Greenlane™
Biogas Upgrading Solutions

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2024

Greenlane Renewables Inc.
Suite 110, 3605 Gilmore Way
Burnaby, British Columbia
Canada V5G 4X5

This annual information form is dated March 20, 2025. The information contained in this annual information form is current as of December 31, 2024 with subsequent events disclosed to March 20, 2025.

CONTENTS

TERMS OF REFERENCE

In this annual information form (the "**AIF**"), unless the context otherwise dictates, references to the "**Company**", "**Greenlane**", "**we**" and "**our**" refer to Greenlane Renewables Inc.

This AIF is dated March 20, 2025. The information contained in this AIF is current as of December 31, 2024 with subsequent events disclosed to March 20, 2025.

All references to dollars ($) in this AIF are expressed in Canadian dollars, unless otherwise indicated.

MARKET DATA

Unless otherwise indicated, information contained in this AIF concerning the industry and markets in which the Company operates, including its general expectations and market position, market opportunity and market share is based on publicly available information from independent industry organizations, and other third-party sources (including industry publications, surveys and forecasts), and management estimates.

Unless otherwise indicated, the management estimates in this AIF are derived from publicly available information released by independent, industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company considering such data and its knowledge of such industry and markets, which the Company believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this AIF is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "Risk Factors".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains certain forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements describe the Company's future plans, strategies, expectations and objectives, and are generally, but not always, identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology.

Forward-looking statements contained in this AIF include, without limitation, statements regarding:

- the Company's expectations regarding its revenue, expenses and operations;
- the Company's ability to execute and realize the revenues on its existing sales contracts;
- the Company's estimates of its Sales Order Backlog and the value of its supply contracts;
- the Company's anticipated cash needs and its need for additional financing;
- the Company's efforts regarding strategic initiatives;

- the Company's future business plans including in respect of product development and launch and plans to achieve sustainable positive adjusted EBITDA results;

- the Company's performance expectations and value propositions of its new product line;

- the Company's anticipation for the future growth in the biogas upgrading market;

- the Company's expectations for the adoption of global sustainability targets that will accelerate the demand for clean-low-carbon and carbon-negative energy solutions;

- the continued effects of the Russia-Ukraine war on the global economy and on the markets in which the Company operates;

- the potential impact of tariffs that are being imposed by the U.S. government, including but not limited to, increased costs of raw materials, supply chain disruptions, and potential changes in customer demand, as well as any other extenuating effects such tariffs may have on the Company's operations, financial performance and strategic initiatives;

- the Company's ability to attract and retain personnel;

- the Company's belief that its Cascade H2S product could drive consensus in the AD market around the best solution for this application;

- the Company's general competitive position and its expectations regarding competition; and

- anticipated trends and challenges in the Company's business and the markets in which it operates.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Key assumptions upon which the Company's forward-looking information is based include:

- legislative and regulatory environments where the business of the Company operates including Canada, the United States, Europe and Brazil, will adopt more ambitious global sustainability targets and strengthen policies to combat climate change to drive the accelerated demand for clean, low-carbon and carbon-negative energy solutions;

- general economic conditions will not adversely impact the Company's plan of operations;

- the Company will be able to achieve future product development and sales plans;

- the Company will be effective in addressing adverse impacts of increasing competition;

- the Company has sufficient resources to achieve its business plans;

- the Company will be able to achieve anticipated revenues from the Company's present Sales Order Backlog, and expenses associated with these contracts will be consistent with the Company's expectations;

- the Company will continue sales growth in its other business segments, including parts and services, biogas desulfurization products and technology licensing;

- the Company will continue to sell its standardized products as opposed to one-off engineered solutions; and

- the Company will be able to operate using its capital-light model using outsourced manufacturers to fabricate its systems, in-house manufacturing of biogas desulfurization and air deodorization products and extensive global supply chain partners to provide components for these systems.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Forward-looking statements are also subject to risks and uncertainties facing the Company's business, any of which could have a material impact on its outlook.

Some of the risks the Company faces and the uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements include:

- Risks relating to the business of the Company:

  - the Company's ability to execute on its existing sales contracts, including the ability of the Company's customers to satisfy conditions necessary for the advancement of the underlying projects;

  - the timing and delivery of new system supply contract may impact the Company's operating results and cashflow;

  - there is no guarantee the Company's Sales Order Backlog will convert into revenues without being deferred into future financial periods;

  - the Company's ability to secure new sales contracts is contingent on its ability to innovate and address industry's challenges;

  - the Company's ability to execute on its business strategy and sales contracts is reliant on key fabricators and suppliers;

  - global supply chain and shipping challenges may adversely impact the timeliness and cost competitiveness of supply of components;

  - tariffs imposed by U.S. government may cause supply chain disruptions, increase costs of raw materials and potentially change customer demand;

  - the Company's strategic initiatives to achieve a sustainable, stable business may not be successful;

- competition in the biogas industry may adversely impact the Company's ability to secure new sales contracts;

- the Company's products may fail to meet performance expectations with the result that the Company's reputation may be damaged and its competitive position harmed;

- the failure of the Company's products to meet technical and performance standards which may result in the Company being subject to engineering liability, product liability claims or latent defect claims;

- the failure of the Company to protect and defend its intellectual property may adversely impact the Company's competitive position;

- the Company's products may be subject to claims of patent or other intellectual infringement from third parties;

- the Company's provisional patents may not lead to valid non-provisional patents, or third parties may seek to challenge the Company's valid patents once issued;

- the Company's next generation landfill gas upgrading product line may take longer and cost more than expected to develop and launch and customers may not consider it as compelling and competitive as the Company expects;

- the Company's operations and its ability to perform its obligations under its supply contracts may be adversely impacted by force majeure events including trade disputes, pandemics, natural disasters, labour disruptions, war and other unanticipated events;

- the Company's ability to procure components for and fabrication of its systems may be adversely impacted by unexpected disruptions affecting project developments and operations that may result in the Company's sales contracts being subject to termination or penalty;

- the Company's strategic initiatives may not result in the targeted increases in revenue or profitability, requiring the Company to seek additional financing;

- the Company may not be able to raise additional financing if required as there is no assurance additional financing will be available or, if available, the terms of such financing may not be favorable to the Company;

- the Company's customers are reliant on permits and authorizations to proceed with their projects and inabilities to secure or delays in receiving such permits and authorizations may result in termination or delay in the performance of their biogas systems contracts with the Company;

- reductions in the demand for renewable natural gas may reduce demand for the Company's systems;

- changes in government regulation, including changes to national and local legislation, may reduce demand for the Company's systems;

- compliance with environmental regulations can be costly;

- the Company may be exposed to risks associated with its conduct of business internationally including in respect of foreign corrupt practices laws;

- the Company may not be able to fully mitigate cybersecurity risks that could result in disruption in its operations, potential liability to its customers and increased expense;

- the Company may become subject to legal proceedings in the ordinary course of its business and the associated expense, management time and potential adverse outcomes in these legal proceedings could adversely impact the Company and its results of operations;

- demand for the Company's systems may be impacted by global economic and market conditions as customer reactions to these conditions may adversely impact their decisions to purchase the Company's systems; and

- macroeconomic and geopolitical risks and uncertainties.

- Risks related to financial and accounting aspects of the Company's business:

  - the Company currently has negative cash flow from operations and there is no assurance that the Company will achieve positive cash flows and profitability, or that the Company will be able to sustain operations or meet its capital requirements without additional financing, which financing may or may not be available on economically acceptable terms;

  - the Company's consolidated cash balance is comprised of several subsidiaries' bank accounts that reside in different countries which are subject to the respective government's applicable laws and there is no assurance that the Company will be able to freely move its consolidated cash balance as necessary to support the Company's operating activities;

  - the Company's restricted cash balance consists of cash that is held by an insurance company as collateral for surety bonds issued by the Company and amounts held by a depository and paying agent as funds held in escrow under a depository and paying agency agreement. This cash is subject to collateral restrictions and is therefore not available for general use by the Company;

  - the Company's cash balance fluctuates depending on working capital needs, including receipt of trade receivables and payment of trade and other payables. There is no assurance that the Company will receive outstanding trade receivables when contractually due or be able to defer payment of trade and other payables when contractually due without adversely impacting operations;

  - the Company may not be able to provide adequate financial assurances or performance bonding required to secure larger customer contracts, or sustain the necessary working capital required to enable it to perform its obligations under the supply contracts that it secures;

- the Company's operating results and cash flows from operations are subject to fluctuations from one financial period to another and are particularly subject to the timing of revenue recognition and cash receipts from contracted projects;

- the Company's operating results will be impacted by fluctuations in foreign exchange rates as the majority of its revenues are denominated in non-Canadian currencies, while the majority of its operating expenses are denominated in Canadian dollars;

- the Company's operating results may be adversely impacted by credit-related risks relating to third parties, including project delays and slow or reduced payments;

- the Company's operating results may be adversely impacted if estimates or judgments relating to critical accounting policies materially differ from actual outcomes or if actual outcomes prove to be different from assumed outcomes or estimates;

- the Company's warranty accrual in respect of operating claims may prove to be insufficient;

- the Company may be unable to obtain sufficient insurance coverage or adequate insurance coverage may be cost-prohibitive;

- inflationary pressures may increase the Company's costs;

- the Company's global business may subject it to different forms of taxation in various juridictions, and could expose the Company to additional unexpected costs; and

- the Company may fail to maintain effective disclosure controls and procedures and adequate internal control over financial reporting.

- Risks related to the Common Shares:

  - there is no assurance that there will be an active trading market for Common Shares leading to price fluctuations and the potential for the Common Shares to be illiquid;

  - a low price of the Company's Common Shares and the fact that the Company has no current plans to pay dividends may limit the Company's ability to raise capital through equity financings;

  - dilution from future equity financings could negatively impact the holders of the Company's Common Shares; and

  - taxation of Common Shares may adversely impact returns from shareholders' investments.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this AIF are expressly qualified by the foregoing cautionary statements.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF:

"2024 Annual MD&A" means the Company's management's discussion and analysis for the year ended December 31, 2024;

"**Acquisition**" has the meaning ascribed thereto in "Corporate Structure – Name, Address and Incorporation";

"**AIF**" or "**Annual Information Form**" means this annual information form of the Company in respect of the year ended December 31, 2024;

"**Airdep**" means Airdep S.r.l., a company incorporated in Italy as further described in "General Development of Business – Three Year History – 2022 – Closing of the Airdep Transaction";

"**Audit Committee Charter**" has the meaning ascribed thereto in "Audit Committee Information – Audit Committee Charter";

"**BCBCA**" the *Business Corporations Act* (British Columbia);

"**Board of Directors**", **"Board"** or "**Directors**" means the directors of the Company as at the date of this document;

"**Common Shares**" means the common shares of the Company;

"**Company**" has the meaning ascribed thereto in "Terms of Reference";

"**E.U.**" means the European Union;

"**Greenlane**" has the meaning ascribed thereto in "Terms of Reference";

"**H_2S**" means hydrogen sulfide;

"**IFRS**" means International Financial Reporting Standards as adopted by the International Accounting Standards Board;

"**LCFS**" has the meaning ascribed thereto in "Overview of Business – Regulatory Environment";

"**Omnibus Incentive Plan**" means an incentive plan for equity based compensation approved by shareholders at the Company's annual general meeting on June 23, 2021, as amended and approved by shareholders at the Company's annual general meeting on June 26, 2024;

"**Pressure Technologies**" means Pressure Technologies plc;

"**PSA**" means pressure swing absorption;

"**PT Biogas**" means PT Biogas Holdings Limited;

“**Qualifying Transaction**” has the meaning ascribed thereto in “Corporate Structure – Name, Address and Incorporation”;

“**RFS**” has the meaning ascribed thereto in “Overview of Business – Regulatory Environment”;

“**RNG**” means renewable natural gas;

“Sales Order Backlog” has the meaning ascribed thereto in “Risks Relating to the Business of the Company – Sales Order Backlog”;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval filing system, available on the Internet at www.sedarplus.ca ;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**United States**” or “**U.S.**” means the United States of America; and

“**ZEG Biogás”** means ZEG Biogás e Energis SA as further described in “General Development of Business – Three Year History – 2023 – Agreement with ZEG Biogás to Establish Industrial Scale Volume Production Locally in Brazil”.

