

Greenlane Renewables Announces First Quarter 2026 Financial Results

~Company on track with its strategic plan with strong YoY growth in our most profitable business areas and progression toward start of production of our next generation Cascade LF landfill gas upgrading technology in Brazil~

VANCOUVER, BC, May 14, 2026 /CNW/ - Greenlane Renewables Inc. ("**Greenlane**" or the "**Company**") (TSX: GRN) (FSE: 52G) (OTC: GRNWF) today announced its financial results for the first quarter ended March 31, 2026. For further information on these results please see the Company's Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis filed under the Company's profile on SEDAR+ at www.sedarplus.ca. All amounts reported are in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") unless otherwise stated.

First Quarter Highlights Include:

- Revenue of \$9.5 million;
- Gross profit of \$3.8 million, Gross Margin¹ before amortization of \$4.1 million (43% of revenue);
- Adjusted EBITDA² loss of \$0.8 million;
- Net loss and comprehensive loss of \$2.1 million;
- Sales Order Backlog³ of \$31.5 million as at March 31, 2026;
- Cash and cash equivalents of \$13.5 million and no debt, other than payables and off balance sheet arrangements, as at March 31, 2026; and
- Subsequent to quarter end, the Company announced the signing of definitive agreements with Panasonic do Brasil Limitada ("Panasonic") to localize production of Greenlane's proprietary next-generation Cascade LF landfill gas upgrading technology in Brazil. Panasonic's initial investments are expected to be in the range of \$2 million to \$3 million (8 million to 10 million Brazilian Reais).

"We remain on track with execution of our strategic plan as demonstrated by this quarter's results," said Brad Douville, CEO at Greenlane. "We continue to produce strong gross margin contributions from the most profitable areas of our business, namely our biogas desulfurization product line and parts and service. We continue to ramp down legacy low-margin upgrading system contracts to ramp back up centered on proprietary standard products to reconfigure our upgrading systems business for stronger profitability. Finally, we are advancing step-change profitable growth potential by completing final development and preparing for start of production by the end of 2026 of Cascade LF, our next generation landfill gas upgrading technology. As we push towards the start of production, in partnership with Panasonic, we are increasing our investment in research and development."

"As a product company in our industry, we must deliver on several key success criteria, one of which is partnerships. We believe that collaborating with leading industry partners, who bring complementary expertise, focus and value, helps us deliver complete solutions, extend market reach and better serve customers. The partnership with Panasonic, announced earlier this week, to establish volume production of Greenlane's Cascade LF and Cascade MS proprietary standard product lines in Brazil brings not only its manufacturing expertise, but also the strength of Panasonic's balance sheet to support sales growth."

"We see Brazil as an important market for our next phase of growth. Recent regulatory developments, including the introduction of the Certificate of Biomethane Guarantee of Origin (CDOB) under Brazil's 'Fuel of the Future' law, are expected to create a structured and durable

demand framework for biomethane. The law requires fossil natural gas importers and producers to reduce their greenhouse gas emissions with biomethane starting at 1% in 2026 (on a pro-rata basis), climbing to 10% by 2034 by procuring certificates proportional to their sales. Brazil's hydrocarbon regulator (ANP) is indicating initial certificate issuance could happen in May 2026. With the market projected to expand significantly through the next decade, we believe these developments support the long-term deployment of our technology and position the Company to participate in one of the more attractive growth opportunities in the global RNG sector."

"We delivered solid financial results for our first quarter this year with \$9.5 million in revenue and a gross margin excluding amortization of 43%, compared with \$7.0 million and 40% in the same period last year," said Stephanie Mason, CFO of Greenlane. "The 36% increase in year-over-year revenue at higher gross margins helped improve our adjusted EBITDA loss to \$0.8 million from a \$1.1 million Adjusted EBITDA loss in Q1 of 2025."

