



Planting Hope Drives Forward Profitability Path Achievements, Improving Gross Margins, Decreasing SG&A Expenses, and Expanding in Transactionally Profitable Channels Including Foodservice

- *Proceeding rapidly on its strategic path to profitability, Planting Hope attained FY 2023 YTD gross revenues of \$7.9M (CAD \$10.7M) and Q3 2023 gross revenues of \$1.9M (CAD \$2.6M), reflecting anticipated gross revenue decreases versus FY 2022 of 22% and versus Q3 2022 of 48%. Revenue decreases were driven by the selective cutting of unprofitable accounts, promotional programs, and products, primarily at Grocery Retail, which freed up both management time and capital to focus on transactionally profitable customers, particularly Foodservice accounts.*
- *The Company realized a Gross Margin of 22% for Q3 2023, an improvement of 13 points or 144% over the Q3 2022 Gross Margin of 9%, primarily driven by the planned shifts in channel, customer, and product focus, moving away from developmental grocery retail accounts that require significant ongoing promotional investment. Gross margins are expected to further improve over time with additional scale and Foodservice focus.*
- *Concurrently, SG&A expenses decreased by 17% for YTD 2023 to \$7.6M (CAD \$10.3M) and by 13% for Q3 2023 to \$2.5M (CAD \$3.3M), further demonstrating the Company's commitment to efficient use of capital throughout the organization.*
- *YTD 2023 EBITDA improved by 9% versus the same period in 2022 (from -\$7.1M to -\$6.5M | CAD -\$9.6M to -\$8.8M), and EBITDA for Q3 2023 improved by 13% versus Q3 2022 (from -\$2.5M to -\$2.1M | CAD -\$3.3M to -\$2.9M). These significant improvements can be attributed to management's adherence to the Company's strategic plan and focus on its path to profitability.*

CHICAGO, IL and VANCOUVER, BC / ACCESSWIRE / November 30, 2023 – [The Planting Hope Company Inc.](#) (TSXV: MYLK) (OTCQB: MYLKF) (FRA: J94) (“Planting Hope” or the “Company”), a dynamic Foodtech innovation company dedicated to creating breakthrough delicious, sustainable food and beverage solutions through cutting-edge ingredient, formulation, and packaging technology, is pleased to report financial results for the three months ended September 30, 2023. All figures are in U.S. dollars unless otherwise stated.

“In the first half of 2023, we realigned our strategy with capital markets expectations and focused on increasing bottom line profitability, with the goal of achieving ongoing profitability on a solid recurring revenue base within six quarters,” said Julia Stamberger, CEO and Co-Founder, Planting Hope. “We are well on track to turning the corner on profitability by the end of Q2 2024, and our Q3 2023 results reflect achievements towards that goal. Given the magnitude of the shift in a short period of time, charges and costs related to these changes will be absorbed throughout 2023, including the costs of exiting discontinued products and reduced topline revenue while we shift focus to high-velocity, high-profitability, low-investment channels like Foodservice. By mid-2024 we expect that our results will reflect the combination of margin improvements and cost reductions that can return ongoing profitability.”

“We are also seeing demand scale rapidly for our products – we are successfully hitting the demand ‘flywheel’ from consumers, retailers, distributors, and foodservice operators, and our products are validated as right time, right

place, right trends. Our product demand is scaling rapidly, and management is diligently focused on effectively meeting that demand,” continued Ms. Stamberger.

“We are focusing our efforts on developing two key brands first: Hope and Sesame® Sesamemilk, and RightRice® High Protein Veggie Rice. Hope and Sesame® Sesamemilk continues to win kudos, awards, and build demand as the first of its kind globally and the first new disruptive plant-based milk category, with the potential to shift the global category, just as oat milk did (scaling from \$45M to \$6B in seven years). Demonstrably the most sustainable and scalable plant-based milk, with comparable nutrition to dairy milk and 92% less water usage as well as excellent performance in barista beverages, sesame milk is seeing accelerated demand from international customers as well as in North America,” Ms. Stamberger stated. “RightRice®, which adds 22g of complete protein to any ‘bowl’ meal, is equally of interest across the Foodservice spectrum. RightRice® has significant realized gross margins today, especially packaged in bulk for foodservice. Hope and Sesame® is getting closer to our target margins for the product (minimum 40% at scale), especially as our focus is now exclusively on shelf-stable aseptically packaged Tetra Pak cartons and we have exited refrigerated bottles (as of Q2 2023).”

