**The Green Organic Dutchman Holdings Ltd.**

**Fourth Quarter Analyst & Investor Earnings Call**

March 11, 2020 — 9:00 a.m. E.T.

Length: 32 minutes

## Corporate participants

**Shane Dungey**

The Green Organic Dutchman Holdings Ltd. — Vice President, Investor Relations

**Brian Athaide**

The Green Organic Dutchman Holdings Ltd. — Chief Executive Officer

**Sean Bovingdon**

The Green Organic Dutchman Holdings Ltd. — Chief Financial Officer

## Conference Call Participants

**Tamy Chen**

BMO Capital Markets — Analyst

**John Richards**

CIBC World Markets — Analyst

**William Jones**

Tudor Capital — Analyst

## PRESENTATION

**Operator**

Good morning, esteemed guests. My name is Joanna and I will be your conference operator today. At this time I would like to take the opportunity to welcome everyone to The Green Organic Dutchman Fourth Quarter Analyst and Investor Earnings Call. To ensure an enjoyable experience for all participants, all lines have been placed on mute.

After the speakers’ remarks, there will be a question-and-answer period. If you would like to ask a question during this time, simply press star then the number one on your telephone keypad. If you would like to withdraw your question, please press star then the number two. Thank you.

I would now like to invite Mr. Brian Athaide, CEO, and Mr. Sean Bovingdon, CFO, to begin the call. Thanks, Brian and Sean. I will now turn the call over to Shane Dungey. Please go ahead.

**Shane Dungey** — Vice President, Investor Relations, The Green Organic Dutchman Holdings Ltd.

Thank you, Joanna. Good morning and thank you all for joining us for our Q4 and year end 2019 conference call. We are joined this morning, as said, by Brian Athaide, TGOD’s Chief Executive Officer, and Sean Bovingdon, Chief Financial Officer. After the prepared remarks, we’ll open up for your questions.

Today’s discussion includes forward-looking statements. We caution that such statements are based on management’s assumptions and beliefs and are subject to uncertainties and other factors that could cause actual results to differ materially. I refer you to our news release and MD&A for more information on these assumptions and factors.

With that, I’ll turn over the call to Brian Athaide.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Thanks, Shane, and good morning, everyone. Thank you for joining us today.

Many things have happened in the industry and within TGOD since our last call in November. 2019 was a challenging year for the industry as well as ourselves. We were largely a construction company last year, but that phase of our development is behind us and we’re now ready to see accelerated growth as we expand distribution nationally with many exciting products coming to market.

As you saw from our news release yesterday, we have made significant progress on the operational front but, frankly, we’re about a quarter behind where we anticipated to be. I’ll start by outlining the actions we have taken and the performance of our two main markets, Europe and Canada. Then I’ll ask Sean to walk us through the financials and we’ll finish with our innovation plans and our outlook for 2020.

As we continue to face the challenges which are affecting everyone in the industry, we’ve taken many decisive actions on the areas within our control to cut costs, mitigate risks, and position TGOD for success. Today I’m going to outline the steps we have taken to right-size our business while maintaining our path to near-term profitability.

First, our hybrid greenhouse in Ancaster is now commissioned and fully operational. We’ve seen significant improvements in the ease at which we are able to grow cannabis. Both the environment and equipment, which was purpose-built to grow premium organic cannabis, is proving to exceed our expectations. The plants have never looked happier and our yields are higher than initially planned, lowering our cost per gram and we’re getting high potency in the cannabinoid content as well. As soon as we receive our license amendment for the processing facility, the full site will be complete and we’ll be able to automate more of our processes, further reducing our cost structure, while accelerating the pace of our production.

Second, we are aggressively reducing costs in this challenging business environment, simplifying our org structure and cutting our Canadian G&A spending in half starting in Q1 2020, which is now, while we continue to invest in sales and revenue-driving initiatives in the recreational market and for Cannabis 2.0. The biggest cuts have been on external costs, but we’ve also cut our non-production headcount by more than 20% and now have around 200 employees in Canada, with 120 of those being in our facility and around 90 in our head office and in the field.

