



## Planting Hope Reports Record Q1 Revenues of \$3.2 Million (CAD \$4.4 Million) in Q1 2023

- *Achieved Q1 2023 Revenues of \$3.2 million (CAD \$4.4 million), an increase of 28% over Q1 2022 Revenues of \$2.5 million*
- *Achieved Q1 2023 Net Revenues of \$2.4 million (CAD \$3.3 million), an increase 22% over Q1 2022 Net Revenues of \$2.0 million*
- *Selling, General, and Administrative (SG&A) expenses decreased by 21% to \$2.6 million in Q1 2023 compared to \$3.2 million in Q1 2022, and SG&A as a percentage of revenue declined by 49%*

CHICAGO, IL and VANCOUVER, B.C. / ACCESSWIRE / May 31, 2023 – [The Planting Hope Company Inc.](#) (TSXV: MYLK) (OTCQB: MYLKF) (FRA: J94) (“Planting Hope” or the “Company”), a plant-based food and beverage company focused on producing the world's most nutritious and planet-friendly products, is pleased to report financial results for the three months ended March 31, 2023. All figures are in U.S. dollars unless otherwise stated.

“In Q1, the Planting Hope team has executed on the initial stage of our 2023 plan, including augmenting our structural and operational processes to meet the demands of anticipated scaling ahead, streamlining promotional programs and retailer spend, realigning our resources and team to meet plan objectives, adding key sales, go-to-market, and distribution partners, and building out the path to accelerate our core products in Foodservice; meanwhile, we have continued to deliver double-digit year-over-year revenue growth,” said Julia Stamberger, CEO and Co-founder, Planting Hope.

“Our core focus in 2023 is driving towards profitability through shifting our channel mix and scaling aggressively in Foodservice, where the margins are higher, costs of entry lower, and velocities exponential in comparison to Grocery Retail. In our discussions with key café and quick service restaurant (QSR) partners and through our presence at important industry trade shows in the first part of 2023, we have continued to validate that Hope and Sesame® Sesamemilk is the only new entrant to the enormous Plant Milk space with the ability to cause a meaningful disruption as the new ‘IT’ milk. Just as oat milk did in recent years, Sesamemilk has the potential to become the next important subcategory in Plant Milk, led by Hope and Sesame® Sesamemilk, the first mover in the space. Our Sesamemilk’s excellent performance across the spectrum of café and innovative beverage applications, from hot to iced, is attracting attention from myriad Foodservice partners large and small. In the meantime, Sesame and Asian flavor profiles are emerging as important trends at cafés and coffee houses and the Plant-Based Milk market continues to skyrocket.”

Analyst projections for the size of the global Plant-Based Milk market continue to ratchet up, forecasted to achieve a global market size of [\\$123 billion by 2030](#) scaling at a 15% compound annual growth rate (CAGR). [Household penetration of Plant-Based milk](#) now exceeds 41% in the United States, and Plant-Based Milk and Plant-Based Creamers [combined represent 42%](#) of all Plant-Based foods sold through Grocery Retail, growing by 8.5% and 24%

year over year, respectively. Planting Hope remains focused on the largest, fastest scaling and highest velocity categories in Plant-Based Foods: the Plant-Based Milk and Creamer markets alone are more than double the size of Plant-Based Meat, a category which [declined by 1% in 2022](#).

### **Q1 2023 Financial Highlights:**

During Q1 2023, the Company achieved the following growth versus Q1 2022:

- Revenues of \$3.2 million (CAD \$4.4 million), an increase of 28% over Q1 2022 Revenues of \$2.5 million.
- Net revenues of \$2.4 million (CAD \$3.3 million), an increase of 22% over Q1 2022 Net revenues of \$2.0 million
- Selling, general, and administrative (SG&A) expenses decreased by 21%; \$2.6 million in Q1 2023 compared to \$3.2 million in Q1 2022, due primarily to one-time fees associated with the RightRice acquisition such as legal and accounting fees. SG&A as a percentage of revenue declined significantly in comparison to Q1 2022 by 49%.
- Trade spend total dollars increased slightly in Q1 2023 to \$0.6 million compared to \$0.5 million in Q1 2022. As a percentage of gross revenue, trade spend remained relatively flat at 19% for Q1 2023 compared to 20% for Q1 2022.
- Net loss of -\$2.5 million, representing an increase of 46% over Q1 2022's net loss of -\$0.7 million due to the gain incurred in 2022 on fair value of financial instruments
- Adjusted negative EBITDA of -\$1.9 million improved by 22% over Q1 2022's adjusted negative EBITDA of -\$2.4M

Moving into 2023, the Company is focused on improving operating performance, with the goal of achieving positive EBITDA by the end of FY 2024. In addition to accelerating Sales velocity through secured distribution slots at grocery retailers, the Company will continue to expand and scale with profitable channels and customers, including Foodservice (Out of Home Dining: Cafés, QSRs, College & University, and Institutions).