“In short, management is diligently focused on profitable, streamlined execution across its business, and scaling a solid base of transactionally profitable revenue to build on for the long term,” concluded Ms. Stamberger. “The company is continuing to leverage the value of our substantial Foodtech-driven IP portfolio to deliver consumer and shareholder value, and to lay the foundation for a long-term and successful enterprise.”

Q3 2023 FINANCIAL HIGHLIGHTS

During Q3 2023, the Company reported the following results versus Q3 2022:

- Earned \$1.9 million of gross revenues, a decrease of 48% in comparison to \$3.7 million earned in Q3 2022.
- Earned \$1.6 million of net revenues, a decrease of 41% in comparison to \$2.7 million earned in Q3 2022.
- Earned \$0.4 million in gross profit, an increase of 33% in comparison to \$0.3 million earned in Q3 2022.
- Improved SG&A expenses by 13% (approximately \$0.4 million).
- Improved interest and accretion expenses by 26%.
- Adjusted EBITDA of (\$2.1) million compared to (\$2.5) million in Q3 2022, an improvement of 13%.

During the 9 months September 2023 the Company reported the following results versus the 9 months September 2022:

- Earned \$7.9 million of gross revenues, a decrease of 18% compared to \$9.5 million earned in the 9 months September 2022.
- Earned \$5.6 million of net revenues, a decrease of 22% compared to \$7.2 million of net revenues earned in the 9 months September 2022.
- Earned \$1.5 million in gross profit, a decrease of 25% compared to \$2.0 million earned in the 9 months September 2022
- Improved SG&A expenses by 17% (approximately \$1.5 million).
- Improved interest and accretion expenses by 30%.
- Adjusted EBITDA of (\$6.5) million compared to (\$7.1) million in the 9 months September 2022, an improvement of 9%.

It should be noted that a substantial amount of SG&A expense represents variable costs tied to sales volume associated with key channels for the Company, including Amazon.com and QVC. These costs do not represent

discretionary sales and marketing spend but rather seller fees and fulfillment fees from these channel partners, and the only way to reduce these costs is to reduce sales in these channels.

Results of these shifts will be seen throughout 2023 and the stage is set to turn the corner on ongoing profitability by mid-2024, further accelerating the Company's original timeline to achieve break-even. Q2 2023 and Q3 2023 were the first quarters to markedly reflect the strategic shift to higher profitability customers and channels and the concurrent elimination of promotional and trade spend programs that in certain instances drove sales revenue but not net profitability. As anticipated, the implemented changes resulted in lower quarterly gross sales revenue as the Company pulled back on trade spend in Grocery Retail, including removing standard quarterly 'off-invoice' promotions that typically drove forward-buying at a discount to load up distribution warehouses. Longer term, the result will be ongoing transactional profitability on sales revenue from Grocery Retail – lower topline sales, higher bottom-line margin.

During Q3 2023, as the Company made changes within its sales channels to focus efforts on more profitable customers, reducing retail promotions, and navigating periodic inventory availability challenges related to restricted capital, gross revenue declined for the first time in 2023. Gross revenue for the 9 months ended September 2023 was at \$7.9M versus \$9.5M for the 9 months 2022. With this shift, the company realized an increase in its gross profit for Q3 2023, meeting the goal of improving the Company's gross profit, which will ultimately lead to improved EBITDA.

The Company also continued to focus on reductions within Selling, General and Administrative ("SG&A") expenses resulting in \$0.4 million of savings in Q3 2023 and \$1.5 million of savings for the nine months ended September 2023. SG&A reductions were realized through cuts in Payroll, Sales and Marketing spend, and in reductions in General Expenditures. These reductions are not expected to have negative long-term impacts on the Company.

