



## **EARTHRENEW ANNOUNCES BUSINESS UPDATE AND 2022 FOURTH QUARTER AND YEAR-END RESULTS**

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CALGARY, AB, May 1, 2023 /CNW/ – EarthRenew Inc. (CSE: ERTN) (OTCQB: VVIVF) (“EarthRenew” or the “Company”), along with its wholly-owned subsidiary, Replenish Nutrients Ltd. (“Replenish”), is announcing a business update and its year-end and fourth quarter results for 2022.

### **Business Update**

On an annual basis, increased revenues of \$5.0 million were thanks to the strong demand and recognition of the value of our product line. Annual and quarterly net loss was predominantly attributable to a one-time, non-cash asset impairment in the fourth quarter (\$3.0 million), geopolitical tensions impacting product input costs, key product research and development costs (\$0.3 million), non-recurring transaction costs (\$0.5 million) related to the equity raise in June 2022, and an untimely weather stoppage on October 24, 2022, due to snowfall. Until this weather stoppage, revenues were trending to the previous annual guidance of \$27 million.

Notably, Replenish has also successfully increased the price per metric tonne to the consumer for its products due to the innovative formulation, plentiful microbial content and overall soil health benefits. Peer-based research through our partners Biome Makers, Neugen Biologicals, and independent field and small plot trials continued to show proven yield and soil health increases. Additional research and trials will further support the value-add proposition of our unique products which we expect to command a premium price in the market.

Replenish had success this year in patenting its manufacturing process through years of extensive research, development, and commercialization related to its proprietary and environmentally sustainable regenerative fertilizer products. Investment in a low carbon, zero-waste, chemical-free manufacturing process is proving fruitful as Replenish moves from pilot-scale manufacturing to the commissioning of the commercial-scale Beiseker facility. Replenish has proven to be a leading player in developing and commercializing intellectual property in the Agricultural Biotechnology sector. To date, the technology has been validated through scientific research and experimental development and other government programs, providing meaningful non-dilutive funding. Replenish has also recently been selected to participate in the final round of a low carbon emission funding program that would provide significant additional non-dilutive funding.

The continuing development of intellectual property and efficacy confirmation of Replenish products enable opportunities for future expansion through licensing agreements in new geographies with strategic partners. In 2022 Replenish increased focus on the core regenerative fertilizer granulation facilities and will strategically assess non-core asset sales associated with historical EarthRenew brand and operations.

1 – Adjusted EBITDA is a non-IFRS financial measure – refer to the Company’s 2022 Management’s Discussion and Analysis for the definition and reconciliation to the nearest IFRS financial measure



While Replenish encountered certain revenue and gross profit headwinds in 2022 based on geopolitical tensions impacting supply chains, pricing, and timing of fertilizer demand, Replenish continues to have a clear line of sight to strong demand for its regenerative fertilizer products. Importantly, on a percentage of revenue basis, Replenish was pleased with its restructuring and cost savings initiatives that resulted in a marked improvement in operating earnings (loss) percentage and adjusted EBITDA percentage over the prior year. As supply chain and commodity cycles normalize to historical averages and the Company realizes additional savings from the full-year impact of these initiatives in 2023, Replenish is ideally positioned to realize higher margins and profitability.

Encouragingly, 2023 has already shown fertilizer commodity pricing beginning to return to historical averages where Replenish realizes higher margins. At the same time, Replenish continues to build increased resilience into its business model by weighting more of its business towards granulated versus blended fertilizer production with the commissioning of the Beiseker facility upgrades in the first half of 2023. The additional weighting towards granulated fertilizer will result in increased margins, wider and larger distribution channels, and lower seasonality impacts on the business.

### **Financial Highlights**

- Annual revenues of \$17.3 million compared to \$12.3 million in the prior year
- Q4 revenues of \$4.4 million compared to \$7.7 million in the prior year
- Annual gross profit of \$2.2 million and 13% compared to \$2.8 million and 25% in the prior year
- Q4 gross profit of \$1.3 million and 30% compared to \$2.2 million and 29% in the prior year
- Annual net loss of \$7.1 million and (\$0.06) per share compared to a net loss of \$4.7 million and (\$0.06) in the prior year
- Q4 net loss of \$3.4 million and (\$0.02) per share compared to a net loss of \$0.4 million and (\$0.00) per share in the prior year
- Annual adjusted EBITDA<sup>1</sup> of (\$1.0) million compared to (\$0.9) million in the prior year
- Q4 adjusted EBITDA<sup>1</sup> of \$0.8 million compared to \$1.0 million in the prior year

### **About Replenish Nutrients**

Replenish Nutrients is an Agricultural Biotechnology company and a leading intellectual property developer of regenerative fertilizer solutions and sustainable manufacturing processes to support a farm system that puts healthy soils and grower profitability back on the table. By combining Canadian-sourced nutrients with our proprietary delivery system, Replenish has developed a sustainable alternative to synthetic fertilizers that enhances overall soil function and biology while providing valuable plant-available nutrients farmers rely upon for healthy crops. To learn more about Replenish Nutrients products, visit our website at [www.replenishnutrients.com](http://www.replenishnutrients.com).

### **About EarthRenew Inc.**

Replenish Nutrients is a wholly-owned subsidiary of EarthRenew Inc. (CSE: EARTH) (OTCQB: VVIVF).

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### **Cautionary Note Regarding Forward-Looking Information**

This press release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to financial and operating results. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “will”, “may”, “would”, “should”, “could”, “plans”, “expects”, “budget”, “schedule”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, and similar expressions, including variations thereof and negative forms. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; regulatory risks; other risks of the energy and fertilizer industries and other risk factors disclosed in our public disclosure which can be found under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that these risk factors should not be construed as exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

**Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.**

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