



Planting Hope Announces Private Placement of Convertible Note Units

- The Company announces a private placement opportunity for convertible note units for aggregate gross proceeds of up to \$5,000,000 USD (~\$6.7M CAD).

CHICAGO, IL and VANCOUVER, BC / ACCESSWIRE / October 7, 2023 – The Planting Hope Company Inc. (TSXV: MYLK) (OTCQB: MYLKF) (FRA: J94) (“Planting Hope” or the “Company”), a FoodTech innovation company focused on leveraging cutting-edge ingredient, formulation, and packaging technology to develop breakthrough sustainable food and beverage solutions, is pleased to announce a non-brokered private placement (the **“Offering”**) of up to US\$5,000,000 of convertible note units of the Company (the **“Units”**) at a price per Unit of US\$1,000 under US SEC Regulation D 506(c), open to accredited investors in the United States and to international investors outside of Canada.

Strategic Inflection: Planting Hope’s Focused Pivot to U.S. Capital Markets

In the shadow of ongoing Canadian small-cap fundraising challenges, Planting Hope is actively redirecting its approach to driving investor awareness and broadening its investor base. Founded in Chicago, IL which continues to be its base of business operations, Planting Hope has a deep network in the United States, and its products are extensively distributed throughout US retailers and foodservice operators, including Whole Foods Markets and CAVA Mediterranean Restaurants (NYSE: CAVA). The Company is launching this US-focused Offering to engage more deeply with US-based accredited investors, and both fortify the Company’s financial base and expand its market position.

“We believe that the capital markets are currently under-appreciating the enormous potential being built and expanded daily at Planting Hope, calling for a strategic pivot to recognize and capitalize on the breakthrough innovation of our products and their value-creation opportunities for investors ahead,” states Planting Hope CEO and Co-founder Julia Stamberger.

“We believe that our products are exactly on-trend and exceedingly well positioned: Gen Z is actively seeking out better-for-you products that deliver on both taste and sustainability, and are voting with their food and beverage dollars; the markets where our products are scaling fastest, foodservice and grocery retail, are also the markets where growth is being accelerated by current economic conditions, where consumers are trading off ‘sit down’ restaurant dining for fast-casual concepts and holding strong to their morning coffee indulgence in the face of other budget cuts,” Ms. Stamberger continues. “We have built a strong base of transactionally profitable revenue and clients, and these channels are experiencing increased demand; with the appropriate resources in place, we foresee significant opportunities to scale ahead, and our team is prepared to hit the accelerator on delivering on these enormous opportunities for profitable growth.”

Highlighted Strategy:

- **Direct Engagement with U.S.-Based Accredited Investors:** Intensifying communication and outreach to a broader investor base in the United States, where Planting Hope’s operations are centered and its distribution is strongest, enhancing financial support and organizational growth.
- **Emphasis on Transactional Profitability:** Prioritizing immediately or short-term profitable revenue and accounts over developmental revenue, building sustainable growth and financial health.
- **Expansive Customer Outreach:** Meeting the rising demand for Planting Hope’s food and beverage products through extending the Company’s customer base, enhancing market presence, and ensuring a continuous influx of orders.

These elements coalesce in Planting Hope’s comprehensive fundraising strategy, which aims to attract new investors, secure essential funds, and broaden the Company’s customer base, scaling its presence in the U.S. market and beyond.

The Offering

Each Unit is comprised of one 10.0% unsecured convertible note of the Company having a face value of US\$1,000 (each, a “**Note**”) and 1,925 common share purchase warrants of the Company (each, a “**Warrant**”).

The offer and sale of the Units in the Offering will be made in the United States solely to accredited investors pursuant to the exemption from registration in Rule 506(c) of Regulation D promulgated by the United States Securities and Exchange Commission (the “**SEC**”) under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) and to certain other non-Canadian international investors, in each case in compliance with exemptions from the prospectus requirements of applicable Canadian securities laws.

The Notes

Each Note shall mature 36 months from the date of issue thereof (the “**Maturity Date**”) and will bear interest at a rate of 10.0% per annum, payable annually in arrears commencing on March 31, 2024 (“**Interest**”) (each such interest payment date, an “**Interest Payment Date**”). The Interest may be paid, at the election of the Company, either in cash or, subject to the prior approval of the TSX Venture Exchange (the “**TSXV**”), common shares of the Company (“**Shares**”) at a deemed price per Share equal to the greater of: (i) the 30 trading day volume weighted average price of the Shares on the TSXV (the “**30 Day VWAP**”) for the 30 trading day period ended five (5) trading days immediately prior to each Interest Payment Date; (ii) C\$0.25; and (iii) the last closing price of the Common Shares on the TSXV immediately prior to the interest payment date (or such other minimum price prescribed by the TSXV), and using a conversion rate equal to the Bank of Canada conversion rate for US dollars to Canadian dollars on the date that is five (5) trading days immediately prior to each Interest Payment Date.

Subject to the policies and approval of the TSXV, at any time prior to the Maturity Date, the Company shall have the right, but not the obligation, to convert any part of or all of the Notes into Shares (the “**Conversion Right**”) by issuing to the holder thereof that number of Shares as is equal to a fraction, the numerator of which is the aggregate principal together with all accrued and unpaid Interest thereon outstanding as of the date of conversion determined by the Company (the “**Conversion Date**”) converted into Canadian funds using a conversion rate equal to the Bank of Canada conversion rate for US dollars to Canadian dollars on

the date that is five (5) trading days immediately prior to the Conversion Date and the denominator of which is equal to the greater of: (i) the 30 Day VWAP for the 30 trading day period ended five (5) trading days immediately prior to the Conversion Date; and (ii) C\$0.25. The Conversion Right may be exercised by the Company at any time by the delivery of a notice to the holder of the Note(s) being so converted in accordance with the Note certificates.

