MJARDIN GROUP

MJardin Group Announces Fourth Quarter and Full Year 2020 Financial Results

The Board of Directors Forms a Special Committee and Announces Changes to the Board

DENVER, Colorado, and TORONTO, Canada, April 30, 2021 -- 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 fourth quarter and fiscal year ended December 31, 2020. All amounts are expressed in Canadian dollars unless otherwise indicated.

Fourth Quarter 2020 Highlights:

- Signed a Master Services Agreement ("MSA") with the Ontario Cannabis Store for distribution of MJardin products via provincial retail channels;
- Completed first retail sales of product from the WILL facility with approximately 266 kg sold via retail channels;
- Terminated MSA agreement with 2G Ventures, LLC and 3B Ventures, LLC (the "Buddy Boy Brands") to narrow focus on the Company's core business.

"2020 was a challenging year for all in our business as we were forced to rapidly adapt to changing circumstances due to COVID-19 and its impact on both our staffing and construction timelines. I am very proud of how the team at MJardin performed, and as of the fourth quarter of 2020, MJardin's assets in Ontario are fully populated and operating at run-rate. As we move into 2021, I look forward to the continued development of our partnership with ROBES as well as the roll-out of our consumer-facing brand, Flint & Embers," said Pat Witcher, MJardin's CEO.

2020 Year-end Financial Highlights

- Revenue amounted to $11.4 million compared to $26.7 million in 2019.
- Net income from associates of was $4.2 million, an increase of 54% from the prior year.
- Total debt as at the date of the financial statements totals $153.0 million.
- Net loss was $34.8 million compared to $267.5 million in 2019, which includes $16.0 million impairment related to intangibles and PP&E in 2020 and $191.7 million impairment related to goodwill, intangibles, and PP&E in 2019.
- Adjusted EBITDA loss was $7.9 million, compared to $35.3 million in 2019.

2020 Operational Highlights

- Completed construction at WILL facility, and as of Q4 2020, the facility is operating at run-rate
- Completed all necessary licensing at GRO facility and operated at run-rate production during Q4 2020
- Continued advancing construction of Warman project despite challenges due to COVID-19

Summary of Annual Results and Q4 Results

	Year ended		Three months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Profit and loss items	**$**	**$**	**$**	**$**
Revenue	11,436,269	26,696,824	2,284,570	1,397,394
Direct operating costs	(7,211,318)	(17,277,518)	(1,699,065)	(1,745,182)
Inventory write-down	(1,988,564)	–	(260,634)	–
Gross margin before fair value adjustments	**2,236,387**	**9,419,306**	**324,871**	**(347,788)**
Fair value adjustment on the sale of cultivated inventory	385,480	612,586	131,666	(886,187)
Unrealized (gain) loss on changes in fair value of biological assets	(3,827,226)	(689,782)	(1,714,496)	2,401,350
Gross margin	**5,678,133**	**9,496,502**	**1,907,701**	**(1,862,951)**
Operating expenses				
Sales, general and administrative	14,448,799	21,527,552	3,185,447	7,271,713
Share based compensation	2,772,367	19,180,400	475,292	3,233,273
Depreciation	1,394,157	1,469,384	295,362	293,653
Expected credit loss (recovery)	1,673,154	26,213,378	(348,652)	24,591,813
Total operating expenses	20,288,477	68,390,714	3,607,449	35,390,452
Loss from operations	**(14,610,344)**	**(58,894,212)**	**(1,699,748)**	**(37,253,403)**
Interest expense	21,898,303	19,529,929	5,752,747	4,655,612
Loan initiation fees (recovery)	–	540,091	(351,487)	(1,929,920)
Net (earnings) loss from equity investment	(4,240,817)	(2,757,155)	477,447	(206,866)
(Gain) loss on disposition of equity investment	–	(897,100)	–	279,104
Impairment	15,980,224	191,653,185	15,980,224	191,653,185
(Gain) loss on loan modifications	(363,720)	(161,504)	390,402	5,396,420
Foreign exchange loss	1,120,388	2,646,211	1,405,590	2,584,240
Gain on disposition of GreenMart of Nevada, LLC	(23,345,642)	–	(1,848,198)	–
Other (income) loss	(728,572)	(206,723)	(2,087,701)	2,160
Total other expenses	10,320,164	210,346,934	19,719,024	202,433,935
Loss before income tax and discontinued operations	**(24,930,508)**	**(269,241,146)**	**(21,418,772)**	**(239,687,338)**
Income tax (expense) recovery	(5,509,602)	4,302,996	(953,510)	8,107,832
Loss before discontinued operations	**(30,440,110)**	**(264,938,150)**	**(22,372,282)**	**(231,579,506)**
(Loss) gain from discontinued operations	(4,400,424)	(2,529,777)	903,385	(2,529,777)
Net loss	**(34,840,534)**	**(267,467,927)**	**(21,468,897)**	**(234,109,283)**

