MJARDIN GROUP

MJardin Group Announces Third Quarter 2020 Financial Results

- *Continued stabilization of the business with steadfast focus on cost management, and production maximization to drive revenue and margin growth*

- *Continued revenue growth expected in Q4 2020*

DENVER, Colorado, and TORONTO, Ontario, November 5, 2020 -- MJardin Group, Inc. ("**MJardin**" or the "**Company**") (CSE: MJAR) (OTCQX: MJARF), a leader in premium cannabis production, today announced its financial and operating results for its third quarter ended September 30, 2020. All amounts are expressed in Canadian dollars unless otherwise indicated.

Q3 Highlights:

- The Company has been able to grow a new fifth strain testing at 24% THC on behalf of Robes at its WILL facility ("**WILL**");
- All harvests out of the WILL and GRO facilities ("**GRO**") have passed HC microbial testing without the use of irradiation treatment;
- Revenue amounted to $4.8 million;
- Adjusted EBITDA loss of $1.4 million;
- Net income of $7.2 million;
- AtlantiCann Medical Inc. (**"AMI"**) joint venture contributed $3.1 million to earnings, an increase of approximately 140% from the prior quarter, as shown on net earnings from equity investment line in the financial statements;
- Completed first wholesale transaction following completion of construction at all Ontario facilities;
- Completed construction and licensing of final two flower rooms at the Company's WILL cultivation facility located in Brampton, Ontario;
- Entered into master service agreement with the Ontario Cannabis Store ("**OCS**") for cannabis cultivated at WILL;
- 138% increase in quarter-over-quarter flower production at the Company's GRO cultivation facility located in Dunnville, Ontario;
- In anticipation of launching retail products in Q4 2020, the Company has transitioned away from previously announced wholesale agreements.

"We continue to work diligently to complete our asset optimization initiatives to drive continued revenue growth objectives. Our operational and financial performance during the quarter continues to validate our team's efforts as we report a third consecutive quarter of stable operations," commented Pat Witcher, CEO of MJardin. "We continue to

explore strategic opportunities with the potential to complement our organic growth profile while ultimately creating shareholder value. We remain confident in the prospects for our business, and look forward to sharing our success with our shareholders as we execute our turnaround plan."

Third Quarter Financial Summary

	Three months ended	
	September 30, 2020	**September 30, 2019**
	$	**$**
Revenues	4,843,102	7,643,293
Direct operating costs	(3,533,431)	(4,094,476)
Gross margin before fair value adjustments	**1,309,671**	**3,548,817**
Fair value adjustment on the sale of cultivated inventory	253,814	1,202,504
Unrealized gain on changes in fair value of biological assets	(1,466,530)	(1,321,851)
Gross margin	**2,522,387**	**3,668,164**
Operating expenses		
Sales, general and administrative	3,741,244	3,003,836
Share-based compensation	1,096,823	3,231,695
Depreciation and amortization	152,933	546,485
Expected credit loss	1,792,471	499,535
Total operating expenses	6,783,471	7,281,551
Loss from operations	**(4,261,084)**	**(3,613,387)**
Interest expense	7,984,985	6,322,937
Loan fees	317	202,219
Net earnings from associate	(3,106,134)	(2,536,809)
Gain on disposition of equity investment	–	257,502
Gain on loan modifications	–	2,518,634
Foreign exchange loss	683,345	236
Gain on disposition of Cheyenne/GreenMart	(21,497,444)	-
Other expense (income)	223,161	(544,804)
Total other (income) expenses	(15,711,770)	6,219,915
Income (loss) before income tax and discontinued operations	**11,450,688**	**(9,833,302)**
Income tax expense	(3,438,165)	(2,598,396)
Income (loss) before discontinued operations	**8,012,523**	**(12,431,698)**
Loss from discontinued operation	(774,469)	-
Net income (loss)	**7,238,054**	**(12,431,698)**

	Three months ended	
	September 30, 2020	**September 30, 2019 (restated)**
Net income (loss)	**7,238,054**	**(12,431,698)**
Adjustments:		
Income tax expense	3,438,165	2,598,396
Interest expense	7,984,985	6,322,937
Depreciation and amortization	152,933	546,485
EBITDA	**18,814,137**	**(2,963,880)**
Share based compensation	1,096,823	3,231,695
Unrealized gain on changes in FV of biological assets	(1,466,530)	(1,321,851)
Loss from discontinued operation	774,469	-
Gain on disposition of Cheyenne	(21,497,444)	-
Loan fees	317	202,219
Gain on loan modification	-	257,502
Other income (expense)	223,162	(544,804)
Foreign exchange loss	683,345	236
Adjusted EBITDA	**(1,371,723)**	**1,379,751**

Revenue

The Company's managed services business segment generated $3.7 million in revenue during the quarter, including ~$2.0 million received upon the termination of the Company's management services agreement with AMI. $0.8 million in revenue was generated by Canadian cultivation operations during the period.