### **Significant Achievements in Q1 2023 include:**

#### Sales & Distribution:

- Expanded distribution through Dot Foods, to include the top eleven items from Hope and Sesame® and RightRice®. Dot Foods, the largest food industry redistributor in North America, is considered the 'linchpin' customer to open up and rapidly scale Foodservice channel growth and expansion, given their capabilities and reach. Through the Dot Foods foodservice distribution network, the Company's products can now reach more than 4,500 Foodservice and wholesale customers and more than 200,000 end user customers nationwide.
- Significantly expanded e-commerce presence, including launch of the full Planting Hope product assortment launch on the Walmart.com marketplace, making products available to millions of Walmart shoppers across the United States. Additional new e-commerce listings include the launch of Mozaics™ Real Veggie Chips in bilingual Canadian-compliant packaging on Amazon.ca, and the launch of wholesale and bulk RightRice®, Hope and Sesame®, and Mozaics™ foodservice items on both leading e-wholesale channel Faire.com and on PlantingHopeBrands.com.
- Three flavors of Hope and Sesame® Sesamemilk were featured in the first curated assortment at Pop Up Grocer's new permanent flagship store in New York City (Greenwich Village).

- Hope and Sesame® Sesamemilk was featured at Coffee Fest - New York in March, resulting in rapid adoption of Hope and Sesame® Barista Blend Sesamemilk at a series of independent East Coast and Mid-Atlantic cafés and coffee house chains.
- Hope and Sesame® Sesamemilk became the first plant milk globally to earn the Upcycled Certified™ mark from the Upcycled Food Association, highlighting Sesamemilk’s sustainability. The Upcycled Certified™ seal verifies that a product is produced with surplus food or food by-products that otherwise would not have gone to human consumption, are procured or produced with verifiable supply chains, and have a positive impact on the environment ([www.upcycledfood.org](http://www.upcycledfood.org)). Hope and Sesame® Sesamemilk is made with the ultra-nutritious pulp remaining after sesame seeds are pressed for sesame oil production. Upcycled food and beverages represent a rapidly scaling trend that both retailers and consumers are looking for - and indicating they will pay extra for - as avoiding food waste becomes a priority part of the sustainability equation.
- Initiated expansion into Macau and Hong Kong through with Alarcon Enterprise Limited, a distributor specializing in five-star hospitality clients (i.e. Ritz Carlton, Four Seasons Hotels and Resorts). Through Alarcon, Hope and Sesame® exhibited at the Hong Kong LOHAS 2023 Natural, Organic, and Green Living Expo in February, and the Unsweetened Sesamemilk won the Best Plant Milk Award.
- Expanded retail sales into the Chain Drug channel, adding two flavors of RightRice® Veggie Rice to 4,581 CVS Pharmacy retail locations nationwide (+ 8,807 TDP).
- Re-shaped the organization to 1) drive velocity in existing and new distribution in Grocery Retail doors; and 2) expand into Foodservice and transactionally profitable alternative retail channels (like Club).
- Achieved a record-breaking quarterly number of national TV airings on home shopping network, QVC, showcasing Mozaics™ Real Veggie Chips, RightRice® Veggie Rice, and Veggicopia® Olives. During Q1 2023, the Company had a total of 17 airings, including 9 main channel airings and 8 secondary online airings, representing over 90 minutes of national broadcast airtime. The product assortments sold to QVC customers (through a combination of live broadcasts and ecommerce sales) are unique assortments not otherwise available through Grocery Retail. Each broadcast opportunity generates revenue and margin-accretive sales while simultaneously marketing to millions of viewers who become aware of the products through a trusted source and may go on to buy or consume them through QVC or through any other retail or Foodservice outlet where the products are sold.
- Achieved earned media coverage on the Company’s products across a wide group of publications including Parade, VegNews, Food Network, SF Gate, Strategy, and Food & Beverage Magazine.
- In January, in coordination with the Veganuary movement (<https://veganuary.com/en-us/>), the Company launched the 2023 Planting Hope Brands Plant-Based Starter Pack, featuring a variety of top-selling Hope and Sesame®, RightRice®, Mozaics™, and Veggicopia® products. This item has become a top seller on [PlantingHopeBrands.com](http://PlantingHopeBrands.com).
- Achieved cost-effective strategic marketing and brand awareness growth through targeted and strategic social media influencer campaigns. The Company has partnered with relevant social media influencers focused on key consumer segments, including Registered Dietitians, Health, Fitness, Plant-based Living, and Coffee Enthusiast-focused influencers, through grassroots outreach and direct relationship building. These influencers were provided with samples and information on the Company’s products (only) - notably, given the coverage received, none of these partnerships have been paid. In Q1 2023 alone, the Company’s Marketing team engaged with and secured posts (photos, videos) from more than 50 significant influencers (individual follower bases from 10k to 1 million+) across these categories, with a total reach representing millions of engaged viewers across Instagram and TikTok.
- With Q1 distribution additions, Planting Hope products are now available in more than 15,000 retail locations and 70,000 TDP.

