**The Green Organic Dutchman Holdings Ltd.**

**First Quarter 2021 Results**

May 13, 2021 — 10:00 a.m. E.T.

Length: 38 minutes

## Corporate participants

**Shane Dungey**

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

**Sean Bovingdon**

The Green Organic Dutchman Holdings Ltd. —Chief Executive Officer & Interim Chief Financial Officer

**Michel Gagne**

The Green Organic Dutchman Holdings Ltd. —Chief Operating Officer

## Conference Call Participants

**Tamy Chen**

BMO Capital Markets — Analyst

**Derek Dley**

Canaccord Genuity — Analyst

**John Hoyt**

Fidelity — Analyst

**Rob Niagarastools**

Private Investor

## PRESENTATION

**Operator**

 Good morning, ladies and gentlemen. My name is Pam and I will be your conference operator today. Welcome to The Green Organic Dutchman First Quarter 2021 Results Conference Call. To ensure an enjoyable experience for all participants, all lines have been placed on mute. Following the presentation, we will open the call for questions. If you’d like to ask a question, simply press star then the number one. If you’d like to withdraw your question, press star then the number two. This call is being recorded on Thursday, May 13, 2021.

I’d now like to turn the conference over to Shane Dungey, Vice President, Investor Relations. Please go ahead.

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

 Thank you, Pam. Good morning and thank you all for joining us for our Q1 conference call. Today we’ll provide comments on our performance as well as an update on our operations and how we’re executing our plans. This call is being recorded. The audio recording will be available on the company website at tgod.ca. Joining me on the call this morning is Sean Bovingdon, Chief Executive Officer and Interim CFO, and Michel Gagne, Chief Operating Officer

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 now turn the call over to Sean.

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

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

While we remain in a highly dynamic environment, our Q1 results show early signs of our financial position improving with our turnaround plan well underway. I want to highlight that these improvements were achieved during an operationally challenging period caused by the effects of COVID-19 restrictions on distribution channels. It would not have been possible without the hard work and dedication of our talented team.

This morning I’ll share what we’re seeing within the industry and provide an update on the actions we’ve taken to transform TGOD into a profitable and agile organic cannabis producer that stands to benefit from accelerated growth in Canada and internationally. These include improvements to our portfolio, innovation, and marketing approaches enabled by our new leadership team, and delivering on our plans, as we previously laid out. Then I will handle the call to Shane and Michel to discuss some of the financial and operational details of the quarter and how we will continue to deliver on our objectives.

One of these key objectives is being the monetization of our excess assets, particularly our Quebec facility. This process is well underway and we recorded a net non-cash reversal of previous impairments of $21.8 million in Q1, triggered by TGOD’s Quebec facility being classified as assets held for sale. By committing to this plan to sell the Quebec facility, which represented the significant excess growing capacity, the company significantly improved its working capital and is expecting better returns on the discounted future cash flows generated from the Ancaster facility and the remaining assets. This was a major component of achieving a net income of $12.46 million in the quarter, which reflects the positive outlook for our cash flows in relation to our now right-sized operations.

During the quarter we positioned TGOD for the recovery by continuing the refining of our cultivation and processing methods, leading to the re-launch of our premium organic flower portfolio, which Michel will discuss in greater detail. Meanwhile, we’ve been working with retailers and provincial boards to sustain online momentum with the aim of increasing market share when the stores reopen. For example, in Ontario, our sustainability program was featured as part of an online campaign by the OCS, resulting in increased traffic to our brand page. Nationally, we launched CleanCraft, our promise that all our core TGOD flower SKUs will offer an organically-grown craft-quality product with a THC level greater than 20% in every jar. We’ve gained market share in Q4 through in-store marketing activities and engagement with the budtender community and we plan to build on that previous success once COVID restrictions are lifted as vaccinations rollout.

There are clear opportunities to re accelerate growth as the recovery plays out. We’ll continue to invest tactically to drive momentum with focus and flexibility, including investing resources towards engagement with cannabis retail chains. In markets like Quebec, where cannabis stores have remained open, we are seeing early signs that our improved flower is generating interest with consumers looking for quality, consistency, and the higher THC level. We’ve adopted a more disciplined approach to capture the biggest opportunities, while making ongoing portfolio decisions faster and at scale. Dry flower is by far the largest category, representing nearly 80% of all cannabis sales in Canada, and TGOD’s rollout of our new higher potency premium organic flower portfolio in this category is receiving great initial reviews. We will also continue introducing innovative products to drive growth such as our Marrakech Gold Blonde Hash under the Highly Dutch portfolio, and RIPPLE QuickSticks, which Michel will talk about.

