cannabis products	33,790	13,751	20,039	146%
Revenue from medical cannabis products	2,801	1,616	1,185	73%
Revenue from toll agreements	2,594	394	2,200	558%
Total	39,185	15,761	23,424	149%
Excise Duties	(8,944)	(3,017)	(5,927)	196%
Net Revenue	30,241	12,744	17,497	137%

The Company:

- For Fiscal Year 2021 the gross revenue from cannabis products was \$39.19 million, an increase of 149% from Fiscal Year 2020. The Company has adapted to the market dynamics and in the prior year, launched its Highly Dutch brand for the price conscious consumer and continues to grow its premium flower and hash offerings, both of which have contributed to the increase in current year revenues.
- Continued sales improvement in adult-use cannabis products with gross revenues increasing by 27% during Q4 2021 to \$11.06 million, in comparison to \$8.69 million in Q3 2021.
- Sales in medical cannabis products increased by 79% during Q4 2021 to \$0.99 million, in comparison to \$0.55 million in Q3 2021.
- Net revenue increased to \$9.47 million in Q4 2021, an increase of \$2.19 million or 30% quarter over quarter.
- Recorded gross margin (before changes in fair value) in Q4 2021 of 32% (“**Gross Margin**”) an improvement of 3% quarter over quarter, reflecting production efficiencies and higher net revenues with lower excise duties than the previous quarter due to sales mix of products. The Company believes Gross Margin and Net Revenue in Canada will continue to increase as it sells proportionately more premium flower, which should result in achieving breakeven Adjusted EBITDA⁽¹⁾.
- General and administrative (“**G&A**”) expenses of \$4.57 million for Q4 2021, represent a 28% decrease of \$1.80 million compared to Q3 2021. The Company will continue to focus on cost discipline and savings in G&A in 2022.
- Adjusted EBITDA⁽¹⁾ loss was \$3.31 million for Q4 2021, representing a 40% improvement compared to Q3 2021, and was \$22.60 million for the Fiscal Year being a 35% improvement of \$11.93 million over 2020.

- Loss from operations in Q4 2021 of \$5.67 million, an improvement of \$3.48 million from Q3 2021. Losses from operations were \$28.74 million for Fiscal Year 2021, compared to \$40.96 million for the same period in the prior year primarily due to the improvement in revenues and reduction of G&A expenses.
- As of December 31, 2021, the Company had a positive working capital of \$25.72 million (December 31, 2020 - \$22.0 million negative working capital) primarily due to the repayment of its senior secured first lien credit facility, modifying its debt under its secured revolving facility (the “**Revolver Loan**”) to amend the maturity date to June 2023, and reducing accounts payable with the funds received from the Revolver Loan, ATM equity financings and warrant exercises in 2021. The total consolidated cash position was \$4.31 million including \$0.22 million of restricted cash (December 31, 2020 – \$11.83 million of which \$0.62 million was restricted cash). This cash will be used primarily towards covering working capital requirements and operating costs as the Company moves towards achieving positive operating cashflow.

Other Strategic Initiatives

- On November 4, 2021, the Company entered into a definitive agreement with Acosta Canada Corp (“**Acosta**”) for exclusive and dedicated sales representation of TGOD’s adult recreational cannabis brands in key provinces across Canada. The Company made the strategic decision to move away from a syndicated sales model to enable scaled growth with a dedicated sales force through greater product education, market penetration and distribution for its TGOD™, Highly Dutch Organic™ and Ripple™ brand portfolios in the key markets of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Newfoundland. The Company also added a Regional Manager role for Quebec and Atlantic Canada to its team and named a Regional Manager in Calgary to support its presence in Western Canada.
- TGOD is now in 1,554 stores across the country, as it continues to increase distribution, including going from zero locations to over 370 locations in key retail chains in 2021. Pricing has remained stable with consumers gravitating towards higher quality, high THC flower with strong terpene profiles.
- In 2021, the Company has expanded its international footprint as it completed its first commercial shipments for the Australian and South African medical cannabis market. The Company expects to introduce more cannabis products to those markets later in 2022.
- On November 17, 2021, the Company acquired all the issued and outstanding shares of Galaxie Brands Corporation (“**Galaxie**”). Galaxie is focused on product innovation, branding and manufacturing 2.0 products. Galaxie creates and produces a range of products including premium cannabis edibles, infused pre-rolls, flavoured vapes, oils and solventless products. It also provides manufacturing and product development services to partners across Canada.
- The Company continues to work with advisors to facilitate the sale of HemPoland.

Key Updates Subsequent to the Quarter:

- The Company has continued to grow revenues and expects a similar growth trajectory achieved in 2021 to continue into 2022, as it heads towards positive operating cashflow. The decision to move to a dedicated sales force continues to enhance sales velocity with the team achieving more than 5,800 visits since early December. The visibility has driven brand recognition of TGOD™, Highly Dutch Organic™, Ripple™ and Cruzy™.

As a result of the Company's quality flower products and key retail chain penetration, revenues have continued to ramp up. With recent product launches and over 20 new skus already approved for listing, the Company expects key product launches for its product portfolio to be a key catalyst to grow revenues.