Third, we right-sized our near-term production to capture the organic segment while avoiding excess capacity, including demarcating Valleyfield into smaller phases. The hybrid greenhouse building there is also complete with two zones already licensed and now have mothers growing there. These plants equally love the new purpose-built environment there and are thriving. The remaining 22 zones was submitted to Health Canada for approval earlier this year and once we get the license amendment we can start to bring on additional licensed grow rooms one by one as needed. We’re maintaining the optionality to quickly accelerate and expand production as the market develops.

Fourth, we have delayed or scaled back our international projects in order to focus on the Canadian recreational market and our European subsidiary, HemPoland.

Finally, we raised new capital and strengthened our balance sheet in December. These actions are consistent with our strategy to remain disciplined on capital deployment and continue to focus on areas which will quickly generate operational cash flow.

In terms of revenue, we generated $3.25 million in the fourth quarter, an increase of 66% compared to Q4 2018.

Now that we’re through construction and are successfully growing at scale, our next focus is building the leading organic brand, and to do so we need great products that work well, taste great, and are aligned with the sustainability principles our company was founded on. We’re focused not just on cleaner and healthier organic products, but on unique innovation and great-quality products that have proven superiority in taste and efficacy in both onset time and bioavailability.

While we have faced challenge in ramping our 2.0 supply chain with our partners, combined with the timings for regulatory approvals and notification periods, our goal is to get it right and avoid some issues others have faced in the industry, even if it means launching a little later than originally planned. Most importantly, we also remain on track to become operating cash flow positive later this year.

Before I turn it over to Sean for a review of our financials, I’d like to add how proud I am of our entire team that has proven we can grow high-quality organic cannabis at scale, while also aggressively managing costs in this challenging environment. Many have said it was not possible, but we have an incredible team that has proven otherwise. It is this talented team which also gives me confidence that we will accelerate growth profitably and win share as we move on to the next stage of the company’s growth.

Over to you, Sean.

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

Thank you, Brian. Good morning, everyone. I’m going to provide a few updates on our financial performance.

First of all, we ended the year with $36.15 million in cash and restricted cash to complete the construction of our sites and for our working capital as we move towards becoming operating cash flow positive. As Brian mentioned, that is expected later this year.

In terms of revenue, we registered a total of $11.2 million for the year, $3.25 million for the fourth quarter compared to just $1.88 million for Q4 of 2019 which, as Brian mentioned, is an increase of 66% year over year as we now have the sales in Canada in 2019 and we had sales growth from HemPoland as well.

We strengthened our balance sheet by closing our first debt facility in the fourth quarter, which was a senior secured loan of $27.7 million with an option to upsize to $42.7 million upon meeting operational milestones. Despite the challenging market conditions, we also successfully closed the bought deal financing for gross proceeds of $27.7 million, which included the overallotment option that was exercised. These financings were critical to ensure the uninterrupted and timely completion of the Ancaster facility and enabled the completion of our first harvest from the hybrid greenhouse there.

The capital we raised specifically was used to complete the construction of the processing facility at Ancaster, complete the fit-out of the Valleyfield hybrid greenhouse and enclose the balance of the facility with the ability to quickly expand production as the market develops. It also provides cash for working capital needs to bridge through to the end of April this year and help us achieve national distribution of our TGOD products in 2020. We still continue to consider additional sources of funding to provide working capital, including additional debt or a top-up to our credit facility and the monetization of surplus assets.

Excluding non-cash impairment charges for 2019, we registered a net loss of $68.7 million, which reflects the investment in operational infrastructure, sales, and product development costs, as we move to commercialize our products this quarter. The non-cash impairment charges amounted to $127.7 million. I’d like to add some context to the non-cash impairment charges, noting firstly they have no impact on the company’s production or operating plan moving towards the positive cash flow later in this year.