SELECT Q3 2023 ACHIEVEMENTS INCLUDE:

- Continued distribution expansion of Hope and Sesame® Barista Blend Sesamemilk and RightRice® bulk foodservice product into key distributors, influential partners, and leading foodservice retail operations across the U.S., including:
- Addition of Regional Distributors:
 - Pete's Milk Delivery (Seattle WA) – A division of Catapult NW, a major regional foodservice and retail distributor in the Northwest Region of the US, Pete's services 300+ espresso bar, café, and tea café locations. Pete's has added Hope and Sesame® Barista Blend Sesamemilk to its catalog.
 - Nicholas and Company Foodservice Distributors (Salt Lake City, UT) -- Added both Hope and Sesame® Barista Blend Sesamemilk and RightRice® bulk foodservice product to their catalogs; purchasing inventory from redistribution partner DOT Foods (Mt. Sterling, IL).
- Continued expansion of RightRice® High Protein Veggie Rice in Foodservice and CAVA Restaurants (NYSE: CAVA) nationwide. CAVA Restaurants had a successful IPO listing on the NYSE on June 15, 2023, raising expansion capital to more than triple their current store footprint of 270 stores by the end of the decade.

A primary application of RightRice® in Foodservice with the potential to drive significant volume is in 'Bowls', a top menu trend from restaurants to corporate and college campuses. More nutritious and easier to handle operationally than cauliflower rice (which requires frozen supply and has a shorter shelf life), with a stronger supply chain and typically competitive or lower-priced than quinoa, RightRice® also supplies 11g of complete protein per serving. Ounce-for-ounce RightRice® has comparable complete protein to salmon, 3 times the protein in tofu, and 25% more protein than most alternative meats (Beyond Meat, Impossible Burger).

- Expanded Retail distribution of Mozaics™ Real Veggie Chips with the addition of Whole Foods Markets entire US store group. 515 Whole Foods Stores are now stocking 3 SKUs of Mozaics for 1,545 points of distribution for the brand. Negotiated as a profitable retail distribution partnership from the outset, this distribution provides excellent brand visibility and awareness in retail locations that are a perfect fit for the Company's core customer demographic of 'flexitarian' consumers adding 'better for you' plant-based foods to their pantries.
- Doubled topline sales in Direct-to-Consumer Ecommerce channel PlantingHopeBrands.com from Q3 2022 to Q3 2023 through cross-sell initiatives, promotions, and optimized user experience. Notably, the Company grew its average order value by 22% to over \$60 USD per transaction. Additionally, the Company is continuing to see strong (~5.7) 'Return On Ad Spend' (ROAS) on Amazon.com with demonstrated customer loyalty and repeat purchase rates of 40%. Company products sold online have an average customer rating of 4.8 out of 5 stars. Ecommerce is a profitable area for the Company and has multiple operational and customer development benefits; this is a potential area to scale more aggressively in the future with incremental marketing investment.
- Reduced and managed spend on SG&A expenses, including marketing, professional fees, freight, and payroll to align with resources and path to profitability.
- Planting Hope's team showcased RightRice® bulk foodservice product at CAVA Connect, the annual gathering of CAVA Mediterranean Restaurants senior management, regional directors, and store management personnel. In all, over 600 people were able to taste RightRice® in several new menu offering ideations, including CAVA's CEO and its Culinary Development team.
- Continued success on QVC with six additional airings across RightRice®, Mozaics™, and Veggicopia®, as well as a new product airing for Argo® Ready-To-Drink Teas in September 2023. All three Planting Hope Brands products with recurring spots on QVC were named as finalists in the QVC® 2023 Customer Choice® Food Awards. Mozaics™ Real Veggie Chips and Veggicopia® Greek Snack Olives were nominated for 'Best Snack' and RightRice® High Protein Veggie Rice was nominated for 'Best Smart Swap'. This marked the first nomination for Veggicopia® Greek Snack Olives; both RightRice® and Mozaics® were also nominated in 2022.
- Planting Hope Brands showcased multiple brands and products at the KeHE Foods Summer Show where Hope and Sesame® Chocolate Sesamemilk received the acclaimed 2023 KeHE Holiday Show On Trend® Award for the Dairy & Refrigerated category, marking the 12th major industry award for Hope and Sesame® since 2021. KeHE is one of the leading food and beverage distributors in North America, servicing more than 30,000 retail doors across the United States, from major grocery retail and specialty chains to natural retailers and independent grocery stores.
- Received articles and press mentions from notable publications including Nosh, Forbes, Consumer Reports, VegOut, Food Navigator-USA, Daily Mom, Crain's Chicago Business, and Vegconomist, resulting in over 100 million total potential impressions. Consumer Reports, the leading independent publication for consumer product information, featured sesame milk in the article ['Is Milk Good For You?'](#), part of their September

2023 'Live Healthier Longer' issue. Sesame milk, described as having a 'toasty flavor', is called out as a core subcategory in plant milk next to almond, oat, soy, cashew, and coconut, and Hope and Sesame® is featured as the category leader in sesame.