CORPORATE STRUCTURE

Name, Address and Incorporation

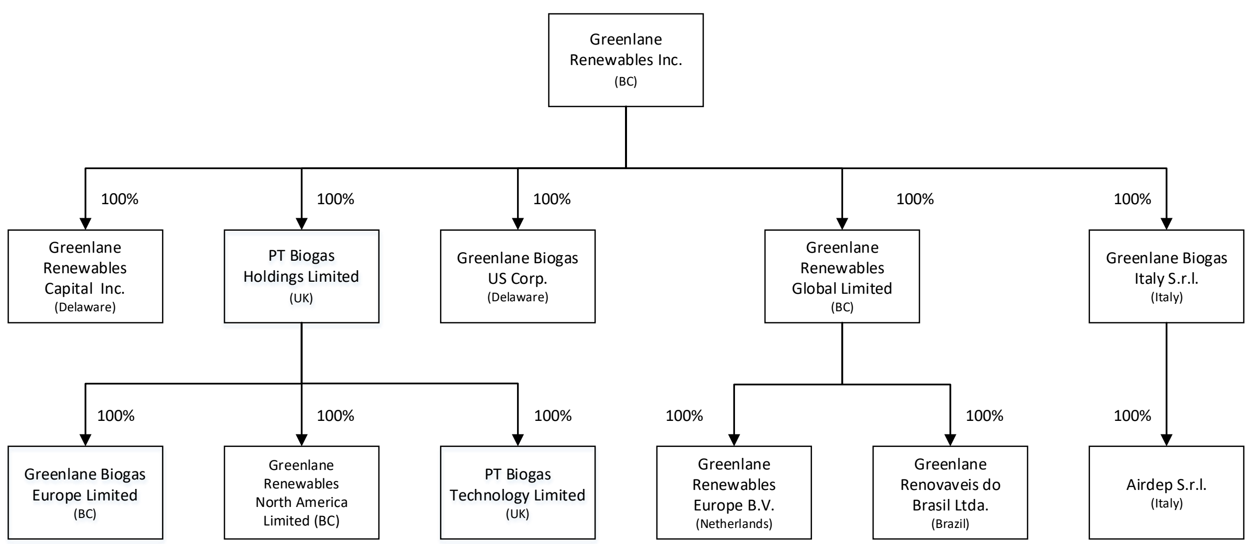
The Company was incorporated under the BCBCA on February 15, 2018 under the name "Creation Capital Corp." The Company was a "capital pool company" that completed its initial public offering on the TSXV on October 29, 2018. On June 3, 2019, the Company completed the acquisition of PT Biogas from Pressure Technologies which qualified as the Company's qualifying transaction (the "**Qualifying Transaction**" or the "**Acquisition**") under the TSXV policies and changed its name to "Greenlane Renewables Inc." On February 17, 2021, Greenlane commenced trading on the TSX and delisted from the TSXV.

The Company's head office is located at Suite 110, 3605 Gilmore Way, Burnaby, British Columbia, V5G 4X5. The Company also has offices in Vicenza, Italy, São Paulo, Brazil and additional sales and service personnel in the United States, Brazil and France. The Company's registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Common Shares of the Company are listed and posted for trading on the TSX under the symbol "GRN". The Company is a reporting issuer in Canada in the provinces of British Columbia, Alberta, Manitoba and Ontario.

Intercorporate Relationships

Greenlane's business is carried on through its various subsidiaries. The following chart illustrates, as at the date of this AIF, the Company's material subsidiaries, including their respective jurisdiction of incorporation and percentage of voting securities in each that are held by the Company either directly or indirectly:



GENERAL DEVELOPMENT OF THE BUSINESS

Summary

Greenlane is at the forefront of the energy transition, tackling two of the most challenging sectors to decarbonize: the natural gas grid and the commercial transportation sector. As a leading global technology provider, we specialize in transforming biogas from organic waste to create high-value, grid-ready renewable natural gas (RNG). Our advanced solutions marketed and sold by the Company under its Greenlane Cascade™ and Airdep product brands, enable the production of low-carbon and carbon-negative RNG from a wide range of sources such as landfills, sugar mills, waste water treatment plants, dairy farms and food waste.

With over 35 years' industry experience, Greenlane is a pioneer and leading specialist in biogas desulfurization and biogas upgrading systems. To the Company's knowledge, Greenlane is the only company offering and actively deploying the three most popular biogas upgrading technologies -water wash, pressure swing adsorption, and membrane separation – alongside proprietary biogas desulfurization and air deodorization technology. Greenlane's capital light business model leverages outsourced manufacturing of its biogas upgrading systems, in-house manufacturing of its biogas desulfurization and air deodorization products and an extensive global supply chain for key components.

From system delivery to commissioning, performance testing and ongoing maintenance and aftercare, Greenlane ensures seamless integration and long-term operational success. With over 355 systems deployed into 28 countries - including for many of the largest RNG production facilities in the world – Greenlane continues to drive innovation and accelerate the transition to a net-zero emissions economy.

Three Year History

Notable events in the development of Greenlane's business during the last three years include the following:

<u>2022</u>

Closing of the Airdep Transaction

The acquisition of Airdep, a leading provider of biogas desulfurization and air deodorization equipment based in Vicenza, Italy, was completed on February 1, 2022. The acquisition of Airdep brought in-house an effective and proven technology to remove H_2S from biogas for integration with the Company's portfolio of biogas upgrading systems that produce low-carbon and carbon-negative RNG. It also added an attractive line of products for sales into existing and new biogas projects globally, independent of the full biogas upgrading system. Total consideration for the acquisition comprised $7.9 million (€5.5 million) in cash paid on closing; $1.4 million (€1.0 million) in Greenlane Common Shares issuable in equal tranches over the following four quarters; $1.3 million (€0.9 million) for post-closing working capital and financial position adjustments. Additional contingent earn-out consideration of up to $3.5 million (€2.5 million) was also included, to be calculated based on company financial performance for the three years following the closing date. The original agreement provided that such contingent consideration, if earned, would be payable in 2025 in cash, or a combination of cash and Greenlane Common Shares, at Greenlane's option. Greenlane subsequently agreed to make the payment of such contingent consideration wholly in cash with 50% being payable in 2025 and 50% payable in 2026. The total maximum consideration for the acquisition is $14.1 million (€9.9 million) with the final consideration being $11.9 million (€8.3 million) including $1.3 million (€0.9 million) as the earn-out payment.

During 2022, Greenlane paid €0.75 million in consideration for the transaction in three equal tranches over the following three quarters (May 1, 2022, August 1, 2022 and November 1, 2022) through the delivery of a total of 1,387,392 Common Shares. The final tranche of deferred share consideration in the amount of €0.25M was paid through the delivery of 770,298 Common Shares on February 1, 2023.

Changes in Management

In April 2022, the Company's Chief Financial Officer, Lynda Freeman, provided notice of her resignation to pursue time with family. On June 30, 2022, the Company announced that it had hired Monty Balderston as Chief Financial Officer, replacing Ms. Freeman, effective July 18, 2022. On August 31, 2022, the Company announced that it had expanded its management team by hiring Alex Chassels as Chief Operating Officer, a newly created role. Further the Company announced the promotions of Maura Lendon to Chief Legal Officer (from Senior Vice President, General Counsel), and Sandra Keyton to Chief Human Resources Officer (from Vice President, Human Resources).

Deployment of Development Capital

In June 2022 and again in August of 2022, the Company announced transactions to deploy pre-construction development capital to two separate RNG projects in the form of convertible note loan agreements with funds to be advanced on a milestone achievement basis up, up to an aggregate maximum of US$1.5 million. Under the terms of the loan agreements, the Company had the option to convert the notes into an equity interest in the development company in addition to realizing a return of capital. This program was discontinued by the Company in 2023.

EDC Export Star

In October 2022, the Company announced that it had been named as one of Export Development Canada's 2022 Export Stars. This award recognizes Canadian cleantech companies demonstrating innovation in their field, rapid export growth and an impactful contribution towards a more sustainable economy. This recognition was announced as part of EDC's sixth annual Cleantech Export Week that took place in October 2022.

<u>2023</u>

Agreement for Food Waste to Pipeline RNG Project for $7.2 Million (US$5.4 Million)

On March 9, 2023, the Company announced it had been awarded a $7.2 million (US$5.4 million) contract through Synthica St. Bernard, LLC for a food waste to pipeline RNG project in Ohio, United States. Greenlane will supply an integrated sulphur removal and water wash system for upgrading biogas generated from food waste streams into pipeline-spec RNG for direct injection into the local natural gas pipeline network. The project was designed to process approximately 190,000 annual tons of organic waste from nearby food and beverage manufacturers. The project is expected to generate approximately 250,000 MMBtus (million Btus) of pipeline-quality RNG each year for injection into a local natural gas pipeline on the regional distribution system.

Agreement with ZEG Biogás to Establish Industrial Scale Volume Production Locally in Brazil

On April 17, 2023, the Company announced a collaborative agreement with ZEG Biogás, a company 50% owned by Vibra Energia S.A., previously the fuel distribution unit of Petrobras Brasileiro S.A., to establish industrial scale volume production of Greenlane's Totara+ Water Wash biogas upgrading product in Brazil. Under a new royalty-like business model, ZEG Biogás was granted exclusive rights to localize the supply chain and manufacture of the product in Brazil under the Greenlane brand and to market and sell the product. Greenlane retains responsibility for the product design, the supply of components not available locally in Brazil, and the local commissioning and servicing of the products. The Totara+ is one of Greenlane's largest and most popular biogas upgrading products. ZEG Biogás' goal is to deliver 75 Totara+ systems over five years. Production capacity in Brazil was planned to be phased in over time, with a minimum volume commitment in the first two years.

Changes in Management

On June 8, 2023, the Company announced that it had made two appointments. It appointed Brad Douville, then Chief Executive Officer and Director of the Company, to the role of Vice Chair of the Board of Directors and a continuing full-time executive role as Executive Vice Chair with a mandate to support management in advancing key strategic initiatives. The Company also appointed Ian Kane as President and Chief Executive Officer of the Company, replacing Mr. Douville. Mr. Kane was, additionally, appointed to the Company's Board of Directors. The appointments became effective on August 14, 2023.

Launch of Sector-Focused Product Lines

On September 13, 2023, the Company announced the launch and introduction of its sector-focused Cascade™ product line to the market, a portfolio of optimized solutions for customers. The Cascade product line includes the following technologies of the Company: water wash, pressure swing adsorption, membrane separation and regenerative biogas desulfurization. Greenlane has optimized biogas upgrading solutions for the key feedstock sources of agriculture (such as dairy and hog manure), water resource recovery facilities, food waste, landfills, and sugar mills. The product lines launched include:

Cascade PSA features pressure swing adsorption technology, optimized for complex feedstocks, including landfill gas with varying inlet gas quality, contaminant levels and flow rates, ensuring high quality RNG production.

Cascade H_2O features water wash technology, ideal for highly variable feedstocks, such as wastewater treatment plants and food waste, delivering low-carbon and carbon-negative RNG.

Cascade MS features membrane separation technology, best suited for simple feedstocks such as dairy and hog manure, offering farm-friendly solutions to turn agricultural waste into clean, low-carbon and carbon-negative RNG.

Cascade H_2S features regenerative biogas desulfurization technology, providing a robust and cost-effective solution for hydrogen sulfide (H_2S) removal. Cascade H_2S is sold as a standalone product and also is embedded as standard within Cascade H_2O and Cascade MS.

Announcement of $35.3 Million System Supply Contract in Brazil

On October 5, 2023, the Company announced that it had been awarded a supply contract with a leading environmental services company in Brazil, to supply the Company's Cascade PSA LF product for deployment in one of the largest landfills in the northeast of Brazil. The products and services to be provided by Greenlane under the supply contract are valued at $35.3 million (US$26.2 million). The Company continues to build out its team in Brazil for the implementation and servicing of the Company's systems that are deployed in Brazil.

Changes to the Board of Directors

Patricia Fortier and David Blaiklock, retired from the Board effective December 31, 2023 and ceased to be directors. The Company announced that it had no plans to fill the vacant board positions at the time and the remaining directors would continue to fulfill the Company's strong governance and independence standards.

<u>2024</u>

Discontinued UK Operations

On April 15, 2024, the Company disposed of its wholly owned subsidiary Greenlane Renewables UK Ltd. ("GRUK") for gross proceeds of $0.3 million ((£0.2 million) or $22,000 (£13,000), net of cash on hand at closing, subject to customary post-closing adjustments. An impairment loss of $0.3 million was incurred to reduce the carrying value of the assets to their fair value. GRUK carried on the Company's United Kingdom's and Europe's legacy upgrader services and spare parts business. As part of management's ongoing evaluation of its operations and strategic plan, these operations were deemed non-core. The disposal will allow the Company to focus on areas of growth for Greenlane's Cascade products and services. Greenlane was successful in selling the business to a well-established and committed natural gas and biogas services and maintenance business with an intended outcome being that the Company will have an ongoing business relationship with the new ownership to support our mutual objectives for sustainable growth.

Extension of $26.5 Million Credit Facility

The Company announced that it had extended it $26.5 million standby letter of credit (the "Facility") secured by a guarantee from Export Development Canada to April 30, 2025. The Facility supports the Company's pursuit and fulfillment of larger projects in the global RNG market.

Reduction of Workforce

Subsequent to June 30, 2024 the Company realigned its resources and reduced its workforce by 18% to realize an estimated reduction in its cost structure of $1.0 million for the remainder of fiscal 2024.

Award of Service Agreements

In August 2024, the Company announced that it had been awarded four new service agreements for a number of large US-based RNG facilities, and in November, 2024 it announced two service agreements signed with an international energy company for two of its dairy RNG project sites in the United States. The Company also expanded its service offerings through new, turn-key H_2S media change-out service.

