



Planting Hope Reports Record Revenues of \$3.7 Million (CAD \$4.9 Million) in Q3 2022

- *Company achieved third consecutive quarter of record gross revenues*
- *Revenue growth of 378% over Q3 2021, 10% over Q2 2022*
- *Q3 2022 revenue alone is 38% higher than revenues for the entire FY 2021*
- *Year-to-date revenues of \$9.5 million (CAD \$12.7 million), more than 3.5x FY 2021 revenues of \$2.5M*

CHICAGO, IL and VANCOUVER, B.C. / ACCESSWIRE / November 17, 2022 – [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 and nine months ended September 30, 2022. All figures are in US dollars unless otherwise stated.

“This third consecutive quarter of record revenue underscores our ability to scale our core products into key retail and foodservice channels,” said Julia Stamberger, CEO and Co-founder of Planting Hope. “Our team continues to successfully drive placement and consumer adoption of Planting Hope’s products via strong distributor and retailer partnerships across channels, from grocery to foodservice. National media outlets are taking notice of our products, as are consumers, who are purchasing our products and celebrating our brands on social media. This month marks our one-year anniversary as a publicly listed company, and we have achieved tremendous growth in a short period of time thanks to our team, our partners, and support from the investment community. Moving ahead, we will continue to expand our brands across foodservice and retail channels in the United States and Canada, realizing substantial customer-driven demand for our plant-based, planet-friendly, and delicious pantry-staple products. We look forward to bringing new innovative products from each brand to market in 2023.”

Q3 2022 Financial Highlights:

- Revenues of \$3.7 million (CAD \$4.9 million) in Q3 2022, an increase of 378% over Q3 2021 revenues of \$0.8 million (CAD \$1.0 million) and an increase of 10% over Q2 2022 revenues; Q3 revenue alone is 38% higher than the entire FY 2021.
- Net revenues of \$2.7 million (CAD \$3.6 million) in Q3 2022, an increase of 313% over Q3 2021 net revenues of \$0.6 million (CAD \$0.8 million) and 8% over Q2 2022 net revenues.
- Selling, general & administrative expenses of \$2.8 million (CAD \$3.7 million) in Q3 2022, a 33% increase from \$2.1 million (CAD \$2.8 million) in Q3 2021 as a result of company growth, increased employee count to support the larger organization and reduced professional fees, increased outbound freight costs, significant trade show participation, and marketing costs associated with ecommerce sales.
- Net loss of \$4.9 million (CAD \$6.6 million) in Q3 2022 compared with net loss of \$7.6 million (CAD \$10.1 million) in Q3 2021, an improvement of \$2.6 million (CAD \$3.4 million) or 34%, primarily due to one-time merger fees incurred in Q3 2021 that were not incurred in 2022.

Achievements in Q3 2022 include:

Distribution:

The Company added distribution across products by more than 1,000 doors and more than 4,100 Total Distribution Points (“TDP”), driving total doors to over 9,000 and TDP to over 55,000, including new distribution in Sprouts Farmers Market stores and across multiple retailer banners at Kroger.

Notable distribution expansion during Q3 2022 includes:

- **Hope and Sesame® Sesamemilk:**
 - Three SKUs into 683 Kroger stores across multiple retailer banners (+2,043 TDP)
 - Three SKUs into 331 Sprouts Farmers Market stores (+993 TDP)
 - Hope and Sesame® Barista Blend Sesamemilk now available through Baldor Specialty Foods – access to 4,600+ restaurants across NYC (all five boroughs) plus additional Baldor Specialty Foods customers from Boston to Philadelphia via Baldor Specialty Foods’ satellite warehouse and delivery operations
 - Regional café distribution added for Hope and Sesame® Barista Blend Sesamemilk with Metropolis Coffee, the leading coffee roaster and distributor in the Chicago area. At this point, Barista Blend is widely available through both regional distributors (reaching 22% of the population of the US in markets from Boston to DC, including Charlotte, Atlanta, San Francisco, and Chicago) and direct-to-café outlets like BaristaUnderground.com (reaching 80% of the US population)
 - Canadian bilingual SKUs produced and shipped to Canadian master distributor; rollout started into independent stores and small chains in Eastern + Western Canada
 - Barista Blend Sesamemilk continued to expand with distribution added to high visibility, high turn locations including all University of Chicago cafés
- **Mozaics™ Real Veggie Chips:**
 - Three SKUs into 380 Sprouts Farmers Market stores (+1,140 TDP)
 - Corporate office foodservice expansion (snack size bags)
 - Added to UNFI and KeHe Foodservice distribution programs (single-serving and multi-serve bags)
 - Canadian dual-language SKUs produced and shipped to Canadian master distributor; rollout started to independent stores and small chains in Eastern + Western Canada
- **RightRice® Veggie Rice:**
 - Limited-edition Holiday SKUs shipped to retailers for Q4 2022 placement in Whole Foods Markets and Thrive Market
 - Added multiple SKUs of distribution in Carmela Distributors, serving Michigan and the Great Lakes Region for both foodservice and retail outlets
- **Veggiecopia® Veggie Snacks:**
 - Veggiecopia® olives successfully launched on the leading home shopping network, with the first airing in August 2022

