



Greenlane Renewables Announces Third Quarter 2021 Financial Results

~Company delivers fifth consecutive quarter of record revenue with over 100% year-over-year growth and a record sales order backlog~

Vancouver, British Columbia, Canada – November 9, 2021 Greenlane Renewables Inc. (“Greenlane” or the “Company”) (TSX: GRN / FSE: 52G / OTC: GRNWF) today announced financial results for the third quarter ended September 30, 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.

Third Quarter Highlights Include:

- Record revenue of \$13.4 million, an increase of 107% over the \$6.5 million reported in the third quarter of 2020.
- Gross profit of \$3.1 million, gross margin (gross profit excluding amortization) of \$3.4 million (25% of revenue).
- Net income of \$0.1 million.
- Adjusted EBITDA of \$0.1 million¹.
- Record sales order backlog² of \$47.1 million as at September 30, 2021.
- Sales pipeline³ valued at over \$850 million as at September 30, 2021.
- Cash and cash equivalents of \$35.6 million and no debt, other than payables and bonding resulting from normal course operations, as at September 30, 2021.
- The Company announced new contract wins totalling \$18.9 million for the supply of five biogas upgrading systems: the first for the supply of a new membrane separation biogas upgrading system for a project owned by an international energy company in the United States, followed by the supply of two PSA biogas upgrading systems for dairy farm RNG projects in the States of Wisconsin and New York developed and owned by a proven leader in the waste-to-energy industry, and finally a contract for the supply of two PSA upgrading systems for Green Impact Partners in the State of Colorado. Order fulfilment on all five systems commenced immediately upon contract signing.

“As global leaders, scientists, financiers, and negotiators descended on Glasgow Scotland for the COP26 UN Climate Change Conference starting last week to hammer out solutions, the need to accelerate decarbonization and hasten the energy transition to renewables could not be more apparent. There is a growing recognition that there is no net zero without biogas and as much RNG as can be produced is needed. With these supportive fundamentals, Greenlane’s growth has continued as the company delivered a fifth consecutive record revenue quarter exceeding 100% year-over-year growth and a record sales order backlog,” said Brad Douville, President and CEO of Greenlane. “Additionally, the company delivered a fourth consecutive quarter of positive adjusted EBITDA, which was against a backdrop of tightening labour markets and supply chain disruptions globally.”

“Our sales pipeline continues to grow, which is a reflection of the ongoing expansion of the RNG industry and the increasing urgency to decarbonize global energy systems through immediate and proven technologies. Momentum continues to gather behind RNG as an attractive low-carbon and carbon-negative solution to displace diesel fuel in heavy duty trucks and marine

vessels and fossil natural gas in distribution networks fueling homes, businesses and factories. Greenlane is solely focused on an RNG market that is rapidly expanding. Our expertise as the only global provider of the three main biogas upgrading technologies provides us with the unique ability to meet the needs of biogas projects around the world, no matter the size, feedstock type, or pipeline injection specification. We are confident with our competitive position and are excited about the path ahead.”

Greenlane continually updates its pipeline of active system sales opportunities, which at September 30, 2021 was over \$850 million. The sales pipeline represents visibility to a significant number of opportunities that funnel down through our sales process, and those opportunities successfully converted into contract wins move into our sales order backlog. The Company’s sales order backlog² of \$47.1 million as at September 30, 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 25% (\$3.4 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

Out of the COP26 UN Climate Change conference in Glasgow last week, came a milestone announcement which highlights the commitment of world leaders to influence change and reduce the carbon footprint of the global community. More than 100 countries representing 70% of global GDP, signed the Global Methane Pledge to collectively reduce methane emissions by 30% by 2030 from 2020 levels. Methane is one of the main causes of climate change and reducing emissions is one of the fastest methods of effecting positive change, for example by capturing methane containing biogas from landfills and other sources of biomass and upgrading it to valuable RNG before it can escape into the environment.

Another important outcome from COP26 was the announcement that over \$130 trillion of private finance is now committed to science-based net zero targets and near term milestones, through The Glasgow Financial Alliance for Net Zero, led by former Bank of England governor Mark Carney. Analysis, commissioned by the UN High Level Climate Action Champions, finds that the private sector could deliver 70% of total investments needed to meet net zero goals.