## Outlook and Growth:

The Company effectively executed on its business plan for Q1 2023, including increasing the distribution of core products across key channels, setting up new distributors, and opening up discussions with Grocery Retail and Foodservice partners that are setting the stage for expanding growth and adding to profitability later in 2023 and in 2024.

There are two significant areas of market demand in Foodservice that have particular alignment with the Company's products:

- The opportunity for Hope and Sesame's® breakthrough Sesamemilk to drive sesame milk as the next new disruptive Plant Milk segment in Foodservice and cafés is strong. Most cafés carry oat milk, soy milk, and almond milk, but have significant concerns about almond milk's taste, performance in hot and cold beverages, and the sustainability of almond farming, as almonds are widely understood to require a significant amount of water to grow and bees to pollinate the groves. Soy milk also carries concerns for café operators, primarily about taste in hot and cold coffee beverages, and with consumers relative to both sustainability and health concerns. In fact, in the Grocery Retail channel, both almond and soy milk have been flat or declining in share over time even as the Plant Milk category has grown. There is a clear opportunity for sesame milk in the café channel, given its taste, performance in hot and cold beverages, nutrition, and sustainability, and the Company has already seen independent cafés and small coffee chains announce on social media and in their stores that they are discontinuing almond milk and/or soy milk in favor of Hope and Sesame® Sesamemilk as a better tasting, better performing, and more environmentally friendly alternative.

The sales potential for Hope and Sesame® Barista Blend Sesamemilk in cafés represents a significant revenue opportunity as well as an opportunity to drive marketing awareness with consumers that will lead to higher adoption of sesamemilk a Grocery Retail, in the same fashion that demand for oat milk in the home grew from consumer exposure to oat milk in cafes. The trial and consumer marketing that occurs through cafés carrying Hope and Sesame® Sesamemilk is a key strategy for increasing awareness and sales velocity for sesame milk at grocery and e-commerce retailers.

Per Company research and market surveys, plant-based milks currently account for 40%-50% of the 'milk' usage in independent cafés and 25% of the 'milk' usage in larger chain cafés, indicating a market size of greater than \$3+ billion Plant Milk just in the 65,000 cafés in the United States, and doubling the Grocery Retail Plant Milk and Creamer market size of \$3.4 billion to a total current market size for Plant Milk of more than \$6.4 billion.

- The opportunity for RightRice® products in Foodservice is equally strong as a bowl base and salad component; RightRice® Veggie Rice can replace white rice, brown rice, cauliflower rice, and quinoa effectively as a protein-packed rice alternative that also provides an effective vegan protein alternative to animal protein. Additionally, RightRice® can be served cold or hot, and is extremely simple operationally to prepare in Foodservice environments.

Timing is opportune, as according to Technomic research (2020) the appearance of bowl meals on menus increased 29.7% over the preceding five years. Menu penetration of 'bowl' dishes has risen steadily; when QSR Magazine, the industry journal for Quick Serve Restaurants, released its top 22 trends for 2023, trend #21 was "bowls will be the hottest menu trend in 2023", with bowls currently featured on over 31% of all restaurant menus. Per the Lentil Growers' Association trend spotlight: "Bowls have taken over Foodservice menus recently and the trend is not expected to go away anytime soon. Power bowls offer

the consumer highly customizable and balanced meals in convenient and often portable vessels for on-the-go.” RightRice® features lentil flour as a top ingredient. Additionally, both white rice and quinoa have recently experienced supply chain disruptions and shortages that are increasing pricing of these ingredients and making Foodservice operators wary of menu planning that involves ingredients with volatile availability.

