



Greenlane Renewables Announces Fourth Quarter and Fiscal Year 2020 Financial Results

~Company delivers record revenue in Q4 2020 up 167% from Q4 2019 along with continued sales order backlog expansion; FY2020 revenue up over 100% and sets its sights on further rapid growth in 2021~

Vancouver, British Columbia, Canada – March 11, 2021 Greenlane Renewables Inc. (“**Greenlane**” or the “**Company**”) (TSX: GRN / FSE: 52G / OTC: GRNWF), today announced financial results for the fourth quarter and fiscal year ended December 31, 2020. For further information on these results please see the Company’s Audited Consolidated 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.

Fourth Quarter Highlights Include:

- Record revenue of \$8.8 million, an increase of 167% over the \$3.3 million reported in the fourth quarter of 2019,
- Gross margin¹ of \$2.4 million (27% of revenue),
- Positive Adjusted EBITDA of \$0.2 million²,
- Net loss of \$1.2 million (or \$0.01 per share),
- Record sales order backlog³ of \$45.7 million at year end, an increase of over 180% from the \$16.2 million reported as at December 31, 2019,
- Sales pipeline⁴, valued at over \$720 million as at December 31, 2020 versus \$680 million as at December 31, 2019, reflects both the increase of more than \$89 million in new opportunities and the movement of \$49.1 million in signed contracts into the sales order backlog. Greenlane has visibility to more than 180 new projects globally,
- Multiple contract wins totalling \$18 million: The Company announced in the quarter a new \$7.7 million pressure swing adsorption system supply contract for a multi-site dairy farm renewable natural gas (“RNG”) project in Florida as part of the Chevron U.S.A and Brightmark LLC joint venture and a \$10 million membrane separation system supply contract for a new RNG project in the United States owned by an international energy company.

Fiscal Year 2020 Highlights Include:

- Record revenue of \$22.5 million, an increase of 147%, compared to the \$9.1 million of revenue generated in 2019 since the PT Biogas acquisition on June 3, 2019. Revenue increased 101% over 2019, after giving effect to the acquisition of the biogas business as if it had occurred on January 1, 2019,
- Gross margin¹ of \$6.4 million (29% of revenue),
- Adjusted EBITDA loss of \$1.7 million²,
- Net loss of \$2.5 million (or \$0.03 per share),
- Cash and cash equivalents at year end 2020 of \$16.4 million,
- Nearly \$50 million in new contracts signed: During the year ended December 31, 2020, the Company signed \$49.1 million in new system supply contracts, including a \$17.1 million system supply contract for an RNG project at a multi-location dairy farm cluster in California and the first commercial scale pipeline injection RNG project in the Brazilian sugarcane industry,

- Advancement of Build, Own and Operate business model: The Company signed a definitive joint venture agreement with SWEN Impact Fund for Transition which enables Greenlane to provide “Upgrading-as-a-Service” to developers and owners of RNG projects in Europe by offering potential customers the opportunity to replace the initial capital outlay for the biogas upgrading equipment, with a monthly fee under long-term contract.

Subsequent To December 31st:

- The Company increased its cash balance with a \$26.5 million bought deal offering,
- The Company successfully uplisted to the TSX Exchange from the TSX Venture,
- The Company further strengthened its balance sheet through the early repayment in full, including principal and interest, of its outstanding promissory note in the amount of \$6.0 million using funds received from the exercise of warrants.

“Our record revenue in 2020 and continued positive outlook for the business in 2021 is backed by a marked increase in sales activity and the emergence and increased scale of market participants in the RNG sector,” said Brad Douville, President and CEO of Greenlane. “We continue to see large energy companies entering the sector seeking to secure supplies of RNG and, as a result, investing in new projects and buying biogas upgrading equipment. Our sales order backlog, which ultimately ends up in revenue, has grown to a record level that is up over 180% year-over-year, in part, because of this trend. Furthermore, we’ve seen consistent growth in revenue every quarter throughout 2020 and successfully achieved positive Adjusted EBITDA in the fourth quarter. The RNG market, and Greenlane’s unique position in it with our product offerings made up of multiple core upgrading technologies, remains robust.”

“We’ve taken great strides to strengthen our balance sheet and position for growth. With over \$16 million in cash at December 31st, a bought deal financing closed at the end of January for more than \$26 million in gross proceeds, and in February repayment in full of the Company’s outstanding promissory note using funds received from the exercise of warrants, we will focus on investing in our next phase of growth. These investments include adding new employees to keep up with demand for our products, engaging in the development of and investment in new RNG projects, as well as evaluating a number of strategic opportunities that we believe may add to the growth of the Company. These opportunities may include but are not limited to pursuing attractive acquisition opportunities as the industry consolidates, adding system capabilities for hydrogen production as markets develop, and creating new strategic alliances to expand upon the Company’s upgrading technology solutions.”

“Beyond financial results, these last twelve months have reinforced the climate change challenge that we face as a global community and the growing shift in attitudes towards action. There is no doubt that the positive momentum around providing green solutions will continue to increase as the world looks to decarbonize. RNG has a critical role in decarbonizing two of the most difficult sectors to decarbonize - transportation and the gas grid and we are positioning ourselves to take a leadership role.”

The Market Outlook

2020 marked a year of uncertainty as the COVID-19 pandemic surfaced and resulted in severe lock downs as health authorities and governments around the world moved to contain the spread of the virus, devastating global markets and economies. As the world now cautiously moves to recovery, what has emerged is the firm foundation of an energy transition rooted in decarbonization, as companies and governments across the globe set net zero emission targets by 2050 or sooner in the effort to combat climate change.

