



Greenlane Renewables Inc. Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended
June 30, 2026 and 2025

(Unaudited)

(Expressed in thousands of Canadian dollars)

Greenlane Renewables Inc.
Condensed Consolidated Interim Statements of Financial Position



(Unaudited)(in thousands of Canadian dollars)

As at	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,086	\$ 17,699
Restricted cash	-	412
Accounts receivable (note 4)	10,586	9,509
Inventory (note 5)	2,624	1,737
Prepaid expenses and other assets	618	969
Contract assets (note 6)	2,715	2,751
	28,629	33,077
Non-current assets:		
Property and equipment (note 7)	3,008	3,259
Intangible assets (notes 8)	1,593	1,885
Goodwill	8,616	8,545
TOTAL ASSETS	\$ 41,846	\$ 46,766
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 13,498	\$ 13,780
Contract liabilities (note 6)	3,446	4,391
Deferred service revenue	444	659
Deferred consideration – contingent earn-out (note 12)	-	710
Current portion of lease liability (note 10)	452	434
Current portion of warranty liability (note 11)	459	409
Income tax payable	324	192
	18,623	20,575
Non-current liabilities:		
Lease liability (note 10)	2,012	2,229
Warranty liability (note 11)	25	25
Deferred tax liability	137	263
Total liabilities	20,797	23,092
Shareholders' equity		
Share capital (note 14)	66,792	66,437
Contributed surplus (note 14)	5,143	5,126
Accumulated other comprehensive loss	294	268
Deficit	(51,180)	(48,157)
Total shareholders' equity	21,049	23,674
TOTAL LIABILITIES AND EQUITY	\$ 41,846	\$ 46,766

See accompanying notes to the condensed consolidated interim financial statements

Approved by the Board of Directors and authorized for issue on August 13, 2026

“Wade Nesmith” Director “Elaine Wong” Director

Greenlane Renewables Inc.
Condensed Consolidated Interim Statements of Income (Loss) and
Comprehensive Income (Loss)



(Unaudited)(in thousands of Canadian dollars, except number of shares and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Revenue (note 15)	\$ 11,315	\$ 15,077	\$ 20,859	\$ 22,084
Cost of goods sold (before amortization)	6,649	7,688	12,100	11,897
	4,666	7,389	8,759	10,187
Amortization of:				
Intangible assets	153	150	306	294
Property and equipment	111	87	223	162
Gross profit	4,402	7,152	8,230	9,731
Operating expenses:				
Amortization of office equipment	45	45	90	99
General and administration	3,471	3,279	7,363	6,734
Research and development	849	405	1,693	658
Sales and marketing	281	299	473	459
Share based compensation (note 14)	202	134	362	206
	4,848	4,162	9,981	8,156
Operating income (loss)	(446)	2,990	(1,751)	1,575
Other items:				
Finance expense	38	39	79	71
Finance income	(32)	(85)	(91)	(179)
Other (income) loss	-	40	(49)	66
Foreign exchange (gain) loss	(204)	198	(162)	(290)
Income (Loss) before income taxes	(248)	2,798	(1,528)	1,907
Income taxes:				
Current	932	1,524	1,626	1,672
Deferred (recovery)	(158)	(3)	(131)	(27)
Total income taxes	774	1,521	1,495	1,645
Net income (loss)	(1,022)	1,277	(3,023)	262
Other comprehensive (income) loss:				
Item that may be subsequently reclassified to operations:				
Exchange difference on translating foreign operations	(83)	(150)	(26)	(182)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ (939)	\$ 1,427	\$ (2,997)	\$ 444
Basic earnings (loss) per share	\$ (0.01)	\$ 0.01	\$ (0.02)	\$ 0.00
Diluted earnings (loss) per share	(0.01)	0.00	(0.02)	0.00
Weighted average number of shares	159,650,051	156,918,991	159,474,889	156,867,847
Diluted weighted average number of shares	159,650,051	156,924,254	159,474,889	156,873,110

See accompanying notes to the condensed consolidated interim financial statements

Greenlane Renewables Inc.
Condensed Consolidated Interim Statements of Changes in Equity