"As Brad noted, we are also investing in the final development and production start readiness of our new Cascade LF product line and our operating expenses in Q1 2026 reflected these investments accordingly. Greenlane's research and development expense increased to \$0.8 million in Q1 2026 compared with \$0.3 million in Q1 2025. The general and administrative expense of \$3.9 million in Q1 of 2026 in comparison to \$3.5 million in Q1 of 2025 mainly represents an increase in operational staffing in preparation for the sale and production of Cascade LF later this year."

"We've maintained a solid balance sheet ending the quarter with a cash position of \$13.5 million, no debt and a Sales Order Backlog of \$31.5 million. The movement in the cash balance from December 31, 2025 primarily reflects the movement in non-cash working capital and the final payment of the contingent earn-out."

Greenlane's does not present biogas desulfurization results separately from upgrading systems. They are both included and combined in system sales. On a look-back proforma basis however, had they been presented separately, revenue generated from biogas desulfurization system sales would have shown a 3-year revenue compound annual growth rate (CAGR) of 27% with an average gross margin of 49% whereas upgrader system sales would have shown a 3-year revenue CAGR of negative 33% with an average gross margin of 21%. This compares with a 3-year revenue CAGR of 34% with an average gross margin of 41% for our parts and service business area and a gross margin of 86% in 2025 on royalty revenue. Greenlane has been deliberately ramping down its legacy low-margin upgrading system contracts to ramp back up centered on proprietary standard products and royalty revenues.

Under the partnership with Panasonic, they have been granted a technology license for fabricating the products in Brazil, whereas Greenlane retains responsibility for product design, supply chain management, marketing and sales, and commissioning and servicing of the products. The Company is also reconfiguring how third party system modules in Brazil are handled. By moving to a model where customers are invoiced directly by third-party vendors, we eliminate the low-margin revenue associated with modules for which Greenlane is not design responsible. Under these arrangements, the Company is transitioning to a model to drive sustainable long-term value with higher-margin revenue largely derived from royalties.

The Market Outlook

Global momentum for RNG and biomethane continues to accelerate, driven by growing recognition of its role in energy security and decarbonization. According to reporting by The Guardian, biomethane is increasingly viewed as a domestic, low-carbon, storable and dispatchable energy source that can reduce reliance on imported gas while supporting rural economies. The article went on to say RNG can help meet the UK's climate commitments while strengthening energy, food and economic security. As highlighted by the European Biogas Association, across Europe, industry and policymakers are actively working to scale deployment, with 60 experts at the 2026 Grid Ready Forum calling for regulatory harmonization and infrastructure coordination to accelerate biomethane

injection into gas grids.

At the same time, other sources of RNG production worldwide are gaining attention. For instance, TechXplore, an online science and technology news website, reported on new research in Australia that identified the critical specifications for optimal biomethane quality, making it more cost effective to produce and informing the latest update of Australian Standards, giving distributors, manufacturers and regulators a shared foundation to work from and clearing the path for biomethane to enter Australia's gas networks safely and at scale. In Canada, gas utility FortisBC outlined investments to expand lower-carbon gas supply, including renewable natural gas, as part of its long-term energy roadmap to meet demand and support climate targets through 2050. Together, these developments reinforce RNG's evolution into a scalable, globally relevant energy solution capable of supporting both emissions reduction and resilient energy systems.

Management's Discussion on Financial Results

The public is invited to watch Brad Douville, Chief Executive Officer, and Stephanie Mason, Chief Financial Officer present the results through a video presentation on the Company's Events and Presentations page located [HERE](#).

SPECIFIED FINANCIAL MEASURES

Management evaluates the Company's performance using a variety of measures, including "Gross Margin before amortization", "Adjusted EBITDA" and "Sales Order Backlog". The specified financial measures, including non-IFRS measures and supplementary financial measures should not be considered as an alternative to or more meaningful than revenue, gross profit or net income. 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 specified financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company. Management uses these specified 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 before amortization is a non-IFRS measure and is defined by the Company as gross profit before amortization of intangible assets and property and equipment.

Note 2 - Adjusted EBITDA is a non-IFRS measure and is defined by the Company as earnings before interest, taxes, foreign exchange, depreciation and amortization, as well as adjustments for other income (expense), value assigned to options and RSU's granted, strategic initiatives, transaction costs and non-recurring items.