Changes in Management

On August 23, 2024, the Company announced changes to its senior management team. Ian Kane, the Company's President and Chief Executive Officer ("CEO") submitted his resignation as CEO but remained as President for transition purposes until November 22, 2024. Brad Douville, who was the Company's Executive Vice Chair, left that role to re-assume the role of CEO, a position he held from June 2019 through August 2023. Alex Chassels left his position as Chief Operating Officer ("COO") of the Company and left the Company. Maura Lendon, who has been the Company's Chief Legal Officer, left that role to assume the role of COO.

On November 15, 2024, the Company announced the appointment of Stephanie Mason as Chief Financial Officer effective January 13, 2025. Monty Balderston resigned effective January 13, 2025 but remained with the Company until January 24, 2025 to support transition to Ms. Mason.

International Expansion of Cascade H_2S

On October 7, 2024, the Company announced the expansion of its biogas desulfurization equipment (marketed under Greenlane Cascade H_2S), into the South American market with its subsidiary Airdep securing its first customer order in Brazil. This follows the successful deployment of eight units in North America in the prior two years and over 210 units globally, primarily in Europe.

Announcement of $6.5 Million Landfill Gas-to-RNG System Sale

On November 12, 2024, the Company announced it had secured a $6.5 million contract to provide a new system for upgrading biogas produced at a landfill in Canada into pipeline-quality renewable natural gas.

Patent Applications for New Landfill Gas Upgrading Technology

On December 9, 2024, the Company announced that it had filed two new patent applications for landfill gas upgrading technology. The Company plans to launch a new product line 2025, designed to enhance RNG output and revenue potential for developers while reducing upfront investment, making RNG projects more accessible and scalable.

OVERVIEW OF BUSINESS

Greenlane is a global leader in biogas desulfurization and upgrading. Our mission is to accelerate the energy transition with a focus on two of the most difficult to decarbonize sectors of the global energy system: the natural gas grid and commercial transportation. The upgrading systems we provide transform biogas generated from organic waste into high-value grid-ready renewable natural gas from a wide range of sources such as landfills, sugar mills, dairy farms, wastewater and food waste.

Biogas naturally forms when organic matter breaks down through anaerobic digestion, producing a mixture of methane, carbon dioxide, hydrogen sulfide and other contaminant gases in varying quantities. Our biogas desulfurization systems remove hydrogen sulfide from biogas. Our biogas upgrading systems remove carbon dioxide and other contaminant gases to create high purity biomethane suitable for either injection into the natural gas grid or for direct use as commercial vehicle fuel.

Greenlane has over 35 years' industry experience and has supplied over 355 systems in 28 countries. A pioneer in the RNG industry, Greenlane has successfully opened up new markets and segments. To the

Company's knowledge, Greenlane was the first to supply an upgrading system into 12 countries and remains the only company offering and supplying all three of the most widely used biogas upgrading technologies - water wash, pressure swing adsorption (PSA) and membrane separation, independently and in combination with proprietary biogas desulfurization and air deodorization solutions.

Greenlane's deep experience across these technologies and with a wide range of biogas sources prompted us to develop new intellectual property that addresses tough industry challenges. In particular, landfill gas is much more difficult to upgrade into pipeline quality than biogas from anaerobic digesters due to large and varying amounts of oxygen and nitrogen that need to be removed. Greenlane has filed two new patent applications for landfill gas upgrading technology and plans to bring to market a new product line advancing the state-of-the-art in the industry in the production of RNG from landfills that will provide optimized performance at lower costs.

The Company has historically used a capital light business model which combines outsourced manufacturing for biogas upgrading systems with in-house production of biogas desulfurization and air deodorization equipment. We source key components through an extensive global supply chain and outsource the manufacturing of its major pieces of equipment to several trusted regional fabricators that meet Greenlane's rigorous quality standards. Our in-house team of supplier quality engineers oversee the production process and ensures quality conformance. In the case of Airdep, final fabrication is performed in-house.

Greenlane's biogas upgrading systems are designed with a standard core configuration and optional add-ons as necessary to tailor the product capabilities for the needs of each customer. Biogas upgrading system supply contract values have ranged from $2 million to $35 million for single systems, depending on size and scope of supply, with larger capacities achieved by installing multiple systems in parallel driving multiples in contract value accordingly. In addition to equipment sales, the Company has a robust service and spare parts business providing ongoing maintenance, spare parts and service, including 24/7 technical support and remote monitoring.

Greenlane operates in a competitive market with numerous competitors offering similar biogas upgrading technologies. Greenlane differentiates itself through its extensive track record, multi-technology approach and pipeline of innovative products with compelling combination of price and performance. Our expertise in multiple biogas upgrading methods enables us to meet the diverse needs of RNG producers worldwide, addressing the most complex RNG upgrading challenges.

As global sustainability targets become more ambitious and governments strengthen policies to combat climate change, demand for clean, low-carbon and carbon-negative energy solutions is accelerating. Greenlane is well-positioned to support this transition by providing the technology and expertise need to convert organic waste into renewable energy, reducing greenhouse gas emissions, and drive the growth of a sustainable, circular economy.

Principal Products and Services

<u>Product Range</u>

Greenlane offers a comprehensive portfolio of biogas desulfurization and air deodorization products and complete biogas upgrading solutions using one or more of three core gas separation technologies: water wash, PSA, and membrane separation. The selection of separation technology, or combination of technologies, is made based on an optimized solution to meet the specific biogas applications and requirements. The Company announced in December 2024 that it intends to bring to market in 2025 a new compelling product line that incorporates the content of its new patent applications architected to advance the state-of-the-art in the production of renewable natural gas from landfills by maximizing methane recovery performance while minimizing capital expenditure.

Each Greenlane biogas upgrading system is designed around one of the three core upgrading technologies it offers with optional additional equipment as necessary to tailor the product capabilities for the particular customer application. These *Cascade* upgrading products include:

- *Greenlane*™ *Cascade H_2O* (Water Wash)
- *Greenlane*™ *Cascade PSA* (PSA)
- *Greenlane*™ *Cascade MS* **(**Membrane)

These Cascade products have models that accommodate inlet biogas flow capacity ranging from 750 to 10,000 normal cubic metres per hour (Nm^3/hr), or 460 to 6,200 standard cubic feet per minute (scfm). Our modular approach enables scalability, with larger capacities achieved by integrating multiple systems in parallel. Additional functions of our complete biogas upgrading systems include, but are not limited to gas analysis, gas compression, effluent gas treatment and removal of biogas impurities such as H_2S, volatile organic compounds, siloxanes, oxygen, and nitrogen.

Through its Airdep division, Greenlane delivers to its customers an effective, proven and low cost technology to remove H_2S from biogas using a regenerative, liquid chemical scrubbing process. The elemental sulfur by-product is a fertilizer that can be field-applied.

Sales Order Backlog as at December 31, 2024

As at December 31, 2024, the Company reported a Sales Order Backlog of $21.8 million which now includes $8.8 million related to the Company's Cascade H_2S product line, which the Company has started to include in Sales Order Backlog effective September 30, 2024. Sales Order Backlog has been adjusted for individually immaterial contractual change orders and foreign exchange movements.

Management evaluates the Company's performance using a variety of supplementary financial measures, including "Sales Order Backlog". This supplementary financial measure should not be considered as an alternative to or more meaningful than revenue or net loss. This measure does not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS. The Company believes this supplementary financial measure provides useful information to both management and investors in measuring the financial performance and financial condition of the Company.

The Company's Sales Order Backlog estimates should be viewed with reference to the risk factors described below under "Risk Factors –Sales Order Backlog".

Marketing

Greenlane markets and sells its products and services through a direct sales team and a network of channel partners, including through licensing of its technology. The Company actively engages with the industry through conferences, expositions and thought leadership initiatives to showcase its expertise and innovative solutions to attract both existing and new customers.

On September 13, 2023, the Company launched its Cascade product line, a portfolio of optimized biogas upgrading and desulfurization solutions tailored to specific feedstocks. In December 2024, the Company announced its plan to launch a new compelling product line to advance the state-of-the-art in the production of RNG from landfills, incorporating new patent applications. This product line will offer higher performance and lower cost to enable RNG developers and project owners to enhance revenue generating RNG output from their assets while minimizing upfront investment.

Revenue

The following table sets out revenues from continuing operations for each category of systems and services:

Systems or Service	Revenue for Year ended December 31, 2024 $ 000's	Revenue for Year ended December 31, 2023 $ 000's
Sales from Systems[1]	43,016	48,730
Services and Spare Parts[2]	7,986	9,086
Royalty Contracts[3]	821	-

Note:

(1) Systems include both desulfurization systems and biogas upgrading systems.

(2) Many of Greenlane's upgrader project customers commit to aftercare services, a preventative maintenance contract for a fixed annual fee and typically include technical support and remote monitoring.

(3) Revenue from royalty contracts is associated with the completion of the first unit under the Company's licensing agreement with ZEG Biogás.

The Company's 2024 Annual MD&A provides details of the significant sales contract entered into by the Company in 2024 which can be found online on SEDAR+ at www.sedarplus.ca.

Specialized Skills and Knowledge

Greenlane's business requires specialized expertise across multiple disciplines including the areas of international business, engineering, project management, finance, legal and environmental considerations. The Company possesses deep technical knowledge in biogas upgrading, with extensive experience in both anaerobic digestion and landfill gas projects – each presenting unique challenges in feedstock composition, gas purification and system integration. Greenlane's team includes professionals with the necessary skills and extensive industry experience to navigate the complexities of renewable natural gas production and to support the conduct of its business.

Employees

As of December 31, 2024, Greenlane and its wholly-owned subsidiaries have 92 employees and 6 contractors, of which 62 are in Canada, 22 in Italy, 5 in Brazil, 2 in the United States, 1 in France, and 2 in New Zealand.

Competitive Conditions

Greenlane operates in an increasingly competitive biogas upgrading market, facing challenges from both regional and multinational players. In the anaerobic digestion (AD) segment, price competition is significant, driven by the widespread adoption of low-cost European membrane systems as the industry standard. The maturation of biogas upgrading for the AD market and low barriers to entry have resulted in downward pricing pressure, further intensifying competition. Biogas desulfurization for the AD market is less mature and has not yet seen widespread adoption of a single technical solution. Greenlane believes its Cascade H2S product could drive consensus in the market around the best solution for this application. In contrast, the landfill gas sector presents ongoing technical challenges, particularly in the removal of oxygen and nitrogen. Greenlane continues to develop and implement solutions in this area to enhance system performance and efficiency.

New Products

To maintain its competitive advantage, the Company continually refines its core products to incorporate improvements. In December 2024, Greenlane announced its intention to bring to market in 2025 a new compelling product line for advance landfill gas upgrading technology designed to maximize methane recovery while minimizing capital expenditure. This new product line incorporates the content of two new patent applications filed by the Company, also announced in December 2024. The Company is targeting the product launch for this new product line to be in October 2025.

Intangible Property

The Company's intangible assets that have been developed over time are a critical part of the business operations and have positioned Greenlane to be a leader in the biogas upgrading industry. These intangible assets include biogas upgrader, biogas desulfurization, and air deodorization product designs, operations know-how, licences, patents and trademarks. The assets in relation to the specific product designs do not have a specific duration, however the Company undertakes a continuous cycle of review and improvement for existing technologies and has a proven track record with the introduction of new products to meet the needs of the market and enhance the value of the business.

The Company has historically maintained patents related to its water wash technology and is now shifting its focus to next-generation innovations. The Company announced in December 2024 that it had filed two new patent applications for landfill gas upgrading technology that would be incorporated into a new compelling product line to advance the state-of-the-art in the production of RNG.

As of date of this AIF, Greenlane also holds 29 trademark registrations and 9 pending trademark applications in jurisdictions including Canada, the United States, the United Kingdom, Europe, China, New Zealand, Australia and Brazil. The trademarks relate to current logos and names, and those of former brands and names under which PT Biogas has operated.

Foreign Operations

Greenlane is headquartered in the Metro Vancouver region of British Columbia, Canada. The Company also has facilities in Vicenza, Italy, São Paulo, Brazil, as well as personnel in the United States, France, Brazil and New Zealand. The Company established a legal entity in the Netherlands in 2021 to support its European operations, and a legal entity in Brazil in 2023 to support its business in Brazil. The Company has sales denominated generally in US or Canadian dollars but may also have sales denominated in the currencies of the various countries in which it operates but incurs the majority of its operating expenses in Canadian dollars. As such, Greenlane's operations are exposed to various levels of foreign political, regulatory, economic and other risks and uncertainties. See "Risk Factors".

Environmental Protection

The Company's field service operations are subject to environmental protection laws and regulations. The Company continually monitors environmental laws and regulations to further ensure its activities meet these requirements. The Company has incurred, and will continue to incur, operating costs to comply with environmental laws and regulations, which are not expected to have material financial or operational effects on the Company or its competitive position. As of the date of this AIF, the Company has no known environmental liability associated with sites or regulatory non-compliance.