So with that, we’re optimistic about the future and we’re bullish about our ability to continue to deliver on the objectives we laid out. I’ll turn the call over to Shane to discuss how we’re delivering results through this continued dynamic environment.

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

Thank you, Sean.

Today I’ll go over the first quarter results and highlight the progress we’ve made as a part of our turnaround plan.

We registered a quarterly revenue of $8.98 million, consisting of sales of cannabis products in Canada of $6.57 million and hemp-derived product sales in Europe of $2.31 million. This represents a year-over-year increase of 194% and a quarter-over-quarter decrease of only 18%. The quarter-over-quarter decrease in revenue is in line with our forecast and can be mainly attributed to store restrictions and stay-at-home orders related to COVID-19, combining some provincial listing mandates being revised at the start of the year. It appears to be relatively less of a decline than that observed and reported by many of our peer companies to date in 2021. We expect growth to rebound once restrictions are loosened and retail stores reopen.

We recorded a gross profit of $3.13 million compared to $1.71 million in the previous year and a gross loss of $0.89 million in the previous quarter. This reflects the increased volume of sales in Canada in comparison to the prior year, partially offset by the $0.6 million of non-recurring property tax reassessments included Q1 2021 cost of goods.

We continue to benefit from our cost containment programs with further reductions in G&A expenses, down 53% year over year. Compared to Q4 2020, G&A expenses decreased by almost $1 million, reflecting reductions in personnel costs and third-party professional, consulting, and legal costs, including the lifting costs and expenses related to the AGM held in Q4 2020. We expect sales and marketing expenses to increase slightly for the remainder of 2021 to support the aforementioned growth initiatives.

Our net income for the quarter was $12.46 million compared to a loss of $73.44 million for the same period in 2020 comprised primarily of the reversal of previous impairments and a loss from operations of $5.89 million. On a per share basis, we recorded a net income of $0.02 per share compared to a loss of $0.23 per share in Q1 2020 and a loss of $0.05 in Q4 2020. We also took advantage of market conditions and issued 14.34 million common shares under the ATM for gross proceed of $7.89 million. At the end of the quarter, we had $16.78 million in cash and restricted cash that we’re using for working capital.

As you can see, 2021 is after a good start as we continue to strengthen our balance sheet. We remain confident that our actions and the progress we have made will enable us to deliver strong growth in 2021.

With that, I’ll pass it over to Michel.

**Michel Gagne** — Chief Operating Officer, The Green Organic Dutchman Holdings Ltd.

Thank you, Shane.

Firstly, I would like to provide an update on the Quebec facility sales process. The sale process is progressing smoothly, with multiple viable bids received. We are currently working through the details of the bids and expect to reach a definitive agreement by the end of this month. Most of the offers received would allow us to lease back the portion of the facility that we currently use, minimizing disruption to our operations. We remain committed to maintaining a significant portion of our activities, including all 2.0 product manufacturing in Quebec.

Secondly, earlier this month, we completed the re-launch of our premium flower portfolio. This means that every core TGOD flower product leaving our facility meets our strict CleanCraft quality standards and boast a THC level greater than 20%. I’ve had the opportunity to speak with several retailers and budtenders and the feedback on our new flower product has been very positive. The fact that we can consistently supply them with this level of quality is a game changer. In addition to that, our average yields have increased with consistent higher THC and terpenes to honour our TGOD Thomas.

We’ve assembled a talented team to run and optimize the facility and are now fully leveraging its system to maintain ideal growing conditions at all times. The operation team also remains focused on flawless execution and cost control. We are now in control of our hybrid greenhouse that is providing expert design and, as expected, superior yield, better quality, and better terpenes. Evidence of this is our improved flower portfolio, such as our new sativa offering of premium quality Organic Sugar Bush flower and the Highly Dutch Amsterdam Sativa. The latter became our number-one selling flower in Quebec.

