



**Planting Hope Continues Sales Momentum in Q2 2023,
Focuses on Foodservice Channel Development and Executing Strategic Path to Profitability**

- *Combined Gross Revenues for Q1 + Q2 2023 (USD \$6.0 million | CAD \$8.1 million) exceeded combined Q1 + Q2 revenues for 2022 (USD \$5.9 million | CAD \$8.0 million)*
- *Achieved Q2 2023 Revenues of USD \$2.7 million (CAD \$3.7 million), a decrease of 19% over Q2 2022 Revenues of USD \$3.3 million (CAD \$4.5 million), as the Company strategically adjusted its channel and promotional strategies to focus on near-term transactionally profitable channels, products, and customers*
- *Selling, General, and Administrative (SG&A) expenses decreased by 16% to USD \$2.6 million (CAD \$3.5 million) in Q2 2023 compared to USD \$3.1 million (CAD \$4.2 million) in Q2 2022; SG&A in Q1 + Q2 2023 combined decreased by 19% over Q1 + Q2 2022, and SG&A as a percentage of revenue declined by 21%*

CHICAGO, IL and VANCOUVER, BC / ACCESSWIRE / August 30, 2023 – [The Planting Hope Company Inc.](#) (TSXV: MYLK) (OTCQB: MYLKF) (FRA: J94) (“Planting Hope” or the “Company”), a foodtech company focused on leveraging cutting-edge ingredient, formulation, and packaging technology to develop breakthrough sustainable and nutritious food and beverage solutions, is pleased to report financial results for the three months ended June 30, 2023. All figures are in U.S. dollars unless otherwise stated.

“For seven consecutive quarters we have focused on driving topline revenue growth; in the first half of 2023, we realigned our strategy to increase bottom line profitability,” said Julia Stamberger, CEO and Co-Founder, Planting Hope. “We have embarked on a strategic journey to achieve EBITDA profitability over the next seven quarters, while we continue to grow and strengthen our revenue base in key channels, from Grocery Retail to Foodservice to Ecommerce to Alternate channels.”

“Q2 2023 saw the results of the strategic re-alignment of our Grocery Retail business, where we cut excessive promotional programming with retailers and distributors to improve profitability. Most of the layered trade spend and distributor incentives that were eliminated had been inherited through the RightRice® acquisition. On a net basis, these incentives were eroding the profitability of the Grocery Retail channel while not driving enough meaningful sales lift to absorb the costs of the spend,” continued Ms. Stamberger. “As anticipated, the near-term impacts of removing programs like periodic distributor promotions that incited distributor forward-buying inventory at a discount are reflected in this quarter’s financial results in lower gross revenue. Longer term we believe these changes will result in greater overall net profitability from the Grocery Retail channel as more inventory is sold to retailers at higher margins. As we develop our products further in Grocery Retail, we are prioritizing partnerships with strong retailers in their markets, with low or no slotting requirements and low required promotional spend, and where possible are seeking out alternate lower cost distribution options to reach these retailers.”

“In addition to driving greater profitability in the Grocery Retail channel, in the second half of 2023 we are focusing attention across the Company on developing the enormous opportunities ahead for our products in Foodservice and diving deep into the development of this channel,” said Ms. Stamberger. “We already have a great start on this with distribution of RightRice® by name on the menu at CAVA Restaurants, through securing distribution of Hope

and Sesame® Sesamemilk in regional café distributors across North America, and by achieving availability of all Planting Hope products through DOT Foods, reaching more than 4,500 warehouses and 200,000 foodservice outlets.”

“We have augmented our Sales team with Foodservice experts, and the recent strategic acquisition of Argo Tea®, which included the Argo Tea® café licensor program, eight active cafés on college campuses, and contracts with top managed foodservice operators,” continued Ms. Stamberger. “In addition to building our products with the Gen Z audience, Argo Tea® cafés provide Planting Hope with effective ‘test labs’ to trial beverage LTO recipes and build data stories to enhance our Foodservice sales strategy, and also opens the door for our products with the top global managed foodservice operators who administer tens of billions of dollars in annual food and beverage spend.”