(Unaudited) (in thousands of Canadian dollars, except for number of common shares)

	Common shares		Common shares		Contributed surplus		Cumulative translation adjustment		Deficit		Total
Balance, January 1, 2025	156,690,024	\$	66,097	\$	5,054	\$	(61)	\$	(47,115)	\$	23,975
Share based compensation	-		-		206		-		-		206
Restricted share units exercised	253,760		23		(23)		-		-		-
Net income (loss) and comprehensive income (loss)	-		-		-		182		262		444
Balance, June 30, 2025	156,943,784	\$	66,120	\$	5,237	\$	121	\$	(46,853)	\$	24,625
Balance, January 1, 2026	158,159,032	\$	66,437	\$	5,126	\$	268	\$	(48,157)	\$	23,674
Share based compensation	-		-		362		-		-		362
Options and restricted share units exercised	1,543,521		355		(345)		-		-		10
Net income (loss) and comprehensive income (loss)	-		-		-		26		(3,023)		(2,997)
Balance, June 30, 2026	159,702,553	\$	66,792	\$	5,143	\$	294	\$	(51,180)	\$	21,049

See accompanying notes to the condensed consolidated interim financial statements

Greenlane Renewables Inc.
Condensed Consolidated Interim Statements of Cash Flows



(Unaudited) (in thousands of Canadian dollars)

For the six months ended June 30,	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (3,023)	\$ 262
Adjustments for:		
Amortization of:		
Intangible assets	306	294
Property and equipment	223	162
Office equipment	90	99
Share based compensation	362	206
Finance expense	79	71
Finance income	(91)	(179)
Other (income) loss	(49)	66
Foreign exchange (gain) loss	(162)	(290)
Income taxes	1,495	1,645
Cash provided by (used in) operating activities before non-cash working capital	(770)	2,336
Interest paid	(79)	(70)
Interest received	91	179
Income taxes paid	(1,282)	(343)
Net change in non-cash working capital (note 16)	(2,767)	(2,476)
Net cash provided by (used in) operating activities	(4,807)	(374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Notes receivable	-	1,607
Purchase of property and equipment	(64)	(91)
Disposal of property and equipment	71	(685)
Payment of contingent earn-out	(710)	-
Net cash provided by (used in) investing activities	(703)	831
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of options	10	-
Lease principal payments	(214)	(171)
Net cash provided by (used in) financing activities	(204)	(171)
Net change in cash and cash equivalents	(5,714)	286
Cash and cash equivalents, beginning of period	17,699	16,168
Effect of translation on foreign cash	101	152
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 12,086	\$ 16,606

See accompanying notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)

1. Nature of Operations

Greenlane Renewables Inc. ("**Greenlane**" or the "**Company**") was incorporated under the British Columbia Business Corporations Act on February 15, 2018. The Company's primary business is a provider of biogas desulfurization and upgrading systems and service. The systems it supplies transform biogas generated from organic waste into high-value, low-carbon renewable natural gas for gas networks, transportation and industry, from a wide range of sources including landfills, sugar mills, dairy farms, wastewater and food waste. The head office of the Company is located at 110 - 3605 Gilmore Way, Burnaby, British Columbia, Canada, V5G 4X5 and its registered and records office is located at 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

2. Basis of Presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting and should be read in conjunction with the Company's most recent annual consolidated financial statements. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company's most recent financial statements.

Effective January 1, 2026, the Company adopted Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. The amendments clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for some financial liabilities settled through electronic cash transfer systems, provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, and introduce new disclosure requirements for financial instruments with contractual terms that can change cash flows (such instruments with features linked to environment, social and governance targets) and for equity instruments designed at fair value through other comprehensive income (FVOCI). The adoption of these newly IFRS 7 and 9 amendments have no material impact on the financial statements.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of the Company (the "**Board**") on August 13, 2026.

(b) Functional and presentation currency

The reporting currency selected for the presentation of these consolidated financial statements is the Canadian dollar.

The Company and its subsidiaries each determine their functional currency based on the currency of the primary economic environment in which they operate. Transactions denominated in a currency other than the functional currency of an entity are translated at the exchange rate in effect on the transaction date. The resulting exchange gains and losses are included in each entity's net earnings in the period in which they arise. The functional currency for each subsidiary is included in the table in note 2(c) – Basis of consolidation.