Ecommerce:

The Company experienced continued ecommerce sales growth, with more than 12,000 customers purchasing its products on [Amazon.com](https://www.amazon.com) in Q3 2022, 35% of which were repeat customers, and 65% of which were new customers of the Company's products on Amazon. The Company has continued to expand its ecommerce performance with additional listings on Amazon.com, new listings (including the launch of RightRice®) on US Army and Air Force Exchange Service, and limited-edition Holiday RightRice® on Amazon and [ThriveMarket.com](https://www.thrivemarket.com). Additionally, the Company beta-launched an enhanced Planting Hope Brands web-store that promotes cross-selling and introductions of new Planting Hope products to loyal customers of individual Planting Hope brands.

Alternate channels:

The Company continued to see growth and success in alternative and specialty channels. As an example, the leading home shopping network invited the Company to showcase curated assortments of its products to viewers on 11 separate occasions during Q3 2022 alone. Each seven-to-eight-minute airing reaches millions of television viewers and generates thousands of dollars per minute in revenue and margin-accretive sales for the Company.

New products launched during Q3 2022 (initial production):

- Hope and Sesame® Sesamemilk – shelf-stable cartons, Canadian bilingual packaging, three SKUs (946ml size)
- Mozaics™ Real Veggie Chips – Canadian bilingual packaging, three SKUs (100g size)
- RightRice® – limited-edition Holiday SKUs, two SKUs (Holiday Stuffing, Brown Butter Sage)

Industry trade shows:

In 2022, the Company invested heavily in industry trade shows to get its products in front of key buyers in grocery retail and foodservice. Many of these shows had not been held in person since 2019 due to COVID, and the Company had all-new products and packaging to showcase, including the RightRice® products. Through 2022 to the end of Q3 2022, the Company exhibited at 16 trade shows. In Q3 2022, the Company exhibited at five industry trade shows:

- Carmela Specialty Foods Expo (August 2022)
- CoffeeFest Los Angeles (September 2022)
- Plant Based World NYC (September 2022)
- CHFA NOW East (September 2022)
- CoffeeFest Northwest (September 2022)

Consumer marketing highlights:

The Company is starting to promote its products through consumer marketing events, including:

- Sampled Hope and Sesame® at NYC Ube Festival, and SFU Burnaby's SummerFest Anime Festival.
- For International Coffee Day, Hope and Sesame® hosted themed 'Peace and Love Tour' events across Chicago including University of Chicago cafés, Metropolis Coffee's flagship location, and others; at these events, customers could try a sesamemilk latte free of charge and the cafés were decked out with Hope and Sesame® merchandising, including t-shirts on the baristas.

- Pop Up Grocer (Denver) – RightRice® (four SKUs) and Hope and Sesame® (three SKUs) were included in the highly curated assortment of 100 emerging brands at the Denver Pop-Up Grocer, a month-long ‘pop-up’ store showcasing new and exciting food, beverage, and consumable goods brands to curious consumers, who can purchase the products onsite. This is the third Pop-Up Grocer event participated in by RightRice® and other Planting Hope Brands, in different US metro areas (previously Miami, Washington DC).

Trade marketing highlights:

- Hope and Sesame® and Mozaics™ products showcased on ‘Innovation Centers’ in Sprouts Farmers Market stores to draw visibility to the brand rollouts in these stores.
- RightRice® showcased on large endcaps in Whole Foods Market stores.

Press coverage:

In Q3 2022, Hope and Sesame® Sesamemilk started to receive a substantial amount of press attention as an ‘emerging trend to watch’ in the plant-based milk space, including recognition in The Washington Post, Good Morning America, Thrillist, Consumer Reports, and other outlets.