In the balance of 2023, the Company is placing emphasis on faster sales growth and acceleration in the channels with the largest and most scalable transactionally profitable opportunities, like Foodservice. In parallel with scaling currently profitable business and channels, the Company is focused on ensuring profitability across both current and new Grocery Retail and Alternate channel distribution, with manageable levels of retailer trade spend and distributor incentives. Goals include:

- 1) Establishing the Company as a profitable entity, targeting resources to build a strong foothold and customer following in Foodservice channels, while maintaining current profitable Grocery Retail distribution and continuing to scale profitable Ecommerce and Alternative channels;
- 2) Focusing Grocery Retail growth on incrementally accretive opportunities in meaningful development markets with strong retail partners who have low-cost distribution and minimal trade spend requirements, and finding opportunities to improve distribution costs to retailers (and collectively expand channel profitability);
- 3) Returning to investment in broader expansion across Grocery Retail (with targeted channel development budgets) once the Company’s products are further established with consumers through Foodservice, Ecommerce, Alternative, and other transactionally profitable channels, resulting in built-in velocity and customer recognition and reducing the need for deep investments in in-store marketing to drive initial trial.

Q2 2023 FINANCIAL HIGHLIGHTS

During Q2 2023, the Company reported the following results versus Q2 2022:

- Earned USD \$2.7 million (CAD \$3.7 million) of gross revenues, a decrease of 19% in comparison to \$3.3 million (CAD \$4.5 million) earned in Q2 2022.
- Earned USD \$1.6 million (CAD \$2.1 million) of net revenues, a decrease of 37% in comparison to \$2.5 million (CAD \$3.4 million) earned in Q2 2022.
- Reduced SG&A expenses by 16% (approximately USD \$0.5 million | CAD \$0.7 million).
- SG&A expenses as a % of revenue increased by 3%.
- Reduced interest and accretion expenses by 15%.
- Adjusted EBITDA of USD (\$2.4) million compared to USD (\$2.2) million in Q2 2022, an increase of 11%.

During the 6 months June 2023 the Company reported the following results versus the 6 months June 2022:

- Earned USD \$6.0 million (CAD \$8.1 million) of gross revenues, an increase of 1% in comparison to USD \$5.9 million (CAD \$8.0 million) earned in the 6 months June 2022.

- Earned USD \$4.0 million (CAD \$5.4 million) of net revenues, a decrease of 11% compared to USD \$4.4 million (CAD \$6.1 million) of net revenues earned in the 6 months June 2022.
- Reduced SG&A expenses by 19% (approximately USD \$1.2 million | CAD \$1.7 million).
- SG&A expenses as a % of revenue decreased by 21%.
- Reduced interest and accretion expenses by 32%.
- Adjusted EBITDA of USD (\$4.3) million compared to USD (\$4.6) million in the 6 months June 2022, an improvement of 6% USD (\$0.3M).

Results of the strategic shifts implemented by the Company will be seen throughout 2023 and the stage is set to strive to realize quarterly profitability by early 2025. Q2 2023 is the first quarter 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 strategic changes resulted in lower quarterly topline sales revenue as the Company pulled back on trade spend in Grocery Retail, including removing the standard quarterly promotions that typically resulted in distributors and retailers forward-buying at a discount and loading up distribution warehouses. However, the expected long-term net result will be higher profitability on future sales revenue from the Grocery Retail channel, with less revenue subject to dilution from aggressive promotions.

Given that demand for the Company’s products continued to rise in Foodservice, Ecommerce, and Alternative Retail during the first half of 2023, gross revenues still grew year-over-year concurrent with the realignments as anticipated.

The Company also continued to focus on reductions within Selling, General and Administrative (“SG&A”) expenses resulting in USD \$0.5 million of savings in Q2 2023 and USD \$1.2 million of savings for the six months ended June 2023. Q2 2023 SG&A reductions were realized in payroll, sales and marketing spend, and in general expenditures. These expenditure reductions are not expected to have negative long-term impacts on the Company.

SELECT Q2 2023 ACHIEVEMENTS INCLUDE:

- Expanded distribution of Hope and Sesame® Barista Blend Sesamemilk into key distributors, influential partners, and leading independent and chain cafés across the U.S. and Canada that service Gen Z consumers, including:

Regional Distributors:

- Distribution Bloom (Montreal, QB) – reaches 150 coffee shop customers across Quebec (potential Hope and Sesame® customers).
- The Roasters Pack (Toronto, ON) – reaches 60 coffee shop customers across Ontario (potential Hope and Sesame® customers).