The Company has foreign operations which are translated to the Company's presentation currency for inclusion in the consolidated financial statements. Foreign-denominated monetary and non-monetary assets and liabilities of foreign operations are translated at exchange rates in effect at the end of the reporting period and revenue and expenses are translated at exchange rates in effect on the transaction date. The resulting translation gains and losses are included in other comprehensive income ("**OCI**") with cumulative gains or losses reported in Accumulated Other Comprehensive Income (Loss) ("**AOCI**"). Amounts previously recognized in AOCI are recognized in net earnings when there is a reduction in a foreign net investment as a result of a disposal, partial disposal, or loss of control.

(c) Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. These entities are fully consolidated from the date on which control is transferred to the Company and continue to be consolidated until the date control ceases. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

The condensed consolidated interim financial statements of Greenlane include the following significant subsidiaries listed below. The ultimate holding entity of the entities listed is Greenlane.

Greenlane Renewables Inc.
Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)



2. Basis of Presentation (continued)

(c) Basis of consolidation (continued)

Entity	Jurisdiction	Functional Currency	Ownership Interest	
			2026	2025
Airdep S.r.l.	Italy	Euro	100%	100%
Greenlane Renovaveis do Brasil Ltda.	Brazil	Brazilian Real	100%	100%
Greenlane Biogas Europe Limited	United Kingdom	Euro	100%	100%
Greenlane Renewables Europe B.V.	Netherlands	Euro	0%	100%
Greenlane Biogas Global Limited	Canada	Canadian Dollar	100%	100%
Greenlane Biogas Italy S.r.l.	Italy	Euro	100%	100%
Greenlane Renewables North America Limited	Canada	Canadian Dollar	100%	100%
Greenlane Biogas US Corp.	United States	United States Dollar	100%	100%
Greenlane Renewables Capital Inc.	United States	United States Dollar	100%	100%
PT Biogas Holdings Limited	United Kingdom	Great Britain Pound	100%	100%
PT Biogas Technology Limited	United Kingdom	Great Britain Pound	100%	100%

The Company's wholly owned subsidiary, Greenlane Renewables Europe B.V., was liquidated effective December 31, 2025.

(d) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying value of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Actual results may differ from these estimates, and the differences could be material. Estimates, judgements and assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods.

(e) Recent accounting pronouncements

The International Accounting Standards Board issued IFRS 18 - Presentation and Disclosure in the Financial Statements ("IFRS 18"), in April 2024 which is effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 requires significant changes to the income statement presentation to include additional disclosures around operating, investing and financing activities. Management is currently assessing the impact of future adoption of IFRS 18 to these consolidated financial statements.

There are a number of other accounting standard amendments issued by the IFRS Accounting Standards which the Company has not yet adopted. None of the future amendments are expected to have a significant impact on the Company's accounting policies on adoption.

3. Determination of Fair Values

A number of the Company's accounting policies and disclosures require determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial instruments measured at fair value on the statement of financial position require classification into one of the following levels of the fair value hierarchy:

- Level 1: Valuation based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuation based on observable inputs other than quoted active market prices; and
- Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Share based compensation transactions

The fair value of share options is measured using the Black-Scholes pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, the expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the weighted average expected life of the instruments adjusted for forfeitures (based on historical experience and general holder behavior), the expected dividends and the risk-free interest rate (based on government bonds).

4. Accounts Receivable

As at	June 30, 2026	December 31, 2025
Trade accounts receivable, net of provision	\$ 10,168	\$ 8,946
Other receivables	418	563
	\$ 10,586	\$ 9,509

The aging analysis of trade receivables is as follows:

As at	June 30, 2026	December 31, 2025
<31 days	\$ 9,229	\$ 6,377
31 – 60 days	73	847
61 – 90 days	600	829
>90 days	628	1,231
Allowance for doubtful accounts	(362)	(338)
Trade accounts receivable, net of provision	\$ 10,168	\$ 8,946