	Year ended		Three months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019

Net loss	**(34,840,534)**	**(267,467,927)**	**(21,468,898)**	**(234,109,283)**
Adjustments:				
Income tax expense (recovery)	5,509,602	(4,302,996)	953,510	(8,107,832)
Interest expense	21,898,303	19,529,929	5,752,747	4,655,612
Depreciation and amortization	1,394,157	1,469,384	295,362	293,653
EBITDA	**(6,038,472)**	**(250,771,610)**	**(14,467,279)**	**(237,267,850)**
Inventory write-down	1,988,564	-	260,634	-
Share-based compensation	2,772,367	19,180,400	475,292	3,233,273
Unrealized (gain) loss on changes in fair value of biological assets	(3,827,226)	(689,782)	(881,037)	2,401,350
Loss (gain) from discontinued operations	4,400,424	2,529,777	(903,385)	2,529,777
Gain on disposition of GreenMart of Nevada, LLC	(23,345,642)	-	(1,848,198)	-
Loan initiation fees (recovery)	-	540,091	(351,487)	(1,929,920)
Severance costs	136,071	873,341	-	839,495
(Gain) loss on disposition of equity investment	-	(897,100)	-	279,104
Impairment	15,980,224	191,653,185	15,980,224	191,653,185
(Gain) loss on loan modification	(363,720)	(161,504)	390,402	5,396,420
Other (income) loss	(728,572)	(206,723)	(2,087,701)	2,160
Foreign exchange loss	1,120,388	2,646,211	1,405,590	2,584,240
Adjusted EBITDA	**(7,905,594)**	**(35,303,714)**	**(2,026,945)**	**(30,278,766)**

2021 Outlook

Management remains focused on the Company's core competencies to bring high THC, as well as unique cultivars, to the Canadian market. As retail sales are ramped up, the Company plans to transition from a wholesale model to retail-only sales.

"WILL" - Cultivation Facility in Brampton, Ontario: During Q4 2020, the WILL Facility made its first sale through retail channels, selling approximately 266 kg in total, generating total revenue of $0.8 million. Total sales for 2020 were approximately 474 kg generating total revenue of $1.6 million (2019 – 413 kg, $2.0 million). Sales are expected to increase as the Company sells through additional retail channels. On March 29, 2021, the Company made its first shipment of recreational cannabis to the province of Alberta.

The WILL Facility was operating at full capacity during Q4 2020 with approximately 487 kg of dried flower harvested. Total dried flower harvested for the full year 2020 was approximately 934 kg. On October 20, 2020, the Company finished all hiring activities. The WILL Facility is now fully staffed and split shifts have been implemented for COVID-19 mitigation procedures; however, this is not expected to impact production.

"AMI" – Cultivation Facility in Lower Sackville, Nova Scotia: Retail sales were first made during Q2 2020 and have continued to expand as a percentage of total sales in 2020. The products have been well received in Ontario and Nova Scotia, and AMI is expected to sell 100% of its product through retail channels going forward. The higher margin retail sales led to an overall increase in the net earnings from AMI for the year ended December 31, 2020 of $4.2 million compared to $2.8 million for the same period in 2019.[1] As at December 31, 2020, AMI's cash position was $6.3 million. For the year ended December 31, 2020, AMI's revenues earned was $13.3 million (2019 - $6.3 million).