Regulatory Environment

RNG projects are subject to a variety of regulations that vary from jurisdiction to jurisdiction, including in respect of siting of projects, safety and emissions from operating projects, and specifications for pipeline quality gas. Permits are typically needed from local regulators to install and operate an RNG plant and the Company's customers are responsible for meeting such regulations and securing such permits. Systems supplied by the Company are required to meet certain codes such as Canadian Registration Number (CRN) in Canada, American Society of Mechanical Engineers (ASME) in United States, Pressure Equipment Directive (PED) in Europe, and Norma Regulamentadora 13 (NR13) in Brazil.

The regulatory environment may also offer certain incentives to developers and owners of RNG projects to support movement away from fossil fuel dependence. Finally as the Company sources components for use in its systems globally, the Company also must monitor and manage trade-related regulations which may affect its procurement and sales structure.

Some jurisdictions have regulations planned or in place that contribute to demand for RNG:

- In Canada, the Clean Fuel Regulations ("**CFR**"), published by the federal government in June, 2022, was intended to encourage innovation and growth in the low-carbon fuels sector through a system of compliance credits and are aimed at reducing the lifecycle carbon intensity of liquid fuels produced or imported into Canada, which are primarily used in the transportation sector and a major source of greenhouse gas (GHG) emissions in Canada. In British Columbia under its Clean Energy Act Greenhouse Gas Reduction Regulation, public gas utilities can purchase RNG at quantities of up to 15% of the total amount, in gigajoule (GJ), of natural gas provided by the public. In Québec, regulations require that the proportion of RNG distributed in the gas system must reach at least 1% starting in 2020, and then gradually increase to a minimum of 10% starting in 2030.

- In the United States, regulations that drive the demand for RNG include the Federal Renewable Fuel Standard ("**RFS**") and the Low Carbon Fuel Standard ("**LCFS**") incentive programs in the states of California, Oregon and Washington. More recently, the Inflation Reduction Act ("**IRA**"), has substantially expanded federal support for biofuels by providing a system of production and investment tax credits available for biogas.

- In Europe, the Renewable Energy Directive sets an overall renewable energy target binding at the EU level by 2030. The E.U. has proposed a number of possible measures to boost biomethane production to 35 billion cubic metres (bcm) by 2030, up from 3 bcm in 2020, and to facilitate its integration into the E.U. internal gas market.

Operating Cycles

The Company's revenues historically have largely been derived from biogas upgrader orders accounted for on a stage-of-completion basis over typically a nine to twenty-four month period. Airdep system sales revenue is recognized on a stage-of-completion basis typically over a period of three months, given the shorter production time for their desulfurization and other products. The Company's service and spare parts revenue has also been increasing. Service revenue is recognized over the period of the maintenance contract and spare part sales which are primarily recognized upon delivery. Finally, royalty revenue is recognized when earned according to the terms of the license agreement.

Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG off-take and feedstock agreements. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. As a result, the Company's revenue and cash flows vary from month to month and quarter to quarter.

Strategic Initiatives

Greenlane has transitioned from a period of exponential growth and heavy investment in its business to a sustainable and scalable model, underpinned by robust systems, processes and standardized product offerings. Building on these past investments and achievements, the Company's strategic initiatives emphasize long-term operational excellence and financial strength.

A key focus for the Company is driving sales in its most profitable segments, particularly in parts and service, biogas desulfurization products, and technology licensing. By prioritizing these high-margin areas, Greenlane aims to enhance recurring revenue streams while strengthening its market position.

Profitability in the core upgrading systems segment remains a priority. Greenlane is committed to delivering projects on-time and on-budget, in order to ensure that customer expectations are not only met but exceeded. The Company is also placing a greater emphasis on standardized product offering over custom-engineered solutions to drive efficiency, reduce costs and improve scalability.

A key component of this strategy is the planned launch of Greenlane's new landfill gas upgrading product in 2025, designed to maximize methane recovery while minimizing capital expenditures. This new offering is based on proprietary technology developed to address the unique challenges of landfill gas processing, reinforcing Greenlane's position as a leader in RNG production from landfills. By concentrating resources on areas with the greatest potential for differentiation, particularly in landfill gas upgrading, Greenlane is strengthening its competitive advantage in a segment where technical expertise and performance optimization is critical.

To enhance its competitiveness and to create sustainable revenue streams, in addition to new product introductions, Greenlane has sought out collaboration with industry partners who bring expertise and focus on adjacent and essential elements of the RNG value chain, such as its collaboration agreement with ZEG Biogás announced in April, 2023. Greenlane has also made significant investments to enhance its systems and processes, and has focused on streamlining its operations, including divesting the UK operations and workforce reductions in 2024, to create a leaner, more agile operation. Rather than pursuing acquisitions or industry consolidation at this time, the Company is optimizing its product portfolio, improving cost structures, and leveraging strategic business alliances to enhance its technological capabilities. With an emphasis on continuous innovation and operational efficiency, Greenlane remains focused on delivering high-performance, cost-effective solutions that meet the evolving needs of the RNG market.

RISK FACTORS

The following are certain factors relating to the Company's business which readers should carefully consider with respect to securities of the Company. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

Risks Relating to the Business of the Company

Sales Order Backlog

The Company's Sales Order Backlog refers to the balance of unrecognized revenue from contracted projects, where such revenue is recognized over time as completion of the project progresses (the "**Sales Order Backlog**"). The ability to progress projects and realize revenue is subject to normal risks which include, without limitation, the ability of the Company's customers to advance a project's construction, and the ability of the Company's suppliers in its supply chain to deliver on time and on specification. In some cases, customers may cancel orders where financing or permitting is not obtained. Delays in completion of projects or cancellation of orders representing the Company's Sales Order Backlog may result in revenues from these contracts not being realized or being deferred to future financial periods. The Company replenishes the Sales Order Backlog through winning new sales orders. There is no assurance that the Company will be able to maintain or grow the Sales Order Backlog due to market, pricing, competitive, technological or other reasons.

Execution on Existing Sales Contracts

The Company's ability to execute on its existing sales contracts depend on a number of factors subject to certain risks. These risks include, without limitation: (i) the ability of the Company's customers to satisfy conditions necessary for the advancement of the underlying projects, (ii) the Company's ability to sustain sufficient working capital necessary to enable it to perform its obligations under these supply contracts, (iii) the Company's ability to secure the necessary fabrication and supply of components from its suppliers and contract manufacturers at anticipated or budgeted costs, (iv) global supply chain issues, (v) regulatory risks relating to international trade including the imposition of tariffs and similar duties, and (vi) the other risks described in this AIF. Any of these risks could impact project costs as well as the ability to achieve the revenue projected to be earned from these projects or delay the achievement of such revenues.

Managing and Developing Relationships with Customers

The success of the Company's business and the Company's ability to secure new sales contracts depends on its ability to develop relationships with customers who will integrate the Company's biogas upgrading systems into their own projects and on the Company's ability to continue to research, develop and design new biogas upgrading systems to meet customer needs. The ability of the Company to sell its products into its target markets depends to a significant extent upon the Company maintaining sales and service capabilities in those markets. There can be no assurance that the Company will be able to maintain all of its current customer relationships, that any existing customers will provide repeat orders, that the Company will be able to secure new future customers or that any future customer relationships that the Company enters into will result in profitable sales.

Managing Relationships with Suppliers

Many of the Company's products rely upon the manufacturing and supply capabilities of third parties and the Company has negotiated supply agreements with various suppliers including master supply agreements. In some instances, a supplier to the Company may currently be the only viable supplier of certain key components for the Company's products to achieve the Company's contract commitments on-time and on-budget, and the Company is dependent on their ability to source materials, manage their capacity, workforce and schedules, and their financial stability. For a number of reasons, including but not limited to shortages of raw materials, parts, labour disruptions, lack of capacity and equipment failure, global shipping delays, natural disaster and financial instability, a supplier may fail to supply materials or components that meet the Company's quality, quantity, delivery time or cost requirements or to supply any at all. Global pandemics, in combination with other factors causing political and economic disruptions on a global scale such as the war in Ukraine, conflict in the Middle East, natural disasters, and geopolitical risks and uncertainties affecting the supply chain and shipping, including the imposition of tariffs or other barriers to trade may erode a supplier's financial stability to the point where they may not be able to deliver products ordered or to the point of insolvency. The Company has a robust program to qualify its suppliers, conducts periodic in-person audits and in-process inspections to verify their progress and requires key suppliers to provide frequent progress reports, and its contracts with suppliers include terms to mitigate the effects of defective products, late deliveries and cancellations. There can be no assurance, however, that these measures will be effective to ensure on-time delivery of products that are not defective, or that a key supplier will not otherwise fail. If the Company is not able to resolve these issues or obtain substitute sources for these materials or components in a timely and cost-competitive manner or on terms acceptable to it, the Company's ability to procure the manufacture or supply of certain products may be harmed, and it may be subjected to penalties for late or failed deliveries or cancellation of orders, which could have a material adverse effect on its business and financial results. If the Company is unable to procure components that are cost-competitive, the Company may not be able to win new sales, or its profitability may be adversely affected. The Company's products also use steel and other materials that have global demand. The prices at which those supplies are available experienced a significant increase in 2023 and continued to experience increases in 2024 as a result of increasing inflation and the imposition of tariffs based on country of origin. Further increases in raw material costs and costs at which suppliers are willing to supply key components for the Company's products may negatively affect the Company's margins and financial condition. The Company attempts to mitigate these risks by carrying inventory of electronic components and other materials, seeking secondary suppliers and locking in pricing at the proposal stage and long-term pricing when possible, and raising prices to its customers where necessary. There are no guarantees, however, that the Company will be successful in securing alternative suppliers, that it will be able to secure sufficient materials at a reasonable cost for its production requirements or that its customers will accept higher prices.

Retention and Acquisition of Skilled Personnel

The Company generally depends upon a relatively small number of employees to develop, market, sell and support its products. As the Company maintains a lean work force, loss of any member of the Company's management team or skilled professionals and high levels of turnover among staff could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, could have a material adverse effect on the Company's business and operating results. The launch of the Company's new product lines requires the Company to find, hire and retain additional capable employees who can understand, develop, explain, market and sell its products. The lack of capable and skilled employees may result in an inability to secure new sales contracts. The design of biogas upgrading systems for customers and the fulfillment of sales made require highly skilled technical employees trained in matters from supply chain management through to commissioning and servicing of the Company's biogas upgrading systems. There is intense competition for capable personnel in all these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur additional costs to attract and retain employees, including expenditures related to salaries, benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas. Our costs of attracting and retaining key personnel may also increase as a result of shortages of qualified candidates as well as overall wage and general inflation.

Competition in the Biogas Upgrading Industry

While RNG continues to gain traction globally as a tool to displace and decarbonize natural gas consumed with supportive regulations and incentives, the biogas upgrading industry has new competitive entrants and established competitors moving into new markets. It is a swiftly changing environment in which nimble competitors with versatile and cost-effective products are able to capture market opportunities as they arise. While the Company has been a pioneer and an early leader in this industry, and it offers and deploys multiple core biogas upgrading technologies compared to most of its competitors who offer and deploy only one, there is no assurance that its products will continue to be attractive to customers**,** that its optimized Cascade product line or its compelling new product line for landfill gas will be suitable for any type of RNG project or that it will be able to expand into new markets to increase sales. With many new competitors in all markets and with diverse product offerings, price competition is increasing. There can be no assurance that the Company will be able to secure new sales, continue to increase its sales or maintain the profitability of its sales.

Technology Failure

The performance of the Company's desulfurization and upgrading systems may encounter problems due to the failure of its technology, the failure of the technology of others, the failure to integrate these technologies properly, incorrect specifications for the project, operator error or the failure to maintain and service the systems properly. Many of these potential problems and delays are beyond the Company's control. In addition, poor performance may involve delays in project installations and modifications to the systems, as well as third party involvement. Any problem or perceived problem with the desulfurization or upgrading systems, whether originating from its technology, design, or from third parties, could damage the Company's reputation and the reputation of its products and limit its sales. In addition, the Company may be required to offer customers services, products or compensation if the failure of a system to perform results in a claim under the warranties offered by the Company.

Engineering Liability

The Company may become liable for damages suffered by its customers if the systems that the Company designs and commissions for its customers do not meet professional engineering and other standards. The systems that the Company sells are complex and are often integrated with other equipment or systems supplied by third parties. The Company may have to defend itself against claims of professional negligence despite meeting all requisite standards due to the complexity of determining causation of an adverse event. While the Company maintains professional liability insurance to cover claims in relation to professional negligence associated with its products, there is no assurance that this insurance will cover all claims to the extent that customers may claim for damages in excess of the Company's insurance coverage limits, or that such insurance will be available in future. In addition, significant deductibles may apply before insurance coverage is provided and premiums for such insurance may escalate. The Company will fully defend any such claims to the extent of defences available, but there is no assurance that the Company's defence of these claims will be successful. Accordingly, there is a risk that the Company's results of operations may be adversely impacted by potential claims relating to the design and engineering of the Company's systems, and the availability and cost of related insurance.