Awards:

Thus far in 2022, the Company’s products have received the following awards and recognition:

- Hope and Sesame® Sesamemilk Barista Blend:
 - Plant Based World Expo, World Plant-Based Foods Award – Best Plant-Based Beverage
 - CoffeeFest Chicago 2022 – Best Consumable Product (June 2022)
 - Specialty Coffee Association – Finalist, Best New Product (May 2022)
- Mozaics™ Real Veggie Chips:
 - QVC 2022 Consumer Choice Award Nomination (August 2022)
- RightRice® Veggie Rice:
 - QVC 2022 Consumer Choice Award Nomination (August 2022)

OTCQB:

The Company began trading on the OTCQB market and received DTC eligibility (August 2022).

Investor Marketing:

The Company and CEO participated in several highly curated investor conferences, all of which provided an opportunity for investors to learn more about the Company, its performance and role in disrupting the plant-based food and beverage markets. These conferences included:

- Canaccord Genuity 42nd Annual Growth Conference (August 2022)
- Planting Hope Investor Webcast (August 2022) – recording available on the Company’s website
- The Emerging Growth Conference (August 2022)
- The 24th Annual HC Wainwright Global Investment Conference (September 2022)
- UBS’s Emerging Brands Conference (September 2022)

Additionally, the Company's COO presented and led a spirited discussion on trends in plant-based beverages at the Prepared Foods New Products Conference in Philadelphia (September 2022).

Operations:

The Company started implementation of the NetSuite ERP platform across the Company, beginning with Finance and Operations. The Company expects to successfully complete the implementation of NetSuite across all departments by the end of Q4 2022.

Outlook and growth:

Overall, the Company's execution across Q3 2022 increased product distribution into new grocery retail customers and added distributor placements, effectively laying the groundwork for additional growth in successive quarters. Securing distributor placements is a critical step to the successful execution of its business plan as distributors are the vital 'last mile' piece in getting product to retailers and, when in place, open up clear opportunities and paths to scale.

Additionally, the Company's execution on the Canadian bilingual packaging across its brands effectively opened Canadian retail and foodservice markets for the Company's products, adding a sizeable growth market opportunity. In 2020, total plant-based food and beverage grocery sales in Canada were CAD \$647 million,⁽¹⁾ and plant-based milks were CAD \$337 million (52% of all plant-based foods sold in Canada).⁽²⁾

The Company continues to effectively execute on its business plan for 2022, including expanding core products in key channels, and setting up new products and distribution that will achieve scale in 2023.

Throughout 2022, the Company has been focused on establishing retail distribution and getting its products into critical distributors in grocery and foodservice channels. Additionally, the Company has been laying the groundwork for successful marketing reach and promotions to its consumers, with the intent of expanding both customer marketing and ecommerce marketing in 2023.

In effect, the overall strategy is an omnichannel approach, with the following objectives and staging for its brands and products:

1. Secure key retailers, e-tailers and distributors interested in carrying the products
2. Successfully place products onto grocery store shelves and online on ecommerce sites
3. Introduce products into foodservice outlets as menu items and other offerings that in addition to revenue, drive consumer trial, brand exposure, and brand marketing
4. Ramp up marketing directly to consumers, both inside retail locations and through channels that reach the consumer and increase trial and awareness outside the store

End goal: Drive consumers to retailers and increase sales velocity through both terrestrial and ecommerce channels.

One important piece of the Company's go-to-market strategy is that there is a common consumer for all its products, namely a Flexitarian woman shopper. In fact, women represent 93% of the shoppers driving plant-based

food sales today.⁽³⁾ One of the ways the Company can leverage this common shopper is to cross-promote the brands and drive trial of the Company's other products to current consumers, especially those who buy directly through the Company's website.

In Q2 2022 and Q3 2022, the Company invested in building out its direct-to consumer websites, increasing the product information on them, including robust store locators that answer the #1 consumer question: "Where can I find your products at a store near me?"

The Company also increased product sales and shopping cart ability, piloting a common shopping cart across brands to increase cross-selling opportunities and discovery of new brands by its end customer. Early data shows more than 15% of customers are buying products from multiple brands and discovering new products as they shop. Owning this direct consumer touchpoint also allows for direct marketing through sampling into their purchased shipments and other low/no cost methods to increase awareness.

