



Planting Hope Accelerates Foodservice Strategy with the Acquisition of Managed Foodservice Master Agreements and University Café Licenses and Up to \$1M USD (\$1.35M CAD) in Financing

- Planting Hope has acquired a substantial assets package from the acquisition of certain Argo Tea® assets from Golden Fleece Beverages, Inc. through a non-dilutive, non-cash transaction.
- The Argo Tea® assets acquired include:
 - Transferable master contracts with managed Foodservice partners including Sodexo and Aramark
 - Licenses for eight branded Argo Tea® cafés managed by contract Foodservice providers at major US universities, collectively serving upwards of 170,000 students and 10,000 faculty and staff members
- In conjunction with this transaction, the Company is receiving a loan of up to \$1,000,000 USD (approx. \$1,350,000 CAD), of which \$400,000 USD (approx. \$541,700 CAD) has been advanced.

CHICAGO, IL and VANCOUVER, BC / ACCESSWIRE / August 22, 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 proud to announce that it has acquired the assets of Argo Tea®, a renowned leader and innovator in the tea café space with international reach, formerly headquartered in Chicago, IL.

Argo Tea® assets acquired by The Planting Hope Company include:

- Master supplier agreements with Sodexo, Aramark, and other managed Foodservice operators
- Licenses for 8 cafés with ongoing operations at major colleges and universities, unlocking additional access to young, influential core consumers
- Finished goods inventory valued at more than \$600,000 USD (approx. \$812,500 CAD) (cost of goods)
- A food product with significant café industry applications that will be transitioned to the Hope and Sesame® brand

“We’re extremely excited about the partnership with Argo® and the ability to integrate the Argo® brand and relationships into Planting Hope’s go-forward strategy,” said Julia Stamberger. “We believe that the acquisition of master contacts and relationships with the largest managed foodservice operators in the United States will effectively accelerate Planting Hope’s contract foodservice strategy by up to two years and adds to our revenue and profitability expectations in 2024 and beyond. The Argo university cafés will provide us with direct access to our core Gen Z demographic at a pivotal point in their lives when they are trying new foods and beverages and adopting lifelong choices. In addition to other benefits, these cafés will provide both a test market for Planting Hope’s products and an innovation lab to trial and receive feedback on new beverage recipes and Limited Time Offer (‘LTO’) concepts that we can subsequently roll out to our café partners.”



“Furthermore, Planting Hope will work to expand Master supplier agreements with Sodexo, Aramark and other partners across other segments such as Healthcare, Hospitality, Industrial and more to implement our portfolio of Sustainable and Nutrition-focused solutions across all focus areas of Foodservice,” Ms. Stamberger continued. “The Argo® partnership complements and strengthens our mission to build the world’s leading Foodtech-driven and sustainability-focused food and beverage solutions company.”



Café Licenses

A full café licensing program and eight active Argo Tea® café licenses have been acquired by Planting Hope.

Planting Hope’s responsibilities in managing these licenses include providing the café operators with:

- **Menu design and support**, including full product selection and menu development, the creation of specialty beverage recipes and promotional LTOs and supporting marketing materials, and menu board design.
- **Operational guidelines**, including operational manuals and employee training procedures.
- **Product support**, including providing access to and fulfilling orders for any specialty products not available through standard wholesale distributors (i.e. Sysco).

The Company is not operating the cafés and there are no direct operational leases or liabilities that are part of the transaction. The Company earns a royalty on gross sales transacted through these cafés, as well as relevant distributor markups on products supplied directly by the Company to the cafés.

The eight café licenses are currently located in University of Massachusetts at Amherst (U Mass Amherst), George Mason University, University of Albany, Liberty University, Fordham University, SUNY Oneonta, Florida State University, and Rensselaer Polytechnic Institute (RPI). Collectively, these universities reach more than 170,000 students who have access to on-campus dining services.

Most locations are operated and staffed by Aramark or Sodexo, with the exception of U Mass Amherst, which is self-operated and widely held as one of the most highly regarded and influential leaders in college and university dining innovation and quality.



Beginning in August 2023 with the Fall 2023 menu reset, all Argo® cafés will add Hope and Sesame® Barista Blend Sesamemilk and Mozaics™ Real Veggie Chips to their menus. In addition to sesame milk being an option for any tea or coffee beverage, each seasonal menu rotation will feature a sesame milk-based LTO beverage.

The Company plans to continue to expand the café licenses within managed foodservice operators under the master service agreements. The license agreements allow Planting Hope to develop the menus for these cafés, most of which include food offerings as well as tea and coffee beverages, and the Company intends to incorporate additional food items like RightRice®-based grab & go bowls and Veggicopia® snack items in future menu updates.



Argo Tea Café on campus at Fordham University, currently operating in Fall 2023

Key Hire

In tandem with the Argo® asset acquisition, Candace Pappas has joined the Planting Hope team as Vice President, Foodservice Business Development. A 16-year Argo Tea® veteran, Ms. Pappas has worked in all areas of Argo Tea®, including leading the retail café operations and most recently as President of Golden Fleece Beverages, the former owner of Argo Tea®.