"GRO" – Cultivation Facility in Dunnville, Ontario: Production at the Dunnville Facility continued to operate at full capacity during Q4 2020 with approximately 228 kg of dried flower being harvested, which was comparable to the prior quarter. Total dried flower harvested for the full year 2020 was approximately 576 kg. Further processing of the bulk flower will be completed at the WILL Facility. Cannabis produced at the facility is bulk packaged and shipped to the WILL Facility for testing and further processing. There was no production at the facility during 2019 due to the construction and licensing activities.

"WARMAN" – Cultivation Facility in Winnipeg, Manitoba: The Company continues to explore financing options for the construction of Phase 2 of the Warman Facility. COVID-19 has caused bans on all council meetings for Peguis, which has halted discussions regarding the potential joint venture. As a result, construction activities at the Warman Facility were limited during most of 2020. The facility is presently being used primarily as a research facility for the development of new phenotypes. The facility has identified several desirable cultivars that tested high in THC and have unique terpene profiles.

US Owned Operations – Cultivation Management: During the year ended December 31, 2020, the Company generated cultivation fees revenue of $0.8 million (2019 - $nil). The decrease in revenue was due to the Company's strategic decision to renegotiate MSAs and focus on the cultivation segment of the Company's business. During the fourth quarter of 2020, the Company terminated its last remaining MSA with Buddy Boy Brands, and at this time, the Company does not have any MSA contracts in place, but continue to selectively seek out opportunities.

Subsequent Events

- January 6, 2021: The Company announced the completion of a major supply agreement with the BCLDB to supply the British Colombia provincial wholesaler with products for the retail market under MJardin's Flint & Embers brand.

- January 28, 2021: The Company announced the completion of a major supply agreement with the AGLC to supply the Alberta provincial wholesaler with products for the retail market under MJardin's Flint & Embers brand.

- April 29, 2021- The Company agreed to an early settlement of the previously disclosed final payment from Harvest Health & Recreation for the purchase of the Cheyenne facility located in Las Vegas, Nevada.

Board of Directors Changes and Appointment

Effective April 29, 2021, Pat Witcher joined the Company's Board of Directors, replacing Graham Marr, who has resigned.

Special Committee

The Board of Directors of the Company has formed a special committee (the "**Special Committee**") of independent directors to explore, review and evaluate a broad range of strategic alternatives for the Company due to its limited capital resources with a view to identify a transaction that is in the best interests of shareholders. These alternatives may include continuing as a standalone public company, going private, undertaking a recapitalization or other restructuring transaction, or being purchased by a strategic partner. The Special Committee is being chaired by Adrian Montgomery, includes James Lowe, and its financial advisor is Canaccord Genuity Corp. The Company has not made any decisions related to strategic alternatives at this time and there can be no assurance that the evaluation of strategic alternatives will result in any transaction or change in strategy. The Company does not intend to comment further unless and until the Board of Directors of the Company has approved a specific course of action or the Company has determined further disclosure is appropriate or necessary.

*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*.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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) and the QXOTC (MJARF) with offices in Denver, Colorado and Toronto, Ontario. For more information, please visit www.MJardin.com

Non-IFRS Financial Measures

EBITDA, Adjusted EBITDA and Adjusted Net loss from Operations 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.

Adjusted Net loss from operations is defined as operating loss adjusted to exclude share-based compensation and promissory principal impairments.

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,' 'plans,' 'anticipates,' 'believes,' 'estimates,' 'projects,' 'predicts,' 'potential' 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 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 the 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 those risks discussed under "Risk Factors" in the company's CSE Listing Statement filed with SEDAR. 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. Accordingly, readers should not place undue reliance on the forward-looking information. 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 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 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 2021 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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