

## The Green Organic Dutchman Reports Third Quarter 2022 Results

- Achieved quarterly net revenues of \$9.92 million, a 36% increase from Q3 2021;
- Net revenues for the nine months ended September 30, 2022 has increased by \$11.3 million (55%) compared to the same period in the prior year;
- As per Statistics Canada, Canada-wide cannabis revenues increased by 20% from January to August 2022 compared to the same period last year. The Company's net revenues have grown by 55% for the nine months to September 30, 2022, outperforming the market growth;
- Gross Profit for the nine months ended September 30, 2022 has increased by \$7 million (103%) compared to the same period in the prior year;
- Achieved a decrease in quarterly general and administrative expenses of \$2.2 million, a 34% decrease from Q3 2021;
- In September 2022, the Company completed the sale HemPoland S.p.a. Z.o.o. ("HemPoland") for gross proceeds of \$6.81 million; and
- Subsequent to the quarter-end, completed the merger with BZAM Holdings Inc. ("BZAM")

**TORONTO, November 23, 2022** - The Green Organic Dutchman Holdings Ltd. (the "**Company**" or "**TGOD**") (CSE: TGOD) (US-OTC: TGODF), a sustainable global cannabis company and leading producer of premium cannabis brands, reports its financial results for the quarter ended September 30, 2022. These filings are available for review on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). All financial information is provided in Canadian dollars except where otherwise indicated.

### Management Commentary:

*"In Q3 2022, TGOD continued its focus on quality and execution," commented Matt Milich, CEO of TGOD. "The consistent improvements in TGOD's operations and product offerings paved the way for the transformational merger with BZAM that was concluded after the quarter end. The merger is expected to more than double net revenue relative to TGOD on a standalone basis while substantially reducing duplicate costs. In fact, the integration process and realization of savings is already well underway as we drive hard toward our positive EBITDA and free cashflow goals in the course of 2023"*

### Third Quarter 2022 Financial Highlights:

(\$000s)	Three months ended			Nine months ended		
	Sept 30, 2022	Sept 30, 2021	Variance %	Sept 30, 2022	Sept 30, 2021	Variance %
<b>Net Revenue</b>	<b>9,922</b>	7,280	36%	<b>32,124</b>	20,775	55%
Cost of sales	<b>9,326</b>	5,154	81%	<b>25,328</b>	16,033	58%
Gross profit before changes in FV of biological assets	<b>596</b>	2,126	(72%)	<b>6,796</b>	4,742	43%
FV changes in inventory and biological assets	<b>401</b>	420	(5%)	<b>7,109</b>	2,124	235%
<b>Gross profit</b>	<b>997</b>	2,546	(61%)	<b>13,905</b>	6,866	103%
<i>Gross profit %</i>	<b>10%</b>	35%		<b>43%</b>	33%	

## The Company:

- Achieved quarterly net revenues of \$9.92 million, a 36% increase from Q3 2021. The increase is due to the launch of new premium flower strains (Cherry Mints and Maple Kush), the launch of new pre-roll SKUs, and the Company's Highly Dutch Organic™ flower continuing to gain traction in 2022. With additional sales efforts undertaken to provide direct store support with budtender and consumer education, in addition to the new listings accepted in key markets throughout 2022, the Company achieved significant increased revenues in key markets.
- Year to date 2022 net revenues of \$32.1 million, reflecting growth of 55% versus the same period in the prior year.
- Gross profit before changes in fair value of biological assets ("direct gross profit") was \$596 thousand for Q3 2022, representing a 6% gross profit margin before changes in fair value of biological assets reflecting a provision of \$1.7 million that was made in Q3 2022 for potential obsolescence of inventory. Normalized direct gross profit without this provision would be \$2.3 million, or 23%.
- Gross profit, after fair value adjustments, was \$997 thousand for Q3, 2022, representing a 10% gross profit margin reflecting the \$1.7 million inventory provision and a fair value adjustment on that provision of \$4.3 million. Normalized gross profit without this provision would be \$7.0 million or 71%. For the nine months ended September 30, 2022, gross profit was \$13.9 million, being 103% higher than the prior year, reflecting the improved revenues.
- General and administrative expenses ("G&A") were \$4.19 million for the three months ended September 30, 2022, a 34% decrease in comparison to \$6.37 million for Q3 2021. In comparison to Q2 2022, G&A expenses decreased by \$0.71 million which is primarily a result of Company's efforts to decrease costs including the reduction of overhead personnel.