The Biden administration in the U.S. has embarked on its mission to fight climate change, signing executive orders aimed at focusing the climate crisis on foreign policy and national security while shifting the country away from its reliance on fossil fuels toward sources of low or no carbon energy, which is positive for the RNG industry. Despite a volatile year due to the pandemic, the total number of RNG production facilities in the United States increased by over 40% in 2020 according to a recent assessment completed for the U.S. Department of Energy. Strong capacity growth in the U.S. is anticipated to continue this year and into the future, as an estimated 155 new projects are either under construction or in the planning stages.

The transportation industry, one of the most challenging sectors to decarbonize, continues to focus on low carbon fuel sources. Amazon recently announced that it has ordered more than 1,000 compressed natural gas engines, which can operate on both renewable and non-renewable natural gas, as part of its strategy to introduce new sustainable solutions for freight transportation. According to recent data released by the U.S. Environmental Protection Agency, more than 500 million gallons (ethanol equivalent) of RNG were produced for transportation use in 2020, a 25% increase over 2019 volumes. The use of biofuels in marine transportation is beginning to gain traction as well, as the European Commission is launching a legislative proposal on maritime fuels that aims to increase the use of sustainable alternative fuels, including liquefied biomethane, in European shipping and ports. Less than 1% of the world maritime fleet runs on alternative fuels and liquefied biomethane can provide a decarbonization tool for the sector today.

We continue to see the world's largest oil and gas producers shift to net zero emission targets and low carbon energy portfolios. Corporate strategies differ in approach, although a common theme that is emerging is the necessity to increase exposure to low carbon energy sources, including RNG. Chevron, one of the world's leading integrated energy companies, is choosing to concentrate on certain initiatives to achieve a lower carbon intensity where it has existing core competencies and competitive advantages on large, complex projects that it can scale, one of which it believes is RNG. Chevron U.S.A. and Brightmark LLC, an RNG project developer, recently announced an expansion of their RNG joint venture. European supermajor Royal Dutch Shell recently outlined the details of its near and long term cleaner energy transition plans, stating that its oil production and carbon emissions have already peaked and it is now aiming to reduce its net carbon intensity by 100% by 2050. Shell has highlighted a growing focus on RNG and decarbonizing transportation emissions through its Marketing and Integrated Gas segments.

Natural gas utilities in the United States continue to introduce RNG into their grids for residential and commercial customers. Utilities in Minnesota, Michigan and Florida recently announced plans to offer RNG to customers after RNG service tariffs were approved by state utility commissions, a trend that will continue to support the growth of local RNG development and production. RNG is rapidly shifting from a niche fuel to a mainstream substitute for fossil natural gas, allowing natural gas utilities to offer a net zero carbon intensity energy option to customers while remaining competitive with the electric grid.

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, March 11th. To access the conference call by telephone, please dial: 1-800-319-4610 (Canada & USA toll-free) or 604-638-5340. 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", "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 - Gross margin does not include depreciation and amortization

Note 2 - Reconciliation of net loss to Adjusted EBITDA

	Three months ended December 31, 2020 \$000's	Three months ended December 31, 2019 \$000's	Year ended December 31, 2020 \$000's	Year ended December 31, 2019 \$000's
Net loss, before tax	(1,259)	(1,302)	(2,549)	(5,328)
Add back:				
Share based payments	204	31	414	496
Depreciation and amortization	384	368	1,526	845
Finance expense	100	209	495	446
Gain on extinguishment of promissory note	-	-	(1,777)	-
Foreign exchange loss	248	228	190	117
Change in fair value of special warrants	-	-	-	(194)
Transaction costs	-	(7)	-	2,270
Other adjustments*	483	-	-	-
Adjusted EBITDA profit (loss)	160	(473)	(1,701)	(1,348)

*Reflects adjustment to record the annual bonus accrual and employee related expenses throughout 2020. The accrual was recorded in the fourth quarter when targets were achieved and costs could be estimated reliably, the costs were incurred through 2020 and have been reflected in the quarterly Adjusted EBITDA reported.

Note 3 - Sales order backlog refers to the balance of unrecognized revenue from contracted projects, where such revenue is recognized over time as completion of projects progress.

Note 4 - 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 fourth quarter and fiscal year ended December 31, 2020 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: water wash, pressure swing adsorption, and membrane separation. With multiple core technologies, more than 110 biogas upgrading systems delivered into 18 countries and counting, 30+ years of industry experience and patented proprietary technology, 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.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”, “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, Greenlane’s expected financial performance for 2021, increase investment of large oil and gas producers in RNG projects and its impact on Greenlane’s sales order backlog, Greenlane’s role in countries’ efforts to stimulate their economies while tackling climate change and moving toward a decarbonized future, the role of RNG in decarbonizing transportation sector and gas grid, Greenlane’s position to capture a growing share of the RNG value chain as leading industry provider of biogas upgrading and project development solutions, strong capacity growth of US RNG production facilities to continue this year and the future; the transportation sector will focus on low carbon fuel sources, large oil and gas producers will aim to reduce its net carbon intensity and Greenlane’s order backlog and sales pipeline. 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 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 of 2021, 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 not impacting the transportation sector and gas grid as expected, Greenlane's market outlook, Greenlane's market share of the RNG value chain, Greenlane as a leading biogas upgrading and project development solutions provider, US RNG production facilities not having the strong capacity growth as expected; the transportation sector not focusing on low carbon fuel sources as anticipated, large oil and gas producers not aiming to reduce their net carbon intensity as anticipated, Greenlane's order backlog not being recognized in revenue and Greenlane's sales pipeline not resulting in orders. Additional risk factors can also be found in the Company's Annual Information Form, 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'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 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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