



Greenlane Renewables Announces Framework Agreement With Pressure Technologies to Reduce Outstanding Debt by 26%

~Agreement and underlying transactions will result in reduction in debt owed to Pressure Technologies by \$1.8 million to \$5.2 million plus the sale of their equity position in Greenlane~

Vancouver, British Columbia, Canada – July 2, 2020 Greenlane Renewables Inc. (“**Greenlane**”) (TSXV: GRN / FSE: 52G) today announced the execution of a Framework Agreement with Pressure Technologies plc (“**PT**”), Creation Partners LLP and Brad Douville (the “**Framework Agreement**”). Through the Framework Agreement, Greenlane’s outstanding promissory note to PT (the “**Promissory Note**”) will be reduced by \$1.8 million to \$5.2 million upon disposition of PT’s equity position in Greenlane which is expected to occur through a series of block trades. PT intends to sell a total of 7,663,920 common shares and 5,094,765 share purchase warrants or the underlying common shares (the “**PT Securities**”), representing the available balance of the common shares and \$0.26 share purchase warrants (the “**Warrants**”) issued by the Company to PT in connection with Greenlane’s June 2019 acquisition of PT Biogas Holdings (the “**Acquisition**”). Under the Framework Agreement, the maturity date of the remaining balance of the Promissory Note will be advanced from June 3, 2023 to June 30, 2021. Upon completion of these transactions, PT will no longer be the owner of any equity securities of Greenlane.

Framework Agreement

The Framework Agreement was entered into among Greenlane, PT, Creation Partners LLP (“**Creation Partners**”) and Brad Douville, Chief Executive Officer and President of Greenlane. Creation Partners is a private limited liability partnership beneficially owned and controlled by Wade Nesmith, David Demers and David Blaiklock, each a director of Greenlane. The Framework Agreement contemplates the completion of the following transactions (the “**Transactions**”):

- (a) the disposition of the PT Securities on agreed deal terms through block trade transactions;
- (b) the reduction to the amount outstanding under the Promissory Note issued by Greenlane to PT on completion of the Acquisition in an amount equal to the gross proceeds realized from the sale of the PT Securities and a June 10, 2020 disposition by PT of 2,525,610 common shares, less the approximate \$3.5 million value of the special warrants issued by the Company to PT on completion of the Acquisition;
- (c) the termination of the right to direct sale agreement dated June 3, 2019 between Greenlane and PT (the “**Right to Direct Sale Agreement**”); and
- (d) the transfers by PT of the common shares and Warrants payable by PT to Creation Partners and Douville under separate arrangements entered with each of Creation Partners and Douville for the completion of the Acquisition.

The sale of the PT Securities will be completed pursuant to arranged deal terms acceptable by Greenlane and PT.

In order to facilitate the sale by PT of the PT Securities, Creation Partners and Douville agreed to release PT from its obligations under certain agreements entered into between Creation Partners and Douville that required PT to place certain common shares and Warrants in escrow pending

repayment in full of the Promissory Note. In exchange, PT agreed to complete the immediate transfer of these common shares and Warrants to Creation Partners and Douville from its free-trading and escrow positions.

Board Approval

The board of directors of Greenlane (the “**Greenlane Board**”) determined to proceed with the Framework Agreement and complete the Transactions for the following reasons:

- the sale of the PT Securities will result in an immediate reduction to the debt owed to PT;
- the advanced maturity date will follow shortly after the expiry of Greenlane’s \$0.26 Warrants and, assuming Greenlane’s share price and cash and working capital positions remain within their current ranges or improve, the proceeds from the exercise of these Warrants are anticipated to be sufficient to fund the payout of the Promissory Note on June 30, 2021;
- the termination of the Right to Direct Sale Agreement will result in 4,354,500 common shares being included in the PT Securities, with the result of increasing the sale proceeds available to reduce the debt under the Promissory Note;
- the agreement of Creation Partners and Douville to the Transactions will enable 3,309,420 common shares and 1,654,710 warrants to be available for resale by PT, again with the result of increasing the sale proceeds available to reduce the debt under the Promissory Note; and
- the sale will enable the transfer of the PT Securities to investors and should remove a “market overhang” perception relating to PT’s short term investment horizon.

The Greenlane Board believes that completion of the Transactions will have a positive impact on Greenlane’s prospects as it will be able to move forward with a simplified corporate structure and a pathway to having the balance of the PT debt repaid in full by June 2021. Repayment of the debt is seen as providing greater flexibility to Greenlane as it expands its business.

The Board concluded that the Transactions were not subject to either the valuation or minority shareholder approval requirements under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Additional detail regarding the Framework Agreement and the Transactions will be included in a material change report to be filed by Greenlane on SEDAR (the “**MCR**”). Greenlane discloses under Section 5.2(2) of MI 61-101 that it was not possible or reasonable for Greenlane to file the MCR at least 21 days of the completion of the Transactions as the deal terms on which the Framework Agreement was based required immediate acceptance in the context of current market conditions.

About Greenlane

Greenlane 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 offering the three main technologies: water wash, pressure swing adsorption, and membrane separation. With over 30 years industry experience, patented

proprietary technology, and over 100 biogas upgrading units supplied into 18 countries worldwide, including the world's largest biogas upgrading facility, 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.

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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 news release, includes, but is not limited to, statements relating to the ability of the Company to repay the balance of the remaining debt owed to PT and the Company’s future business plans, prospectus and potential debt financings. The forward-looking information contained herein is made as of the date of this news 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 news release. Such factors include, without limitation: risks that the Warrants may not be exercised as anticipated prior to their expiry and that the Company’s cash and working capital positions may deteriorate. Additional risk factors can also be found in Greenlane’s filing statement and prospectuses, which has been filed under Greenlane’s SEDAR profile at www.sedar.com. Readers are cautioned not to put undue reliance on forward-looking information. Greenlane 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.

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