5. Inventory

As at	June 30, 2026	December 31, 2025
Spare parts	\$ 857	\$ 823
Raw materials	1,767	914
Inventory	\$ 2,624	\$ 1,737

Greenlane Renewables Inc.
Notes to Condensed Consolidated Interim Financial Statements



For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)

6. Contract Assets and Liabilities

		Balance, January 1, 2026		Revenue recognized		Progress billings		Balance, June 30, 2026
Contract assets	\$	2,751	\$	2,758	\$	(2,794)	\$	2,715
Contract liabilities	\$	(4,391)	\$	10,894	\$	(9,949)	\$	(3,446)

		Balance, January 1, 2025		Revenue recognized		Progress billings		Balance, December 31, 2025
Contract assets	\$	4,023	\$	7,340	\$	(8,612)	\$	2,751
Contract liabilities	\$	(5,684)	\$	22,811	\$	(21,518)	\$	(4,391)

The Company receives payments from customers based on the stage of completion of a contract. Contract assets relate to the Company's conditional right to consideration for the completed performance under the contract. Accounts receivables are recognized when the right to the consideration becomes unconditional. Contract liabilities relate to stage payments that are received in advance of performance under the contract for both system supply contracts and royalty contracts.

The revenue recognized during the period and the contract balances for the period ended June 30, 2026, primarily relate to the sale of biogas desulfurization units and 5 upgrader projects (10 upgrader projects for the year ended December 31, 2025).

7. Property and Equipment

		Machinery and equipment		Right-of-use assets		Total
Cost						
Balance, January 1, 2025	\$	1,158	\$	3,234	\$	4,392
Additions		626		1,012		1,638
Disposal		-		(136)		(136)
Foreign exchange adjustment		48		117		165
Balance, December 31, 2025		1,832	\$	4,227	\$	6,059
Additions		64		-		64
Disposal		(171)		-		(171)
Foreign exchange adjustment		10		4		14
Balance, June 30, 2026	\$	1,735	\$	4,231	\$	5,966
Accumulated amortization						
Balance, January 1, 2025	\$	827	\$	1,327	\$	2,154
Amortization		162		422		584
Foreign exchange adjustment		34		28		62
Balance, December 31, 2025		1,023	\$	1,777	\$	2,800
Amortization		95		218		313
Disposal		(165)		-		(165)
Foreign exchange adjustment		4		6		10
Balance, June 30, 2026	\$	957	\$	2,001	\$	2,958
Carrying value						
At December 31, 2025		809	\$	2,450	\$	3,259
At June 30, 2026	\$	778	\$	2,230	\$	3,008

Greenlane Renewables Inc.
Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)



8. Intangible Assets

		Patents, trademarks and design		Process technologies		Backlog		Total
Cost								
Balance, January 1, 2025	\$	5,566	\$	3,982	\$	157	\$	9,705
Foreign exchange adjustment		-		298		-		298
Balance, December 31, 2025		5,566	\$	4,280	\$	157	\$	10,003
Foreign exchange adjustment		-		36		-		36
Balance, June 30, 2026	\$	5,566	\$	4,316	\$	157	\$	10,039
Accumulated amortization								
Balance, January 1, 2025	\$	5,566	\$	1,659	\$	157	\$	7,382
Amortization		-		603		-		603
Foreign exchange adjustment		-	\$	133	\$	-	\$	133
Balance, December 31, 2025		5,566	\$	2,395	\$	157	\$	8,118
Amortization		-		306		-		306
Foreign exchange adjustment		-		22		-		22
Balance, June 30, 2026	\$	5,566	\$	2,723	\$	157	\$	8,446
Carrying value								
As at December 31, 2025	\$	-	\$	1,885	\$	-	\$	1,885
As at June 30, 2026	\$	-	\$	1,593	\$	-	\$	1,593

9. Accounts Payable and Accrued Liabilities

As at	June 30, 2026	December 31, 2025
Trade accounts payable	\$ 4,326	\$ 5,900
Accrued liabilities	6,042	4,345
Accrued costs related to system sales	3,130	3,535
Accounts payable and accrued liabilities	\$ 13,498	\$ 13,780

10. Lease Liabilities

The Company recognizes right-of-use assets (note 7) and lease liabilities in relation to office leases in Canada and Italy.