Reconciliation of net loss and comprehensive loss to Adjusted EBITDA from continuing operations:

(in \$000s)	Three months ended March 31,	
	2026	2025
Net loss and comprehensive loss	(2,058)	(983)
Add (deduct):		
Exchange difference on translating foreign operations	57	(32)
Provisions for income taxes	721	124
Foreign exchange gain	42	(488)
Other (income) loss	(49)	26
Finance income	(59)	(94)
Finance expense	41	32
Share-based compensation	160	72

Amortization of office equipment	45	54
Amortization of property and equipment	112	75
Amortization of intangible assets	153	144
Adjusted EBITDA from continuing operations	(835)	(1,070)

Note 3 - The Company provides an update on its contracted system sales, which includes its multiple product lines of biogas desulfurization and upgrading systems ("**Sales Order Backlog**"). Sales Order Backlog is a supplementary financial measure that refers to the balance of unrecognized revenue from sales contracts. The Company's Sales Order Backlog is a snapshot in time which varies from period-to-period. 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). Sales Order Backlog includes no amounts in connection with parts and service sales, given the smaller individual order values, and no amounts in connection with royalty contracts.

About Greenlane Renewables

Greenlane is driving change: accelerating the energy transition. We are cleaning up two of the largest and most difficult to decarbonize sectors of the global energy system: the natural gas grid and commercial transportation. As a pioneer and leading global specialist in biogas desulfurization and upgrading, we have been actively contributing to the decarbonization of our planet for over 35 years with more than 500 systems sold into 32 countries. We transform biogas generated from organic waste into high-value grid-ready renewable natural gas ("RNG") from a wide range of sources such as landfills, sugar mills, dairy farms, wastewater, and food waste. Greenlane is transforming energy production and creating new, sustainable revenue streams for its customers - all while dramatically reducing carbon emissions. Partner with us, let's accelerate the energy transition together. For further information, please visit www.greenlanerenewables.com

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", "could", "plan", "will" or "is/are expected to", "goal", "objectives", "future", "shifting toward", "potential", "proposed", "estimate", "believe", "continue to", "look to", "ongoing", "remains" 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 or that current events or conditions will continue, be ongoing or be repeated. The forward-looking information contained in this press release, includes, but is not limited to: expectations that reconfiguration of Company's upgrading systems business will result in a higher-margin revenue model that is expected to deliver stronger profitability on a per-system basis; that preparation for the start of Cascade LF production by end of 2026 will advance step-change profitable growth potential; the Company and Panasonic's increased investment in research and development; that the regulatory developments in Brazil will create demand for biomethane and that the biomethane market will expand significantly through to 2034; that the technology licensing arrangement with Panasonic will support sales growth and result in attractive royalty revenues; the expectation to grow sales in its most profitable segments of the business including biogas desulfurization; expectation the new Cascade LF product line and the technology licensing arrangement with Panasonic will improve profitability of biogas upgrading systems. These forward-looking statements are based on assumptions that management believes are reasonable at the time the statements are made, including but not limited to: assumptions regarding the continued demand and policy support for renewable natural gas and biogas technologies; the Cascade LF product line and technology licensing arrangement with Panasonic will improve the profitability of Company's biogas upgrading systems; timely commercialization of new product lines; conversion of sales opportunities into contracts and a stable economic and regulatory environment. 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: the Company's ability to secure new Cascade LF orders; the Company's inability to achieve 2026 strategic goals or commercial milestones; delays or underperformance in product development, including next generation landfill gas system; fluctuations in customer demand or competitive conditions; challenges in localizing manufacturing; changing political or regulatory landscapes that do not favor the RNG industry or the Company; and the inability to convert the sales backlog as anticipated. Additional risk factors can also be found in the Company's Management Discussion and Analysis and its Annual Information Form, all of which have been filed under the Company's SEDAR profile at www.sedarplus.ca. 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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