The Company has subscribed to SPINS and other key performance data and is putting in the analysis tools to be able to track velocity across retailers and products and make data-driven decisions about where to focus marketing and sales efforts to support and grow product velocity at retail and foodservice outlets.

Key growth priorities for Q4 2022 and beyond:

- Rollout our products in Canadian bilingual packaging to both large grocery and independent retailers across Canada, in all three brands (Hope and Sesame® Sesamemilk, Mozaics™ Real Veggie Chips, and RightRice® Veggie Rice). Expand Canadian ecommerce footprint allowing consumers across Canada to obtain products easily and cost effectively (without the cost of US freight).
- Focus deeply on foodservice expansion, a major growth target for 2023. Foodservice has high usage rates per outlet, strong net margins, and low costs to enter new distribution. Products like Hope and Sesame® Barista Blend Sesamemilk (cafés), RightRice® (Quick Service Restaurants (QSR) + Fast-Casual), Mozaics™ and Veggicopia® (both snack brands: contract, business & industry, and college/university foodservice and specialty channels/i.e. airlines) are ideally suited to myriad foodservice applications with ease of provisioning, operational reliability, and competitive pricing. Company SKUs are also foodservice ready, with bulk RightRice® (5lb and 50lb bags) available, Hope and Sesame® Sesamemilk is packed in 32oz Tetra Pak shelf-stable containers (standard specification for foodservice operations), Mozaics™ and Veggicopia® single-serving snack items are available in bulk multi-packs.
- The Company is targeting the penetration of independent cafés, where plant milks now account for 40-50% of all 'milk-based' drinks ordered. Oat milk is firmly established now at these outlets, but Sesamemilk has a clear opportunity to displace almond and soy, with a better performing, more delicious, more sustainable alternative. Already, independent cafés bringing in Sesamemilk are opting to 'cancel' almond milk in favor of Hope and Sesame® Sesamemilk as a more sustainable, better-tasting choice. The 31,000+ independent cafés in the US represent a \$2 billion+ market for 'barista' plant milks.⁽⁴⁾
- Focus on sales channels that generate revenue and profitability and also provide marketing opportunities at no additional cost, such as QSR and Fast-Casual foodservice, independent cafés, retail sales opportunities like home shopping TV, airline foodservice, and other high-touch and high-reach channels. The volume

generated by foodservice, where the usage of a single SKU can be very deep, can also assist in reaching scale and improving overall efficiencies and margins more quickly.

- Implement production and supply chain efficiencies to reduce cost of goods and drive additional margin points.
- Ramp up low-cost, high touch marketing opportunities, including consumer trade shows (with opportunities to sell and build new customers, establishing connections beyond just sampling), influencer targeting, couponing and sampling to interest groups with an affinity or need for plant-based, high protein, high fiber, low GI, allergen-friendly product (including fitness enthusiasts and athletes, dieticians and nutritionists, parents, allergen-aware, baristas and coffee aficionados). Our marketing focus is on driving awareness and trial, and doing so through ROI-focused, measurable marketing efforts.
- Continue to scale direct to consumer (D2C) business and other online wholesale and retail presence, including additional 3rd party ecommerce marketplaces, e-tailers, and on Amazon.com.
- Expand operating team with key hires across Sales, Marketing, Finance, and Operations to drive and support growth and scaling.
- Complete implementation of NetSuite ERP system and associated internal infrastructure solutions to drive internal efficiencies as well as to be prepared for rapid scaling.

Citations:

(1) <https://www.statista.com/statistics/1281720/sales-of-plant-based-food-in-canada/>

(2) <https://agriculture.canada.ca/en/international-trade/market-intelligence/reports/customized-report-service-milk-alternative-beverages-plant-based-beverages-canada-and-united-states>

(3) Yankelovich Monitor & Greenfield Online

(4) <https://www.ibisworld.com/industry-statistics/number-of-businesses/coffee-snack-shops-united-states/>

Financial Statements & Management's Discussion and Analysis

This earnings press release should be read in conjunction with Planting Hope's consolidated interim financial statements and management's discussion and analysis, 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 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, 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: @hopeandesameco, @veggicopia, @rightrice, @mozaicschips.

All dollar amounts are in USD unless otherwise stated.

An exchange rate of \$0.75 was applied to the USD to CAD FX conversions, the rate as of market close November 16, 2022.

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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 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, and the Company's business prospects, future trends, plans and strategies. 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", "look forward to" 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 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 information, 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.