Team Hires & Role Changes:

To complement the strategic shift to Foodservice, in the first half of 2023 the Company reorganized its Sales and Marketing divisions to direct resources to building out the Foodservice channel and to focus internal expertise on managing profitability in the Grocery Retail channel (targeting transactionally profitable business and increased velocity). The Company also realigned its brokerage partners to strategically fit its business objectives, and added key Foodservice representation, as reflected below:

- **Changed Role: [James Curley](#), Co-founder / EVP Sales**

Mr. Curley has returned to leading the Grocery Retail channel for Planting Hope, which he did prior to the hiring of the former Chief Sales Officer. Mr. Curley has 45 years of Sales and Business Development expertise in Natural and Specialty packaged food brands distributed across Grocery Retail and related channels. As both an executive and a consultant, Mr. Curley has led multiple teams that successfully grew sales from the 'start-up' phase to run rates exceeding \$50 million in annual revenue. A recognized expert in consumer product development in the Natural/Specialty CPG arena, Mr. Curley is a featured expert at industry events, focusing on start-up and scaling dynamics for early-stage brands and on successful execution with Grocery Retailers and Food and Beverage distributors.

Mr Curley's focus in this role includes: 1) eliminating transactionally unprofitable retail business; 2) realigning retail sales to focus on customers delivering profitability; 3) realigning distributor relationships and strategy to improve profitability; 4) strategically adding new transactionally profitable Grocery Retail distribution in key markets; 5) overseeing the profitability picture and strategic growth for the full Sales function at Planting Hope.

- **Promoted/Expanded Role: [Jeannie Andolena](#) – SVP of Marketing + Ecommerce**

Ms. Andolena joined Planting Hope in March 2022 as the Company's Vice President of Ecommerce and her background includes extensive training in the Consumer-Packaged Goods industry and senior leadership roles at Jet.com, Walmart.com, and online food distributor VEDGEco.

Ms. Andolena's focus in this role includes: 1) building an effective consumer marketing function leveraging low-cost, guerilla tactics including social media to drive brand awareness; 2) building brand partnerships; 3) driving E-tail revenue, with a twin focus on brand exposure and profitability, in channels from Ecommerce to QVC.

- **Added: [Becky Harrison](#), VP of Foodservice Operations**

Ms. Harrison joined Planting Hope from Good Catch and Wicked Kitchen where she led the Foodservice initiatives for both brands. Prior to that, she developed the full Foodservice channel for Coconut Bliss (now owned by HumanCo).

Ms. Harrison's focus in this role includes: 1) building out Planting Hope's brands across Foodservice channels; 2) adding and developing distributors and brokers; 3) developing scalable relationships with Fast Casual chains.

New Sales Partners and Brokerage Relationships:

The following new expert brokers and leading sales partners are now contracted to represent Planting Hope products in their designated channels and markets:

- **Chef Andy Co (Entiat, WA)** - Chef Andy Co. offers expert sales execution for Food Manufacturers in the Northwest region. Our services include end-user sales calls, distribution support and culinary support for R & D formulations and presentations.
- **Melinda Cross Sales** (Huntington Beach, CA) – offering representation of our brands to ‘better for you’ foodservice operators across Southern CA, including healthcare, Fast Casual, and education segments.
- **Sunbelt Foods** (Norcross GA) - Sunbelt Foods is a full service food sales and marketing company founded in Atlanta, Georgia in 1973. For over 40 years, Sunbelt Foods has provided its principals with in-depth market knowledge, lasting relationships with distributors, chain accounts and operators in Georgia, the South and nationally. Sunbelt is representing our entire Portfolio to regional foodservice operators as well as national operators based in their coverage area.
- **Infinity Worlds** (Bentonville AR), division of The Barcode Group - representing Planting Hope’s brands to the Walmart corporate retail and club segments for in-store foodservice, retail, and club store opportunities.