Product Liability

The Company's results of operations could be materially harmed by accidents involving either its products or those of other manufacturers, either because the Company faces claims for damages or because demand for its products could suffer and its sales could decline. As a developer and supplier of industrial systems, the Company faces an inherent business risk of exposure to product liability claims in the event that its products, or the equipment into which its products are incorporated, malfunction and result in personal injury or death. The Company may be named in product liability claims even if there is no evidence that its systems or components caused the accidents. Product liability claims could result in significant losses as a result of expenses incurred in defending claims or the award of damages. Any accidents involving the Company's systems or other companies' biogas upgrading products could materially impede further acceptance of the Company's products.

Intellectual Property

The Company depends on intellectual property, both owned by the Company and acquired or licensed from others. Any failure of the Company or of those who supply intellectual property to the Company to protect its existing and future intellectual property could adversely affect the Company's future growth and success. Failure to protect such intellectual property rights may result in the loss of its ability to exclude others from practicing the Company's technology or the Company's right to use technologies essential to its products, and may result in legal claims from third parties seeking to challenge the Company's use of intellectual property. If the Company does not adequately ensure its freedom to use certain technology, it may face increased costs to use its intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such intellectual property. The Company's patents and other intellectual property rights do not guarantee it the right to practice its technologies if other parties own intellectual property rights that it needs in order to practice such technologies. The Company's patent position is subject to complex factual and legal issues that may give rise to uncertainty as to the validity, scope and enforceability of a particular patent. As is the case in many other industries, the web of intellectual property ownership in the Company's industry is complicated and, in some cases, it is difficult to define with precision where one property begins and another ends. In any case, there can be no assurance that:

- any of the rights the Company has under patents owned by it or other patents that third parties license to it will not be curtailed, for example, through invalidation, circumvention, challenge, being rendered unenforceable or by license to others;

- the Company was the first inventor of inventions covered by its issued patents or pending applications or that the Company was the first to file patent applications for such inventions;

- any of the Company's pending or future patent applications will be issued with the breadth of claim coverage sought by it, or be issued at all;

- the Company's competitors will not independently develop or patent technologies that are substantially equivalent or superior to its technologies;

- any of the Company's trade secrets will not be learned independently by its competitors; or

- the steps the Company takes to protect its intellectual property will be adequate. In addition, effective patent, trademark, copyright and trade secret protection may be unavailable, limited or not applied for in certain foreign countries.

The Company also seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with its strategic partners and employees. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

Certain intellectual property has been licensed to the Company from third parties who may also license such intellectual property to others, including the Company's competitors. If necessary or desirable, the Company may seek further licenses under the patents or other intellectual property rights of others. However, the Company can give no assurances that it will obtain such licenses or that the terms of any offered licenses will be acceptable to it. The failure to obtain or renew a license from a third party for intellectual property the Company uses at present could cause it to incur substantial costs and to suspend the manufacture, shipment of products or its use of processes requiring such intellectual property.

While the Company thoroughly researches the technologies and intellectual property that it develops and procures, and obtains contractual protections from third parties who provide such technologies and intellectual property in the form of warranties of non-infringement and indemnifications, there can be no assurance that these measures will fully mitigate the risk of other third parties asserting superior rights, seeking damages for infringement or seeking to enjoin the Company's use of such technologies or intellectual property. The inadvertent supply of infringing products to the Company's customers may expose the Company to claims for indemnification, damages, or supply of non-infringing products to customers which may be costly to the Company. The Company will fully defend any such claims to the extent of defences available, but there is no assurance that the Company's defence of these claims will be successful. Accordingly, there is a risk that the Company's results of operations may be adversely impacted by potential claims relating to the intellectual property that the Company uses in the course of its business.

Force Majeure Events including Trade Disputes, Pandemics, Natural Disasters, Labour Disruptions and Wars

The Company's operations may be adversely impacted by factors that are beyond the Company's control including pandemics, natural disasters, labour disruptions, geopolitical factors and outbreaks of war and trade disputes including the imposition of significant tariffs. Such factors may not be foreseeable and may significantly adversely affect global economic conditions, including inflation, supply chain, global shipping, international trade and currency volatility.

While many of the restrictions imposed during the COVID-19 pandemic have been removed globally, the Company's business may still be impacted through lingering or renewed effects of the pandemic, including through supply chain and delivery delays, with a result that it may not be able to complete on its current biogas upgrading contracts within the anticipated timeframe. In some cases, such delays may result in liquidated damages, may adversely affect the Company's recording of revenues, and receipt of milestone payments from these contracts may be deferred to later fiscal reporting periods.

The Russia-Ukraine war drastically reduced capacity for Ukraine to supply goods and raw materials, such as steel. As the sanctions imposed on Russia continue, so too does the reduced availability of Russian-produced steel and other products.

Similarly, the availability and cost of steel and aluminum and steel and aluminum products that originate in China was adversely impacted by the imposition of significant tariffs by Canada in late 2024. Further, recent announcements by the US has greatly increased the risk of significant tariffs imposed on non-US products and countervailing tariffs on US products, as well as the potential for other trade measures that could adversely affect the Company's ability to sell products into the US, and increase the cost of supply of components of products the Company sells.

Incidences of natural disasters caused by weather and climate extremes including heatwaves, droughts, forest fires, atmospheric rivers, torrential downpours and flooding could significantly adversely affect the Company's operations either directly, or by affecting the businesses of its suppliers or customers.

Other events and factors that are beyond the Company's control but that may have a significant adverse effect on the Company's operations include, but are not limited to strikes and labour disruptions affecting transportation and shipping or the Company's suppliers or customers, and global political instabilities such as the outbreak of war, discussed below under "*Macroeconomic and Geopolitical Risks and Uncertainties*". While the Company works to mitigate the effects of these uncontrollable events, there is no assurance that they will be effective in doing so in future, particularly when multiple events coincide, and they may negatively impact the Company's operations and profitability.

Unexpected Disruptions Affecting Projects and Operations

Manufacturing and installing the Company's products can sometimes be subject to delays for a variety of reasons, including labour slowdowns, construction delays unrelated to the Company's products, technological malfunctions, defective materials, or workplace safety. Such events may delay the recognition of revenue, discourage customers from doing business with the Company, and may hurt the Company's reputation, affecting future sales prospects. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. Although the Company has procedures in place for managing unexpected delays such as these, there can be no assurance that such delays will be overcome in a timely manner and to the satisfaction of the customer. Furthermore, the Company enters into agreements which, consistent with industry standards, may include liquidated damages or termination provisions which may allow customers to claim amounts or terminate and not proceed with proposed projects. There is a risk that the Company may be required to pay liquidated damages or that its product sales contracts may be terminated prior to completion.

Risks Related to Strategic Initiatives

While the Company intends to build on past investments and achievements to adopt strategies that emphasize long-term operational excellence and financial strength, there is no assurance that these efforts will lead to increased revenues or profitability for the Company. Risks associated with the following strategic initiatives include the following:

- **Sales in Profitable Segments**: There is no assurance that the Company will be able further drive sales in their high-margin business segments like parts and service, biogas desulfurization products and technology licensing. Without increased sales in these business segments, the Company will be unable to benefit from enhanced recurring revenue streams.

- **Profitability in Upgrading Systems Segment**: There is no assurance that the Company will be able to meet customer expectations in both time and budget by offering standardized products as opposed to custom-engineered solutions. There is no assurance that standardized product offerings will reliably drive efficiency, reduce costs and improve scalability.

- **New Product Launch**: There is no assurance that the Company will be successful in developing and launching a compelling next generation landfill gas upgrading product line in the planned time frame, and there is no assurance that patent applications filed will be granted. There is no assurance that, upon launch the Company's new landfill gas upgrading product line will be commercially successful. The Company may not be successful in establishing production of the new landfill gas upgrading product line in its key markets of the United States and Brazil and this may adversely impact the Company's ability to deliver such products to customers in a timely and cost efficient manner. If any of these risks materialize there could be could be material adverse effect on the Company's financial performance or reputation.

- **Collaborative Agreement with ZEG Biogás**: There is no assurance that the Company's collaborative agreement with ZEG Biogás will result in the Company earning royalties from the industrial scale volume production of the Company's Totara+ Water Wash biogas upgrading products in Brazil. Further, there is no assurance that the targeted number of biogas upgrading systems will be installed.

- **Strategic Alliances**: There is no assurance that the Company will enter into any alliances or agreements with any strategic partners. Should any alliances or agreements be entered into, there is no assurance that the alliances or agreements will be successful in increasing opportunities, revenue or profitability for the Company.

The Company anticipates that significant expenses will be required in connection with any strategic initiatives that the Company determines to pursue. These initiatives may require substantial investment by the Company before significant revenues are achieved, and there is no assurance that this investment can be fully funded through existing resources or will be recovered.

Risks Associated with Acquisitions

The Company has not made any acquisitions since it acquired Airdep on February 1, 2022, and the Company may or may not consider acquisitions in future. Any such acquisitions will be, in part, dependent on management's ability to identify, acquire and develop suitable acquisition targets in both new and existing markets. To pay for any acquisitions, the Company may need to raise new capital, acquire debt or use existing cash resources. In certain circumstances, acceptable acquisition targets might not be available. Acquisitions involve a number of risks, including: (i) the possibility that the Company, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the expected benefits of the acquisition may not materialize and the Company may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) the difficulty of integrating the operations, systems, including accounting systems and financial standards, and personnel of an acquired business; (v) the challenge of implementing uniform standards, controls, procedures and policies throughout an acquired business; (vi) the inability to integrate, train, retain and motivate key personnel of an acquired business; and (vii) the potential disruption of its ongoing business and the distraction of management from its day-to-day operations. These risks and difficulties, if they materialize, could disrupt the Company's ongoing business, distract management, result in the loss of key personnel, increase expenses and otherwise have a material adverse effect on the Company's business, results of operations and financial performance.

Inability to Secure Additional Financing May Impair Ability to Expand Business

There can be no assurance that the Company will be able to raise additional funding as needed to carry out its business objectives. The development of the Company's business depends upon its ability secure sales, generate cash flow from operations, prevailing market conditions for biogas upgrading and for RNG pricing, its business performance and its ability to obtain financing through debt financing, equity financing or other means. There is no assurance that the Company will be successful in obtaining the financing it requires as and when needed or at all in order to support its growth and expansion of its business. If additional financing is raised by the issuance of shares from treasury, shareholders may suffer additional dilution.

Reliance on Permits and Authorizations and Delays in Receiving Such Permits and Authorizations

Certain contemplated capital expenditures and installations of biogas upgrading systems may require the Company's customers to seek approval of appropriate regulatory authorities. There is no guarantee that regulatory authorities will approve any contemplated installation, or expansion and/or renovation, which could adversely affect the business, financial condition and results of the Company's operations. In the event a customer fails to obtain the necessary authorizations or permits for a project, the Company may be curtailed or prohibited from proceeding with the installation of its biogas upgrading systems as currently proposed and the business, financial condition and results of operations of the Company may be materially adversely affected. See also "Risk Factors –Sales Order Backlog".

Demand for Renewable Natural Gas

Sales of the Company's products and services largely depend upon the increased use and widespread adoption and demand of RNG. Factors for driving RNG demand include price competitiveness, availability, regulation, incentives and environmental performance compared to alternatives. The timeline for when such widespread adoption will take place is uncertain, and may necessitate the Company to markedly change its financial projections. Moreover, if a significant number of adoptees of the Company's biogas upgrading systems do not achieve commercially feasible results in conjunction with using the Company's products, the market for the Company's biogas upgrading systems will not grow in the way the Company anticipates.

Regulatory Risks, Including Changes to National and Local Legislation

Renewable energy and RNG regulations are dynamic and subject to evolving interpretations which could require the Company to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of the Company's business. The Company cannot predict the nature of any future laws, regulations, interpretations or applications towards renewable energy policies, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Company's business. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition, and results of operations. For example, regulatory approvals or permits may be required for the design, installation and operation of biogas upgrading systems under federal, provincial and municipal regulations governing renewable natural gas. To the extent that there are delays in gaining regulatory approval, the Company's development and growth may be constrained.

Management expects that the legislative and regulatory environment in the renewable energy industry globally will continue to positively develop but still be dynamic for the foreseeable future. The Company's business may suffer if environmental policies change and no longer encourage the development and growth of renewable based technologies, or if the Company is not able to benefit from such policy changes. In addition, if current laws and regulations in jurisdictions internationally that provide significant incentives for adoption of RNG are not kept in force or if further environmental laws and regulations are not adopted in these jurisdictions as well as in other jurisdictions, demand for biogas upgrading systems and renewable natural gas may diminish. Public opinion can also exert a significant influence over the regulation of the renewable energy industry. A negative shift in the public's perception of the feasibility of biogas upgrading technology or renewable natural gas could affect future legislation or regulations in jurisdictions around the world.