The assets and liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates between 5.75% and 7% at the time the lease was assumed or commenced.

As at	June 30, 2026	December 31, 2025
Balance, beginning of the year	\$ 2,663	\$ 2,074
Additional leases	-	882
Lease payments	(293)	(550)
Finance fees	78	165
Foreign exchange adjustment	16	92
Balance, end of the period	2,464	2,663
Current portion	(452)	(434)
Non-current portion of lease liabilities	\$ 2,012	\$ 2,229

Greenlane Renewables Inc.
Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)



10. Lease liabilities (continued)

Lease payments owing are as follows:

Undiscounted lease payments		
2026	\$	585
2027		658
2028		473
2029		252
2030 and thereafter		991
	\$	2,959
Effect of discounting	\$	(495)
Present value of minimum lease payments	\$	2,464

11. Warranty Liabilities

The Company provides a warranty following the sale of certain products and as such, the Company has recorded a provision for future warranty claims. Warranty periods vary between products but are typically one to two years the earlier of equipment delivery or completion of commissioning of the equipment. The provision is based on management's best estimate of future claims, taking account of historical experience and knowledge of the installations covered by the warranty.

As at	June 30, 2026	December 31, 2025
Balance, beginning of the year	\$ 434	\$ 836
Additions in the year	197	243
Charges against provision	(72)	(75)
Provision expired	(75)	(570)
Balance, end of the period	484	434
Current portion	(459)	(409)
Non-current portion of warranty liabilities	\$ 25	\$ 25

12. Deferred Consideration – Contingent Earn-Out

On February 1, 2022, the Company acquired 100% of the outstanding shares of Airdep, a provider of biogas desulfurization and air deodorization products based in Vicenza, Italy (the "**Acquisition**"). The consideration for the Acquisition included an earn-out payment that is based on post-acquisition financial performance of Airdep. Out of the maximum of €2.5 million, \$1.3 million was earned. An amendment to the agreement was signed in 2024 whereby the earn-out payment is payable in two equal cash payments, the initial payment was made in February 2025 and the final payment was made in February 2026.

13. Credit Facilities

The Company holds a standby letter of credit facility (the "Facility") for \$20.0 million. The Facility provides the Company the ability to issue standby letters of credit to its customers for system supply contracts that have advance payment and performance security requirements. As at June 30, 2026, the Company had issued \$8.0 million in standby letters of credit under the Facility.

The Company also has a \$0.6 million performance bond outstanding., which had been partially secured by a \$0.4 cash deposit, classified as restricted cash. During the period ended June 30, 2026, the balance of restricted cash was released.

Upon demand of any standby letter of credit, advance payment bond or performance bond, the Company would be required to compensate the counterparty for any losses and expenses incurred, as applicable.

For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)

14. Share Based Compensation

(a) Omnibus Incentive Plan

The Company has in place a stock option plan (the "**Legacy Option Plan**") and a restricted share unit plan (the "**Legacy RSU Plan**") which were adopted by the Company in 2018 and 2020, respectively. Following the Company's transition to the Toronto Stock Exchange ("**TSX**") in early 2021, the Company introduced a new omnibus incentive plan (the "**Omnibus Incentive Plan**") under which the Company can award stock options ("**Options**"), restricted share units ("**RSUs**") and performance restricted share units ("**PRSUs**")

The Omnibus Incentive Plan is a rolling plan where the Company is entitled to issue Options, RSUs and PRSUs in respect of a maximum number of common shares equal to 10% of the issued and outstanding common shares, less the aggregate number of common shares issuable under the existing Legacy Option Plan and Legacy RSU Plan. At June 30, 2026, Options, RSUs and PRSUs issued under the Legacy Option Plan, the Legacy RSU Plan and the Omnibus Incentive Plan represented 9% (December 31, 2025 – 7%) of issued and outstanding common share capital.

All Options granted under the Legacy Option Plan will continue to be governed by the Legacy Option Plan. There are no outstanding RSUs under the Legacy RSU Plan. No further Options or RSUs will be granted under the Legacy Option Plan.