OUTLOOK AND GROWTH

Throughout the balance of 2023, the Company’s continued focus is on realigning its business for profitable scaling ahead, laying strong groundwork to scale Hope and Sesame®, RightRice®, and Mozaics™ in Foodservice, and growing Grocery Retail with a focus on transactionally profitable accounts and improving overall retail channel profitability. Strong focus is being paid to constructing a solid platform under the brands and the Company to scale the business rapidly and profitably after the achievement of ongoing break-even operations.

In looking at expansion opportunities, the Company is evaluating strategic relationships and opportunities that enable it to accelerate its Foodservice business. The Company announced in August 2023 that it had successfully closed an acquisition of the assets of Argo Tea®, a tea café company with a 20-year multinational brand and taken over its master agreements with managed Foodservice providers. This opportunity opens immediate active relationships with the top managed Foodservice operators (Aramark, Sodexo) and Foodservice distributors (Sysco, Performance Food Group), as well as previous agreements and relationships with Delaware North, Compass, and other managed Foodservice providers which became dormant due to COVID. In addition to a large North American footprint, each of these large managed Foodservice providers operates across multiple countries and geographies outside of the U.S., and each generates more than \$10 billion in annual revenues, controlling multi-billions in annual food and beverage spend.

Foodservice Channel Focus:

Today, more than 56% of meals in the U.S. are eaten outside of the home¹. The Foodservice channel, identified as a core priority by Management, encompasses outlets from quick-service and fast-casual restaurants to coffee shops and cafés to ‘grab & go’ to managed and institutional Foodservice (colleges, institutions, corporations).

The Foodservice channel is a priority for the Company for reasons that include:

- The Company’s products were designed to be ideal fits for the channel, with significant opportunities to scale with unique, breakthrough, relevant, on-trend items;
- Higher realized net margins;

¹ [USDA Economic Research Service: 2022 U.S. Food-Away-From-Home Spending](#)

- Faster adoption (in single locations/small chains);
- Faster scaling and velocities by customer (*as an example: one average café could sell through the same weekly velocity of Hope and Sesame® Barista Sesamemilk as 20 retail stores*);
- Large single customer development opportunities;
- SKU concentration leading to supply side efficiencies and near-term margin improvements;
- Lower channel development costs;
- Limited/no charge backs or promotional programs required outside of sampling;
- Provides exposure ('free marketing') to consumers through the integration of products on menus;
- Fast payment terms, on time/in full, without deductions; and
- Opportunities to partner with distributors to develop the channel, from regional coffee distributors to DOT Foods (redistributor) and broadline distributors.

It should be noted that product demand in Foodservice channels is typically concentrated on a limited number of core 'workhorse' products and bestsellers for each product line or brand (i.e. Original RightRice® High Protein Veggie Rice, Hope and Sesame® Barista Blend). The Foodservice channel does not have the continual demand for new finished goods flavors or varieties to expand assortments and attract new customers that is seen in Grocery Retail. Rather the focus is on products that are levered as ingredients in creative menu development conducted at the operational level (as for Hope and Sesame®, RightRice®) or the core bestselling flavors in 'grab and go' ready-to-eat items (as for Mozaics™ Real Veggie Chips, Veggicopia® Veggie Snacks). Fewer SKUs are required to meet customer needs effectively, and typically buying is in bulk amounts/larger case packages versus retail, providing cost and pricing efficiencies that are realized and scale more quickly.

Argo Tea Acquisition Strategically Accelerates Foodservice Channel Development

Adding to the accelerated Foodservice development strategy, the [Company announced in August 2023 that it had successfully closed an acquisition of the assets of Argo Tea®](#), a tea café company with a 20-year multinational brand and taken over its master agreements with managed Foodservice providers. This opportunity opens up immediate active relationships with the top managed Foodservice operators (Aramark, Sodexo) and Foodservice distributors (Sysco, Performance Food Group), as well as previous agreements and relationships with Delaware North, Compass, and other managed Foodservice providers which became dormant due to COVID. In addition to a large North American footprint, each of these large managed Foodservice providers operates across multiple countries and geographies outside of the U.S., and each generates more than \$10 billion in annual revenues, controlling multi-billions in annual food and beverage spend.