Firstly, we recognized a charge of $123.4 million related to our Canadian facilities due to the market conditions, which reflects the reduced operating footprint of Valleyfield. While this valuation provision was taken with respect to our Canadian operations due to these factors, the value of our assets continues to far exceed our liabilities. Based on recently available (inaudible) reports, we anticipate the Canadian retail market for cannabis products can actually reach between $8 billion and $10 billion by 2024. Accordingly, if and when the market conditions improve in this vein such that we can resume construction and bring additional rooms online at Valleyfield and get the expected recoverable amount of future cash flows increasing, then the non-cash impairment charge of $123.4 million may be reversed in accordance with, and as permitted under, the IFRS accounting framework and be marked back up. The balance of $4.3 million of the non-cash impairment charge related to our investment in Epican in Jamaica due to the market conditions there and the strategic decision to forgo the expansion of our proposed cultivation activities for exports in order to focus on our Canadian operations.

The management team has maintained a disciplined approach to operational costs related to the commercialization of our products in Canada. We continue to be very focused on where we spend our SG&A, focusing on the higher value-added part of the value chain and finding good partners for the rest. I’d like to note we’re also reducing our Canadian G&A by 50% over the run rate it was in Q3 and Q4 of 2019. We’ve eliminated over 20% of our corporate positions and this will be reflected in our Q1 2020 results. As we scale commercial production and distribution, we expect revenue and cash flow to increase rapidly in 2020 and, despite the exceptionally challenging environment we’re in, we are well positioned for long-term attractive earnings growth and sustainable value creation for our shareholders.

And with that, I’ll hand it back to Brian.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Thank you, Sean.

In conclusion, I would like to discuss our product portfolio for Cannabis 2.0. We have put together a solid team with hundreds of years of combined CPG, medical, beverage, and cannabis experience to develop a full suite of cannabis and hemp-infused products. We just launched our TGOD infusers this week. Our organic teas and vapes we’ll be launching in April with additional categories of 2.0 products launching in the second half of 2020.

Our TGOD infusers are based on the Ripple technology and brand, which is the market leader in Colorado. It is a tasteless and odorless dissolvable powder which will be available in three unique cannabinoid blends that can be mixed with your favorite food or drinks. The TGOD infusers are backed by a preliminary pharmacokinetic study that compared our proprietary patent-pending water soluble cannabinoid technology, Caliper CBD, with CBD in the carrier oil. We observed the total bioavailability of our water soluble CBD that was 4.5 times greater than CBD in a carrier oil. We have measured a higher cannabinoid absorption for our Caliper CBD within 15 minutes compared to the maximum absorption of CBD in oil, which took 45 minutes. Being able to make product claims like this, backed by scientific research, is a true differentiator for TGOD, and now that we have secured our own research license from Health Canada, we intend to undertake additional studies which show the advantages of organic growing and our high-quality products.

For the second category, teas, we’re launching three different taste profiles, leveraging the same fast-acting ingredient technology used in the infusers.

The third category, our TGOD vapes, sets us apart by being 100% certified organic. There has been a lot of noise surrounding the category, as well as misinformation. TGOD vaping products are formulated solely with natural ingredients derived from our organic cannabis plants, allowing terpenes to infuse flavours. No synthetic inputs or cutting agents, such as Vitamin E acetate, polyethylene glycol, or vegetable glycerin, are added. In terms of hardware, we selected a reputable Canadian manufacturer specializing in premium cannabis vaporizers. Their products are designed very carefully, specifically for cannabis vaporization, and meet the current highest standards for vaping hardware implemented by California. Vapes are going to be an important category for the Canadian market and we remain committed to delivering products that meet the highest safety and quality standards. This commitment, combined with the widespread news coverage around the risk associated with purchasing unregulated products on the illicit market, should contribute to accelerating conversion to the legal market.

For future launches, we’ve got a lot of the TGOD-specific formulation work done already for beverages, topicals, and edibles, and are currently working with several co-packers to get them to market in the back half of this year.

Another catalyst for revenue growth acceleration and to support conversion to the legal market is the upcoming launch of our new mainstream price brand. This TGOD sub-brand will enable us to capture a larger share of the overall market and significantly expand the organic segment by selling larger volumes at lower price points. By leveraging the scale and cutting-edge technologies of our facilities to produce flower at a cash cost per gram of less than $1, which is where we expect to be later this year, we have developed a product portfolio that complements our premium TGOD offering and appeals to a broader, more value conscious consumer base. We’ll be sharing more details of this exciting new brand in the next few months.