(b) Options

A summary of the Company's Options outstanding under both the Omnibus Incentive Plan and the Legacy Option Plan, including Options granted to agents, is as follows:

	Number of Options	Weighted average exercise price
Balance, January 1, 2025	7,588,591	\$ 0.16
Granted	540,000	0.14
Exercised	(50,000)	0.10
Forfeited	(995,995)	0.12
Expired	(181,168)	1.00
Balance, December 31, 2025	6,901,428	\$ 0.14
Granted	4,702,500	0.23
Exercised	(106,666)	0.10
Forfeited	(60,001)	0.10
Expired	(15,000)	1.94
Balance, June 30, 2026	11,422,261	\$ 0.18

As at June 30, 2026, 2,799,160 (December 31, 2025 – 2,735,140) Options were exercisable.

Share options outstanding June 30, 2026				Share options exercisable June 30, 2026	
Exercise Price	Number of share option	Remaining contractual life	Weighted average exercise price	Number of share options	Weighted average exercise price
\$0.10 - \$0.20	6,279,511	3.30 years	\$ 0.10	2,508,910	\$ 0.11
\$0.21 - \$0.50	4,902,500	4.54 years	\$ 0.23	50,000	\$ 0.37
\$0.51 - \$1.00	52,000	1.26 years	\$ 0.57	52,000	\$ 0.57
\$1.01 - \$1.50	178,250	0.61 years	\$ 1.13	178,250	\$ 1.13
\$1.51 - \$1.94	10,000	0.37 years	\$ 1.66	10,000	\$ 1.66
	11,422,261	3.78 years	\$ 0.18	2,799,160	\$ 0.19

14. Share Based Compensation (continued)

(b) Options (continued)

The value of the Options issued in 2026 totalled \$0.7 million and was estimated using the Black-Scholes option pricing model with the following assumptions:

	Jan 23, 2026	Feb 2, 2026	Feb 9, 2026	May 14, 2026
Grant date				
Options granted	4,402,500	50,000	200,000	50,000
Exercise price	\$0.23	\$0.22	\$0.21	\$0.26
Fair value per Option	\$0.14	\$0.13	\$0.13	\$0.16
Risk-free rate	2.60%	2.58%	2.56%	3.06%
Expected volatility	87.36%	86.90%	86.73%	87.29%
Expected life in years	3.50	3.50	3.50	3.50
Expected dividend yield	-	-	-	-

(c) Restricted Share Units

A summary of the Company's RSUs outstanding under both the Legacy RSU Plan and the Omnibus Incentive Plan is as follows:

	Number of RSUs
Balance, January 1, 2025	3,209,603
Granted	2,312,500
Exercised	(1,522,658)
Forfeited	(409,516)
Expired	(50,000)
Balance, December 31, 2025	3,539,929
Granted	1,155,000
Exercised	(1,468,821)
Balance June 30, 2026	3,226,108

In January 2026, the Company granted 1,155,000 RSUs, with a fair value of \$0.27 million, to the directors half vesting at six months with the remainder vesting at one year. The fair value per RSU was determined based on the Company's share price on the grant date with no adjustments for dividend yield or other terms and conditions.

As at June 30, 2026, 1,520,279 (December 31, 2025 – 998,332) RSUs were exercisable. During the first half of the year, 31,966 international RSUs related to European and Brazilian employees, were settled in cash.

(d) Performance Restricted Share Units

A summary of the Company's PRSUs outstanding under the Omnibus Incentive Plan is as follows:

	Number of PRSUs
Balance, January 1, 2025	175,000
Forfeited	-
Balance, December 31, 2025	175,000
Forfeited	-
Balance, June 30, 2026	175,000

Greenlane grants PRSUs to certain senior executives. These PRSUs vest in 3 years and incorporate performance criteria established by the board of directors that can adjust the number of performance share units available for settlement from zero to two times the amount originally granted. There were no PRSUs granted in 2026.