Examples of leading trend-setting cafés and coffeeshops adding Hope and Sesame® Sesamemilk to their menus:

- Pop Up Grocer (*Exclusive Alt Milk*; New York City, NY)
- The Green Line Café coffee chain (*all locations*; Philadelphia, PA)

- JinJin Matcha’s Matcha + Tea Room (Tacoma, WA)
 - Two Sparrows Cupcakes & Coffee Bar (Nainamo, BC)
 - Hideout Coffee (Boise, IA)
 - 10 Dean Café (Toronto, ON).
- Continued to serve and expand RightRice® High Protein Veggie Rice in Foodservice and CAVA Restaurants (NYSE: CAVA) nationwide. It should be noted that 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 ideal application of RightRice® in Foodservice that has 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 a complete protein. With 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, like Beyond Meat or Impossible Burger.

- Expanded Retail distribution of Mozaics™ Real Veggie Chips with the addition of H-E-B grocery stores, which have the highest foot traffic in the state of Texas, adding three flavors across 243 doors for a total of 729 new TDP. The premiere grocery chain in the state of Texas, H-E-B is an excellent example of a great Grocery Retailer to partner with as an emerging brand, as H-E-B has low-cost distribution and does not charge onerous program fees for promotions. This is the type of accretive, positive, retailer partnership that the Company is prioritizing to build going forward. H-E-B also carries RightRice® in its stores, and the addition of Mozaics™ further deepens the Company’s relationship with H-E-B stores, as well as increases Mozaics’™ presence in the Texas market, a ‘Top 10’ target geography for the Company’s products.
- Achieved 7% topline growth in Direct-to-Consumer Ecommerce sales on PlantingHopeBrands.com from Q1 2023 to Q2 2023 through increased focus on content planning, promotions, and user experience. Notably, the Company grew its average order value by 6% and its conversion rate by over 100%. Additionally, the Company is continuing to see strong (~5%) Return On Ad Spend (ROAS) on Amazon.com with demonstrated customer loyalty and repeat purchase rates of 39%. Company products sold online have achieved 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, to date the above accomplishments have been achieved with no spend on online advertising and customer acquisition has been organic.
- Showcased menu solutions featuring RightRice® High Protein Veggie Rice, Hope and Sesame® Sesamemilk, and Mozaics™ Real Veggie Chips to hundreds of Foodservice channel decision makers during the 2023 DOT Foods Innovations Show. DOT Foods is the linchpin to reaching the entire Foodservice channel in North America, a major focus for the Company’s expanded growth and profitability, providing direct access to more than 4,500 distributors and 200,000 Foodservice end user locations.
- 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.

- Continued pioneering marketing program focused on getting products onto shopping lists outside of the store environment through targeting fitness, health, parent, and nutritionist influencers. The Company is not paying for coverage by these influencers: the influencers are receiving samples and opting to cover the products through posts, stories, reels, and placements. The Company partnered with and provided samples to 42 influencers in Q2 2023, with individual audiences ranging between 16,000-500,000 followers (more than 50% of these influencers are ‘macro influencers’ with more than 100,000 followers). These partnerships collectively earned Planting Hope brands well over 6 million social media impressions, at a total cost of \$2,280 in product costs + shipping. The resulting cost per thousand impressions (CPM) was less than \$0.38, an extraordinarily efficient and effective marketing spend. The Company’s influencer reach in Q2 2023 included influencers like @cafecitocondaisyg whose Hope and Sesame® reel was so successful that it secured over 1.5 million views and grew her follower base by more than 10% (from ~90,000 followers to ~100,000 followers).
- Received articles and press mentions from notable publications including Redbook, Parade, Food & Beverage Magazine, Daily Mom, Good Housekeeping, and FoodNavigator-USA, resulting in over 1 billion total potential impressions. Good Housekeeping named Hope and Sesame® Sesamemilk as one of their “45 Best Gifts for Coffee and Espresso Lovers”, while Parade named RightRice® Veggie Rice a “Healthy & Low-Carb Rice Alternative to Buy During the 2023 Shortage,” and RedBook called Mozaics® Real Veggie Chips a “Hiking Snack for All of Those Happy Trails.”
- Successful implementation of the NetSuite ERP system across its operations. Started in September 2022, the implementation was rolled out in stages until fully complete in Q2 2023, and functions include Financial Reporting, Inventory Management, Sales Reporting, and Order Processing and Management. This successful implementation is providing the Company with more and timely Customer Sales performance and Operations data to support management decision-making.

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 Planting Hope Company Organizational Chart and Management Biographies are available [HERE](#). 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 (departed Q2 2023). 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.

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.

