

Greenlane Renewables Announces Second Quarter Financial Results

BURNABY, British Columbia--(BUSINESS WIRE)--August 29, 2019--Greenlane Renewables Inc. (“**Greenlane**” or the “**Company**”) (TSXV: GRN) today announced its interim financial results for the second quarter ended June 30, 2019. These are the first financial results reported by the Company since successfully completing its qualifying transaction on June 3rd, 2019. Prior to June 3rd, results are solely for Creation Capital Corp., the capital pool corporation (“CPC”) that had no operations except for the pursuit of an acquisition. However, from June 3rd onward the financial results reflect the operating business of Greenlane. All financial figures are in Canadian dollars.

Second Quarter Highlights Include:

- Cash balance at quarter end \$4.0 million
- Announced on June 25, 2019, a \$3.4 million biogas upgrading contract to provide its water-wash technology solution for a municipal wastewater treatment facility in the Metro Vancouver region of British Columbia, Canada
- Announced subsequent to quarter end on July 2nd, 2019, a \$2.7 million biogas upgrading contract with the Metropolitan Wastewater Management Commission serving the Eugene - Springfield metropolitan area in Lane County, Oregon, USA
- Order backlog* of \$10.7 million at June 30th (increased by 25% to \$13.4 million on July 2nd) compared with \$10.6 million at December 31st
- Sales pipeline** value of over \$600 million as at June 30th, representing an increase of 33% from approximately \$450 million on January 1, 2019
- Revenue of \$0.9 million (for 27 day period beginning June 3rd, 2019)
- Gross margin contribution of \$0.4 million (for the 27 day period beginning June 3rd, 2019)
- Adjusted EBITDA loss of \$0.2 million, a non-IFRS financial measure (see note below)
- Operating loss of \$0.3 million
- Net loss of \$2.1 million, of which \$1.8 million is issuance cost of, and fair value adjustments to, the Special Warrant units under the qualifying transaction private placement, and other non-operating expenses

“We are excited to have successfully launched as a public company this quarter,” said Brad Douville, President and CEO of Greenlane Renewables. “With this transaction now complete, we’re focused on continuing to build Greenlane’s foundation including our team, industry presence and sales activities in preparation for the next phase of growth including launching our build, own, operate business model to add new recurring revenue and profits to the business as the market for RNG rapidly emerges.”

The Company encourages readers of this press release and the associated financial statements and MD&A to keep in mind the discussion of the Company’s business as articulated in the prospectus dated July 31st, 2019. The Company’s revenues are largely derived from a relatively small number of large biogas upgrader orders accounted for on a percentage 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 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. For instance, from January 1, 2019 to June 2, 2019, had the CPC acquisition transaction occurred on January 1st, 2019, the Company would have recorded revenue of \$2.0 million (based on internal estimates). In the following 27 days – June 3, 2019 to June 30, 2019, revenue was \$0.9 million, or 45% of the revenue for the preceding 5 months.

Revenue Outlook

With a strong order backlog for the remainder of 2019, the majority of the Company's expected revenue for the year should fall in the back half of 2019. Based on the timing and delivery of equipment for existing orders and the expected receipt and related timing of new orders, the Company expects between \$17 million and \$22 million in annualized revenue assuming the CPC acquisition transaction occurred January 1st, 2019.

The Market Outlook

Management believes that the industry is at an inflection point. According to the Global Biogas Upgrading Market Outlook, biogas upgrading sales are forecasted to grow at a minimum 30% CAGR over the next 5 years in North America and Europe. Internal estimates based on various market statistics and industry publications suggest that reaching 5% renewable natural gas (RNG) content to the North American gas distribution network alone would be approximately US\$18 billion in biogas upgrading equipment sales.

Furthermore, the pace of industry and government announcements continues to accelerate. For example on July 31st a Bill was signed in Oregon targeting 15% of the State's natural gas pipeline system to be RNG by 2030, and 30% by 2050. Greenlane currently has 50% market share of the projects either operating or under construction in the State of Oregon. In addition, in March, Southern California Gas Co. (SoCalGas) announced a commitment to 5% of their network to be RNG by 2022, and 20% by 2030. The first RNG produced within California and introduced into the SoCalGas' pipeline system occurred in July 2018 and was generated using a Greenlane supplied biogas upgrading system.

NON-IFRS FINANCIAL MEASURES

Management evaluates the Company's performance using a variety of measures, including "operating profit" 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-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.

* Order backlog refers to sales contracts that will be recognized typically over 9 to 18 months as completion of the projects progress.

** Sales pipeline is defined as prospective projects that can convert into orders within approximately 24 months. 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.

All filings related to the second quarter ended June 30, 2019 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 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 to offer the three main technologies; water wash, pressure swing adsorption, and membrane separation. With over 30 years industry experience, patented and proprietary technology, and over 100 biogas upgrading units supplied into 18 countries worldwide, including the world's first and second largest biogas upgrading facilities, Greenlane is inspired by a commitment to helping waste producers improve their environmental impact, green credentials, and bottom line. For further information, please visit www.greelanerenewables.com.

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 biogas upgrading contracts to provide water wash technology and other solutions, the continuation of building the Company’s foundation for the next phase of growth, the business model to add recurring revenue and profits, expected revenue for the year, the annualized revenue, forecasted biogas upgrading sales, and renewable natural gas content to the North American gas distribution network. 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 the Company's ability to execute its business strategy and the benefits realizable therefrom, risks related to the Company's contracts, risks related to the Company's expected growth phase, risks specifically related to the Company's international operations, and risks relating to the market price of the Common Shares. Additional risk factors can also be found in the Company's filing statement and prospectuses, 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 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.

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