MJARDIN GROUP

MJardin Group Announces Fourth Quarter and Full Year 2019 Financial Results

DENVER and TORONTO, June 15, 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 fourth quarter and fiscal year ending December 31, 2019. All amounts are expressed in Canadian dollars unless otherwise indicated.

Fourth Quarter 2019 Highlights:

- Signed long-term agreement with Robes, Inc. to cultivate unique strains for sale in the Canadian recreational market at MJardin's WILL Facility.
- Received Cultivation and Processing license for Warman facility.
- Reduced SG&A by 46% compared to the same period in 2018.

"When I stepped into the role of CEO, MJardin was in a state of transition. Since I have endeavored to place this business on strong footing to succeed going forward, by narrowing the focus of operations and doubling-down on our core competencies, namely, the cultivation of high-quality and high THC cannabis. We have completed the necessary clean up and refocus of our operations and can move into 2020 as a much more narrowly focused organization," said Pat Witcher, CEO of MJardin Group, Inc. "With construction completed at the majority of the Canadian facilities and right-sized operations, we are well positioned to focus on a strong entry to the Canadian recreational market in the second half of 2020 and turn the corner as a business. I believe the true potential of MJardin will finally be highlighted to the consumers in the markets we serve, beginning in 2020. Furthermore, the addition of Edward Jonasson to our executive team has been a tremendous help and makes me confident we are on the correct path."

"For the past six months, I have been focused on addressing and ultimately improving the Company's internal processes and financial reporting. Now that the Company has unwound historically unprofitable commitments, I will continue to focus on increasing transparency to our investors while working with Pat to continue stabilizing our operations and positioning MJardin for growth as we push forward towards delivering on the promise and value of our current asset base," said Edward Jonasson, CFO of MJardin Group Inc.

2019 Year End Financial Highlights

- Revenue amounted to $26.7 million, compared to $27.5 million in 2018.
- Entered into definitive agreement for the disposition of GreenMart of Nevada LLC (dba Cheyenne) for US$35 million - proceeds will reduce total debt by US$30 million and the transaction is expected to close in 2020.
- Total debt as at the date of this report totals approximately $146 million.
- Net loss of $267.5 million, compared to $81.4 million in 2018, which includes $207,502,787 impairment related to goodwill, intangibles, PP&E and principal promissory note in 2019 and $21,149,992 in 2018.
- Adjusted net loss from operations of $56.6 million, excluding share-based compensation and impairment, compared to $46.3 million in 2018.
- Adjusted EBITDA loss was $13.2 million, compared to $12.1 million in 2018.

2019 Operational Highlights

- Completed Construction on Canadian facilities WILL, GRO and AMI Phase 2.
- Signed exclusive supply agreement with Robes, Inc. for production of unique strains at the WILL facility.
- Advanced construction on all Canadian facilities
- Completed strategic sale-leaseback transactions at both Cheyenne and Warman facilities.
- Continued to generate industry leading yields at Canadian indoor facilities in excess of 60 grams per square-foot of bench space each grow cycle.

Summary of Annual Results and Q4 Results

	Twelve Month period ended		**Three Month period ended**	
Profit and loss items	**December 31, 2019 $**	**December 31, 2018 Restated $**	**December 31, 2019 $**	**December 31, 2018 Restated $**
Revenue	26,696,824	27,505,742	1,397,394	5,735,760
Direct operating costs	(17,277,518)	(15,855,745)	(1,258,360)	(4,483,669)
Gross margin before undernoted	**9,419,306**	**11,649,997**	**139,034**	**1,252,091**
Gross margin %	35%	42%	10%	22%
Realized gain on changes in fair value of biological assets	(612,586)		886,187	

