



## **Greenlane Renewables to Acquire Airdep, a Leading Italian Provider of Biogas Desulfurization and Air Deodorization Products**

*~Greenlane to bring technology in-house to further strengthen its portfolio of fully integrated biogas upgrading systems that produce Renewable Natural Gas~*

**Vancouver, British Columbia, Canada – December 15, 2021** Greenlane Renewables Inc. (“Greenlane”) (TSX: GRN / FSE: 52G) today announced that it has entered into a definitive agreement to acquire Airdep S.R.L. (“Airdep”). Founded in 2011, Airdep is a provider of biogas desulfurization and air deodorization products based in Vicenza, Italy. All amounts are in Canadian dollars unless otherwise stated.

The acquisition of Airdep will bring in-house an effective and proven technology to remove hydrogen sulfide (H<sub>2</sub>S) from biogas for integration with Greenlane’s portfolio of biogas upgrading systems that produce low-carbon and carbon-negative renewable natural gas (“RNG”). It will also add an attractive line of products for sales into existing and new biogas projects globally, independent of the full biogas upgrading system. Over the last ten years since its founding, Airdep has deployed over 100 H<sub>2</sub>S treatment systems that use a proprietary liquid reagent media for removal of H<sub>2</sub>S in biogas. The liquid media is regenerated and recirculated within the process to minimize operating costs. The Airdep system offers lower capital and operating costs than competing methods, and is especially compelling for use in higher flow, higher H<sub>2</sub>S concentration applications. Airdep has a history of generating profits with expected 2021 revenue of approximately \$5M (unaudited). In addition to H<sub>2</sub>S treatment products, sales of which have generated the bulk of Airdep’s revenue, Airdep also offers an extensive line of air deodorization products.

“Every biogas to RNG project requires H<sub>2</sub>S treatment. The addition of Airdep’s proven technology to our industry-leading biogas upgrading solutions enables us to bring even more value to customers,” said Brad Douville, President and CEO of Greenlane. “Our search for the best commercially available H<sub>2</sub>S treatment technologies, particularly for higher flow, higher H<sub>2</sub>S concentration applications, led us to Airdep. We believe the price-performance of its products is compelling and will expand their use across a broader set of applications. Airdep has demonstrated success through strong revenue growth, but so far that growth has largely been in its Italian home market, which currently accounts for 90% of its revenue. We see a real, substantial and untapped opportunity to expand the geographic scope of sales of these products to the rest of Europe, to North and South America and to the rest of the world. The acquisition also gives us a solid footprint in Italy, one of the most dynamic RNG markets, creating new opportunities for sales of our biogas upgrading systems in the region.”

“We are excited to become a part of the Greenlane Renewables organization,” stated Andrea Valerio, founder and sole owner of Airdep. “Greenlane’s technical capability and global reach will together allow us to enhance and develop innovative new products for our existing customers and allow us to expand into global markets and serve new customers.”

Mr. Valerio will continue his leadership of Airdep as Managing Director upon the closing of the transaction. “Andrea Valerio has built an outstanding company that will enhance Greenlane’s global offerings. We welcome Mr. Valerio to the Greenlane family and we look forward to combining forces for future success,” said Brad Douville.

Through the acquisition, Greenlane expects to further strengthen its price competitiveness and margins by insourcing a technology that it would otherwise procure to integrate into its biogas upgrading systems. In addition, Greenlane can expand its scope of supply and increase its revenue in projects where customers would otherwise purchase the H<sub>2</sub>S systems directly from others.

Consideration for the acquisition of Airdep S.R.L. will be comprised of \$8M (€5.5M) in cash payable on closing and \$1.4M (€1.0M) in Greenlane shares issuable in equal tranches over the following 4 quarters, with additional contingent earn-out consideration of up to \$3.6M (€2.5M). The earn-out will be calculated, and if thresholds are met, become payable in early 2025 based on future company financial performance and will be payable in cash, or a combination of cash and Greenlane shares, at Greenlane's option. The total maximum consideration for the acquisition is \$13M (€9M).

Closing of the acquisition is anticipated in January, 2022 and is subject to customary closing conditions, including TSX approval in respect of the issuance of share consideration.

### **About Airdep S.R.L.**

Founded in 2011, Airdep S.R.L is a successful, privately-owned company located in Vicenza, Italy that has developed a commercially-proven pre-treatment technology for biogas desulphurization as well as deodorization products. For more information please visit [www.airdep.eu](http://www.airdep.eu).

### **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](http://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”, “will”, “expect”, “likely”, “should”, “would”, “plan”, “anticipate”, “intend”, “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. In particular, this news release contains forward-looking statements respecting the Company’s plans to acquire Airdep S.R.L and the anticipated benefits of acquiring its technologies including that the Company will be able to enhance its global offerings and expand sales globally, that Airdep’s expected revenues for 2021 will be approximately \$5M, that the Company will be able to enhance and develop innovative new products and serve new customers, that the acquisition will further strengthen the Company’s price competitiveness and margins, and that the

acquisition will close in January, 2022. 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 assessment and beliefs respecting Airdep's expected revenue, the benefits and efficacy of Airdep's products and the Company's ability to expand global sales including respecting Airdep's products, that conditions to closing, including TSX approval will be met and that closing will occur within the anticipated time frame, perceptions of future growth and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. In addition, the actual final amount of Airdep's revenues for 2021 may vary from expectation due to the stage of completion of projects at December 31, 2021 and may be subject to adjustments for IFRS compliance. 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 the Company's control, could cause actual results to differ materially from the forward-looking information in this press release. Such factors include, without limitation, risks identified in the Company's annual information form, which has been filed under the Company's SEDAR profile at [www.sedar.com](http://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.