▪ **Q3 2023 - Added: [Candace Pappas](#), VP of Foodservice Business Development**

Ms. Pappas joined the Planting Hope team in August 2023 in tandem with the Company's acquisition of Argo Tea® assets, and brings 16 years of experience at Argo Tea®. Ms. Pappas developed the current licensee relationships and has extensive experience developing managed Foodservice relationships and securing related contracts, working through Aramark, Compass, Sodexo and their distributors, including Sodexo, Performance Food Group, and myriad others.

Ms. Pappas' focus in this role includes: 1) managing the administration of the licenses for the current eight Argo Tea® locations on college campuses, including supporting the execution of the cafés by the managed Foodservice operators with marketing materials, menus, Limited-Time Offer (LTO) seasonal beverage recipes, supplies, and operational guidance; 2) expanding the Argo Tea® footprint by adding additional café licenses in colleges and universities and institutions; 3) expanding the relationships with the managed Foodservice operators to extend Planting Hope products into other applications and uses

New Sales Partners and Brokerage Relationships:

- **Navigate CPG** – Industry leaders in developing strategic alliances with Costco.
- **Allied Resources** – A strategic broker to the café Foodservice channel, including independent cafés, espresso bars, and tea shops.
- **Focus Foodservice Associates, LLC** – A leading independent Foodservice sales agency in the Intermountain region of the US (UT, NV, ID, MT).
- **Lichtman and Associates Inc.** – A prominent sales agency to the vending, micro market and 'grab & go' Foodservice channels in Wisconsin, Illinois, Michigan and portions of Indiana, Iowa and Ohio.

OUTLOOK AND GROWTH

Throughout the balance of 2023, the Company's continued focus is on realigning its business for profitable scaling ahead, in particular on 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 in order to scale the business rapidly and profitably after the achievement of ongoing break-even operations.

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;
- 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 and limited deductions; and
- Opportunities to partner with distributors to develop the channel, from regional coffee distributors to DOT Foods (redistributor) and broadline distributors.

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 up 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).

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

- 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 at no cost. 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. 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: RightRice® High Protein Veggie Rice in Foodservice - Partnering directly with distributors and brokers to open up 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: Hope and Sesame® Unsweetened Original Sesamemilk – In the second half of 2023, the Company will focus on building distribution into Foodservice behind Hope and Sesame® Unsweetened Original Sesamemilk, with potential applications in smoothie bars, juice bars, and cooking applications, delivering 8g of complete protein per serving in a Whole30 compliant, keto-friendly sugar-free format that meets sustainability goals.
- 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 in particular 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 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 considered to be 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.

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 expects to receive the results of the valuation in September 2023, and plans to host a webinar in September to review the Company's IP strategy and the outcome of the Metis valuation.

To receive an invitation to the IP Strategy webinar, please email webinar@plantinghopecompany.com.

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 a foodtech company focused on leveraging cutting-edge ingredient, formulation, and packaging technology to develop breakthrough sustainable food and beverage solutions. Planting Hope's IP strategy and culture is centered on unlocking the nutrition in the world's most sustainable crops to create on-trend products that are delicious, nutritious, and planet-friendly. Planting Hope brands and products fill key needs for consumers and deliver better operational solutions for Foodservice partners. These are the products that Generation Z is demanding and Generation Alpha will grow up with.

The Planting Hope brand family includes Hope and Sesame® Sesamemilk, RightRice® High Protein Veggie Rice, Mozaics™ Real Veggie Chips, Veggicopia® Veggie Snacks, and Argo Tea® Cafés. Planting Hope products are currently found in more than 15,000 retail doors and 70,000 total distribution points across North America, and are scaling rapidly across Foodservice channels and distributors, spanning cafés, fast-casual restaurants, and managed foodservice operations, as well as ecommerce and alternate channels. Founded by experienced food industry entrepreneurs, Planting Hope is a women-led company.

For more information about Planting Hope please visit 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, @rightrice, @mozaicschips, @veggicopia.

Planting Hope products are available at leading retailers and foodservice establishments across the US and Canada, including CAVA Restaurant Chain, H-E-B, Kroger, Meijer, Publix, Sprouts, Walmart Canada, and Whole Foods Market. Planting Hope products are also available at plantinghopebrands.com and ecommerce retailers including Amazon.com and Amazon.ca.

The 2023 Planting Hope Product Catalog is available [here](#). The Planting Hope Foodservice Catalog, including item codes to order Planting Hope products through DOT Foods, is available [here](#).

All dollar amounts are in USD unless otherwise stated. An exchange rate of \$0.7372 was applied to the USD to CAD FX conversions, the rate as of market close August 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. 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.