## **Key Initiatives:**

- The TGOD brand continued to increase the distribution of several SKUs across Canada, including our well received Organic Maple Kush, Organic Sugarbush and Organic Cherry Mints SKUs. Building on the pre-roll category, the brand also rolled out Organic Maple Kush 3 x 0.5g pre-rolls in Ontario during the quarter. The Highly Dutch Organic brand also had a notable quarter, including the launch of a new SKU, Amsterdam n'Rosin 0.5g vape. Additionally, the brand's strong Afghan Black and Marrakech Gold hash SKUs both expanded from 1g/unit to 2g/unit offerings. This size adjustment started in Alberta & Manitoba and will roll out to all provinces. The Cruzy portfolio featured the newest SKUs for the organization. Additionally, the Cruzy portfolio launched 3 new SKUs each in Ontario and Alberta.
- On September 6, 2022 the sale of HemPoland was completed with the purchaser paying a total of \$1.35 million in cash. A loan payable to HemPoland by the Company, of \$5.46 million was also forgiven. This brought the total proceeds to \$6.81 million.

- Subsequent to quarter end, on November 3, 2022 (“Closing”), the Company completed the acquisition of BZAM Holdings Inc., a corporation incorporated under the laws of the province of British Columbia (“BZAM”), from its sole shareholder BZAM International Inc. (“BZAM Shareholder”). TGOD paid a purchase price as follows:
  - a. A nominal cash payment of \$100 and the issuance on Closing of an aggregate of 655,227,815 common shares, which constitutes on a pro forma basis immediately following Closing, 49.5% of the aggregate number of common shares issued and outstanding immediately following the Closing (the “Closing Shares”). For purposes of calculating the Closing Shares, the determination of the issued and outstanding common shares as of immediately following the Closing did not take into account (i) any securities issued by the Company that are convertible into, or exercisable for common shares; or (ii) the 85,714,286 common shares (the “Milestone Escrow Shares”) held in escrow pursuant to a certain indemnity escrow agreement dated November 17, 2021, between the Company, Computershare Trust Company of Canada, and certain securityholders of the Company related to the acquisition of Galaxie; and
  - b. Following the release from escrow on December 31, 2022, of the Milestone Escrow Shares, the Company shall issue such number of common shares equal to 49.5% of the aggregate number of Milestone Escrow Shares not returned to treasury.

#### **Investor Conference Call to Discuss Third Quarter Results:**

Management will host a conference call with analysts on November 24, 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 69462023. For those unable to participate on the live call, a replay of the call will also be available until December 1, 2022, by dialing 1-416-764-8677 or 1-888-390-0541 (Passcode: 462023#).

#### **About The Green Organic Dutchman Holdings Ltd.**

The Green Organic Dutchman Holdings Ltd. (CSE: [TGOD](#)) (US-OTC: TGODF) is a multi-licensed Canadian cannabis producer with a focus on branded consumer goods, innovation, quality, consistency, integrity and transparency. 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 BZAM, The Green Organic Dutchman, -ness, Highly Dutch Organics, TABLE TOP, Cruzy and partner brands Dunn Cannabis, FRESH, Superflower and Snackbar. TGOD operates facilities in BC, Alberta, Ontario and Quebec, as well as retail stores in Winnipeg, Manitoba and Regina, Saskatchewan, and is rapidly expanding its offerings to a growing number of consumers across Canada.

TGOD's Common Shares and certain warrants issued under the indentures dated December 19, 2019, June 12, 2020, October 23, 2020 and December 10, 2020 trade on 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](http://www.tgod.ca) and [www.bzamheadquarters.com](http://www.bzamheadquarters.com)

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### **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 net revenue and gross margin, statements about future EBITDA, statements about future production quantity and timing, statements about the offering of any particular products by the Company and statements regarding the future performance of the Company, statements about funding availability, statements about growth and delivery of products, and statements about the level of demand for TGOD'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](http://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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