Environmental Risks

Environmental legislation imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances and gases to the environment. In addition, certain types of operations, including biogas installation projects and significant changes to certain existing projects, may require the submission and approval of environmental impact assessments. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties and liability for cleanup costs and damages. Changes in environmental legislation may require, among other things, reductions in emissions to the air from the Company's existing and target customers' operations and result in increased capital expenditures, which may materially adversely affect the economics of a project for the Company's customers (who may opt not to proceed with a prospective project) and may adversely affect the Company's profit margin. Future changes in environmental legislation could occur and result in stricter standards and enforcement, fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on certain of the Company's existing and target customers' ability to purchase the Company's products.

Anti-Bribery Laws

The Canadian Corruption of Foreign Public Officials Act and anti-bribery laws in other jurisdictions where the Company does business prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these laws, which often carry substantial penalties, and the Company also conducts diligence where appropriate to mitigate the risk of violation of such laws. There can be no assurances that the Company's internal policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees, suppliers or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's reputation, business, financial conditions and results of operations.

Cybersecurity

In the course of its business, the Company relies on technology and systems that may be vulnerable to cyber threats, including fraud resulting from cyber threats. Such threats have evolved in severity, frequency and sophistication in recent years. Individuals engaging in cybercrime may target banking systems, corruption of systems or data, theft of sensitive data or other corporate assets, use of malicious software to encrypt, steal, or delete data (such as RANSOMWARE) or deception of technology users (such as PHISHING). While we invest in robust security systems to detect and block inappropriate or illegal access to our key systems, educate users on risks and regularly review procedures and protocols to ensure data and systems integrity, there can be no assurance that critical systems will not be inadvertently or intentionally breached and compromised, or that a cyber-based fraud will be averted. Any successful cyber attack against the Company could result in business interruption losses, financial loss, equipment damage, or loss of critical or sensitive information.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. There is a risk that the Company may have to pursue legal remedies with significant cost and time to pursue customers in order to collect amounts contractually owed under its biogas upgrading contracts. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. In addition, the Company operates all over the world, and therefore is subject to the jurisdiction of disparate countries. Consequently, certain activities conducted by the Company may be permissible under one regulatory regime while not under another. In the past, Canadian courts and regulatory authorities have taken the view that it is not contrary to Canadian federal or provincial law for a person to be engaged in, or for an entity to hold interests in affiliates that are engaged in, certain regulated activities where such activities may be regulated differently than in the home jurisdictions and have enforced extra-territorial laws even where such laws (or regulatory regimes applicable to certain activities or industries) differs from those in the Canadian jurisdiction. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon the Company or its business partners, while diverting the attention of key executives.

Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Global Economy

Financial and securities markets are influenced by the economic and market conditions in other countries. Although economic conditions in these countries may differ significantly from economic conditions in countries in which the Company operates, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect capital inflows into many economies, and the market value of securities of issuers with operations in such countries.

An economic downturn or volatility could have a material adverse effect on the Company's business, financial condition and results of operations. A weakening of economic conditions could lead to reductions in demand for the Company's products. For example, its revenues can be adversely affected by high unemployment and other economic factors. Further, weakened economic conditions or a recession could reduce the amount of income customers are able to spend on the Company's products. In addition, as a result of volatile or uncertain economic conditions, the Company may experience the negative effects of increased financial pressures on its customers or suppliers. For instance, the Company's business, financial condition and results of operations could be negatively impacted by increased competitive pricing pressure, increased bad debt expense or by supplier financial instability. If the Company is not able to timely and appropriately adapt to changes resulting from a weak economic environment, its business, financial condition and results of operations may be materially and adversely affected.

North American Market for Environmental Commodities

Most of the value of RNG in North America arises from the associated "green attributes" of RNG. These green attributes take many forms in both regions. In North America, the primary commodity is Renewable Identification Numbers (RINs) created under the U.S. RFS and the several states that have, or are planning, LCFS programs, with California's LCFS being the most mature and most liquid. In addition, there is a voluntary market that has emerged in the U.S. and Canada, particularly among natural gas utilities. In Europe, green attributes go by different names depending on the country.

The value of the environmental commodities can be highly volatile. There can be no assurance that these markets will continue to be viable over the long-term and should the value of these commodities diminish significantly, the overall market for RNG could suffer. This in turn may have an adverse effect on the market for the Company's biogas upgrading systems, which may result in lower realized sales and reduced profitability.

Macroeconomic and Geopolitical Risks and Uncertainties

Macroeconomic and geopolitical risks and uncertainties may have a material adverse impact on the Company's operations. The Company operates internationally, both selling into countries globally and procuring its products from global suppliers. Economic, legal and political conditions globally could adversely affect the Company's ability to conclude sales and procure and timely deliver products. These factors may significantly adversely affect the availability and costs of raw materials and fuel sources, contribute to inflation and cause currency fluctuations, and cause market volatility, all of which could significantly impact the Company's revenues and profitability and its ability to raise capital as needed. The Russia-Ukraine war and its related economic and political sanctions on global fuel sources continue to exacerbate an already challenged global shipping environment and supply chain challenges, for example. These conditions are beyond the Company's control and there can be no assurances that any mitigating actions by the Company or the Company's suppliers will be effective.

Trade Relations and Tariffs

On February 1, 2025, President Trump signed an executive order (the "Executive Order") imposing a 25% tariff on all goods originating in Canada and imported into the U.S. and a 10% tariff on "energy and energy resources" from Canada, initially set to be effective on March 4, 2025. The Executive Order also states that, if Canada introduces retaliatory measures, such as through the imposition of import duties on U.S. exports to Canada (or other similar measures), the U.S. tariffs may be increased or expanded. In response, the Government of Canada imposed 25% tariffs on $155 billion in goods imported from the U.S., also initially set to come into effect on March 4, 2025. Additionally, on February 10, 2025 President Trump signed executive orders imposing 25% tariffs against all steel and aluminum imports into the United States, including from Canada, which were originally set to take effect March 12, 2025. Furthermore, there is a risk that the tariffs imposed by the U.S. on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies and by extension the RNG industry and the Company. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on Company by potentially restricting cross-border supply chains and its ability to source components globally for its U.S. based projects. Tariffs may also impact the Company's markets as potential U.S, customers look to local suppliers to avoid tariffs, forcing the Company to further diversify the geographies in which it operates.

Financial and Accounting Risks

Negative Cash Flow from Operations

The Company has a history of losses and had negative cash flow from operating activities before non-cash working capital for the year ended December 31, 2024. The Company cannot guarantee if it will have positive cash flow from operating activities in future periods. The Company cannot provide any assurance that it will achieve sufficient revenues from sales to achieve or maintain profitability or positive cash flow from operating activities. If the Company does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on the Company's business, financial condition and results of operation and the Company may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding, of which there is no assurance that any required funding will be obtained. The Company's negative cash flow from operations may impair the ability of the Company to sustain the necessary working capital or secure adequate financial assurances or performance bonding required to enable the Company to expand on its business operations, including executing on existing sales contracts and undertaking its strategic initiatives, including securing new larger customer contracts. In addition, negative cash flow could result in the Company being forced to consider reductions in its employee base that may adversely impact on the Company's ability to execute on existing sales contracts and to secure new sales contracts.

In the event that contract awards do not materialize or are delayed and cash flow from operations does not adequately support the fixed costs of the Company, the Company will then be required to re-evaluate its planned expenditures, reallocate its total resources and may require future financings in such a manner as the Board of Directors and management deem to be in the Company's best interest. This may result in a substantial reduction of the scope of the Company's existing and planned operations. Failure of potential projects to translate into purchase orders for the Company may also adversely affect the Company's business, financial condition and results of operations and the price of its Common Shares.

Fluctuating Period Operating Results and Cash Flow

The Company's operating results and cash flow can fluctuate substantially from quarter to quarter and periodically as a result of the timing of recognition of revenues from contracted projects. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG offtake and feedstock agreements. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. The Company recognizes revenue, costs and profits over the period of the contract by reference to the stage of completion of the contract. The stage of completion of a contract is determined by internal estimates, with reference to the proportion of costs incurred and the proportion of work performed. Revenue is recognized in proportion to the total revenue expected on the contract. Such estimates may differ from actual results. Accordingly, the inherent uncertainty in these estimates could cause the Company's revenue assumptions to be inaccurate.

The Company's Revenues are Largely Derived from a Relatively Small Number of Large Biogas Upgrader Orders

The Company's revenues are largely derived from a relatively small number of large biogas upgrader orders accounted for on a stage of completion basis over typically a 9 to 24-month period. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG offtake and feedstock agreements. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. As a result, the Company's revenue varies from quarter to quarter and these variations may result in the Company's quarterly revenues not being as anticipated or as reflected in the Company's guidance, if any. In addition, other third party credit-related risks may cause project delays and slow or reduced payments impacting the timing and amount of revenues, or an increase in the costs of project execution. The loss of, or a reduction in, purchase orders or anticipated purchase orders from these customers could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, if one of the Company's customers is unable to meet its commitments to the Company, the Company's business, financial condition and results of operations could be adversely affected. As the Company pursues larger orders, it may also be increasingly reliant on a small number of large customers and their ability to finance, permit and execute the project.

Foreign Sales; Global Procurement

The majority of the Company's sales are denominated in foreign currencies (not Canadian); however, it incurs the majority of its operating expenses (employee and related costs) in Canadian dollars. In the future, the proportion of the Company's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition and results of operations.

Capital Requirements Associated with Expanded Operations

The Company may not generate sufficient internal cash flow to sustain capital requirements or to expand its business in accordance with its business plans. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through issuances of equity or convertible debt securities, its existing shareholders could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences and privileges superior to those of holders of its Common Shares. Any debt financing secured by the Company in the future could include restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favorable to it or at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it when the Company requires it, the Company's ability to continue to support business growth and respond to business challenges could be significantly limited. In addition, the terms of any additional equity or debt issuances may adversely affect the value and price of the Common Shares.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Company's most recently audited financial statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of investors, resulting in a decline in the share price of the Company.

Operating Claims

There is a risk that the warranty accrual included in the Company's balance sheet is not sufficient, and it may recognize additional expenses as a result of warranty claims in excess of its current expectations. Such warranty claims may necessitate a redesign, re-specification, a change in manufacturing processes, and/or recall of its products, which may have an adverse impact on the Company's finances and on existing or future sales. Although the Company attempts to mitigate these risks through its sales and marketing initiatives and its product development, quality assurance, support and service programs, there can be no assurance that such initiatives and programs are adequate or that sales of its commercial products will continue to grow and contribute financially. Even in the absence of any warranty claims, a product deficiency such a manufacturing or design defect or a safety issue could be identified, necessitating a product recall, which could itself have an adverse impact on its finances and on existing or future sales.

Insurance Risks

The Company's policies of insurance may not provide sufficient coverage for losses related to risks inherent in the operation of the Company's business and the products and services the Company delivers. The Company may not be able to obtain insurance, the insurance placed may not be sufficient to cover losses and insurance deductibles, retention amounts and premiums may increase. These factors could result in significantly increased costs or the Company being responsible for uninsured losses from its activities, which could significantly adversely affect the Company's business, financial condition and results of operations.

Inflation

The general rate of inflation impacts the economies and business environments in which the Company operates. Inflation increased significantly in 2022 and has continued to be elevated throughout 2024 as compared to recent historical norms. Accordingly, the Company expects that costs of all inputs to the Company's products, including raw materials, supplier costs and general employee and overhead costs, will increase. These increases in cost may adversely impact the profitability of our current and future contracts. To the extent that the Company is not able to pass these costs on to the Company's customers through increased pricing of the Company's products, the Company's margins on its products will be reduced. Further, increased pricing of the Company's products may result in reduced demand and negatively impact the Company's revenues. Accordingly, increased inflation and any economic conditions resulting from governmental attempts to manage or reduce inflation, such as the imposition of tariffs, higher interest rates or wage and price controls, may negatively impact the Company's costs as well as the demand for its products and services, and have a material adverse effect on the Company's business, financial condition and results of operations.

Tax Risks

The Company operates and will be subject to income tax and other forms of taxation in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses. The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of the Company's provision for income taxes and other tax liabilities will require significant judgment.

Risk Associated with Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's CEO and CFO have designed or caused to be designed under their supervision, disclosure controls and procedures ("**DCP**") to provide reasonable assurance that (i) material information relating to the Company is made known to the Company's CEO and CFO by others, and (ii) information required to be disclosed by the Company in its filings under securities legislation is recorded, processed, summarized and reported within the time periods specified under applicable securities legislation. There is no assurance, however, that our DCP will ultimately be effective in ensuring the timely and accurate disclosure all material information relating to the Company and its business in accordance with applicable securities legislation.

The Company is required to maintain and evaluate the effectiveness of our internal control over financial reporting ("**ICFR**") under National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings in Canada. Effective internal controls are required for the Company to accurately and reliably report financial results and other financial information. There is no assurance that the Company will be able to achieve and maintain the adequacy of its ICFR as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that the Company can conclude on an ongoing basis that our ICFR is effective. The Company's failure to establish and maintain effective ICFR could result in the Company's inability to meet our reporting obligations, inability to prevent fraud and inability to detect material misstatements. As a result, any failure to maintain effective ICFR may result in investors losing confidence in the Company's ability to report timely, accurate and reliable financial and other information, may expose the Company to legal or regulatory actions and may adversely impact the market value of the Company's Common shares.