Unrealized gain (loss) on changes in fair value of biological assets	689,782	-	(2,401,350)	-
Gross margin	**9,496,502**	**11,649,997**	**(1,376,129)**	**1,252,091**
Operating expenses				
Sales, general and administrative	21,527,552	21,932,224	7,758,535	14,306,401
Share based compensation	19,180,400	19,248,717	3,233,273	14,832,424
Depreciation	1,469,384	667,106	293,652	552,390
Expected credit loss	26,213,378	6,984,197	24,591,813	6,881,696
Total operating expenses	68,390,714	48,832,244	35,877,274	36,572,911
Loss from operations	**(58,894,212)**	**(37,182,247)**	**(37,253,403)**	**(35,320,820)**
Finance expense	19,529,929	6,526,231	4,655,611	1,778,002
Accretion of debt transaction costs	540,091	9,590,105	(1,929,920)	9,590,105
Net (earnings) loss from associate	(2,757,155)	125,054	(206,866)	125,054
Loss (gain) on disposition of equity investment	(897,100)	-	279,104	-
Loss (gain) on loans modifications	(161,504)	-	5,396,420	-
Litigation expenses	-	5,104,410	-	5,104,410
Impairment	191,653,185	15,900,000	191,653,185	15,900,000
Foreign exchange loss (gain)	2,646,211	(1,054,465)	2,584,240	(1,055,064)
Listing expenses	-	2,758,683	-	2,758,683
Other (income) loss	(206,723)	135,069	2,161	135,069
Total other expenses	210,346,934	39,085,087	202,433,935	34,336,259
Loss before income tax and discontinued operations	**(269,241,146)**	**(76,267,334)**	**(239,687,337)**	**(69,657,079)**
Income tax (recovery) expense	(4,302,996)	5,137,691	(8,107,831)	5,034,322
Loss before discontinued operations	**(264,938,150)**	**(81,405,025)**	**(231,579,505)**	**(74,691,401)**
Loss from discontinued operation, net of tax	2,529,777	-	2,529,777	-
Net loss	**(267,467,927)**	**(81,405,025)**	**(234,109,282)**	**(74,691,401)**

	Twelve months ended		**Three months ended**	
	December 31, 2019	**December 31, 2018 Restated**	**December 31, 2019**	**December 31, 2018 Restated**
Net Income (loss)	**(267,467,927)**	**(81,405,025)**	**(234,109,282)**	**(74,691,401)**
Adjustments:				
Income Tax (recovery) expense	(4,302,996)	5,137,691	(8,107,831)	5,034,322
Interest expense	19,529,928	6,526,231	4,655,611	1,778,002
Depreciation and Amortization	1,469,384	667,106	293,652	552,390
EBITDA	**(250,771,611)**	**(69,073,997)**	**(237,267,850)**	**(67,326,687)**
Share based compensation	19,180,400	19,248,717	3,233,273	14,832,424
Litigation expenses	-	5,104,410	-	5,104,410
Loss from discontinued operation	2,529,777	-	2,529,777	-
Listing expense	-	2,758,683	-	2,758,683
Impairment charges	191,653,185	15,900,000	191,653,185	15,900,000
Disposition fees of GreenMart	1,392,026	-	1,392,026	-
Accretion of debt transaction costs	540,091	9,590,105	(1,929,920)	9,590,105
(Gain) loss on disp. of equity investment	(897,100)	-	279,104	-
(Gain) loss on loan modification	(161,504)	-	5,396,420	-
Other (gains) / losses	(206,723)	135,069	2,161	135,069
Severance costs	873,341	-	47,596	-
Foreign exchange (gain)/loss	2,646,211	(1,054,465)	2,584,240	(1,055,064)
Impairment of promissory notes, principal	19,996,244	5,249,992	19,996,244	5,249,992
Adjusted EBITDA	**(13,225,663)**	**(12,141,486)**	**(12,085,905)**	**(14,811,068)**

2020 Outlook

Management remains focused on drawing from its 10+ years of experience commercially growing cannabis at scale in order to maximize production from the Company's existing portfolio of assets. MJardin is confident that our cultivation expertise and core-competency of high THC high yielding flower will position the company well for an entry into the recreational market in

Canada during the second half of 2020.