On the international front, similar to our peers, export opportunities continue to be limited due to slower regulatory changes and market development than initially anticipated; however, cannabis remains a global opportunity and Canadian companies, including TGOD, will play a leadership role given our first mover advantage, but the pace is much slower than initially forecasted. We are working to obtain our EU-GMP certification in order to start exporting to Europe later this year, where we are confident that our organic differentiation will stand out and resonate with European consumers. Our team has been nimble with international expansion plans, focusing on capital-light joint ventures or partnerships in order to minimize capital requirements. This has proven to be a wise approach and it has enabled us to preserve capital.

To wrap up, we continue making progress and remain focused on delivering our operational plan. We’re cutting costs and taking actions on what we can control to offset the impact of this dynamic environment. We will see accelerated revenue growth in Canada as we scale up production concurrent with the retail store expansion and continue to bring to market high-quality, innovative products with our unique organic positioning.

Operator, at this time you can open up the line for questions.

## Q & A

**Operator**

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press the star followed by the one on your touchtone phone. You will hear a three-tone prompt acknowledging your request. If you are using a speakerphone, please lift the handset before pressing any keys.

Your first question comes from Tamy Chen from BMO. Please go ahead.

**Tamy Chen** – Analyst, BMO Capital Markets

Thanks. First question is are you able to disclose what your REC(sp.) average selling price was this quarter?

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Our REC average selling price?

**Tamy Chen** – Analyst, BMO Capital Markets

Yes.

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

It would have been in at the province, provincial codes at the provincial boards on the wholesale price. It varies between $8.10 and $8.40 per gram.

**Tamy Chen** – Analyst, BMO Capital Markets

Okay. Thank you.

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

The selling price at retail varies quite dramatically store to store, though.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Yeah, you see everything from $14 to $17 for our premium strain.

**Tamy Chen** – Analyst, BMO Capital Markets

Right. Okay. And so on a wholesale level you’re doing about $8.10 to $8.40 a gram, you said. Okay.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Now that will come down in the balance of the year. As I mentioned, we are launching a mainstream brand which appeals to a much broader segment of the market. I mean we’re not only targeting what’s currently the organic market, which is still pretty small, but really want to grow that organic segment and reach a broader consumer base. So, that mainstream brand will be priced at a very different level. And the brand is designed differently than our current TGOD, which was designed to be a premium brand.

**Tamy Chen** – Analyst, BMO Capital Markets

Right. And that brings me to my next question is why do you believe that your revenues will increase rapidly through this year when some of your competitors, who are much larger, have given guidance that they’re only expecting modest growth? And on that value point, yes, we’re seeing this shift into value, so this new mainstream brand that you’re talking about, can you give us a sense on what sort of price point you’re thinking about? Will it be competitive enough with some of your peers who have very value (inaudible) products?

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

I mean why we think we can accelerate growth is an easy one. I mean we were a construction company last year, we didn’t have production, so we only had limited amount of product to be able to sell. I mean we’ve now gotten, we’ve harvested two rooms already out of the Ancaster hybrid greenhouse and that whole greenhouse is now operational. So I mean our volume is accelerating, we’re getting great quality out of there, high THC potency, and we’re just, I mean we’re just getting started out of the gate. So, it’s very different than where our competitors have been. We’re coming to market a little bit later but we’ve got a great product, a great proposition, which is resonating with consumers, and we’re getting great feedback. So, we’re just getting started, frankly. You’re going to see a lot more products coming to market in terms of additional strains, our infusers we just launched this week, the teas and vapes next month. All of those things are going to allow us to accelerate growth and take market share and, as the market grows as, well with 2.0 products.

Now the premium segment has been declining. We’ve seen more growth in the mainstream part of the market and value and that’s why we have evolved our plan to launch into a mainstream brand as well. So, if you look at, ah, we’ve got our Unite strain, which is selling for just under $50 in most provinces for 3.5 grams. We’ll be bringing out a 28-gram on our mainstream brand in Q2, later in Q2. And then after that we’ll be bringing out a 3.5 gram, which will be more in the $35-ish range, give or take, depending on the province. And then we’re playing in a large, much larger part of where the market is with an organic product, which still does command premium, and there are consumers who are looking to do that and want the organic products but simply can’t afford where TGOD is.

