

Green Organic Dutchman Holdings Ltd.

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The Green Organic Dutchman cuts costs while expanding its product portfolio

The Green Organic Dutchman Holdings Ltd (TSE:TGOD) (OTCMKTS:TGODF), a producer of premium organic cannabis, on Thursday said it would cut spending aggressively due to market conditions, but still expand its product portfolio in the midst of the coronavirus (COVID-19) pandemic.

In a statement, the company said it had postponed the start-up of its Valleyfield facility located in Quebec to "centralize cultivation operations" at its outpost in Ancaster, Ontario. The company has temporarily laid off the majority of its Valleyfield employees and intends to restart operations there later in the year. Ancaster is not impacted and continues to grow and harvest premium organic cannabis for the recreational and medical markets.

"The Ontario facility is able to produce larger volumes than initially anticipated, enabling the company to delay cultivation operations in Valleyfield saving costs and capital," the company noted.

READ: The Green Organic Dutchman expects 'continued sales momentum' in 2020

Most importantly, the cost-cutting initiatives don't impact TGOD's timeline for the launch of its remaining Cannabis 2.0 products, with infusers already launched and organic teas and vapes still on track to becoming available at the end of next month.

The company expects to receive its licence amendment from Health Canada for the processing facility at Ancaster. "Once it is received, the company will be able to automate many of its processes reducing costs and further accelerating production," TGOD added.

Since the cannabis industry has been roiled by the coronavirus outbreak, the company has undertaken a series of measures to aggressively cut costs:

- Temporary salary reductions of 20% for salaried employees and 30% for certain executives
- A freeze on all non-essential recruitment and consultancy work
- Working with suppliers to identify further cost savings and efficiencies

The Green Organic Dutchman Holdings' CEO Brian Athaide said that "multiple factors, most particularly the COVID-19 pandemic," are contributing to an environment in which the company must be "extremely prudent" with how it manages its cost structure.

"These are unprecedented times, and the situation continues to evolve. With the support and unity I have seen from our employees, partners and stakeholders, I am very confident that TGOD can tackle this challenge and come out much stronger," Athaide said.

Price: 0.34

Market Cap: \$130.78 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: TGOD

Listing: TSX

52 week High Low
2.74 0.22

Sector: Cannabis

Website: tgod.ca

Company Synopsis:

The Green Organic Dutchman produces Farm Grown, Pharma Grade Organic Cannabis. The Company grows high quality, organic medical cannabis with sustainable, all natural principles. TGOD's products are laboratory tested to ensure patients have access to a standardized, safe and consistent product.

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In a positive, the company has seen very strong consumer and medical patient feedback from its recent TGOD infusers launch.

"We are looking forward to having them available in more stores quickly. These along with our upcoming additional 2.0 products are very unique and deliver superior consumer experiences which will help further differentiate and build our TGOD organic brand positioning," Athaide concluded.

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