



Greenlane Renewables Announces Second Quarter Financial Results

~159% year-to-date growth in sales order backlog reflects successful contract wins~

Vancouver, British Columbia, Canada – August 25, 2020 Greenlane Renewables Inc. (“**Greenlane**” or the “**Company**”) (TSXV: GRN), today announced its interim financial results for the second quarter ended June 30, 2020. For further information on these results, please see Greenlane’s Condensed Consolidated Interim Financial Statements and Management Discussion and Analysis. All amounts are in Canadian dollars and in accordance with IFRS.

Second Quarter Highlights Include:

- Revenue of \$4.2 million in the quarter ended June 30, 2020 representing a 45% increase from \$2.9 million reported in the first quarter ended March 31, 2020 (note one).
- Gross profit of \$1.1 million, or 26% of revenue.
- Sales order backlog (note two) of \$41.9 million, a 159% increase from the \$16.2 million reported on December 31, 2019. The increase reflects the successful conversion and movement of sales pipeline opportunities into sales contracts.
- Sales pipeline (note three) valued at approximately \$694 million as at June 30, 2020, versus \$680 million as at December 31, 2019 and \$450 million as at December 31, 2018. The sales pipeline reflects both the expansion of the project bid universe and the movement of successful contract wins into the sales order backlog.
- Net loss of \$0.9 million and Adjusted EBITDA loss of \$0.5 million* in the three month period ended June 30, 2020.
- Cash and cash equivalents of \$5.3 million compared with \$6.7 million as at March 31, 2020. The cash balance excludes the \$1.3 million in gross proceeds from warrant exercises and the framework agreement with Pressure Technologies plc to reduce outstanding debt, both announced subsequent to quarter end.

“We successfully grew our revenue this quarter by 45% on a sequential basis while facing some tough marketplace conditions as a result of the COVID19 backdrop,” said Brad Douville, President and CEO of Greenlane. “We also achieved a third consecutive quarter of rapid growth of our sales order backlog adding \$21 million from the recent and significant contract wins for dairy farm projects in California. Our focus remains on a strong second half of 2020. This trend continues so far in the third quarter highlighted by a recent contract win in Brazil, and the launch of our joint venture with SWEN Impact Fund for Transition to accelerate deployment of Greenlane’s biogas upgrading systems and solutions in Europe.”

As a reminder, the Company’s revenues are largely derived from a relatively small number of large 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 Market Outlook

The energy transition continues to gain momentum and support as global economies chart a recovery from the COVID-19 pandemic that incorporates varying levels of green initiatives,

including from unlikely participants. BP, one of the largest integrated global oil and gas companies, announced this year it intends to be a net zero carbon company by 2050 or sooner by drastically cutting the carbon intensity of the products it sells and increasing the proportion of its investment into non-oil and gas businesses as it reinvents itself. S&P Global Platts Analytics, a global data analytics and research firm, recently highlighted RNG as an emerging tool for the decarbonization of energy production and subsequent consumption in both the transportation and natural gas utility sectors.

RNG continues to gain traction with natural gas utilities in their quest to remain competitive with the electricity grid relative to driving renewable content and decarbonized energy offerings. Several large utilities in the United States have recently made RNG-specific announcements: Xcel Energy has announced an initiative to explore RNG options for up to 1.8 million natural gas customers, Chesapeake Utilities is set to inject RNG directly into its East Coast gas distribution pipeline system, and Duke Energy will be injecting RNG produced from dairy farms in the southeastern United States into its national gas distribution pipeline system.

Greenlane, with visibility to more than 100 new projects, remains well positioned to capture a growing share of the RNG value chain as a leading industry provider of biogas upgrading and project development solutions.

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.

*Reconciliation of net loss to Adjusted EBITDA loss

Three months ended
June 30, 2020
\$'000s

Net loss	(940)
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Add back:

Share based compensation	36
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Depreciation and amortization	379
Finance expense	128
Foreign exchange gain	(113)
Adjusted EBITDA loss	(510)

Note one - Comparison to revenue in the same period of last year is not made because of a partial quarter, with the Company completing its qualifying transaction on June 3, 2019.

Note two - 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 three - 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 second quarter ended June 30, 2020 are available on SEDAR at www.sedar.com.

About Greenlane Renewables

Greenlane is cleaning up two of the largest and most difficult-to-decarbonize sectors of the global energy system: the natural gas grid and the transportation sector. As a leading global provider of biogas upgrading systems, Greenlane's solutions create clean, low-carbon renewable natural gas (RNG), suitable for injection into the natural gas grid and for direct use as vehicle fuel. Our systems, marketed and sold under the Greenlane Biogas™ brand, remove impurities and separate carbon dioxide from biomethane in the raw biogas created from organic waste at landfills, wastewater treatment plants, farms and food waste facilities. With multiple core technologies, more than 100 installations in 18 countries and counting, and 30+ years' experience, Greenlane finds the right solution, whatever the specific project requirements. Whether we're working with waste producers, gas utilities, or project developers, we're doing more with biogas, helping to turn a low-value product into a high-value renewable resource. For further information, please visit www.greenlanerenewables.com.

For more information please contact:

Incite Capital Markets
 Eric Negraeff / Darren Seed
 Greenlane Renewables Inc.
 Brad Douville, President & CEO,
 Ph: 604.493.2004
 Email: IR@greenlanerenewables.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 continued growth in sales pipeline and sales order backlog, the ability of the joint venture company with SWEN Impact Fund for Transition to accelerate deployment of Greenlane’s biogas upgrading systems, the continued revenue growth throughout 2020 as new contract wins move out of sales order backlog and into revenue, the taking advantage of project specific return on capital while providing potential customers with complete turnkey biogas upgrading solutions, the completion of discussions with new customers to add recurring revenue and profit streams, the strong long-term return on government investment in climate-positive policies, the promising growth outlook for RNG globally, the growing movement to focus fiscal recovery packages on climate-positive policies and target investment in green energy technology, and the growing trend of natural gas utilities starting to offer customers the option of choosing RNG as an energy source. 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 order backlog being recognized in revenue, the sales pipeline resulting in orders, the achievement of greenhouse gas reductions from the supply of RNG, the market performing as expected by management, the Company benefiting from the increasing demand for RNG. 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 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 news release.