Finally, our team has been busy developing new product to expand our current portfolio of 2.0 SKUs. In the coming weeks, we will start shipping our new Highly Dutch Marrakech Gold Blonde Hash, reinforcing our presence in this growing segment. We are also expanding our lineup of RIPPLE by TGOD products with the introduction of QuickSticks this summer. QuickSticks are like our quick-dissolving RIPPLE powder but can be consumed directly on the tongue without mixing with a liquid or food. They come in different flavours and our top seller is in Colorado where they are marketed by our partners at Stillwater Brands.

And with that, back to Sean.

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

Thanks, Michel.

In closing, I wanted to mention some of the strategic opportunities ahead of us. With the continued regulatory progress in the US towards the decriminalization and legalization of cannabis in some form in various states and the SAFE Banking Act passing through the US House of Representatives, we are exploring strategic options towards a potential US entry. Specifically, we are having discussions with advisors on potential acquisition and partnership opportunities, the potential expansion of our board to seven directors for the upcoming Annual and Special Meeting of Shareholders to add an additional nominee connected to US capital market experience, and are considering applying for a listing on the Canadian Stock Exchange to allow for cannabis investment in the US.

We’re also continuing reviewing other strategic initiatives to maximize shareholder value. This includes the potential sale of spinoff for an IPO of HemPoland, our wholly-owned subsidiary, for which we have retained Canaccord Genuity as an advisor. And there is the potential for mergers and acquisitions in the Canadian cannabis LP sector, which we have seen increase in this year. In addition, we continue to pursue other international opportunities, specifically focusing on Germany, Mexico, and Australia.

So, in closing, TGOD is strongly positioned with sufficient access to cash resources, including from completing the sale of the Quebec facility, which will allow us to reduce our debt, and further strengthened our financial position to take advantage of the return to retail growth in 2021 and our potential entry into new markets. I’d like to thank our TGOD employees for the continued hard work and to our shareholders for the continued support.

With that, operator, we’re ready to take questions.

## Q & A

**Operator**

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

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

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

 Hi. Good morning. Thanks for taking my questions. First, I was just wondering, regarding the anticipated sale of Valleyfield, are you looking to give us a sense of what the proceeds amount may be?

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

Hi, Tamy. How are you? Thanks for joining us. As we’re finalizing the bid process to the formal binding level by the end of this month, as Michel mentioned, I can’t talk specifically to dollar amounts, but the range we are in just now is sufficient to at least retire, as in repay, our senior term debt, but we expect it and are working on amounts that could be in excess of that.

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

Okay, got it. Thank you. And then, Sean, I was wondering if you could elaborate a bit more on how you’re thinking about the US. So you mentioned about considering to list on the CSE, so that would suggest to me that you’re thinking about looking at direct involvement rather than just some sort of indirect involvement that some of the other Canadian LPs have done. Is that the case? And specifically what are you thinking about in terms of M&A or partnerships? Are you thinking specifically some of those state operators? Are you thinking more brand type partnerships? Just a little more colour that would be helpful.

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

So first step, obviously, is to have the optionality to be able to take advantage in the best possible way to create value for the shareholders and that’s why we’re looking at that potential application to the CSE to give us that optionality so that we’re not restricted in just being indirect if direct makes the most sense.

As you know, look at the likes of TerrAscend, who’ve done a very, very good job in terms of transitioning over the last two years into being involved in US multi states, I think we want to be in a position to be able to not only leverage the organic branding and organic platform that we’re establishing in Canada and be able to leverage that into capabilities with craft and organic growers in the US, but also have the ability to have a footprint directly in the US that we can control that organic grow and control that organic cultivation to our standards and ensure that the strains that have been successful, such as Sugar Bush, in our early comments, and Rockstar Tuna, that are doing really well in Canada, as well as the Highly Dutch brands, can be replicated in the US and build off of that brand capability, but having some direct control to ensuring that that is the case.

So I think the first thing we’ve looked at is areas like California don’t make sense to us in terms of getting in that kind of areas, so I think we’d be focusing more in the northeast and the newer states that are coming on line so that we can firmly establish our footprint as part of that growing market as it starts.

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

Got it. Okay. Thank you. And if I could just squeeze one more in here. Your re-launch of your premium brand, I’m just wondering what prompted the re-launch? You mentioned you’ve got these strict standards, the 20% THC now. Was it feedback from the budtenders that these were the things that you needed to have in your premium brand and were you’re not meeting those thresholds before? Thanks.

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

Michel, obviously appointing Michel is a COO as a big part of us moving towards that CleanCraft and understanding the cultivation process, so I’ll let him speak to that, because he can give great detail in terms of the change that we’ve implemented there and how it’s been successful in getting to where we are.