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15. Revenue

The following table represents where the Company's activities are located, the contracting entity may be in a different country.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
System sales:				
South America	\$ 613	\$ 455	\$ 1,062	\$ 947
North America	659	1,917	1,550	4,529
Europe	5,903	3,873	11,040	5,448
	7,175	6,245	13,652	10,924
Parts and service:				
South America	583	42	984	120
North America	1,966	3,753	3,330	5,025
Europe	1,547	1,717	2,844	2,695
Other	44	-	49	-
	4,140	5,512	7,207	7,840
Royalty contracts:				
South America	-	3,320	-	3,320
Total revenue:				
South America	1,196	3,817	2,046	4,387
North America	2,624	5,670	4,880	9,554
Europe	7,451	5,590	13,884	8,143
Other	44	-	49	-
	\$ 11,315	\$ 15,077	\$ 20,859	\$ 22,084

16. Non-Cash Working Capital

The net changes to non-cash working capital are as follows:

For the six months ended June 30,	2026	2025
Restricted cash	\$ 412	\$ 456
Accounts receivable	(1,016)	(3,772)
Inventory	(887)	(664)
Prepaid expenses and other assets	351	190
Contract assets	36	891
Accounts payable and accrued liabilities	(718)	(28)
Contract liabilities	(945)	451
Non-cash working capital	\$ (2,767)	\$ (2,476)

17. Related Party Transactions

Key management includes Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Operating Officer ("COO") and in 2026 the Chief Technology Officer ("CTO") who have the authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration paid and payable to these key management personnel is outlined below:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Non-executive directors' fees	\$ 89	\$ 71	\$ 178	\$ 143
Salaries and short-term benefits	402	356	882	750
Equity-based compensation	127	101	229	186
Related party transactions	\$ 618	\$ 528	\$ 1,289	\$ 1,079

18. Financial Instruments

The Company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Company's risk exposure and concentration.

(a) Fair value

Due to the short-term nature of cash and cash equivalents, restricted cash, accounts receivable net of lifetime expected credit losses, and accounts payable and accrued liabilities, the Company has determined that the carrying amounts approximate fair value.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, restricted cash, accounts receivable, and contract assets. The Company limits its exposure to credit loss by placing its cash and cash equivalents and restricted cash with high credit quality financial institutions, and through the performance of credit checks for all new customers.

(c) Foreign exchange rate risk

The Company is exposed to financial risk related to fluctuations of foreign exchange rates. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar, primarily the United States dollar ("USD"), Euros, Brazilian Real ("BRL") and Great Britain Pound ("GBP"). The Company believes that its results of operations, financial position and cash flows could be affected by a sudden change in foreign exchange rates but would not impair or enhance its ability to pay its foreign currency obligations. The Company manages foreign exchange risk by maintaining Euros, USD, BRL, and GBP cash on hand to fund its anticipated short-term foreign currency expenditures.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At June 30, 2026, the Company has no variable-rate interest-bearing financial assets or liabilities.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds needed to support the Company's normal operating requirements on an ongoing basis as well as its planned capital expenditures. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis and matches the maturity dates of its cash equivalents to capital and operating needs. Changes in operating levels, customer demand, foreign exchange rates and other factors all impact the Company's liquidity position.

The Company enters into contracts that give rise to commitments in the normal course of business for future minimum payments. The following table summarizes the remaining contractual maturities of its financial liabilities, operating and capital commitments, shown in contractual undiscounted cash flows:

As at June 30, 2026	Carrying amount	Contractual cash flow	Less than 12 months	1 - 2 years	2 - 3 years	Thereafter
Accounts payable and accrued liabilities	\$ 13,498	\$ 13,498	\$ 13,498	\$ -	\$ -	\$ -
Lease liability	2,464	2,959	585	658	725	991
Warranty liability	484	484	459	25	-	-
	\$ 16,446	\$ 16,941	\$ 14,542	\$ 683	\$ 725	\$ 991

For the three and six months ended June 30, 2026 and 2025
(Unaudited) (in thousands of Canadian dollars, except as noted and per share amounts)

19. Contingent Liabilities

As part of normal ongoing operations, it is possible that the Company could become involved in litigation and claims from time to time. Management is not presently aware of any litigation or claims where likelihood and quantum of liability can be reasonably estimated, for which there is a more than remote change of a material outflow that would require individual disclosure, and which would materially affect the financial position or financial performance of the Company.