



## REPLENISH ANNOUNCES Q3 2023 BUSINESS UPDATE, MARKET OUTLOOK AND THIRD QUARTER FINANCIAL RESULTS

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CALGARY, AB, November 29, 2023 /CNW/ – Replenish Nutrients Holding Corp. (formerly EarthRenew Inc.) (CSE: ERTN) (OTCQB: VVIVF) (“Replenish” or the “Company”), is pleased to provide its Q3 2023 business update, market outlook and third quarter financial results for the 3 and 9 months ended September 30, 2023.

### Business Update and Market Outlook

2023 continues to present strong macro forces in Replenish’s favour through continued investment in Canadian-based food and fertilizer production. Replenish continues to position itself ahead of its competition in the growing sector of sustainable agricultural with its proprietary biologically-active regenerative fertilizer products and zero-waste, chemical-free manufacturing process that will help position the Company to take advantage of the significant demand and investment dollars expected to flow to sustainable agricultural practices, including regenerative fertilizer.

The third quarter of 2023 saw robust revenues and margins, including positive operating cash flow, despite encountering the headwinds of working through some higher cost inventory carried over from the prior year. As the average cost of inventory continues to drop and the Company continues to ramp up granulated production at the Beiseker facility and realize the full-year impact of its ongoing cost savings initiatives, there is strong line of sight to positive adjusted EBITDA and operating cash flow going forward. The third quarter marks the fourth consecutive quarter the Company continues has delivered consistent and steadily improving margins through strong distribution channels and diligent financial and operational management. In 2023, fertilizer commodity prices have returned closer to historical averages where Replenish has realized higher margins, with further margin expansion expected in the coming quarters. With granulated fertilizer production expected to increase at the Beiseker facility in the near term and subsequent expansion expected at the DeBolt and Bethune facilities in the future, Replenish is focused on building further resilience in the business model through increased margins, wider and larger distribution channels, and lower seasonality impacts to the business.

In July 2023, Replenish announced it was selected to receive a \$7 million dollar non-dilutive government grant from Emissions Reductions Alberta (ERA) as part of Alberta’s Industrial Transformation Challenge. The ERA grant will help fund a new regenerative fertilizer manufacturing facility near DeBolt, Alberta, support local Alberta construction and manufacturing jobs, reduce greenhouse gas (GHG) emissions compared to the traditional fertilizer manufacturing process and lead to increased soil carbon sequestration properties through the use of regenerative fertilizers. This non-dilutive investment from the Alberta government validates the value of Replenish’s proprietary sustainable regenerative fertilizer products and manufacturing process to bring immediate and long-lasting benefits to the environment, to the farmer’s bottom-line, to agricultural communities, and ultimately to Replenish shareholders. The finalization of the grant is subject to execution of an ERA contribution agreement. Replenish will provide updated information on the status of the grant when it becomes available.

On the product development front, the Company continues to see exceptional and consistent results from its independent field trials with Farming Smarter and Biome Makers demonstrating the efficacy of its products and their contribution to soil and plant health. In particular, our turf-grass trial is leading to an arrangement for distribution into the higher-margin retail market. The Company is also continuing to conduct on-farm grower trials across the Prairie provinces, showcasing the adaptability of our products to diverse environmental and soil conditions. The continued success of these independent field trials coupled with the proprietary nature of Replenish’s products and manufacturing processes provide unique opportunities to accelerate earnings and cash flow growth in the Company without the need for additional capital spend.

Strong sales volumes, robust margins and favourable weather have been realized so far in the fourth quarter, with sales volumes already surpassing third quarter sales volumes. The Company has largely moved through its higher cost inventory, which will lead to higher realized margins going forward.

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



### **Consolidated Financial Highlights**

- Cost restructuring and diligent financial management lead to a \$2.7 million and \$6.9 million improvement in cash flow from operations from cash used in operations of \$2.5 million and \$7.1 million in the prior year to cash from operations of \$0.3 million and cash used in operations of \$0.2 million in the current year
- A \$0.3 million and \$1.0 million increase in adjusted EBITDA<sup>1</sup> over the same periods in the prior year, from negative \$0.5 million and negative \$1.8 million in the prior year to negative \$0.2 million and negative \$0.7 million in the current year, an 11 percentage point and 7 percentage improvement over the prior year
- Revenues of \$3.5 million and \$10.3 million compared to \$2.7 million and \$12.8 million in the prior year. Record-high commodity pricing in 2022 and a one-time large sale account for the higher revenues in the prior year.
- Gross profit of \$0.4 million and \$1.1 million compared to \$0.2 million and \$0.9 million in the prior year, with a 4 percentage point and 4 percentage point increase in gross profit percentage over the prior year
- Operating loss of \$0.6 million and \$1.6 million compared to \$0.5 million and \$2.2 million in the prior year, a marked improvement over the same 9 month period of the prior year
- Net loss of \$0.6 million and \$0.8 million compared to \$1.3 million and \$2.7 million in the prior year, a marked improvement over the same 3 and 9 month period of 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 Replenish Nutrients Holding Corp. (formerly EarthRenew Inc.)**

Replenish Nutrients is a wholly-owned subsidiary of Replenish Nutrients Holding Corp. (formerly 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.sedarplus.ca](http://www.sedarplus.ca). 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.**