



Greenlane Renewables Announces Fiscal Year 2019 Financial Results

Vancouver, British Columbia, Canada – April 28, 2020 - Greenlane Renewables Inc. (“Greenlane” or the “Company”) (TSXV: GRN), today announced its financial results for the fourth quarter and year ended December 31, 2019. For further information on these results please see the Company’s Audited Consolidated Financial Statements and Management’s Discussion and Analysis filed on SEDAR at www.sedar.com. All amounts are in Canadian dollars unless otherwise stated and in accordance with IFRS.

On June 3, 2019, the Company successfully completed the acquisition of PT Biogas Holdings Limited (“PT Biogas”) as its qualifying transaction and changed its name to Greenlane Renewables Inc. For the period prior to June 3rd, reported results are solely for Creation Capital Corp., the capital pool company that had no operations except for the pursuit of an acquisition. For the period commencing on June 3rd, the reported results reflect the operating business of Greenlane (through PT Biogas), a leading global provider of biogas upgrading systems that create clean, low-carbon-footprint renewable natural gas (“RNG”), suitable for injection into the natural gas grid and for direct use as vehicle fuel.

Fourth Quarter Highlights Include:

- **Fourth quarter results:** Greenlane generated revenue of \$3.3 million, a gross profit of \$1.6 million or 49% of revenue, a net loss of \$1.0 million, and an Adjusted EBITDA loss of \$0.5 million*.
- **Contract win:** The Company was successful in securing an \$8.3 million biogas upgrading system supply contract with a customer in California for a landfill project.
- **Launch of the Integrated Biogas Alliance:** The Company, together with other founding members, announced the launch of an innovative global partnership amongst internationally-recognized technology companies, who have come together on a non-exclusive basis to provide the global biogas industry with a unique, fully integrated platform solution for turning virtually any organic waste into renewable energy and organic fertilizers.

Fiscal Year 2019 Highlights Include:

- **Financial results:** Greenlane generated revenue of \$9.1 million, and a gross profit of \$3.3 million or 36% of revenue, a net loss of \$5.1 million, and an Adjusted EBITDA loss of \$1.3 million*. The Company’s revenue was generated for the period commencing June 3, 2019 upon completion of its acquisition of PT Biogas. Had the acquisition of PT Biogas occurred on January 1, 2019, the Company would have reported revenue for the year of \$11.2 million (based on internal estimates).
- **Financing:** In May 2019, the Company successfully closed a private placement of 42 million subscription receipts at \$0.20 for gross proceeds of \$8.4 million.
- **Acquisition:** The Company successfully completed its qualifying transaction on June 3, 2019 by acquiring 100% ownership of PT Biogas from Pressure Technologies PLC.
- **New contract wins:** The Company was successful in securing \$14.4 million in new contracts in the period commencing June 3, 2019 and ending December 31, 2019.
- **Order backlog:** As at December 31, 2019, the Company reports a \$16.2 million order backlog, expected to be recognized in revenue through 2020 and beyond (see note 1

below), which represents a growth of over 50% from \$10.7 million recorded as at June 30th.

- **Substantial increase in sales pipeline:** Valued at over \$680 million as at December 31, 2019, representing an increase of over 50% from \$450 million as at January 1, 2019 (see note 2 below).

“In 2019, we created a foundation for the business by successfully launching operations as a public company with sufficient capital and added capacity to invest in our technologies and product lines and to expand our business model,” said Brad Douville, President and CEO of Greenlane. “In 2020, we’ve continued to grow our sales pipeline and have recently seen an increase in sales activity based on the premise that business partners and customers alike are working from home and increasing their focus on our existing and new proposals. Additionally, we’re gaining traction in our new build, own, operate initiatives, together with project equity partners, to scale our capacity to finance projects as we ramp up this new part of the business. In light of current pandemic-related market conditions, we have been fortunate to benefit from an asset-light business model that allows for operational flexibility and an outsourced supply chain. Furthermore, in February 2020, we completed an \$11.5 million financing thus strengthening our balance sheet, reducing our outstanding debt and allowing us to navigate potential impacts from market uncertainties.”

“RNG continues to build its reputation as a viable and attractive alternative to traditional natural gas. A recent example of this is the announcement that Southern California Gas Co. (SoCalGas), the largest gas distribution utility in the U.S., and other stakeholders have filed a proposed plan to offer RNG to customers that, after approval by the California Public Utilities Commission, would allow millions of California customers the option to purchase a portion or all of their natural gas from renewable sources. A 2018 study showed that replacing less than 20 percent of SoCalGas’ traditional natural gas supply with renewable natural gas by 2030 can achieve the same greenhouse gas reductions as converting all homes and commercial buildings to electric-only energy. Greenlane supplied the biogas upgrading system for the first commercial scale project to produce RNG within California to be introduced into SoCalGas’ pipeline system.”

As a reminder, the Company’s revenues are largely derived from a relatively small number of large biogas upgrader orders accounted for on a stage of completion basis over typically a nine to eighteen-month period. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG off-take and feedstock agreements. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. As a result, the Company’s revenue varies from month-to-month and quarter-to-quarter.

The Market Outlook

Management believes that the industry is at an inflection point. Internal estimates based on various market statistics and industry publications suggest that reaching 5% RNG content in the North American gas distribution network alone could represent approximately US\$18 billion in biogas upgrading equipment sales.