So, I mean it will be a different product, it will be much more focused on larger sizes as well, but still having high THC, still being very quality product, and we expect more market conversion from the illicit market, which we have seen with other competitors who have that large size already.

**Tamy Chen** – Analyst, BMO Capital Markets

Okay. And when you’re moving into this more mainstream price point, naturally the thought is how sustainable from a margin perspective these products can be, and you said that you believe your cash costs will be below $1 a gram later this year. It’s kind of hard to frame this in the context because it’s not clear what your current cash costs or growing costs are and, in fact, I think the gross margin this quarter was unusually high. So I’m wondering if you can provide some more disclosure around your actual cost to grow on the cannabis side in Canada.

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

So, currently, I mean the cost to grow has been really, in 2019, was done mainly from the indoor piece of the green, ah, piece of the facility at Ancaster. The hybrid greenhouse only just started, as said, the first harvest right at the end of the year and into January of this year. So, the costs from 2019 are not really representative because there were smaller gross, it was at an indoor facility, not the full at scale, which is now starting to happen. So, if you look at the cost last year on a per-gram basis, all in they would probably be somewhere in the $4 to $4.50 per gram range for 2019. But again, that’s not at all reflective of where we are now. So, we’re starting now in the hybrid greenhouse, to Brian’s point, as we grow that at scale and bring on the facilities in Valleyfield and the grow rooms and in Valleyfield, once they’re licensed, we’d be at under $1 cash costs. All in will be around $2 to $2.20 as the target for the end of the year. And that’s certainly just a function of the scale and the automation from the processing facility at Ancaster.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

And to be clear, we were not at $1 today. That’s our expectation of where we’ll get to later in the year. And you can expect to see sequential cost reduction quarter over quarter on our production cost as we scale up and gross margin improvement during the year, as we said, through quarter over quarter.

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

The revenue and the gross margin that you see in our financial statements of course includes the gross margin from HemPoland, which is actually significantly better than our small revenue levels from Canada in 2019, as HemPoland already is at scale and has a very low operating costs for the hemp production there.

**Tamy Chen** – Analyst, BMO Capital Markets

Okay. Thank you.

**Operator**

Thank you. The next question is from John Richards from CIBC World Markets. Please go ahead.

**John Richards** – Analyst, CIBC World Markets

Good morning.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Good morning, John.

**John Richards** – Analyst, CIBC World Markets

It’s John. Listen, the fundamental issue, guys, like you said, is that you were a construction company until last year. Brian, my question is for you. Like under your watch you spent approximately $400 million on two greenhouses, basically in the middle of nowhere, that you would maybe get $0.30 on the dollar for today. Because of this we have no money at all saved for this exact rainy day.

And I know hindsight is 20/20 but you, as a CEO and gatekeeper of over $400 million, dropped the ball in your vision and leadership. And you cannot blame the market for your continued failure to meet deadlines. And I’m not sure if you’re aware, but shareholder confidence in your leadership has fallen to almost zero. The only person making millions of dollars a year when the rest of us have lost 95% of our investments is you, and we feel it’s not fair. And my question is why have you not stepped down as CEO?

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

I don’t know where you get the making millions, but I mean we are focused and I am focused on resetting, given the new market realities, and turning this around. Yes, we did spend a lot of these facilities. The estimates of where the market would be is very different than where we are today. We’ve recognized that, we’ve made changes to our business plan going forward, and we’re really focused on delivering that. Myself and the team, we realize we are behind where we had planned to be and we own that. And right now the biggest thing we can do is deliver this plan and get to profitability as soon as possible and that’s what I’m focused on and that’s what our team is focused on.

**John Richards** – Analyst, CIBC World Markets

That’s all I had to say.

**Operator**

Thank you. We do have one more question from William Jones at Tudor Capital. Please go ahead.