“WILL” - Cultivation Facility in Brampton, Ontario: Construction has been completed on this facility and 10 of the 12 flower rooms have now been licensed by Health Canada. The Company expects to receive licenses for the remaining two flower rooms imminently. This expansion is expected to result in run-rate production of 3,000 KG per year at the WILL facility during the third quarter of 2020.

“AMI” – Cultivation Facility in Lower Sackville, Nova Scotia: Phase 1 of the facility operated through a three-way joint-venture between the Nova Scotia Mi’kmaq First Nations (51%), MJardin (39%) and the Halef Group (10%) is fully operational with a run rate production of 3,500 KG per year. During 2019, construction was completed on the Phase 2 expansion, bringing on an additional 2,800 KG per year of capacity with licensing and run rate production expected by the fourth quarter of 2020. Additionally, AMI continues to work towards EU GMP certification of the facility and anticipates full certification by the end of the fourth quarter of 2020.

“GRO” – Cultivation Facility in Dunnville, Ontario: The joint-venture between MJardin (75.5%) and Grand River Organics (24.5%) is now fully licensed, with the first harvest from the facility already completed in the second quarter of 2020. The Company anticipates full run-rate production of 1,200 KG annually by the third quarter of 2020.

“WARMAN” – Cultivation Facility in Winnipeg, Manitoba: A cultivation and processing license was granted to GrowForce Manitoba during the fourth quarter of 2019. The joint venture between MJardin (49%) and Peguis First Nation (51%) is on track for completion during 2020 along with Phase 2 facility construction. The Warman facility is expected to begin production in the second quarter of 2021.

US Owned Operations: Following the completion of the sale of the Cheyenne facility and the termination of the Cannabella acquisition, the Company’s US footprint has diminished from the beginning of 2019. However, management views the United States as a desirable growth market and will continue to pursue strategic joint ventures, acquisitions or consulting arrangements in select States on a case-by-case basis.

Certain Regulatory Matters

- In connection with a continuous disclosure review by Staff of the Ontario Securities Commission (the “**OSC**”), the Company has updated its prior disclosure on Buddy Boy Brands to clarify certain financial matters and provide additional disclosure with respect to:
  - Consolidated Financial Statements
    - Revenues;
    - Related party transactions;
    - Expected credit losses; and
    - Goodwill and intangibles assets and the annual impairment assessment.
  - Management Discussion and Analysis
    - Quarterly and Annual Selected Financial information;
    - Business outlook and forward-looking information;
    - Description of non-GAAP measures;
    - Operational information of facilities under construction; and
    - Risks of operating a cannabis company in both Canada and the United States
- Staff of the OSC have not expressed an opinion regarding the Company’s updated disclosure or its compliance with securities laws.

Subsequent Events

- May 29, 2020 – the Company announced the termination of its previously announced acquisition of Carson City Agency Solutions, dba Cannabella.
- April 30, 2020 – the Company announced an amendment to its borrowing obligations with its senior lender to defer principal and interest payments and waive requirements to meet its debt covenants until a later date.
- February 24, 2020 – MJardin announced Health Canada Approval to increase the production capacity of its WILL cultivation facility in Brampton, Ontario.
- February 19, 2020 – MJardin received a cultivation and processing license for its GRO cultivation facility in Dunnville, Ontario.
- January 15, 2020 – MJardin completed a $1 million non-brokered private placement of 4,716,982 shares to Robes, Inc.
- January 8, 2020 – MJardin received a sales license for its Atlantic Canada cultivation & extraction facility.
- January 2, 2020 – Announced the definitive agreement for the disposition of GreenMart of Nevada LLC (dba Cheyenne) for US$35 million. Proceeds will reduce total debt by US$30 million and the transaction is expected to close in 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*.

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 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.

INVESTOR CONTACT:

Ali Mahdavi	Pat Witcher
Capital Markets & Investor Relations	CEO
416-962-3300	720-613-4019
Ali.mahdavi@MJardin.com	Pat.Witcher@MJardin.com