**Michel Gagne** — Chief Operating Officer, The Green Organic Dutchman Holdings Ltd.

Yes. Thanks for that question, because that was an important milestone we achieved recently. But we listen to our budtenders and retailers and consumers and we acknowledge that, and this is what we launched as the TGOD promise, that the product was not at the level of quality, consistency, jar appeal, terpene level, and even THC levels that we wanted to have at the beginning. So we reworked our processes, we rehired a new talented team, management team, we changed different things. We improved the way we grow, the way we control our facility, the way now we control our hybrid greenhouse. So the difference was significant and really significant enough to call that a re-launch, because the level now of quality that we have on the market is at another level. And this is why we officially signed a new TGOD promise. And it’s been a few weeks now and the reviews are just fantastic.

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

Thank you.

**Operator**

Ladies and gentlemen, as a reminder, should you have any questions, please press star one. Your next question comes from Derek Dley with Canaccord. Please go ahead.

**Derek Dley** — Analyst, Canaccord Genuity

Hi, guys. I was just wondering what you guys are seeing in terms of just the market dynamics and even in your products in particular now that you have re-launched kind of back to that premium product. I know earlier in the year, or even late last year, we saw big sort of movement towards value products just overall in the market. Have you guys seen anything reverse there? Just wondering what your view is.

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

The Highly Dutch is still doing very well and will continue to do well. It’s in the kind of mainstream as opposed to kind of cheap value. The Highly Dutch still has higher THC, still has a quality flower, but the premium one in terms of the jars, the feedback from a lot of the provincial boards and the retail chains and budtenders, as the market’s maturing here, much like it did in California and Colorado, we are seeing more and more requests for quality strains and craft strain products and limited-time offerings of a higher THC flavourful strains that the market wants. And so there has been a shift or the start of a shift towards a demand for real premium quality and unique strains and unique craft product. And I think we were uniquely situated to do that, or we were, we just weren’t taking advantage of it properly. And the cultivation methods and the CleanCraft focus that Michel and his team have done has really ensured that consistency, the quality, the size of the buds, the density, the humidity, as well as increasing the terpene profile and the THC. So I think that’s where we’re really making sure we take advantage of the cultivation methods and organic capability we had and that’s why we focused on the execution and launch that, because I think there is a demand in the market and we’re seeing that based on the reviews and the feedback we’re getting from the product that’s been out here in the last few weeks.

**Derek Dley** — Analyst, Canaccord Genuity

Okay. That’s great to hear. And can you give us maybe a breakdown… Actually, let me ask this in two questions. One, what is the total aggregate amount of volume you expect to produce and sell this year? And then two, what would be the split between Highly Dutch and the premium product offering?

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

So the total market in terms of flower, as I said, is in that kind of, has been kind of 80% range. I think by the end of 2021, with the extracts market and concentrates increasing as well as edibles starting to increase as a portion of total market, you’ll know this better than myself, Derek, having done the analysis as well, I think you’re kind of looking at about 65% by the end of the year being in the kind of flower market.

For our split, we’re expecting about 15% of that, 15% to 20% being in the premium part of the chain and the other 40% being kind of the mainstream is kind of our expectation and the forecast. But it is a nascent industry, as we all know, and things move dramatically. You have a premium flower come out that is just, like some of the strains, Sugar Bush for example, if you get it listed, it does remarkably well and can be a bigger percentage of the overall share that we’re getting out of our portfolio.

**Derek Dley** — Analyst, Canaccord Genuity

Okay. Terrific. Thank you very much.

**Operator**

Your next question comes from John Hoyt with Fidelity. Please go ahead.

**John Hoyt** — Analyst, Fidelity

Good morning. I’ve been hearing about Australia, New Zealand, Germany, and Mexico for two or three quarters now. What is the delay in getting your products out to these countries?

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

Hi, John. Thanks. It’s a good question. There’s no delay, it’s just the timeline it takes from a regulatory standpoint. I think you’ll find the EU GMP protocol for getting cleared is the main issue. Being able to go into Australia or Mexico or Germany, it’s getting that EU GMP certification that’s the most important thing and it can take from one and half, almost up to two years to get done. We started the process last January when we actually had operations finally up and running in our facility in Ancaster and so we’re about coming up to almost a year and a half, but we’re at the final point now. We got our preliminary EU GMP in the last quarter of 2020 there. The final application has gone in. It’s being reviewed by the inspector and that is, frankly, imminently, over the next few weeks here, getting the full certification.