- Galaxie is the exclusive producer of Wyld edibles in Canada. Currently sitting at 25 listings across the country, Wyld will continue to add additional skus and distribution points through 2022.
- In February 2022, the Company has hit significant milestones across the product portfolio in Ontario according to sales data from the OCS, specifically:
 - TGOD's Organic Cherry Mints is the 3rd best selling 3.5g flower in the premium flower category while Organic Maple Kush is 6th and Organic Sugar Bush is the 11th best seller
 - Cruzy is the 2nd top brand in the Resin and Rosin category, with the Supercharged Duubyz infused pre-rolls
 - Highly Dutch Amsterdam Sativa is the 6th top selling 28g flower in the province
- On March 10, 2022, the Company announced that it had amended and restated the credit agreement dated September 29, 2021, as amended by a first amendment dated November 20, 2021, relating to the Revolver Loan (the "**Credit Agreement**"). The Company and its Canadian lender agreed to, amongst other things: (i) increase the revolving facility limit by \$5.0 million to \$30.0 million; (ii) allow certain eligible inventory to be included as collateral; and (iii) relax certain covenants set forth in the Credit Agreement; subject to the satisfaction of the various conditions set out therein. All other terms of the Credit Agreement will remain the same as before, including the maturity date of June 30, 2023.
- Member of the Board of Directors ("**Board**") and Chair of the Audit Committee Nicholas Kirton has announced his retirement from the Board effective today. Since joining the Board in 2018, Nick has provided strategic leadership and valuable counsel to the Board and the TGOD team. The Company wishes to thank Nick for his service and dedication to helping grow shareholder value and ensuring good governance. Director Chris Schnarr has been appointed as the new Chair of the Audit Committee.

Investor Conference Call to Discuss Fourth Quarter and Year-end Results

Management will host a conference call with analysts on April 6, 2022, 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 50503996. A replay of the call will also be available through April 13, 2022, by dialing 1-416-764-8677 or 1-888-390-0541 (Passcode: 503996#).

About The Green Organic Dutchman Holdings Ltd.

The Green Organic Dutchman Holdings Ltd. (CSE: [TGOD](#)) (US-OTC: TGODF) is a sustainable, global cannabis company with a focus on innovation, quality, consistency, integrity and transparency. By leveraging science and technology, TGOD harnesses the power of nature from seed to sale. The Company is committed to cultivating a better tomorrow by producing its products responsibly, with less waste and impact on the environment. In Canada, TGOD serves the recreational market with a brand portfolio including The Green Organic Dutchman, Highly Dutch Organics, Ripple by TGOD and Cruzy brands, and the medical markets in Canada, South Africa, Australia, and Germany. All cannabis utilized in products for The Green Organic Dutchman and Highly Dutch Organics brands is grown through a certified organic process, which includes living soil, filtered rainwater, sunlight, and natural inputs.

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 Canadian Securities Exchange (the "CSE") under the symbol "TGOD", "TGOD.WS", "TGOD.WR", "TGOD.WA", and "TGOD.WB" respectively. TGOD's Common Shares trade in the U.S. on the OTCQX under the symbol "TGODF". For more information on The Green Organic Dutchman Holdings Ltd., please visit www.tgod.ca.

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(1) Non-GAAP Measures, Reconciliation and Discussion

This press release contains references to "Adjusted EBITDA" which is a non-international financial reporting standards ("IFRS") measure (a "Non-GAAP Measure"). Management defines Adjusted EBITDA as loss for the period, as reported, adjusted for deferred income tax recovery, foreign exchange gains and losses, finance costs, finance income, share of loss on investments in associates, revaluation of contingent consideration, loss (gain) on disposal of assets, impairment of investment in associates, impairment (reversal of impairment) charge for non-financial assets, loss on derecognition of investment in joint venture, impairment loss on remeasurement of disposal group, loss on assets held for sale, debt modification, acquisition related costs, change in fair value of investments, realized fair value adjustment on sale of inventories, unrealized gain on changes in fair value of biological assets, share based compensation, depreciation and amortization. This measure does not have any standardized meaning according to IFRS and, therefore, may not be comparable to similar measures presented by other companies.

Management believes Adjusted EBITDA provides useful information as it is a commonly used measure in the capital markets to approximate operating earnings. The Company provides the Non-GAAP Measure as supplemental information and in addition to the financial measures that are calculated and presented in accordance with IFRS. The Non-GAAP Measure is also presented because management believes such measures provide information which is useful to shareholders and investors in understanding its performance and which may assist in the evaluation of the Company's business relative to that of its peers. Management believes the Non-GAAP Measure is a useful financial metric to assess the Company's operating performance on a cash basis before the impact of non-cash items, and on an adjusted basis as described above. However, such Non-GAAP Measure should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with, the most comparable Non-GAAP Measure.

Reconciliations of the Non-GAAP Measure are presented in the Company's management's discussion and analysis for the years ended December 31, 2021 and 2020 (the "Y/E MD&A"). The Non-GAAP Measure should not be considered superior to, as a substitute for, or as an alternative to, and should be considered in conjunction with the IFRS financial measures presented in the Company's financial statements. For more information, please see "Non-GAAP Performance Measures" in the Company's Y/E MD&A, which is available under the Company's profile on www.sedar.com.

Cautionary Statements

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 include, but are not limited to, statements about future revenue, gross margin and Adjusted EBITDA, statements about production timing, statements about future production and manufacturing, statements

about achievement of positive cash flow and value for shareholders, statements about reduction in general and administrative expenses, statements about potential international sales or activities, statements about the offering of any particular products by the Company in any jurisdiction and statements regarding the future performance of the Company, statements about future development and delivery of products, statements about the potential future revenue and cost synergies, statements about potential entry into the U.S. market, and statements about the level of demand for TGOD's and Galaxie's products. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "should", "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 (including market conditions) and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements, including those risk factors described in the Company's most recent Annual Information Form filed with Canadian securities regulators and available on the Company's issuer profile on SEDAR at www.sedar.com. Although the Company believes that the assumptions and factors used in preparing the forward-looking information or forward-looking statements in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking information and forward-looking statements included in this news release are made as of the date of this news release. 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.

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