Gross Margin

The Company's gross margin for the period ending September 30, 2020 was $2.5 million, compared to $3.7 million for the same period in the prior year.

Expenses

General and administrative expenses of $3.7 million compared to $3.0 million for the same period in the prior year were driven primarily by increased professional services expenses in Q3 2020.

Adjusted EBITDA

Adjusted EBITDA loss was $1.4 million, compared to an adjusted EBITDA of $1.4 million for the same period in the prior year. As the Company scales its cultivation operations, adjusted EBITDA is expected to improve.

Q4 2020 Outlook

The Company continues to execute on its 2020 business plan with key deliverables for Q4 2020 as follows:

- complete run-rate production at the WILL facility;
- retail sales of cannabis produced at Canadian facilities; and
- full licensing of the AMI facility's Phase II expansion.

The Company continues to increase the production from its Canadian assets and intends to continue doing so for the balance of the year. At the same time, the Company plans to continue focusing on securing offtake for production via either firm commitments with retailers or supply agreements with leading licence holders.

Warman Project Update

As previously announced, MJardin entered into a non-binding letter of intent to form a joint venture (the "**JV**") with Peguis First Nation ("**Peguis**"), whereby Peguis would fund approximately $20.5 million in respect of Phase 2 construction of the Company's Warman cultivation facility, located in Winnipeg, Manitoba ("**Warman**"), in exchange for a 51% stake in the JV. Under the terms of the JV, Peguis would also acquire the Warman real estate (the "**Property**") for approximately $11 million.

On October 4, 2019, the Company received $11 million in advance of the closing of the Property in the form of a promissory note (the "**Note**"). To date, Peguis has closed on the land portion of the Property for proceeds of approximately $5.9 million, which was deducted from the Note. An additional $1.7 million was advanced in respect of promissory notes during the quarter. As of the end of Q3 2020, $7.8 million remains outstanding under promissory notes.

On December 16, 2019, MJardin announced that Warman had received its cultivation and processing license from Health Canada, that Phase 1 construction of the building was complete and that cultivation in the Phase 1 area of the Warman facility would begin immediately. The Company further announced that it expected to complete the Phase 2 build-out by Q4 2020. While Phase 2 construction has continued, MJardin has been unable to finalize the formation of the JV due to the delay in receiving funding from Peguis.

Going forward, the Company intends to complete the remaining Phase 2 construction in two tranches. The first tranche of Phase 2 relates to the construction of the greenhouse and indoor water-hash processing facility. This is expected to yield approximately 270,000 grams of resin and other concentrates annually. The Company anticipates the first tranche of Phase 2 construction to be completed in Q3 2021.

The second tranche of Phase 2 will involve the construction of additional indoor grow rooms at the Warman facility, with an estimated annual output of approximately 4,500 kilograms from these rooms. While the Company continues to work towards securing funding from Peguis to complete this project, the Company is exploring alternative financing options to ensure that Phase 2 construction continues to advance towards full completion.

Cancellation and Re-Issuance of Stock Options

The Company also announced today that certain officers, directors and consultants (the "**Option Holders**") have agreed to cancel an aggregate of 1,646,800 stock options that were outstanding prior to August 5, 2020. The stock options were voluntarily surrendered by the Option Holders for no consideration. Following 30 days from the surrender, the MJardin board of directors reissued the options in accordance with applicable regulatory requirements, the grant agreements between the Company and the Option Holders and the terms and conditions of the Company's equity incentive plan. The strike price of the new stock options is the 5-day weighted average price of the Company's common shares calculated from the date of issuance. This will affect all option grants to the Company's CEO, CFO and certain grants to other members of the executive management team.

Subsequent Events

***October 7, 2020*:** The Company entered into a master service agreement with the OCS. This agreement immediately enables MJardin to make its product available to retail consumers in Ontario. It is an important step in MJardin's evolution from a pure play cultivator to a consumer-centric company, servicing the needs of retail consumers, in-line with the Company's 2020 strategic plan. As a result, the Company expects increased revenues from the same flower production, given the higher realized price per gram at the retail sales level, and expects to gain market recognition and consumer brand awareness from products sold under the Flint and Embers banner. The Company anticipates its first sale to the OCS will occur in Q4 2020.

*The Canadian Securities Exchange ("**CSE**") has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release*.