**William Jones** – Analyst, Tudor Capital

Hi, guys. Good morning. I just want to focus on 2020 and cash flow positiveness to start with. Previously the guidance was, I think, by the end of Q1 we should reach that. And then I understood it will be within the first half of 2020. I think it was Brian that mentioned later this year in the call just now. Could you just elaborate on this? What are we currently expecting in terms of when cash flow positiveness would be achieved and how certain are you that you will be able to stick to that this time around?

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

Yes, it’s Sean. Thanks, William, for your question there. As we’ve, as Brian mentioned, had some challenges in the supply chain, particularly with the cannabis 2.0 products, we wanted to note that we’re still on that timeline for being cash flow positive this year. It won’t be quite at the end in Q2 as we were hoping, as we’ve had some of those supply chain issues, but the cannabis 2.0 products are still, ah, have a strong interest from the market and so when they are fully out there and being disputed nationally that allows us to get to a point of having cash flow profitability. Our breakeven point is about $6 million in revenue a month and that is targeted, as I said, for later this year. We’re hopeful that it should be in July, but certainly shortly thereafter if not in July itself.

**William Jones** – Analyst, Tudor Capital

Okay. What about profitability? Because I think that was aimed for the end of Q3 initially.

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

No, it was cash flow positive, operating cash flow positive. The profitability would be after that as you have to take into account the depreciation and it depends on the kind of financing costs we’re paying as well. So that would be several months later.

**William Jones** – Analyst, Tudor Capital

Several months, but still this year?

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

Again, it depends on how well the cannabis 2.0 products are received and the mainstream brand is received. We are hopeful to reach it by the end of this year but, as I said, we’ll have a better visibility into that by the end of Q2.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

But in terms of EBITDA and operating cash flow, we do expect that in the back half of this year.

**William Jones** – Analyst, Tudor Capital

Okay. Okay, thanks. Completely different question, maybe you remember those SpinCo shares that were offered, I think in 2018, and it’s been very silent since. Like is the cash that has been raised for that, is it reserved? Is that earmarked? And what’s going to happen there?

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

Actually, we have nothing to do with SpinCo. Part of the deal was being spin-off to completely separate management and the money that was raised for them, so you would have to contact HempFusion or RADD Capital in that regard.

**William Jones** – Analyst, Tudor Capital

Okay. Thank you. Last question. You mentioned raising new capital. Did I hear correctly that with the current cash position that you have you would be able to make it till the end of April? Should we expect something to be announced regarding this before that?

**Sean Bovingdon** — Chief Financial Officer, The Green Organic Dutchman Holdings Ltd.

Yes. We mentioned, as was mentioned in our prospectus back in December, that the financing raised got us to complete the Hamilton facility as well as build out the greenhouse in Valleyfield and provide working capital through the end of April. We are working now on the additional debt facility or a top-up to the existing credit facility that we have with our current provider, as well as some of the surplus assets we have at Valleyfield being monetized.

Our expectation, to your point there, William, is within the next month here to do some announcement with regards to additional debt being put in place to get us through that working capital crunch and working capital bridge to positive cash flow in the back half of the year. We’re not expecting to go to the markets, particularly in this environment, but we’ll keep options open as it is.

The way I’d put it William is, we’re really like a race car. We’ve built this race car, we’re sitting on the starting line, and we’re just looking for gas to put in the tank to get around the first bend. And so that kind of additional financing, whether it’s debt as expected or looking at the markets, is really getting us to the point to get around that first bend and into the straight in the race. I mean our assets valuation is greatly above the liabilities and some of those surplus assets there are, we do have to have some offers on for those as well.

**William Jones** – Analyst, Tudor Capital

Yeah. Clear. Thank you.

**Operator**

Thank you. That concludes the Q&A period. I will now turn it back over for closing comments.

**Brian Athaide** — Chief Executive Officer, The Green Organic Dutchman Holdings Ltd.

Okay. Thank you, everyone, for joining. If you have any further questions, please reach out to Shane, who can coordinate answers. Thank you, everyone.

**Operator**

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and we ask that you please disconnect your lines. Have a great day.