



EARTHRENEW CLOSES ACQUISITION OF REPLENISH NUTRIENTS LTD.

Toronto, May 12, 2021 (GlobeNewswire) — EarthRenew Inc. (“EarthRenew” or the “Company”) (CSE: EARTH; OTCQB: VVIVF) is pleased to announce that, further to its press release dated May 4, 2021, it has closed the acquisition of Replenish Nutrients Ltd. (“**Replenish**”), a privately held regenerative fertilizer company located in Okotoks, Alberta.

Transaction

Effective May 1, 2021, the securityholders of Replenish (the “**Vendors**”) and EarthRenew entered into a private acquisition agreement (the “**Agreement**”) whereby EarthRenew acquired all of the issued and outstanding securities of Replenish from the securityholders (the “**Transaction**”) at a price of approximately \$9 million (subject to certain adjustments for working capital and indebtedness outstanding on the completion date of the Transaction), payable as \$1.41 million in cash and a total of 21,264,093 common shares of EarthRenew at a deemed price of \$0.248 per EarthRenew common share. Such consideration includes amounts to satisfy approximately \$2.8 million of loans owed by Replenish to certain Vendors.

As additional consideration, the Company agreed to pay to certain of the Vendors:

- ongoing earn-out payments totalling an aggregate of up to \$7 million based on qualifying gross annual revenue of Replenish multiplied by an earn-out factor for each of its 12-month fiscal periods ending June 30, 2025 payable by a combination of cash payments and the issuance of common shares of EarthRenew (the “**EarthRenew Shares**”), provided such Vendors continue to be bound by consulting or employment agreements entered into with the Company; and
- supplemental earn-out payments of an aggregate amount of up to \$2 million based on certain sales parameters, which shall be payable by a combination of cash payments and the issuance of EarthRenew Shares and evidenced by promissory notes that have been issued to such Vendors.

In addition, the Vendors shall be entitled to nominate three individuals for election to EarthRenew’s board of directors at its annual general meeting held each year for so long as the Vendors collectively hold at least 10% of the issued and outstanding EarthRenew Shares.

The EarthRenew Shares issued to the Vendors are subject to a four month hold period expiring on September 11, 2021 and, on a monthly basis, each Vendor is restricted to disposing of that number of EarthRenew Shares equal to such Vendor’s proportionate ownership of the EarthRenew Shares issued to all Vendors pursuant to the Transaction multiplied by 20% of the average monthly trading volume of EarthRenew Shares on the Canadian Securities Exchange (“**CSE**”) for the 3 months preceding the month in which the disposition is made.

The Transaction was an arm’s length transaction for the purposes of the policies of the CSE. EarthRenew did not paying any finder’s fees in connection with the Transaction.

Keith Driver, EarthRenew’s President and CEO, commented:

“We are very pleased to be able to announce the close of this transaction and to move forward with our ambitious plans to grow our newly combined entity. It is the beginning of a new phase for EarthRenew where we plan to significantly scale our production capacity by 10X by expanding by product, volume and geography and transitioning to a cashflow positive business.”



About Replenish

Replenish strives to uproot the traditional farming mindset to help producers become more profitable and to provide them with greater control over their production system. Replenish develops innovative soil health products and uniquely combines existing ingredients to offer a complete array of solutions to address regenerative and conventional soil conditions. The company's website can be found at www.ReplenishNutrients.com.

About EarthRenew

EarthRenew's mission is to support a farm system that puts healthy soils and grower profitability back on the table. Using circular economic principles of upcycling waste products into high-value agronomic inputs, we are building an innovative platform of soil health products to establish EarthRenew as a key player in the regenerative agriculture space. We strive to be a driving part of this movement by offering growers natural fertilizer alternatives that feed the soil to strengthen the earth's ability to restore itself while growing healthy plants. EarthRenew benefits from multiple revenue streams including, primarily, the sale of regenerative fertilizers, but also enjoys secondary revenue from generating power and selling surplus electricity.

For further information, please visit our website at www.earthrenew.ca or contact:

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Cautionary Note Regarding Forward-looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to: the Company's ability to integrate Replenish into its business, the anticipated benefits of the Transaction, including significantly expanded production capacity, the ability of Replenish to achieve the earn-out targets set out in the Agreement, the business and operations of the Company, the proposed synergies among EarthRenew and Replenish, and the Company's ability to execute its business plan. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; regulatory risks; and other risks of the energy and fertilizer industries. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.



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