Key Priorities For The Balance Of 2023

Business building:

- Key Priority: Hope and Sesame® Barista Blend in Foodservice - Partnering directly with distributors and brokers to open new cafés and restaurants for Hope and Sesame® Barista Blend Sesamemilk, including a heavy focus on driving café sampling, trial, and development and launch of Limited Time Offer (LTO) specialty beverages featuring sesame milk to drive consumer awareness and adoption. The Company is continuing to build out its network of regional café distributors, and in August 2023 announced the addition of leading regional distributors Pete's Dairy (Pacific Northwest) and DWC (Midwest).
- Associated Program: The 'Barista 1000' – In Q3 2023, the Company launched their 'Barista 1000'

marketing program, with a goal of getting 1,000 new independent café customers to adopt Hope and Sesame® Barista sesamemilk on their menus by the end of Q2 2024. In addition to initial samples, the cafés are receiving a trial offer that enables them to receive free cases to test an LTO with their customers. It should be noted that the average café uses 5-10 cases per type of barista milk per week (oat, soy, almond). Extrapolated to sesame milk, the incremental revenue projected from each additional 1,000 cafés is estimated to add a minimum of -\$1M/quarter.

In the first month of this program more than 2,000 leading influential café owners, decision makers, and baristas were sampled directly by the Company or through its distributors (delivering sample products to their customers). Sampling is the most cost-effective marketing tool available. Given the limited investment costs required to sample a café and sponsor a trial, each café is transactionally profitable on an ongoing basis within 6-12 weeks from adoption.

The Company sees the goal of 1,000 incremental leading independent cafés as a tipping point number to kick off accelerated adoption across the channel given the number of customers served by each café and the geography covered by the footprint. Early adopter cafés are powerful influencers and overall tend to reach a discriminating and engaged audience.

- Key Priority: Argo 2.0: The company is actively defining its forward looking plans for Argo cafes, including its strategic partners and products that will further the company's nutritional/ingredients with a purchase and sustainability missions. The Company is rebranding Argo 'bubbles' as Argo Bijoux® Jellies, providing them with branding that will fuel unique positioning in beverage foodservice café distribution beyond Argo cafés (this expansion is a goal for 2024).
- Key Priority: RightRice® High Protein Veggie Rice in Foodservice: Partnering directly with distributors and brokers to open opportunities for RightRice® High Protein Veggie Rice in restaurants and managed Foodservice, including Fast Casual chains, building on the demonstrated success of RightRice® on both operational and consumer adoption levels in CAVA Restaurants and others. This includes the expansion of RightRice as an ingredient in prepared foods sold in Foodservice and at retail locations.
- Additional Priority: Mozaics™ Real Veggie Chips: Mozaics™ continue to succeed with consumers (for the second year in the row, voted top Customer Favorite by QVC customers), and the Company will continue to develop distribution in Foodservice channels as well as targeted Retail where it makes sense. Foodservice has long been in search of a 'healthy chip' that succeeds with consumers and can fit into grab & go sections adjacent to fried chips; Mozaics™ fill this gap. Currently Mozaics™ are distributed into corporate campuses with trials underway at multiple university campuses this Fall.
- Expand ecommerce and e-tail business; leveraging cost-effective social media marketing and influencer sampling to increase sales.
- Continue to build on success in social media marketing and influencer coverage through sampling to build awareness of all products. Goal: drive awareness of the products to increase online sales and to draw attention to the products outside of the crowded store environment where the consumer is focused on shopping their list, not on new item awareness.
- Target transactionally profitable retail opportunities, including clients like Warehouse/Club Retailers (i.e. Costco, Sam's, BJ's), which do not require substantial initial upfront investment or support to deliver profitable sales.
- Continue accelerating consumer awareness of Hope and Sesame® Sesamemilk, driving trial, adoption, and usage through cafés with the aim of heightening future demand in grocery retail stores.

- 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).
- 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.
- Focus Product Development and innovation on new items or rollouts of new items acquired through strategic acquisitions on products with potential for significant scale within in Foodservice and direct application to the same customers and distributors already opened for current product lines.

