



Greenlane Renewables Announces First Quarter 2021 Financial Results

~Company delivers 3rd consecutive record revenue quarter with growth of over 300% in Q1 2021 over same period last year and 2nd consecutive quarter of positive Adjusted EBITDA~

Vancouver, British Columbia, Canada – May 12, 2021 Greenlane Renewables Inc. (“Greenlane” or the “Company”) (TSX: GRN / FSE: 52G / OTC: GRNWF), today announced financial results for the first quarter ended March 31, 2021. For further information on these results please see the Company’s Condensed Consolidated Interim 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.

First Quarter Highlights Include:

- Record revenue of \$12.2 million, an increase of 317% over the \$2.9 million reported in the first quarter of 2020.
- Gross margin¹ of \$3.3 million (27% of revenue).
- Adjusted EBITDA of \$0.6 million².
- Net loss of \$0.2 million (or \$0.00 per share).
- Sales order backlog³ of \$37.7 million as at March 31, 2021.
- Sales pipeline⁴, valued at over \$715 million as at March 31, 2021.
- The Company increased its cash balance with a \$26.5 million bought deal offering.
- The Company further strengthened its balance sheet through the early repayment in full, including principal and interest, of its outstanding promissory note in the amount of \$6.0 million using funds received from the exercise of warrants.
- The Company successfully graduated to the TSX Exchange from the TSX Venture Exchange.
- The Company was recognized as the top performing TSX Venture Exchange listed company during calendar year 2020 in the Clean Technology and Life Sciences sector.
- The Company announced new contract wins totalling \$3.6 million in the quarter including supply of a membrane separation biogas upgrading system for a project in the Midwest United States to produce renewable natural gas (“RNG”) from dairy operations, and a pressure swing adsorption biogas upgrading system for a project in Brazil, the fifth contract win in the country for Greenlane.

“The first quarter record results set another milestone for Greenlane as we continue to rapidly scale up to meet the fast growing demand for RNG. The company delivered its third consecutive quarter of record revenue and second consecutive quarter of positive Adjusted EBITDA,” said Brad Douville, President and CEO of Greenlane. “Since the first quarter of 2020, Greenlane has increased quarterly revenue on average by over 40%, which is indicative of the strength of our sales pipeline, our ability to convert more prospects into signed contracts then deliver against them, and the overall growth of the global RNG market.”

“In 2020, our revenues grew 100% over 2019. To maintain this level of annual growth trajectory, we will focus on adding further contract wins from our sales pipeline to our sales order backlog. Year to date in 2021, we’ve been winning contracts across multiple geographies and technologies, have announced \$6.2 million in new contracts in the first month of Q2, and see the potential for further near term conversion of sales pipeline opportunities.”

“Greenlane is in an enviable financial position as we exited the first quarter with over \$37 million in cash on our balance sheet and no debt. Our strong liquidity provides us with the opportunity to develop and invest in new RNG projects, pursue strategic growth initiatives, and further invest in product enhancements. On a strategic front related to our build, own and operate model, in Europe we continue to pursue upgrading-as-a-service opportunities whereas in North America our focus is to address a scarcity of project development capital in the market. The company intends to deploy specialized development capital in the North American market where it can be helpful to accelerate projects to the ready-for-construction phase.”

Greenlane continually updates its pipeline of active system sales opportunities, which at March 31, 2021 was approximately \$715 million. The sales pipeline represents visibility to a significant number of opportunities that will funnel down, through our sales process, and move into our sales order backlog once successfully converted into contract wins. The Company’s sales order backlog³ of \$37.7 million as at March 31, 2021 is a snapshot in time which varies from quarter end to quarter end. The sales order backlog increases by the value of new system sales contracts and is drawn down over time as projects progress towards completion with amounts recognized in revenue. The Company’s gross margin in the quarter was 27% (\$3.3 million). Going forward, gross margin is expected to continue to be in the range of 25% to 30% on an annual basis.

The Market Outlook

Earth Day was celebrated on April 22, which saw leaders across the globe declare commitments to curb greenhouse gas emissions. The Biden administration in the U.S. vowed to reduce emissions in that country by at least 50% by 2030, while Canada announced an emissions reduction target of 40 to 45% by 2030. In the U.K., a 78 percent reduction in greenhouse gas emissions by 2035 will be set into law this year. Every quarter we continue to see the decarbonization movement gain momentum, and RNG will play an ever more meaningful role as its impact on reducing net carbon emissions is proven and available today.

Southern California Gas Company (“SoCalGas”), the largest gas distribution utility in the United States, set a bold net zero emissions commitment to achieving net zero greenhouse gas (GHG) emissions by 2045. This commitment aligns with the Paris Climate Agreement and demonstrates the foundational role of gas infrastructure in advancing California’s carbon neutral economy. SoCalGas has long been an advocate of RNG, and this recent announcement by the utility incorporates the delivery of increasing amounts of carbon-negative RNG. Recently, Enbridge, one of the leading energy infrastructure companies in North America and the largest natural gas utility in North America by volume, announced a partnership focused on developing RNG projects across Canada targeting the tremendous potential of converting landfill waste gas into clean RNG for direct injection into local gas networks. As a geography, Canada has over 10,000 landfill sites that account for 20 percent of our country’s methane emissions - today only one third of those emissions are captured.