Risks Related to the Common Shares

Market for the Common Shares

There can be no assurance that there will be an active trading market for the Common Shares or that any market developed will be sustained. The Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include: (i) announcements of new offerings, products, services or technologies; (ii) commercial relationships, acquisitions or other events by the Company or its competitors; (iii) price and volume fluctuations in the overall stock market from time to time; (iv) significant volatility in the market price and trading volume of renewable energy companies; (v) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (vi) actual or anticipated changes or fluctuations in the Company's results of operations; (vii) whether the Company's results of operations meet the expectations of securities analysts or investors; (viii) actual or anticipated changes in the expectations of investors or securities analysts; (ix) litigation involving the Company, its industry, or both; (x) regulatory developments in Canada, the UK, Europe, the United States, Brazil, and other foreign countries; (xi) general economic conditions and trends; (xii) major catastrophic events; (xiii) sales of large blocks of the Common Shares; (xiv) departures of key employees or members of management; (xv) trade relations and tariffs or (xvi) an adverse impact on the Company from any of the other risks cited herein.

No History of Payment of Cash Dividends

To date, the Company has not declared or paid cash dividends on the Common Shares. The Company intends to retain future earnings to finance the operation, development and expansion of the business. The Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on the Company's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

Tax Issues

There may be income tax consequences in relation to the Common Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

Future Offerings could be dilutive to the Company's shareholders

In order to finance future operations, the Company may determine to raise funds through the issuance of additional Common Shares or other securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of these securities will have on the market price of the Common Shares. Thus, holders of Common Shares bear the dilution risk of the Company's existing convertible securities or future offerings reducing the market value of Common Shares.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid dividends or made distributions on its Common Shares during the past three financial years and through to the date of this AIF.

The Company has no present intention of paying dividends in the near future. It will pay dividends when, as and if declared by the Board. The Company expects to pay dividends only out of retained earnings in the event that it does not require its retained earnings for operations and reserves. There are no restrictions in the Company's notice of articles or articles that prevent it from declaring dividends. The Company has no shares with preferential dividend and distribution rights authorized or outstanding.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As of the date of this AIF, there were 156,840,024 Common Shares issued and outstanding as fully paid and non-assessable. In addition, as of the date hereof, up to 7,423,095 Common Shares are reserved for issuance of options under the Omnibus Incentive Plan and the legacy Stock Option Plan and 4,979,348 are reserved for issuance of restricted share units (RSUs) under the Omnibus Incentive Plan and the legacy Restricted Share Unit Plan and 175,000 are reserved for issuance of performance restricted share units (PRSUs) under the Omnibus Incentive Plan. There were no warrants outstanding.

The holders of Common Shares are entitled to: (i) dividends, if, as and when declared by the Board of Directors; (ii) one vote per Common Share at meetings of the shareholders of Greenlane; and, (iii) upon liquidation, to receive such assets of Greenlane as are distributable to the holders of Common Shares. All Common Shares which are to be outstanding are fully paid and non-assessable. This summary does not purport to be complete and reference is made to the notice of articles and articles of Greenlane for a complete description of these securities and the full text of their provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSX under the trading symbol "GRN".

The following table sets forth the reported monthly high and low sales prices in Canadian dollars for the Common Shares on the TSX for the monthly periods indicated.

	TSX Price Range ($)		
Month	**High**	**Low**	**Total Volume**
January 2024	$0.16	$0.13	2,384,800
February 2024	$0.14	$0.12	2,143,800
March 2024	$0.14	$0.11	2,906,100
April 2024	$0.12	$0.08	2,886,500
May 2024	$0.11	$0.08	3,569,700
June 2024	$0.10	$0.08	2,144,900
July 2024	$0.11	$0.08	4,224,300
August 2024	$0.10	$0.08	1,400,600
September 2024	$0.08	$0.06	1,785,400
October 2024	$0.07	$0.07	1,317,900
November 2024	$0.16	$0.06	6,381,700
December 2024	$0.12	$0.09	4,423,900

Prior Sales

During the financial year ended December 31, 2024, the following securities of the Company, which are not listed or quoted on a marketplace, were issued:

Common Shares

Date of Issuance	Aggregate Number of Common Shares Issued	Price per Common Share
January 4, 2024	33,117(1)	$0.13
January 4, 2024	16,304(2)	$0.13
January 8, 2024	129,000(1)	$0.13
January 8, 2024	59,416(2)	$0.13
April 5, 2024	50,276(2)	$0.12
April 9, 2024	40,272(1)	$0.11
April 9, 2024	36,957(2)	$0.11
August 28, 2024	91,666(2)	$0.08
November 20, 2024	266,666(2)	$0.11
December 5, 2024	1,975,951(2)	$0.09
December 20, 2024	200,000(2)	$0.10

Notes:

(1) These Common Shares were upon exercise of options granted under the legacy Share Option Plan.

(2) These Common Shares were settlement of RSUs granted under the Omnibus Incentive Plan.

Options

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
April 1, 2024	1,032,835	$0.12
December 11, 2024	5,820,000	$0.10

Restricted Share Units

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
January 15, 2024	650,000	N/A
April 1, 2024	1,923,158	N/A
June 4, 2024	1,975,951	N/A

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth information regarding the Company's Directors and executive officers as of December 31, 2024. The term of office for the Directors expires at the Company's next Annual General Meeting.

Name, Province and Country of Residence	Principal Occupations for the Last Five Years	Served as a Director of the Company Since	Positions with the Company
Brad Douville British Columbia, Canada	CEO of Greenlane (November 22, 2024 to present); Executive Vice Chair of Greenlane (August 14, 2023 to November 22, 2024); President and CEO of Greenlane (June 2019 to August 2023); President of the Alternative Energy Division of Pressure Technologies plc (November 2017 to June 2019)	June 3, 2019	Director, Executive Vice Chair, Chief Executive Officer
Wade Nesmith British Columbia, Canada	Chairman of Greenlane (July 2019 to present); Partner at Creation Partners (May 2018 to August 2022); Chairman (March 2012 to May 2018) and Director (October 2008 to May 2018) of Primero Mining Corp.; Director of Westport Fuel Systems Inc. (July 2017 to July 2019)	February 15, 2018	Director; Chairman

Name, Province and Country of Residence	Principal Occupations for the Last Five Years	Served as a Director of the Company Since	Positions with the Company
Candice Alderson British Columbia, Canada	Chief ESG Officer, previously, Chief Commercial Officer and SVP, Corporate Affairs at Artemis Gold Inc. (February 2021 to present); SVP of Infrastructure Investments at Ledcor Industries Inc. (October 2019 to February 2021); SVP & Associate Corporate Counsel at Ledcor Industries Inc. (March 2017 to October 2019)	June 12, 2020	Director
David Demers British Columbia, Canada	Chair of Crocus Advisors Inc.; Partner at Creation Partners (May 2018 to August 2022); Director of Primero Mining Corp. (October 2008 to May 2018); Director at Montfort Capital Corp. (formerly TIMIA Capital Corp) (May 2017 to present); Director at Augurex Life Sciences Corp. (March 2018 to present)	February 15, 2018	Director
Elaine Wong British Columbia, Canada	President of Pine Street Ventures Ltd. (January 2016 to present); Director of Greenlane (July 2020 to present)	July 21, 2020	Director
Monty Balderston(1) Alberta, Canada	Chief Financial Officer of Greenlane (July 2022 to January 13, 2024); Chief Financial Officer of Mosaic Capital Corporation (June 2017 to March 2022)	N/A	Chief Financial Officer
H. Maura Lendon Ontario, Canada	Chief Operating Officer of Greenlane (August 22, 2024 to present); Chief Legal Officer of Greenlane (August 2022 to August 22, 2024); Senior Vice President, General Counsel of Greenlane (August 2021 to August 2022); Founder, Scalable General Counsel (March 2019 to July 2021), Chief General Counsel and Corporate Secretary, Primero Mining Corp. (April 2012 to May 2018)	N/A	Chief Legal Officer, Chief Operating Officer
Stephen Wortley British Columbia, Canada	Partner at DLA Piper (Canada) LLP (March 2024 to Present); Partner at McMillan LLP (1991 to March, 2024)	N/A	Corporate Secretary

Note:

(1) Monty Balderston resigned effective January 13, 2025 but remained with the Company until January 24, 2025 to support the transition of Stephanie Mason. Stephanie Mason was appointed as Chief Financial Officer effective January 13, 2025.

Committees of the Board

As of December 31, 2024:

(i) the members of the Audit Committee are Elaine Wong (Chair), David Demers and Wade Nesmith.

(ii) the members of the Corporate Governance and Nominating Committee are Candice Alderson (Chair), Elaine Wong and Wade Nesmith.

(iii) the members of the Human Resources and Compensation Committee are David Demers (Chair), Candice Alderson and Wade Nesmith.

As of the date of the AIF, the Company's Directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control of direction over 13,539,589 Common Shares, representing approximately 9% of the issued and outstanding Common Shares.

The following are brief biographies of the above individuals:

Brad Douville, *Director and Chief Executive Officer*

Brad Douville was the Chief Executive Officer of the Company from June 2019 to August 2023 and was appointed as the Executive Vice Chairman of the Company from August 14, 2023 to August 22, 2024. On August 22, 2024, Brad re-assumed the role of Chief Executive Officer of the Company. Brad Douville was appointed the President of the Alternative Energy Division of Pressure Technologies plc in November 2017. He joined the group after a 25-year career in the natural gas commercial vehicle industry. He was one of the founding members of Westport Fuel Systems Inc., a University of British Columbia spinoff company formed in 1995 that has grown into a leading alternative fuels automotive systems company, supplying CNG and LNG systems to many of the world's leading manufacturers of cars and commercial vehicles. He was also one of the founding members of the Cummins Westport joint venture formed in 2001, which is the preeminent supplier of natural gas engines for trucks and buses in North America. Mr. Douville held various executive positions in engineering and business at Westport and Cummins Westport until November 2017. He holds a Bachelor of Applied Science Degree in Mechanical Engineering from the University of Alberta (1992), a Master of Applied Science Degree in Mechanical Engineering from the University of British Columbia (1994) and an Executive Program certificate from the Stanford School of Business (2000).

Wade Nesmith, *Director and Chairman*

Wade Nesmith is one of the founders of Greenlane and has served as a Director and its Chairman since July 2019. He also serves on the Advisory Board of Amur Financial Group, a British Columbia based private financial services company and is a director of each of the three Mortgage Investment Corporations managed by that company. In addition, he serves as a director of OnBoard Dynamics, an Oregon based technology company focused on provision of methane reduction technologies. Prior to joining Greenlane, he served as a director and Chairman of Primero Mining Corp. for approximately 8 years. Mr. Nesmith holds a Bachelor of Laws from Osgoode Hall Law School at York University and is a member of the Law Society of British Columbia.

Candice Alderson, *Director*

Candice Alderson is the Chief ESG Officer for Artemis Gold Inc. Artemis Gold is gold development company with a technically driven approach to shareholder value creation through identifying, acquiring and developing gold projects in mining friendly jurisdictions using a disciplined staged approach to development, managing risks while minimizing cost of capital to optimize economics and returns for shareholders. Prior to Artemis, she was Senior Vice President, Infrastructure Investments for the Ledcor Group of Companies, a privately owned company that is one of the most diverse conglomerates in North

America. Candice had oversight over Ledcor's Infrastructure Investment Group and was responsible for leading the infrastructure team in its pursuits of securing equity investments and supporting multiple Ledcor divisions in the pursuit of major infrastructure and P3 investment projects. Candice graduated with a Bachelor of Arts from Concordia University (double major) and a LLB from the University of Victoria. Candice was awarded LEXPERT's Top 40 Under 40 Rising Star Award.

David Demers, *Director*

David Demers was one of the founding members of Westport Fuel Systems Inc. and served as CEO and a director of Westport Fuel Systems Inc. from 1995 until July 2016, when it merged with Fuel Systems Solutions of New York. Mr. Demers is currently a director of Montfort Capital Corp. (formerly TIMIA Capital Corp.) and was appointed to its board in May 2017 and he is currently a director of Augurex Life Sciences Corp. and was appointed to its board in March 2018. Mr. Demers was a director of Primero Mining Corp. from October 2008 until May 2018. He has worked as a director of a number of technology start-ups. He also served as a director of Clean Energy Fuels (CLNE) through its NASDAQ listing. Mr. Demers obtained a Bachelor of Science (Physics) in 1977 and a Juris Doctor in 1978, both from the University of Saskatchewan.

Elaine Wong, *Director*

Elaine Wong is a seasoned executive with over 25 years of experience in accounting, finance and operations in fast growing companies. She spent 13 years with Westport Fuel Systems, a publicly listed (NASDAQ & TSX) clean technology company with a global presence, holding various senior positions including Chief Financial Officer and Executive Vice-President, Strategic Development, responsible for strategy and mergers and acquisitions. Prior to Westport, Elaine was with ISM-BC, an information technology joint venture owned by IBM and TELUS, where she was Corporate Controller and then Director of Corporate Performance responsible for financial reporting and analysis. She founded Pine Street Ventures Ltd in 2016 to provide strategic advisory services. Named one of Canada's Top 100 Most Powerful Women in 2010, Ms. Wong earned her Chartered Accountant designation in 1993 while at KPMG and holds a Bachelor of Commerce (Honours) degree from the University of British Columbia.