### **Key Growth Priorities for 2023:**

- Continue to expand Foodservice placements and opportunities across Hope and Sesame®, Mozaics™, and RightRice®, diversifying revenue streams to add scale and margin, with specific focus on increasing Hope and Sesame® Barista Blend Sesamemilk distribution into regional Foodservice and café channel distributors, and independent cafés.
- Increase velocity across Grocery Retail distribution through cost-effective targeted marketing, trial, and brand awareness as well as through measurable, ROI-focused marketing efforts, primarily outside of the store, including social media. The Company’s goal is to get products on consumers’ radar as evoked shopping list options prior to the entry into the store, instead of trying to compete with 40,000 consumer products on grocery shelves when the consumer is engaged in shopping from their list.
- Continue accelerating consumer awareness of Hope and Sesame® Sesamemilk, driving trial, adoption, and usage through cafés with the aim of heightening demand in grocery retail stores.
- Promote continued consumer awareness of RightRice® brand via Foodservice outlets such as CAVA.
- Continue to expand e-tail and ecommerce distribution, including the Company’s digital footprint and scaling the direct-to-consumer (D2C) business, Amazon.com presence and revenue, and expanding presence and sales on third party e-commerce marketplaces, both B2C (consumer) and B2B (wholesale).
- Expand the Company’s operating team with key hires to support the execution of the Company’s strategy and scaling plans, as appropriate across departments.
- Implement internal infrastructure solutions to further build the Company’s operational base to support effective and rapid scaling, including continued implementation of NetSuite ERP modules, continuing the installation initiated in late Q3 2022.
- Continue to focus on key business fundamentals including margin and income improvements, executing along the path to profitability targeted by the end of 2024.

### **Financial Statements & Management’s Discussion and Analysis**

This earnings press release should be read in conjunction with Planting Hope’s consolidated annual and interim financial statements and accompanying management’s discussion and analysis, which have been posted on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.plantinghopecompany.com](http://www.plantinghopecompany.com).

### **About The Planting Hope Company Inc.**

Planting Hope develops, launches, and scales uniquely innovative plant-based and planet-friendly food and beverage brands. Planting Hope's award-winning and cutting-edge products fill key unmet needs in the skyrocketing plant-based food and beverage space. The Planting Hope brand family includes Hope and Sesame® Sesamemilk, Barista Blend Sesamemilk, and Sesamilk™ creamers, RightRice® Veggie Rice, Mozaics™ Real Veggie Chips, and Veggicopia® Veggie Snacks. Products from Planting Hope brands are available in more than 9,000 doors and more than 50,000 total distribution points at grocery retailers throughout North America, and are carried by key

distributors to grocery, foodservice, and cafés. Founded by experienced food industry entrepreneurs, Planting Hope is a women-managed and woman-led company focused on nutrition, sustainability, and diversity.

For more information about Planting Hope and where to find its award-winning plant-based brands please visit [plantinghopecompany.com](http://plantinghopecompany.com), sign up for Planting Hope news emails [HERE](#) and follow on [LinkedIn](#). An informational webinar on The Planting Hope Company from CEO and Co-founder Julia Stamberger is available [HERE](#). To follow the brands on Instagram and Facebook, please visit: @hopeandsesameco, @veggicopia, @rightrice, @mozaicschips. To purchase products directly from the Company that ship within the United States, please visit its direct-to-consumer website at [plantinghopebrands.com](http://plantinghopebrands.com). For the Planting Hope product store locator, please visit [HERE](#).

**Exchange Rate:**

Exchange rate used was \$0.7354 USD to \$1 CAD, the closing rate on May 29, 2023.

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**Forward-Looking Statements**

*This news release contains "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements that address activities, events, or developments that the Company expects or anticipates will, or may, occur in the future, including, but not limited to, statements about the Company's ability to execute on its goals, the timing pertaining to these goals, the potential demand for the Company's products, the timing and success of*

*anticipated product launches and distribution of the Company's products, the Company's business prospects, future trends, plans, scalability and strategies, that the Company will achieve profitability in the next few years, the timing of the Company's implementation of NetSuite, and the Company's key growth priorities for 2023 . In some cases, forward looking statements are preceded by, followed by, or include words such as "may", "will," "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "anticipates", "continues", or the negative of those words or other similar or comparable words. In preparing the forward-looking statements in this news release, the Company has applied several material assumptions, including, but not limited to, the assumption that demand for the Company's product will be sustained or increase in accordance with management's projections, that the Company's internal research and analysis is indicative of broader market trends and the Company's anticipated future demand for its products, that changes in consumer preferences in the plant-based food industry will continue in accordance with the Company's expectations, that the Company's current business objectives can be achieved and that its other corporate activities will proceed as expected, and that general business and economic conditions will not change in a materially adverse manner. Although the management of the Company believes that the assumptions made and the expectations represented by such forward-looking statements are reasonable, there can be no assurance that any forward-looking statement herein will prove to be accurate. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. Risks and uncertainties applicable to the Company, as well as trends identified by the Company affecting its industry can be found in the Company's annual information form dated January 6, 2022 and the Company's continuous disclosure record available on SEDAR at [www.sedar.com](http://www.sedar.com). Such cautionary statements qualify all forward-looking statements made in this news release. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable law.*