

MJardin Group Issues CEO Letter to Company Stakeholders

DENVER--(BUSINESS WIRE)--January 8, 2019--MJardin Group, Inc. (“**MJardin**” or the “**Company**”) (CSE:MJAR), a leader in cannabis management, today issued a letter to stakeholders from Rishi Gautam, Chairman and Chief Executive Officer, to provide an update on the Company’s business and growth strategy. The letter can be found on the Company’s Investor Relations site and below.

Dear Shareholders, Employees & Key Stakeholders of MJardin:

As one of the early investors of MJardin in 2014, the last four years have truly been amazing. We successfully funded and scaled a business that started with our founders in Denver, and now includes several owned assets west to Las Vegas, and east to Halifax, Nova Scotia. Since our founders’ inception in 2009, we gained an immeasurable depth of experience of what we believe “works,” and does not work, in being a successful operator in the global cannabis sector and successfully translated that knowledge bank into a battle-tested operating engine that is now a publicly-traded company: **MJardin Group**.

MJardin Group continues to grow, innovate and execute on our operational plan as the first North American operator of scale in the legal cannabis sector. As important as the last four years have been to acquire and/or operate cultivation, extraction and retail facilities with our 450+ employee base, the next several years will be even more important and exciting as we leverage our operating engine and expand into additional cannabis markets.

For the global cannabis sector, we remain very early in its full evaluation. In 2018, we witnessed a volume of public offerings, large capital raises and some early signs of consolidation. In 2019, we expect to see even bigger transactions as the large players join forces to optimize their respective businesses, and a heightened level of innovation as our peers seek to differentiate themselves through various consumer-facing initiatives.

As the competitive landscape continues to evolve, one of our primary goals is to leverage our knowledge bank of operating experience to move at a swift, but methodical, pace to extend our current geographic and product footprint. Given the significant organic growth outlook in our Company’s existing portfolio base, we are not under any undue pressure to chase lower-tier transactions nor pay greater than fair value to enter certain markets.

2018 In Review

- Raised over \$64 Million CAD of equity capital and \$100 Million CAD of debt capital with high-quality, institutional investors to fuel our expansion efforts.
- Taken the Company public via a listing on the Canadian Securities Exchange with the ticker symbol: MJAR.
- Added significant retail expertise through the acquisition of a retail management company.
- Successfully closed on the acquisition of a cultivation campus in Las Vegas, paving the way for future vertical-integration in the fast-growing Nevada market.
- Grew our employee base from 299 to 451 and strengthened our management team with several key hires, including but certainly not limited to the following colleagues:
 - Chris Seto, CFO
 - Jorge Boone, Global COO
 - Max Nardulli, President of International Operations
 - Jeannette Harkin, Chief of Staff
 - Frank Knuettel II, Chief Strategy Officer
- Expanded our product brand strategy efforts through key senior hires and a strategic investment in DNA Genetics.
- Acquired Canadian-based GrowForce Holdings Inc. which created the first North American operator of scale in the legal cannabis sector. As a result of the transaction, we welcomed the GrowForce team and Toronto office to MJardin with zero attrition.

The MJardin Group Vision

Our founders were true pioneers in the legal global cannabis sector. In 2009 they were one of the first license holders in a U.S. state-regulated market (Colorado) with limited to no precedents to follow, limited general acceptance from the investor community, and state regulators that required license holders to have “vertical integration” in their business plan (each license holder had to be a cultivator, processor and retailer all in one).

Today, ten years later, we believe the depth of experience in vertical integration combined with proprietary software and a deep bench of talent puts our Company in an excellent position for major expansion. We are intimately aware of the growth challenges and execution risk associated with our sector; we believe patient capital and battle-tested operating experience are the two key ingredients for long-term success and we are fortunate to have both.

As a newly-minted public company with a larger base of stakeholders and followers than ever before, we must be very clear in defining “Who We Are” and our strategy to compete and win in the global cannabis sector. I am pleased to summarize our global position as follows:

Mission Statement: We strive to be one of the top three cannabis platforms globally.