While we’ve been waiting for that certification of EU GMP, we have established the wholesale distribution and the distribution networks in Germany with a couple of different pharmaceutical distributors, so that’s ready to go. We’ve also established with LeafCann in Australia, so getting that ready to go. And in Mexico, with our partner there, the four products, first four initial products that will be launched there are going through the COFEPRIS product review, which takes about six months. We’re in the fifth month of that six-month review with them in Mexico, and so that is just part of the process.

So to us, this year is the turning point from having done all the applications and done all the work to set up the distribution to now getting to the point of being able to start to get that sales into the market as soon as we get that EU GMP full certification.

**John Hoyt** — Analyst, Fidelity

Thank you very much. That sounds wonderful. By this conversation and I figure by 2022 maybe we’ll be at $10 this year. I hope. Thank you very much.

**Operator**

Your next question comes from Rob Niagarastools. He’s a private investor. Please go ahead.

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

Hi again, Rob.

**Rob Niagarastools** — Private Investor

Hi. How are you, guys?

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

Good. How are you, sir?

**Rob Niagarastools** — Private Investor

Good. I only have a couple little questions. One, now that Valleyfield is basically gone, so our expected revenue for 2022, say at 13,000 to 15,000 kilograms from Ancaster, I know it’s 17,500 but we won’t get there, we’ll be at 15,000, say, so we’re looking at $50 million revenue for 2022. Correct?

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

I think the analysts have come out with reports in a range of that 40 to 45, potentially up 50, depending on how prices do. So that kind of level of growth you had in terms of coming out of Ancaster. But bearing in mind that the 2.0 products, a lot of the distillate and extract and potential for third-party biomass, if needed, if things expand or if our flower goes out all in the flower market, I think there is potential for more than that, but it just depends how the listings come into place.

We are very confident that everything we produce out of Ancaster is going to be of quality and it’s going to be able to go into the market, the challenge is just getting the listings from the provincial bodies. And as Michel mentioned, most of the bids that we’re talking about actually we remain in Valleyfield, including the potential optionality to have one of the grow rooms in Valleyfield still to accentuate or expand and have some additional grow in Valleyfield should we need it and should our premium flower or new flower strain offerings take off greater than what we’ve forecast.

**Rob Niagarastools** — Private Investor

And my next question, are we still connected with BZAM, are we selling their products still through to our license?

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

BZAM?

**Rob Niagarastools** — Private Investor

Yes.

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

Yeah, we’re still doing work for, ah, there’s actually about three other groups that we’re doing tolling work for. I think the one people are very well aware of in the market is MTL, Sage n’ Sour. So we’re still utilizing our capabilities and our shipping and processing facilities and sales licenses to be able to help some other new LPs get to market.

**Rob Niagarastools** — Private Investor

I see Aaron tweeted out that they were going to put the terpene and all those numbers on their jars like we’re doing, so I just was hoping we’re still working with him and he didn’t copy our idea.

And then my next question is how do we break down in the financial what they actually pay us for the work we do for them? How do we find that?

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

Yeah, so that isn’t separated out, obviously for commercial confidentiality reasons, but it’s just included in the net revenue numbers.

**Rob Niagarastools** — Private Investor

Okay. And then my final question I guess is the delisting. So we were looking at going through the CSE, right?

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

So first off, I don’t call it a delisting. I call it a transfer. So it’s a potential transfer listing. I think we all know that, if you look at the CSE, the major MSOs, with the exception of maybe three LPs on the TSX, the largest by market cap cannabis companies in the world are all on the CSE and the American MSO. And the amount of liquidity and shareholder participation and support into the CSE, I think, is almost on par with the TSX main board. So for us, we have almost 40,000 US retail shareholders at the moment and that optionality of potentially moving to the CSE or transferring to the CSE I think gives us that flexibility, as mentioned when talking with Tamy there, about giving us a wider option of how and what is the best investment for us into the US to create the most shareholder value.

**Rob Niagarastools** — Private Investor

So to get into the US though, for us to go to the US, it has to be federally legal, correct?