About MJardin Group

MJardin Group's mission is to set the standard for successful ownership and management of assets in the cannabis industry. Our Colorado founders spent a decade refining cultivation methodology, collecting and implementing data driven standards and designing state of the art facilities. Today, MJardin owns or manages multiple operations in two US states and three Canadian provinces, supplying the market with premium products. We are committed to our Canadian First Nation joint ventures and all our

partnerships across the cannabis supply chain. MJardin is publicly listed on the CSE (MJAR) with offices in Denver, Colorado and Toronto, Ontario. For more information, please visit www.MJardin.com

Non-IFRS Financial Measures

EBITDA and Adjusted EBITDA are non-IFRS measures that the Company uses to assess its operating performance.

EBITDA is defined as net loss before net finance costs, income tax expense (benefit) and depreciation and amortization expense.

Adjusted EBITDA is an operational and financial metric used by management, calculated as and including, but not limited to: net loss before fair value adjustment to biological assets and inventory; acquisition costs; share-based compensation; depreciation and amortization; (gain) loss on revaluation of derivative liabilities; finance and investment expense (income); interest (income) expense; loss on sale of assets; loss due to rare events; insurance proceeds; foreign exchange loss; impairment of inventory; impairment of property, plant and equipment; impairment of intangible assets and goodwill; current income tax (recovery) expense; and deferred income tax recovery.

The Company uses these non-IFRS measures to provide investors and others with supplemental measures of its operating performance. The non-IFRS measures should not be construed as an alternative to other financial measures determined in accordance with IFRS. However, the Company believes these non-IFRS measures are important supplemental measures of operating performance because they eliminate items that have less bearing on the Company's operating performance. Thus, the Company believes the non-IFRS measures highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use these non-IFRS measures in the evaluation of issuers, many of which present similar metrics when reporting their results. As other companies may calculate these non-IFRS measures differently than the Company, these metrics may not be comparable to similarly titled measures reported by other companies.

Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking

terminology such as, may', 'will', 'should', 'could', 'would', 'expects', 'intends', 'plans', 'anticipates', 'believes', 'estimates', 'projects', 'predicts', 'potential', 'outlook' or 'continue' or the negative of those forms or other comparable terms. Statements about, among other things, future developments and the business and operations of MJardin, our production capacity, our production results, the completion of any transactions, including the disposition of GreenMart of Nevada LLC (dba Cheyenne), the receipt of any pending regulatory approvals or licenses, the growth of our global footprint and our intentions to leverage our scale for continued organic growth and to pursue strategic investments are all forward-looking information. These statements should not be read as guarantees of future performance or results. The Company's forward-looking information and forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and forward-looking statements, including but not limited to: our ability to identify and pursue growth, financing and other strategic objectives, and the regulatory and economic environments in the jurisdictions we operate or intend to operate or invest in. Reference should also be made to the risks and uncertainties which are discussed in greater detail in the "Risk Factors" section of the Company's Annual Management's Discussion and Analysis filed on SEDAR and as described from time to time in documents filed by the Company with Canadian securities regulatory authorities. Readers are cautioned that the foregoing list of factors is not exhaustive. Although such statements are based on management's reasonable assumptions at the date such statements are made, there can be no assurance that any proposed transactions will occur or that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information and forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking information and forward-looking statements. No assurances are given as to the future trading price or trading volumes of MJardin's shares, nor as to the Company's financial performance in future financial periods. The Company does not intend to update any of these factors or to publicly announce the result of any revisions to any of the Company's forward-looking information and forward-looking statements contained herein, whether as a result of new information, any future event or otherwise. Except as otherwise indicated, this press release speaks as of the date hereof. The distribution of this press release does not imply that there has been no change in the affairs of the Company after the date hereof or create any duty or commitment to update or supplement any information provided in this press release or otherwise. MJardin assumes no responsibility to update or revise forward-looking information and forward-looking statements to reflect new events or circumstances unless required by applicable law.

Financial Outlook

This press release contains a financial outlook within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of MJardin to provide an outlook for 2020 and may not be appropriate for any other purpose. The financial outlook has been prepared based on a number of assumptions including the assumptions discussed under the heading “Forward-Looking Information” above and assumptions with respect to production, pricing, and demand. The actual results of the Company’s operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the heading “Forward-Looking Information” above, it should not be relied on as necessarily indicative of future results. Except as required by applicable Canadian securities laws, the Company undertakes no obligation to update the financial outlook.

MJardin undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its securities, or financial or operating results (as applicable).

Caution Regarding Cannabis Operations in the United States

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the US Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable US federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with medical or adult-use cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company’s operations and financial performance.

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