Conference Call

The public is invited to listen to the conference call in real time by telephone at 2 pm PT (5 pm ET) today, May 12th. To access the conference call by telephone, please dial: 1-800-319-4610 (Canada & USA toll-free) or 604-638-5340. Callers should dial in 5-10 minutes prior to the scheduled start time and ask to join the Greenlane Renewables conference call.

Shortly after the conference call, the replay will be archived on the Greenlane Renewables website and replay will be available in streaming audio and a downloadable MP3 file.

NON-IFRS FINANCIAL MEASURES

Management evaluates the Company's performance using a variety of measures, including "Adjusted EBITDA", "gross margin (excluding amortization)", "sales pipeline" and "sales order backlog". 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-GAAP 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.

Note 1 - Gross margin does not include amortization

Note 2 - Reconciliation of net loss to Adjusted EBITDA:

	Three months ended March 31, 2021 \$000's	Three months ended March 31, 2020 \$000's
Net loss	(230)	(1,093)
Add back:		
Share based compensation	175	22
Depreciation and amortization	390	380
Finance expense	59	166
Other income	(209)	-
Foreign exchange (gain) loss	419	(144)
Other adjustments - bonus accrual	-	(161)
Adjusted EBITDA Income (Loss)	604	(830)

Note 3 - Sales order backlog refers to the balance of unrecognized revenue from contracted projects. The sales order backlog increases by the value of new system sales contracts and is drawn down over time as projects progress towards completion with amounts recognized in revenue (by reference to the stage of completion of each contract).

Note 4 - Greenlane maintains a sales 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 sales order backlog.

All filings related to the first quarter ended March 31, 2021 are available on SEDAR at www.sedar.com.

About Greenlane Renewables

Greenlane Renewables is a leading global provider of biogas upgrading systems that are helping decarbonize natural gas. Our systems produce clean, low-carbon and carbon-negative renewable natural gas from organic waste sources including landfills, wastewater treatment plants, dairy farms, and food waste, suitable for either injection into the natural gas grid or for direct use as vehicle fuel. Greenlane is the only biogas upgrading company offering the three main technologies: waterwash, pressure swing adsorption, and membrane separation. With over 30 years industry experience, patented proprietary technology, and over 125 biogas upgrading systems sold into 19 countries worldwide, including the world's largest biogas upgrading facility, Greenlane is inspired by a commitment to helping waste producers, gas utilities or project developers turn a low-value product into a high-value low-carbon renewable resource. For further information, please visit www.greenlanerenewables.com.

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Forward Looking Information Advisory – 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: Greenlane's increased quarterly revenue in the first quarter of 2021 being indicative of the strength of its sales pipeline, its ability to convert more prospects into signed contracts, then deliver against them, and the overall growth of the global RNG market; adding further contract wins from the sales order pipeline to the sales order backlog to maintain an annual growth trajectory of 100% revenue growth year over year; the potential for further near term conversion of sales pipeline opportunities; the opportunity to develop and invest in new RNG projects, pursue strategic growth initiatives and further invest in product enhancements; deploy specialized development capital to accelerate projects to the ready-for-construction phase; management's belief that the sales pipeline represents visibility to a significant number of opportunities that will funnel down, through the sales process, and move into the sales order backlog; successful conversion of the sales order backlog into contract wins; management's anticipation that the going forward gross margin will be in the range of 25-30% on an annual basis; emissions reductions in the U.S. of at least 50% by 2030, in Canada, a target of 40-45% by 2030, and in the UK change in the law to require a 78% reduction by 2035; the momentum in the decarbonization movement; the role RNG will play in reducing net carbon emissions; the net zero emissions targets set by Southern California Gas Company and their advocacy of RNG; Enbridge's intention to develop RNG projects across Canada; the number of landfill sites in Canada that account for 20% of Canada's

methane emissions and the amount of methane currently being captured. The forward-looking information contained herein is made as of the date of this press release and is based on assumptions management believes 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 management considers 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 Greenlane's 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 Greenlane's financial performance in 2021, Greenlane having a role in economies working towards combating climate change, large oil and gas producers not investing in the RNG industry as expected, RNG not impacting the transportation sector and gas grid as expected, Greenlane's market outlook, Greenlane's market share of the RNG value chain, Greenlane's role as a leading biogas upgrading and project development solutions provider, US RNG production facilities not having the strong capacity growth expected; the transportation sector not focusing on low carbon fuel sources as anticipated, large oil and gas producers not aiming to reduce their net carbon intensity as anticipated, Greenlane's order backlog not being recognized in revenue and Greenlane's sales pipeline not resulting in orders. Additional risk factors can also be found in the Company's Management Discussion and Analysis and in its Annual Information Form, which have 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's revenues are largely derived from a relatively small number of 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 contracts contain termination provisions that allow the customer to terminate with no penalty or with minimum prescribed threshold payments based on the length of time since the contract was entered into. Some projects have built-in pause periods to allow customers to complete concurrent activities such as civil work. As a result, the Company's revenue varies from month to month and quarter-to-quarter. **THE COMPANY QUALIFIES ALL THE FORWARD LOOKING STATEMENTS AND FINANCIAL OUTLOOK INFORMATION CONTAINED IN THIS NEWS RELEASE BY THE FOREGOING CAUTIONARY STATEMENTS.**

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