

Green Rise Reports Q2 2022 Results and Details of Financing on its recent 16-acre Mini-Pepper Farm Acquisition

Toronto, Ontario--(Newsfile Corp. – August 22, 2022) – Green Rise Foods Inc. ("Green Rise" or the "Company") (TSXV: GRF) is pleased to announce the release of its interim Q2 2022 consolidated financial results. These results including the Company's management, discussion, and analysis for the three and six-month period ended June 30, 2022, are available on SEDAR (www.sedar.com).

Highlights for the Quarter Ended:

- Record revenue of \$8.3 million compared to \$7.1 million in Q2 of 2021.
- Adjusted EBITDA of \$2.7 million versus \$2.8 million generated in 2021. Results were consistent despite a 30% reduction in daily light integrals.
- Implementation of labor programs generated \$0.5 million in labor cost savings. These programs along with the utilization of gas forward contracts, helped mitigate rising input costs.
- As announced on July 4, 2022, the closing of the Green Rise #3 ("GR3") range on June 30, 2022. The transaction is immediately accretive and further diversifies the Company's product offerings which now include mini peppers.
- The execution of an interest rate swap, described below, on July 20, 2022, improved the Company's pro-forma working capital ratio for the period ended June 30, 2022, by \$1.4 million from the period ended March 31, 2022.

"We continue to execute our plan of product diversification, aligning our labor to increase efficiency, closely managing all input costs and generating more predictable cash flows. I am extremely pleased that our cultivation capacity has more than doubled in the last 18-months from 36 acres at the end of December 31, 2020, to 74 acres. We continue, to strategically seek accretive opportunities to increase managed acreage. I am proud of our Head Grower, Adam Suder, and his team, as they stay focused on implementing the production plan to increase yield, lower labour costs and improve operational efficiencies" said Vincent Narang the Company's Chief Executive Officer.

Highlights Year to Date:

- Record revenue of \$8.5 million compared to \$7.4 million for the same period ended June 30, 2021.
- Adjusted EBITDA of \$1.5 million versus \$1.7 million generated in 2021.
- Labor as a percent of produce sales came in at 33.0% versus 36.0% noted in the prior year period.

Financing the GR3 Acquisition:

The Company completed the acquisition, effective June 30, 2022, of a 16-acre greenhouse range ("the property"), located in Kingsville Ontario for cash consideration of \$15 million. The purchase price, including the related transaction costs and land transfer taxes was financed via a first charge mortgage with an aggregate principal amount of \$15.35 million and collateral in the amount of \$20 million secured against the property. The mortgage is with the Royal Bank of Canada ("RBC") and had an open variable rate on closing. On July 20, 2022, the Company executed an interest rate swap with RBC, effectively fixing the interest rate at an all-in rate of 5.09%, for a five-year period on the full notional amount of \$15.35 million. As part of the GR3 financing RBC also increased the Company's credit facility by \$1.6 million, carrying interest rate at prime plus 1% percent and required a postponement in the amount of \$309 thousand of the purchase price by the Vendor which is expected to be repaid in May 2023.

ABOUT GREEN RISE

Green Rise is a grower of fresh “Grown in Ontario” produce in 89 acres of greenhouse ranges located in Leamington and Kingsville, Ontario. The best-in-class, contract grower of fresh produce, takes pride in providing high-quality, consistent and dependable produce to meet ever growing consumer demand. Leveraging innovative growing solutions and embracing technology, Green Rise optimizes its operations to generate improved product quality, seek the highest yield, and provide investors with meaningful, growing and sustainable returns. The Company is proud to be an environmentally sustainable investment, producing locally grown, bee-pollinated fresh produce. The Company’s first range is EFI (Equitable Food Initiative) certified.

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Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results and developments may differ materially from those contemplated by these statements. The statements in this news release are made as of the date of this release. Green Rise undertakes no obligation to update any such forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on any such forward-looking statements. Green Rise undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Green Rise or their respective financial or operating results or (as applicable), their securities.