We continue to see increasing activity in RNG from the global energy supermajors. Chevron announced in September a tripling of its investment to \$10 billion to reduce its carbon emissions footprint through 2028, including \$3 billion earmarked for renewable fuels. Chevron has also announced the creation of a joint venture with Mercuria Energy Trading, one of the world’s largest independent energy traders, to own and operate a network of 60 compressed natural gas (CNG) stations across the US. The creation of this joint venture will allow Chevron to rapidly grow its renewable natural gas value chain, complementing its previously announced plan to open more than 30 Chevron-branded CNG stations by 2025 as the company seeks to increase its RNG volumes tenfold by 2025.

Shell recently announced that it is now producing RNG from its first biomethane facility in the U.S., as the company grows its portfolio of low carbon-intensity fuels for use in heavy duty transportation. Shell is also developing additional RNG production facilities to be located directly within operating dairies. Shell Downstream Galloway at the High Plains Ponderosa Dairy in Kansas and Shell Downstream Bovarius at the Bettencourt Dairies in Idaho are part of this

expanding portfolio using cow manure as feedstock. Together, these two facilities can produce approximately 900,000 MMBtu a year of negative carbon intensity RNG.

Repsol, the large Spanish integrated energy company, has produced renewable hydrogen using biomethane as a raw material for the first time, obtained from urban solid waste. Repsol is replacing conventional natural gas with biomethane of sustainable origin to produce renewable hydrogen in its industrial complexes, therefore decarbonising its processes and products.

Seaspan Ferries became the first Canadian marine company to pilot the use of RNG to reduce greenhouse gas emissions produced by its roll-on, roll-off LNG-powered marine fleet. Seaspan anticipates that by using RNG, greenhouse gas emissions can be reduced by upwards of 85 per cent versus traditional diesel fuel. Using RNG for marine LNG has the potential to be an emissions game changer for the sector and is yet another example of how renewable gas development is transforming natural gas infrastructure into a delivery system for carbon neutral energy.

In Brazil, Petrobras signed a Cooperation Agreement with ZEG Biogas for the joint development of the biomethane market in the country. The objective is to promote the growth of the biomethane market in Brazil, providing producers with technological solutions for the manufacture of biomethane from by-products that originate from the production of ethanol. The company believes that the potential market for the product in Brazil is over 10 billion cubic meters per year, which is equivalent to one third of the current demand for natural gas in the country.

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, November 9th. To access the conference call by telephone, please dial: 1-855-327-6838 (Canada & USA toll-free) or 604-235-2082. 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" (gross profit 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 - Reconciliation of net loss to Adjusted EBITDA:

	Three months ended September 30, 2021 \$000's	Three months ended September 30, 2020 \$000's
Net income	52	743
Add back:		
Share based compensation	295	152
Depreciation and amortization	396	383
Finance expense	9	101
Other income	-	(1,777)
Foreign exchange (gain) loss	(669)	199
Other adjustments - bonus accrual	-	(161)
Adjusted EBITDA Income (Loss)	83	(360)

Note 2 - 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 3 - 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 third quarter ended September 30, 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 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”, “continues to”, or “continually” 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 third quarter of 2021 being indicative of future growth in revenue, that there will be progress of new opportunities and future growth, the state of the “sales pipeline” and the ability of the Company to convert opportunities into signed contracts, then deliver against them, including that the sales order backlog will be drawn down as the Company advances and completes projects to realize revenue, the overall growth of the global RNG market, that natural gas utilities will proceed with announced initiatives and projects, that regulatory changes will have a positive impact and support growth in the RNG industry; the ability of the Company to pursue strategic growth initiatives and further invest in product enhancements; 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; management’s anticipation that the going forward gross margin will be in the range of 25-30% on an annual basis; management’s expectations and beliefs regarding its ability to maintaining its competitive position going forward. 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, the state of competition in the RNG industry and competitors’ capabilities, that natural gas utilities will proceed with announced initiatives and projects, that regulations enacted will have beneficial effects, 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 may not be able to convert sales opportunities into contracts as expected, Greenlane may face impediments in delivering and advancing projects to be able to timely realize revenue reducing the sales backlog, 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 initiatives and projects of natural gas utilities being changed, delayed or cancelled, RNG not impacting the transportation sector and gas grid as expected, Greenlane’s market outlook, Greenlane’s market share of the RNG value chain, the state of competition in the RNG industry, Greenlane’s position 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, and large oil and gas producers not aiming to reduce their net carbon intensity as anticipated. Additional risk factors can also be found in the Company’s Management Discussion and Analysis, its Annual Information Form and in its base shelf prospectus dated June 24, 2021, all of 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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