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

No. No. And that’s the thing about the CSE. For the CSE, you can go in the states that it’s legal. So we can make investments, like the multi state operators do, directly into each specific states where it’s become legalized. And we can have that direct investment at that point in time.

The federal legalization, whether it comes this year, next year, or not at all, depending on how long the federal one takes, even if that happens, I don’t see the federal legalization allowing export a flower from Canada into the US. I think they will still stick to their own internal grow. And even beyond that, a lot of the transit between different states in the US is restricted even when things are legalized. There are a lot of interstate regulations that we have to be aware of as well.

So that’s why the CSE is an attractive proposition from optionality and that type of investment, because it does allow investment into particular states as they standalone being legalized.

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

Rob, it’s Shane here. I just wanted to jump in. The discussion that we were talking about on the production and revenue, I believe you said 2022. That discussion was actually about 2021 what Sean was referring to, for everyone on the call.

**Rob Niagarastools** — Private Investor

We’re going to struggle to get there with this COVID, buddy. It’s got nothing to do with TGOD, nothing to do with us, it’s just these restrictions in Ontario, which is our biggest marketplace, are going to get extended into June, maybe the end of June, so that’s Q1, Q2, and then you just going to struggle to get there this year, in my opinion. Just because of COVID. Nothing to do with us. TGOD didn’t do anything wrong here. COVID is hurting everybody. But it’s just going to be a struggle. You might get the $40 million, the $50 million on my numbers is 2022, that’s all. Just once COVID is out then you can get the retail, because there’s retail stores popping up like candy in Ontario now. You’re finally starting to see three, four, or five stores a city now. So there will be a place down the road for us to get there, it’s just going to be a struggle with Q1 and Q2 basically going to be under $10 million in sales.

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

It will determine largely on vaccination rates and how quickly it opens up again. I’m not sure if you saw, but Ontario just eclipsed Alberta for the most stores, more stores provincially, and they do have an aggressive target for stores through to the end of 2021. So there is a wait-and-see approach on that and it will be determined partially by the reopening of Ontario.

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

Rob, the other thing to recall, a big part of that is not just the stores reopening, but it’s our velocity and distribution within the number of stores. We are only in, in terms of our flower, about 20% of the stores on average of SKUs within Ontario. So, not only are there additional stores opening, but even the stores that are open just now, a big part of what I talked about in terms of dealing with cannabis retail chains and the additional marketing efforts as restrictions relax or loosen, it’s not just about getting back to the stores we’re in, but it’s doubling, at least doubling the distribution within stores and doubling the shelf space we have within the existing stores in Ontario. And that is the biggest catalyst for that growth in retail sales and growth in product sales we’re expecting in the second half of 2021.

**Rob Niagarastools** — Private Investor

I’m hoping. Let’s hope. And then, just so everybody understands on the investor side, yous guys may call it a transfer, the market looks at it as a delisting, downgrading. There’s no way around it. But the positive is, if you’re on the CSE, you can take some money and invest in a US company, which you can’t from the TSX. You can’t do it.

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

That’s correct.

**Rob Niagarastools** — Private Investor

Because the restriction requirements are lower standard…

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

That’s correct.

**Rob Niagarastools** — Private Investor

So, just so everybody knows, we’re doing it because the US ain’t legalizing like everybody thought over night. This isn’t happening. The MSOs had a great run. Now they’re tailing down. Why? Legalization isn’t around the corner at all. You’re going to get some SAFE Banking Act and you’re going to get a couple of little goodies and the MSOs will do okay, but we need to be in the States and the only way to get there is through the CSE.

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

That’s correct.

**Rob Niagarastools** — Private Investor

So I’ll get that out there and then everybody understands. I know the market and investors look at it as a delisting, but we’re doing it solely so we can look into the States down the road, because that’s the only way you can do it. Okay, guys. Have a good time and stay safe and let’s hope this COVID passes so we can see where we really stand next year. Thanks, guys.

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

Thanks, Rob.

**Operator**

At this time I’d like to turn it back for closing remarks.

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

Again, thank you to everybody for joining the call today. We’re excited by how we’re transforming the company here and the opportunities ahead. I’m really pleased with the quality of our flower now, very happy with the progress being made on Valleyfield, as I said. That gets us in a position to reduce our debt and closing that is a key focus objective. We just want to continue to have the financial discipline, have that good execution, and focusing on delivering what we promised, and hopefully people will see that. And appreciate your continued support.

**Operator**

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