Improved Profitability Through Strategic Cost Reduction:

Continue to evaluate Grocery Retail and associated distributor programs for profitability, culling promotional programs without net positive return (i.e. associated increased retailer purchasing to support a visible and effective promotion), and cutting distribution that does not have a profitable near-term horizon.

- Renegotiate with Grocery Retail distribution partners and other vendors to cut costs where possible.
- Work with vendors and comanufacturers to identify areas to increase margin and reduce COGS on the production side.
- Identify lower cost distribution opportunities to reach retailers, including regional distributors.
- Cull unprofitable channels and/or products; focus inventory dollars on high-velocity, profitability-driving SKUs over developmental SKUs.
- Consolidate SKUs and production to a tailored combination of best-selling SKUs, allowing for more efficient production runs and lower COGS. It should be noted that the products with the most potential for significant scale in the Foodservice channel, including Hope and Sesame® Barista Blend Sesamemilk and Original RightRice®, are also the lower-cost SKUs within their product lines.
- Continue to evaluate ways to slim SG&A and variable expenses without impacting opportunity to grow profitability and long-term scaling.

Intellectual Property Valuation:

The Planting Hope Company has a defined IP strategy, that includes a specific approach to development, protection, and continuous improvement to their IP assets. The Company has engaged global intellectual property (IP) valuation firm Metis Partners to conduct an in-depth third-party valuation of the Company’s deep bench of IP ([Planting Hope Recognized for Food Technology Leadership, IP Valuation Underway](#)).

Metis Partners’ process includes identifying both an IP Score reflecting IP quality, as well as an IP valuation range. Depending on the strength of its IP Score, the Company could earn a coveted spot on the Metis Partners IP100 list. The Metis Partners IP100 is an annual ranking of companies based on a rating of their IP asset strength and track record in exploiting IP and is recognized as the leading global intellectual property league table. Per Metis Partners, businesses featured on the IP100 are the most effective at commercializing their IP assets. The Metis Partners IP scoring process involves an assessment of IP-specific data linked to the following IP asset classes: brands, software, patents, trade secrets, and critical databases. The IP100 research team uses its proprietary process to calculate an IP Score and subsequent ranking for each company.

The Company received the results of this valuation, the Company’s IP was valued at more than \$50 million and

ranked 32nd out of 100 on Metis's IP ranking list. (this valuation was done prior to the acquisition of Argo, as such the value of the Argo IP would be additive).

Today the Company's deep IP bench is an unrecognized and unleveraged asset that it believes will be of significant size and value and be able to be used to secure additional non-dilutive debt financing. The Company is identifying channels to communicate their IP strategy and the value of their IP/Food Tech to the market and its shareholders.

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 management's discussion and analysis thereto, which have been posted on SEDAR at www.sedar.com and the Company's website at www.plantinghopecompany.com.

About The Planting Hope Company Inc.

Planting Hope is reimagining and reinventing food today so that our planet can feed 10 billion people tomorrow. A Foodtech-driven company at the forefront of sustainable consumer food and beverage evolution, Planting Hope transforms nutrient-dense, widely cultivated crops into innovative, nutrient-rich products that reimagine pantry staples in the largest, fastest growing global food categories.

Our award-winning breakthrough brands, including Hope and Sesame® Sesamemilk, RightRice® High-Protein Veggie Rice, and Mozaics™ Real Veggie Chips, are not only disrupting global markets but also significantly reducing environmental footprints. Available across the US and Canada in grocery retailers (Whole Foods Market, Sprouts Farmers Markets), through foodservice operators (CAVA Mediterranean restaurants – NYSE: CAVA), and e-commerce and alternative retail channels (Amazon, QVC), our products blend culinary innovation with advanced technology, offering breakthrough products with wide moats. Our products are poised to disrupt global food and beverage categories, make a positive impact on the world, and provide investors with valuable opportunities in the growing sustainable food market.

This is the food that Gen Z is demanding and that Gen Alpha will grow up with: this is the future of food.

Explore more at plantinghopecompany.com, sign up for Planting Hope news emails [HERE](#) and follow us on [LinkedIn](#).

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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. 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.