In addition, subject to the policies and approval of the TSXV, in the event the Company successfully qualifies the Shares pursuant to Regulation A as promulgated under the United States Securities Act of 1933 in an amount equal or greater to US\$10,000,000, the Company shall convert the Notes (the “**Reg A Offering Conversion**”) into that number of Shares as is equal to a fraction, the numerator of which is the aggregate principal together with all accrued and unpaid Interest thereon outstanding as of the date of conversion determined by the Company (the “**Reg A Conversion Date**”) converted into Canadian funds using a conversion rate equal to the Bank of Canada conversion rate for US dollars to Canadian dollars on the date that is five (5) trading days immediately prior to the Reg A Conversion Date and the denominator of which is equal to the greater of: (i) the 30 Day VWAP for the 30 trading day period ended five (5) trading days immediately prior to the Reg A Conversion Date; and (ii) C\$0.25. The Company shall notify the holders of the occurrence of the Reg A Offering Conversion by the delivery of a notice to the holder of the Note(s) in accordance with the Note certificates.

The Company shall further be entitled to prepay any or all of the Notes at any time following the 12 month anniversary of the date of issuance thereof and prior to the Maturity Date, and upon prepayment of the principal and all accrued and unpaid Interest thereon in respect of each such Note, such Note shall be deemed to be fully satisfied and extinguished.

The Warrants

Each Warrant will be exercisable by the holder thereof to purchase one Share at an exercise price of C\$0.35 for 36 months (three years) from the date of issuance thereof.

In the event the Company files a Registration Statement (as defined below) or the 30 Day VWAP exceeds C\$0.50 at any time for any 30 consecutive trading day period, the Company may, at any time thereafter, accelerate the expiry date of the Warrants on no less than 10 business days’ notice to the holder thereof.

Piggy-back Registration

In the event the Company files a registration statement with the SEC (a “**Registration Statement**”), the Company shall use its reasonable efforts to include the Shares underlying the Notes and the Warrants (the “**Registrable Shares**”) to the extent requisite to permit the sale by the holders of such Registrable Shares in accordance with the method of sale applicable to the other Common Shares included in the Registration Statement.

Additional Offering Information

The Company has partnered with Issuance, a best-in-class fund raising technology platform, in connection with the Offering. The Issuance platform will host information and handle transactions related to the Offering, including verification of accredited investor status, through checkout and completion of the investment.

The net proceeds from the Offering will be used for general working capital. Completion of the Offering is subject to several conditions, including, without limitation, final acceptance of the TSXV.

Completion of the Offering is subject to compliance with all applicable laws, the policies of the TSXV and the approval of the TSXV. The Offering may close in one or more tranches without advanced notice. There is no minimum amount of funds to be raised by the Company in connection with the Offering.

The Notes and the Warrants are “restricted securities” as defined in the US Securities Act and may not be sold or transferred except in a transaction registered with the Securities Act or pursuant to an exemption from such registration requirements. Following delivery, whether through conversion of a Note or following exercise of a Warrant, Shares may likewise be deemed restricted securities pursuant to the US Securities Act, meaning that such Shares will not be able to be sold or transferred except in a transaction registered under the Securities Act or pursuant to an exemption from such registration requirements. The Notes and Warrants, and Shares issuable upon exercise or conversion thereof, are also subject to a hold period of four months and one day from the date of issuance thereof in accordance with applicable Canadian securities laws. Any transfer or sale of the Notes and Warrants, and Shares issuable upon exercise or conversion thereof, are subject to the policies of the TSXV.

The Units are being offered directly by the Company, acting solely through its officers, directors, and/or employees, none of whom will receive a commission or other compensation in connection with the sales of the Units. The Company has not retained a broker/dealer to assist with this offering but reserves the right to pay usual and customary commissions in the event a properly registered broker/dealer introduces any investors to the Company who purchase the Units.

Accredited investors in the United States and internationally (outside of Canada) can find out more about the Company’s private placement opportunity and make an investment (via the Issuance platform) at this direct link: invest.plantinghopecompany.com

About The Planting Hope Company Inc.

Planting Hope is a FoodTech-driven company at the forefront of sustainable consumer food and beverage evolution, transforming 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 ecommerce and alternative retail channels (Amazon, QVC), our products blend culinary innovation with advanced technology, offering first-mover breakthrough products with a wide moat poised to make major disruptions in global food and beverage categories, making a positive impact on the world and providing valuable investment opportunities in the growing sustainable food market.

Our goal at The Planting Hope Company: to develop foods that we can effectively cultivate and feed the planet with 50 years from now. This is the food that Gen Z is demanding, and that Gen Alpha will grow up with.

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

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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 news release.

The Company has utilized an exchange rate of approximately US\$1.00 to C\$1.3333 throughout this news release.

Forward-Looking Statements

Certain disclosure in this news release, including disclosure regarding the terms, amount to be raised, closing(s), TSXV approval and other matters related to the Offering, the expected use of proceeds therefrom, and the goals, and strategy of the Company constitutes forward-looking statements that are subject to numerous risks, uncertainties and other factors outside of the Company's control that may cause future results to differ materially from those expressed or implied in such forward-looking statements. 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 all conditions precedent (including TSXV approval) of the Offering will be satisfied in a timely manner; investor interest in the Offering; that general economic and business conditions will not change in a materially adverse manner; customer appeal of the Company's products; the effectiveness of the Company's proposed strategies; and that the Company will be able to raise additional funds on reasonable terms. Although the management of the Company believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that any forward-looking statement herein will prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.