Monty Balderston, *Chief Financial Officer*

Monty Balderston joined Greenlane in 2022 as Chief Financial Officer. Mr. Balderston resigned effective January 13, 2025, but remained with the Company until January 24, 2025, to support Ms. Stephanie Mason as Chief Financial Officer of the Company effective January 13, 2025. Mr. Balderston is a Chartered Professional Accountant (CPA, CA) with over 25 years of professional experience, including over 15 years in senior leadership roles with publicly traded companies. From June 2017 to March 2022, Monty acted as Chief Financial Officer and Corporate Secretary of Mosaic Capital Corporation (a TSXV listed company until August 2021 when it was taken private). From September 2013 to July 2016, Monty acted as Executive Vice President, Chief Financial Officer and Corporate Secretary of Northern Frontier Corp. ("**NFC**") (a TSXV listed company until July 2016), an integrated industrial and environmental services business. Monty graduated from the Northern Alberta Institute of Technology with a Finance Diploma (with Honors) in 1991 and graduated from the University of Alberta with a Bachelor of Commerce degree (with Distinction) in 1995. He earned his Chartered Accountant designation in the Province of Alberta in 1998.

H. Maura Lendon, *Chief Operating Officer*

Maura Lendon joined Greenlane in 2021 as Senior Vice President, General Counsel, was promoted to Chief Legal Officer in August, 2022, and was appointed Chief Operating Officer on August 22, 2024. From March 2019 until joining Greenlane, she provided in-house counsel to growing companies through Scalable General Counsel, a business that she founded. She was the Chief General Counsel and Corporate Secretary with Primero Mining Corporation from April 2012 to May 2018 where she was accountable for multi-jurisdictional legal, compliance and governance matters including strategic initiatives, M&A, government relations, litigation management and risk-mitigation. Prior to this, Maura held various senior legal roles with publicly-traded international companies. She is a member of the Law Societies of British Columbia and Ontario and holds a Master of Business Administration from the Richard Ivey School of Business, a Master of Laws (Intellectual Property) from Osgoode Hall Law School and a Bachelor of Laws from The University of Western Ontario. Maura has also completed the Directors Education Program at the Institute of Corporate Directors with the Rotman School of Management.

Stephen Wortley, *Corporate Secretary*

Stephen Wortley is a partner of the global law firm DLA Piper since March 2024, and before that was a partner of the law firm of McMillan LLP (1991 to March 2024). Mr. Wortley's legal practice focuses on corporate finance and commercial law. He has acted for public companies and investment dealers. He has also acted as corporate secretary for many Canadian public companies. Mr. Wortley obtained his LLB degree from the University of British Columbia in 1984.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as otherwise disclosed below, to the knowledge of Greenlane, no director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Monty Balderston was an officer of NFC when, as a consequence of the significant and prolonged depression in commodity prices (October 2014 to July 2016) and resulting negative impact on NFC's operations, NFC's secured lenders were granted an order under the Bankruptcy and Insolvency Act (Canada) appointing a receiver on July 14, 2016 to take possession of and deal with the assets of NFC which had been pledged to that creditor.

Monty Balderston was a volunteer director and officer of Bearspaw Country Club Ltd. ("**Bearspaw**") when, due to significant cost overruns on a capital improvement project, Bearspaw's secured lender was granted an order under the Bankruptcy and Insolvency Act (Canada) appointing a receiver on May 16, 2019 to take possession of and deal with the assets of Bearspaw which had been pledged to that creditor.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

The Company's Directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the Directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the Directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

To the best of the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. If a conflict of interest arises at a meeting of the Board, any Director in a conflict will disclose his interest and abstain from voting on such matter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Other than disclosed below, the Company is not, and was not during the most recently completed financial year, engaged in any legal proceedings and none of its property is or was during that period the subject of any legal proceedings and the Company does not know of any material legal proceedings which are contemplated.

On November 29, 2022, Evonik Operations GMBH and Evonik Corporation (together "**Evonik**") filed a claim in the United States District Court against the Company's subsidiary, Greenlane Biogas US Corp, alleging infringement of two of Evonik's patents pertaining to processes for separation of gases. The Evonik claim does not specify the quantum of damages sought. The Company has retained counsel and will vigorously defend this lawsuit. The Company has analyzed these claims and believes them to be without merit. On July 25, 2024, the court dismissed one of Evonik's patent claims and is now pursuing only one patent infringement claim.

Regulatory Actions

During the most recently completed financial year and during the current financial year, the Company is not and has not been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor, or entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Company and based upon information provided to it by the Company's directors and executive officers, other than as described in this AIF, (a) no director or executive officer of the Company, (b) no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares, and (c) no associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years and during the current 2024 fiscal year to the date hereof that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

Olympia Trust Company, at its Vancouver office located at Suite 1900, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

As of the date of this AIF, there are no material contracts which the Company entered into within the most recently completed financial year, subsequent to the most recently completed financial year to the date of this AIF, or prior to the most recently completed financial year but which are still in effect, and that are required to be filed under Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

INTERESTS OF EXPERTS

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who prepared the independent auditor's report included with the Company's annual consolidated financial statements for the year ended December 31, 2024. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Company's Audit Committee has a charter (the "**Audit Committee Charter**"), the text of which is set out in a copy of the Audit Committee Charter attached hereto as Schedule "A" to this AIF.

Composition of the Audit Committee

As of the date of the AIF, the Company's Audit Committee members are Elaine Wong, David Demers and Wade Nesmith. All members of the Audit Committee for the year ended December 31, 2024 were "independent" and "financially literate" within the meaning of NI 52-110.

An Audit Committee member is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

An Audit Committee member is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's Audit Committee has the education or experience that provides such member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended December 31, 2024 has the Audit Committee made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter.

External Auditor Services Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by PricewaterhouseCoopers LLP to the Company to ensure auditor independence. Fees incurred with PricewaterhouseCoopers LLP for the period ended December 31, 2024 and period ended December 31, 2022 for audit and non-audit services are outlined in the following table:

Nature of Services	Fees Billed by Auditor in Financial Year Ended December 31, 2024	Fees Billed by Auditor in Financial Year Ended December 31, 2023
Audit Fees(1)	$274,068	$266,592
Audit-Related Fees(2)	$19,260	$ Nil
Tax Fees(3)	$Nil	$Nil
All Other Fees(4)	$Nil	$Nil

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. "Audit Fees" include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. "Audit Fees" also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits.

(4) "All Other Fees" include all other non-audit services.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, the Company's principal shareholders, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's most recently filed management information circular available on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in our consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2024.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

(Adopted by the Board on July 25, 2019
and amended and restated on May 12, 2022)

I. PURPOSE AND PRIMARY RESPONSIBILITY

1. Purpose

The purpose of this Audit Committee Charter (the "Charter") is to clearly set out the objectives, composition, member qualification, member appointment and removal, responsibilities, manner of reporting to the Board of Directors (the "Board") of Greenlane Renewables Inc. (the "Company"), annual evaluation and compliance with this Charter.

2. Primary Responsibility

The primary responsibility of the Audit Committee (the "Committee") is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with relevant legal and regulatory requirements, including without limitation, tax and securities laws, as well as whistle blowing procedures. The Committee is also responsible for other matters as set out in this Charter and/or as may be directed by the Board from time to time. The Committee should exercise continuous oversight of developments in these areas.

II. MEMBERSHIP

1. Each member of the Committee must be an independent director of the Company.

2. The Committee will consist of at least three members, all of whom shall be financially literate. A Committee member who is not financially literate may be appointed to the Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

3. The members of the Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Committee) by the Board. A Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Committee on ceasing to be an independent director.

4. The Chair of the Audit Committee will be appointed by the Board.

III. AUTHORITY

In addition to all authority required to carry out the duties and responsibilities included in this Charter, the Committee has specific authority to:

1. engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities and any such consultants or professional advisors retained by the Committee will report directly to the Committee;

2. communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

3. to incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, such expenses to be paid for by the Company.

IV. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee include:

1. Matters related to the external auditor:

(a) recommending to the Board the external auditor to be nominated by the Board, taking into consideration the Committee's assessment of the incumbent external auditor's performance pursuant to subsection (d) below among other things;

(b) recommending to the Board the compensation of the external auditor, to be paid by the Company, in connection with:

(i) preparing and issuing the audit report on the Company's financial statements; and

(ii) performing other audit, review or attestation services;

(c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Committee);

(d) overseeing the work of the external auditor, including performing an annual assessment of the external auditor subsequent to the conclusion of each annual audit of the Company's financial statements, as well as a comprehensive assessment of performance every 5 years, or sooner as may be appropriate or required for any reason;

(e) ensuring that the external auditor is independent by receiving a report annually from the external auditor with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;

(f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

(g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditor setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;

(h) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(i) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor (the Chair of the Committee has the authority to pre-approve in between regularly scheduled Committee meetings any non-audit service of less than $25,000, however such approval will be presented to the Committee at the next scheduled meeting for formal approval);

(j) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Committee activities;

2. Matters related to the financial statements and accounting:

(a) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with GAAP and the MD&A is in compliance with appropriate regulatory requirements;

(b) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any changes in the selection or application of accounting principles to be used in the preparation of the financial statements of the Company and its subsidiaries;

(c) reviewing and discussing with management and the external auditor the external auditor's written communications to the Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

(d) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

(e) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, before the dissemination of these documents to shareholders, regulators, analysts and the public;

(f) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditor, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

(g) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

(h) reviewing with management and the external auditor the integrity of disclosure controls and internal controls over financial reporting. Reviewing the annual and quarterly Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") certifications under NI 52 – 109 and ensuring that the Company has an effective process in place to support those certifications;

(i) reviewing, monitoring, discussing and assessing the processes management has put in place to identify and manage the principal risks that could impact the financial reporting of the Company and discussing policies with respect to risk assessment and risk management, which discussions will include:

  (i) the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, and

  (ii) guidelines and policies to govern the process by which risk assessment and management is undertaken;

(j) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

(k) reviewing the Company's Disclosure Policy at least annually and, after consultation with the CFO recommending any changes to the Board for approval;

(l) resolving disputes between management and the external auditor regarding financial reporting;

(m) establishing procedures for:

  (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

  (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

3. Cybersecurity matters

(a) Overseeing policies, procedures, plans and execution of matters with respect to:

  (i) security, confidentiality, availability and integrity of the Company's data, including personal information and customer and other third party confidential information in the Company's possession or custody;

(ii) its information technology systems, including enterprise cybersecurity and privacy; and

(iii) the Company's preparation for responding to any material incidents.

(b) Overseeing the Company's compliance with applicable information security and data protection laws and industry standards, and overseeing any internal audits of the Company's information technology systems and processes.

(c) Reviewing the Company's cyber insurance policies to ensure appropriate coverage.

4. Other matters

(a) Establishing procedures for:

(i) reviewing the expenses of the Chair of the Board, and the CEO on a semi-annual basis;

(ii) reviewing the adequacy of the Company’s insurance coverage (excluding Directors’ and Officers’ insurance coverage, which is reviewed by the Corporate Governance and Nominating Committee);

(iii) reviewing activities, organizational structure, and qualifications of the CFO and the staff in the finance and accounting function and ensuring that matters related to succession planning within the finance and accounting function are raised for consideration at the Board, and

(iv) reviewing fraud prevention policies and programs and monitoring their implementation.

(b) A regular part of Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the Company. The Chair of the Committee will regularly canvass the Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Committee on a timely basis.

(c) On an annual basis the Committee shall review and assess the adequacy of this Charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by the applicable regulatory bodies with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Charter to the Board for its approval.

V. MEETINGS

1. The quorum for a meeting of the Committee is a majority of the members of the Committee.

2. The Chair of the Committee shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making

regular reports to the Board. The Chair of the Committee will also maintain regular liaison with the CEO, CFO, and the lead engagement partner of the external auditor.

3. The Committee's schedule of meetings and agendas will be set annually by the Committee. Dates and locations will be provided to the Board, the Committee members, the external auditor and management in advance.

4. The Committee will meet in camera separately with the CEO and separately with the CFO of the Company at least annually to review the financial affairs of the Company.

5. The Committee will meet with the external auditor of the Company in camera at least at each meeting at which the external auditor is in attendance, to review the external auditor's examination and report.

6. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee.

7. Each of the Chair of the Committee, members of the Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

VI. REPORTS

1. The Committee will report, at least quarterly, to the Board regarding the Committee's examinations and recommendations, and annually to the Board regarding the Committee's compliance with this Charter.

VII. MINUTES

1. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

VIII. ANNUAL PERFORMANCE EVALUATION

1. The Board will conduct an annual performance evaluation of the Committee, taking into account the Charter, to determine the effectiveness of the Committee.