Ms. Pappas will be partnering with Becky Harrison, Planting Hope's Vice President of Foodservice Operations, to fast-track the development and penetration of Planting Hope Brands into the managed Foodservice channel.

“Adding Candace Pappas to our team brings a significant Foodservice skill set to the Planting Hope team, given Ms. Pappas’ extensive experience in café operations and contract Foodservice licensing, and her strong relationships throughout the top managed Foodservice operations in North America, especially at the Institutional, Business, and College and University levels,” said Ms. Stamberger. “We’re thrilled to expand the opportunity to fast-track scaling of Planting Hope brands into key strategic channels with the



addition of another powerhouse leader on our Foodservice team who can appropriately leverage the opportunities the Argo® acquisition opens for Planting Hope.”

Associated Loan

The Company has entered into a loan agreement (the “Loan Agreement”) with an entity related to Argo Tea® (the “Lender”) to obtain a loan financing in the principal amount of up to \$1,000,000 USD (approx. \$1,350,000 CAD) (the “Loan”). Planting Hope will use the proceeds of the Loan for general working capital.

At the completion of the full funding of this Loan, the Lender will receive a ‘Revenue Share’ on products sold by Planting Hope that are under the Argo Tea® brand or derived directly from Argo IP acquired in the transaction as more particularly described below.

The initial tranche of the Loan is for \$400,000 USD (approx. \$541,700 CAD) and will be come due on August 22, 2024. The second tranche of the Loan is for a minimum of \$300,000 USD (approx. \$407,000 CAD) (and up to a total of \$1,000,000 USD (approx. \$1.35M CAD) between the various tranches of the Loan).

The Loan will bear interest at a rate of 11% per annum, accruing daily on each amount of the Loan advanced from the date of the advance and compounding monthly. Unless accelerated pursuant to the terms of the Loan Agreement, the Loan will become due on the date that is 12 months from the closing of each advanced tranche of the Loan.

Under the terms of the Loan Agreement, subject to TSXV approval, the Company intends to issue to the Lender 1,547,714 warrants (the “Loan Bonus Warrants”). Each Loan Bonus Warrant entitles the holder to acquire one subordinated voting share (a “Share”) at a purchase price of \$0.35 CAD per Share for a period of 36 months following the date of issuance. The price of the Loan Bonus Warrants has been calculated pursuant to the “Market Price” calculation as defined under TSXV Policy 1.1 - Interpretation. Each Loan Bonus Warrant is non-assignable and non-transferable and will be subject to the applicable regulatory hold periods. Any securities issued in respect of the Loan Bonus Warrants shall be subject to a minimum hold period of 4 months and 1 day from the date of issue of the subject Loan Bonus Warrant. The Loan and issuance of the Loan Bonus Warrants remain subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSXV.

Liabilities

Planting Hope has assumed a US\$270,000 four-year note payable obligation to Golden Fleece Beverages that is owed to creditors as part of a reorganization conducted by Argo Tea® in 2021. The note is scheduled to be paid in four annual graduated installments.

Revenue Share Agreement

Providing that the second minimum US\$300,000 note is funded according with the terms of the agreement, the Lenders will receive an annual revenue share payment equivalent to a percentage of the net sales derived directly from the Argo Tea® assets and IP. The Revenue Share begins in 2024 on the



following sliding scale: 2024 (5%), 2023 (4%), 2026 and beyond (3%). The Revenue Share Agreement goes for up to 30 years and includes a buyout clause.

About Argo Tea®

Argo Tea® was founded in Chicago in 2003 and grew to become one of the top tea brands in the United States. An early tea café pioneer and innovator, the Argo® brand is well respected for the innovation, quality, and taste of its signature tea beverages. Many Argo® cafes also feature an all-natural food menu including pastries, sandwiches, and bowls.

At its height, Argo Tea® cafés (both company-operated locations and licensees) could be found in over 50 locations throughout the United States. Alongside the café business, Argo Tea® also had a substantial ready-to-drink beverage business in the Grocery, Convenience and Drugstore channels. COVID-related challenges caused a reorganization of the business and a shift in focus, which included the substantial downsizing of the retail cafés. Former cafés operated across New York and Chicago, including flagship locations in Chicago's Theatre District and in New York's Flatiron Building, as well as high-traffic locations in Northwestern Memorial Hospital, NYU Medical Center, Chicago O'Hare Airport, and licensed cafés in Asia and the Middle East. No company-owned stores are currently in operation.

About The Planting Hope Company Inc.

Planting Hope is a Foodtech innovation 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, Barista Blend Sesamemilk, and Sesamilk™ creamers, RightRice® Veggie Rice, Mozaics™ Real Veggie Chips, and Veggicopia® Veggie Snacks. 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](#).

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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", 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 December 31, 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.

Certain disclosure in this release, including the potential issuance of Shares upon conversion of accrued and unpaid interest (the "Interest Conversion"), 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 TSX Venture Exchange approval) to the Interest Conversion will be satisfied in a timely manner; that general economic and business conditions will not change in a materially adverse manner; 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.