Strategy Points:

- **Our Company was originally built, and continues to be run, by battle-tested operating experts in the global cannabis sector.** We believe we have a true edge given our deep operating expertise, capital allocation discipline and large-scale efficiency through our proprietary technology suite. We will continue to invest in our infrastructure and human capital to ensure that we cement our status as one of the best operators in the space.
- **We seek to deploy capital in order to grow the Company, but with a heavy emphasis on smart capital allocation and long-term profitability.** Despite the rapid speed of evolution and wide degree of public market volatility in our sector, we refuse to make short-term decisions that result in limited shareholder value accretion. When an opportunity arises that we believe has long-term and sustainable profitability for the Company, then we will not hesitate to execute on such a bold decision.
- **Our physical footprint is that of a “multi-country operator” (MCO).** After acquiring GrowForce Holdings Inc. in late-2018, we now have a combined entity with cannabis assets spanning Las Vegas to Halifax. As an MCO, we not only have a wide breadth of operating perspective but also the ability to execute on cross-market opportunities within, and outside of, our current footprint.
- **We are deeply honored and privileged to be in a position to fundamentally support many local communities across North America.** Through our local hiring efforts in each of our markets we strive to source and train candidates to be part of our Company for the long-term. Historically, we were one of the original companies in the sector to offer health insurance to our employees (which was no small feat as a U.S.-based cannabis Company four years ago), and today we have a robust long-term incentive plan that extends stock ownership to our employee base. I am also most honored and proud of our work with First Nations in Canada through our special partnership with Bridging Finance Inc., led by Mr. David Sharpe, as we march forward to open First Nations-based cannabis facilities in 2019 and hire locally within each community.
- **Our efforts to build quality brands include the “regulated markets” and fast-growing CBD or “mass markets.”** Our global strategy currently bifurcates the world between the regulated cannabis markets and the CBD mass marketplace. The two markets continue to grow on somewhat separate paths, but we see a long-term opportunity to merge the markets together with specific brands, product sets and common innovation. Our branding efforts include the development of internally-generated brands, as well as major third-party brands that currently thrive in a single market but need a partner such as MJardin to help extend the brand equity across multiple markets through our proven and consistent production methods.
- **Technology development will continue to be a driving force for our sustainable growth plans.** Four years ago, we set out to create a robust enterprise resource system to power our vertically-integrated cannabis assets, given that a suitable off-the-shelf system did not exist – and still does not exist today – to functionally power businesses in our sector. Today, we have facility software and a suite of mobile applications to power our day-to-day operations as well as a robust training system to train, scale and promote our employee base. As we grow our Company and expand into new markets, we will continue to invest in our technology infrastructure and maintain its proprietary status.

For 2019, every member of the MJardin team is heads-down focused on executing our operating plan and fully-monetizing our existing portfolio of North American cannabis assets for cultivation, extraction and retail. We have a fully-staffed management team based in our two corporate offices (Denver and Toronto) who support our local “Market Presidents” to drive P&L and operating efficiencies each and every day. I am proud of the management team we have in place as I believe they are one of the most highly-accomplished group of individuals ever put together to lead a global cannabis company.

As we strive for operational excellence within our existing portfolio, we remain focused on inorganic growth opportunities. We have a distinct set of shareholders and founder-shareholders who consistently bring us insight and new opportunities. We will continue to stay disciplined to our investment criteria while ensuring that we are paying fair value for long-term future profitability. To this end, our experienced cannabis professionals will continue to work closely with our deal, financial and legal teams to ensure our acquisition due diligence is sound.

In closing, 2018 was a transformative year for the Company and provides a distinct lens for us to look back and appreciate the amount of progress we have made since our founders entered the industry 10 years ago. Looking forward, we remain steadfast in our strategic goals and feel confident in our ability to effectively execute and succeed in the ever-changing macro environment of our sector.

We sincerely thank the shareholders who continue to support our vision and growth philosophy, the employees who work tirelessly each day to make our Company bigger and better than the day before, and our key stakeholders who provide valuable advice and guidance as we expand the Company.

Rishi Gautam
Chairman & Chief Executive Officer
MJardin Group, Inc.

About MJardin Group

MJardin is a global cannabis management platform with extensive experience in cultivation, processing, distribution and retail. For over 10 years, MJardin has refined cultivation methodologies, developed state of the art facilities and implemented vertical integration for and on behalf of license owners. As a well-capitalized organization, MJardin continues to pursue strategic expansion and M&A opportunities across global legal cannabis markets. MJardin is based in Denver, Colorado, with offices in Toronto, Canada and Barcelona, Spain. For more information, please visit www.mjardin.com

The CSE has not in any way passed upon the merits of and has neither approved nor disapproved the contents of this news release.

Forward-Looking Information

This letter contains forward-looking information based on current expectations. Statements about, among other things, future developments and the business and operations of MJardin, 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. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Such factors include, but are 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 investment in. Although such statements are based on management’s reasonable assumptions at the date such statements are made, there can be no assurance that the proposed acquisition will occur and 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. MJardin assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

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