On a global scale, increasing demand for RNG is being driven by a universal desire to reduce greenhouse gas emissions, supportive government regulations and incentives, growing penetration in the transportation sector, and better efficiency than other renewable energy

resources. As a global leader in the biogas upgrading business, Greenlane expects to benefit from this trend.

NON-IFRS FINANCIAL MEASURES

Management evaluates the Company's performance using a variety of measures, including "order backlog", "sales pipeline", and "Adjusted EBITDA". The non-IFRS measures should not be considered as an alternative to or more meaningful than revenue or net loss. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS. The Company believes these non-IFRS financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company. Management uses these and other non-IFRS financial measures to exclude the impact of certain expenses and income that must be recognized under IFRS when analyzing consolidated underlying operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

* Reconciliation of net loss to Adjusted EBITDA loss

	Year ended December 31, 2019	Three months ended December 31, 2019
	\$ 000's	\$ 000's
Net loss before tax	(5,328)	(1,302)
Add back:		
Share based compensation	496	31
Depreciation and amortization	845	368
Finance expense	446	209
Change in fair value of Special Warrants	(194)	-
Foreign exchange loss	117	228
Transaction costs	2,270	7
Adjusted EBITDA Loss	(1,348)	(473)

Note 1 - Order backlog refers to the balance of unrecognized revenue from contracted projects, where such revenue is recognized over time as completion of the projects progress.

Note 2 - Greenlane maintains a pipeline of prospective projects that it updates regularly based on quote activity to ensure that it is reflective of sales opportunities that can convert into orders within approximately a rolling 24 month time horizon. Not all of these potential projects will proceed or proceed within the expected timeframe and not all of the projects that do proceed

will be awarded to Greenlane. Additions to the amount in the sales pipeline come from situations where the Company provides a quote on a prospective project and reductions to the sales pipeline arise when the Company loses a prospective project to a competitor, a project does not proceed or, where a quote in the pipeline is converted to Greenlane's active order book.

As noted above, all filings related to the fourth quarter ended December 31, 2019 are available on SEDAR at www.sedar.com.

About Greenlane Renewables

Greenlane is cleaning up the two largest and most difficult-to-decarbonize sectors of the global energy system: the natural gas grid and the transportation sector. As a leading global provider of biogas upgrading systems, Greenlane's solutions create clean, low-carbon-footprint renewable natural gas (RNG), suitable for injection into the natural gas grid and for direct use as vehicle fuel. Our systems, marketed and sold under the Greenlane Biogas™ brand, remove impurities and separate carbon dioxide from biomethane in the raw biogas created from organic waste at landfills, wastewater treatment plants, farms and food waste facilities. With multiple core technologies, more than 100 installations in 18 countries and counting, and 30+ years' experience, Greenlane finds the right solution, whatever the specific project requirements. Whether we're working with waste producers, gas utilities, or project developers, we're doing more with biogas, helping to turn a low-value product into a high-value renewable resource. For further information, please visit www.greenlanerenewables.com.

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FORWARD-LOOKING INFORMATION – This news release contains “forward-looking information” within the meaning of applicable securities laws. All statements contained herein that are not historical in nature contain forward-looking information. Forward-looking information can be identified by words or phrases such as “may”, “expect”, “likely”, “should”, “would”, “plan”, “anticipate”, “intend”, “potential”, “proposed”, “estimate”, “believe” or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen. The forward-looking information contained in this press release, includes, but is not limited to, the order backlog expected to be recognized in revenue through 2020 and beyond, the sales pipeline, the achievement of greenhouse gas reductions through the supply of renewable natural gas, the timing of new contract awards, the market outlook, and the Company benefiting from the trend in RNG demand increases. The forward-looking information contained herein is made as of the date of this press release and is based on assumptions management believed to be reasonable at the time such statements were made, including management's perceptions of future growth, results of operations, operational matters, historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While we consider these assumptions to be reasonable based on information currently available to management, there is no assurance that such expectations will prove to be correct. By their nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this press release. Such factors include, without limitation: risks relating to order backlog being recognized in revenue, the sales pipeline resulting in orders, the achievement of greenhouse gas reductions through the supply of RNG, the awarding of new contracts, the market performing as expected by management, the Company benefiting from the increasing demand for RNG. Additional risk factors can also be found in the Company's Annual Information Form, which has been filed under the Company's SEDAR profile at www.sedar.com. Readers are cautioned not to put undue reliance on forward-looking information. The Company undertakes no obligation to update or revise

any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

FINANCIAL OUTLOOK INFORMATION – This news release contains “financial outlook information” regarding Greenlane’s prospective revenue and results, which is subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above. Revenue and other estimates contained in this news release were made by Greenlane management as of the date of this news release and are provided for the purpose of describing anticipated changes and are not an estimate of profitability or any other measure of financial performance. Investors are cautioned that the financial outlook information contained in this news release should not be used for purposes other than for which it is disclosed herein. The Company undertakes no obligation to update or revise any financial outlook information, except as required by applicable law. Financial outlook information contained in this news release are expressly qualified by this cautionary statement.

THE COMPANY QUALIFIES ALL THE FORWARD LOOKING STATEMENTS AND FINANCIAL OUTLOOK INFORMATION CONTAINED IN THIS NEWS RELEASE BY THE FOREGOING CAUTIONARY STATEMENTS.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.