



# Greenlane Renewables Inc. Management's Discussion and Analysis

For the Three Months Ended March 31, 2025

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## Introduction

This management's discussion and analysis ("MD&A") of Greenlane Renewables Inc. ("Greenlane" or the "Company") has been prepared by management as of May 15, 2025 and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2025 and 2024, the audited consolidated financial statements for the years ended December 31, 2024 and 2023 and the related notes thereto, and the annual information form ("AIF") for the year ended December 31, 2024. All figures are expressed in Canadian dollars and all tabular amounts are in \$000s, except where otherwise indicated. The three-month periods ended March 31, 2025 and 2024 are herein referred to as "Q1". The financial statements have been prepared in Canadian dollars, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34 Interim Financial Reporting.

This MD&A refers to certain measures that are not standardized under IFRS Accounting Standards, such as Gross Margin before amortization, Adjusted EBITDA and Sales Order Backlog. These are specified financial measures used by Management to better manage the Company and to assist the Company's shareholders to evaluate the Company's performance, but do not have standardized meaning. To facilitate a better understanding of these measures presented by the Company, qualifications, definitions and reconciliations refer to the "Alternative Performance Measures" section of this MD&A.

Certain statements contained in this MD&A are forward-looking information within the meaning of applicable Canadian securities laws relating to the Company. This information is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Users of this information are cautioned that actual results may differ materially. For additional information refer to the "Risks and Uncertainties" and "Forward-looking Information" sections of this MD&A and the "Risk Factors" section of the Company's AIF.

Greenlane's common shares trade under the symbol "GRN" on the Toronto Stock Exchange ("TSX"). The head office of the Company is located at 110-3605 Gilmore Way, Burnaby, BC, V5G 4X5 and the registered and records office of the Company is located at 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

Additional information relating to the Company, including the AIF, are available under Greenlane's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.greenlenerenewables.com](http://www.greenlenerenewables.com). Capitalized terms used herein and not otherwise defined have their meaning ascribed to them in the Company's AIF. Information contained in or otherwise accessible through the Company's website does not form part of this MD&A.

## Selected Financial Information

### Financial Results

During the prior year in 2024, the Company sold its wholly owned subsidiary, Greenlane Renewable UK Limited, as a result, the operations of that entity have been classified as discontinued operations and presented separately from continuing operations.

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
<b>From Continuing Operations</b>			
Revenue	\$ 7,007	\$ 18,129	-61%
Gross Margin before amortization <sup>1,2</sup>	\$ 2,798	\$ 4,810	-42%
Adjusted EBITDA <sup>2</sup>	\$ (1,070)	\$ (537)	99%
Net loss and comprehensive loss	\$ (983)	\$ (796)	23%
<b>From Discontinued Operations</b>			
Revenue	\$ -	\$ 489	100%
Gross Margin before amortization <sup>1,2</sup>	\$ -	\$ 214	100%
Adjusted EBITDA <sup>2</sup>	\$ -	\$ (94)	100%
Net loss and comprehensive loss	\$ -	\$ (477)	100%
<b>Aggregate</b>			
Revenue	\$ 7,007	\$ 18,618	-62%
Gross Margin before amortization <sup>1,2</sup>	\$ 2,798	\$ 5,024	-44%
Adjusted EBITDA <sup>2</sup>	\$ (1,070)	\$ (631)	70%
Net loss and comprehensive loss	\$ (983)	\$ (1,273)	-23%
Weighted average common shares outstanding	156,816,135	154,012,113	2%

#### Notes:

1. Gross Margin before amortization is calculated as revenue less cost of goods sold, excluding amortization
2. Gross Margin before amortization and Adjusted EBITDA are non-IFRS measures, refer to "Alternative Performance Measures" for further information

## Financial Position

As at (in \$000s, except as noted)	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 16,200	\$ 16,168
Working capital (including cash and cash equivalents)	\$ 12,434	\$ 14,241
Total assets	\$ 44,320	\$ 45,352
Total liabilities	\$ 21,256	\$ 21,377
Total shareholders' equity	\$ 23,064	\$ 23,975
Common shares outstanding	156,840,024	156,690,024

## First Quarter Highlights

For the three months ended March 31, 2025, Greenlane:

- generated \$7.0 million in revenue from continuing operations which was a 61% decrease over Q1 2024;
- recognized Gross Margin before amortization from continuing operations of \$2.8 million or 40% of revenue (Q1 2024 - \$4.8 million or 27% of revenue) and realized an Adjusted EBITDA loss from continuing operations of \$1.1 million (Q1 2024 - \$0.5 million);
- incurred an operating loss from continuing operations of \$1.4 million (Q1 2024 - \$1.0 million) and a net loss and comprehensive loss from continuing operations of \$1.0 million (Q1 2024 - \$0.8 million); and
- ended the quarter with a Sales Order Backlog of \$21.2 million.

## Outlook

The market for biogas desulfurization and upgrading is anticipated to grow over time, driven by increasing demand for RNG caused primarily by a widely held desire to increase supply of renewables alternatives to fossil fuels and combat climate change by reducing greenhouse gas emissions supported by government mandates and demand from businesses, utilities, organizations and individuals for use of RNG as a commercial vehicle transportation fuel and to replace fossil natural gas in the pipeline distribution network. As a global leader in biogas desulfurization and upgrading, Greenlane expects to benefit from this trend.

## Nature of Operations

Greenlane is at the forefront of the energy transition, tackling two of the most difficult to decarbonize sectors of the global energy system: the natural gas grid and the commercial transportation sector. As a leading global technology provider of biogas desulfurization and upgrading systems, our 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, dairy farms, wastewater, and food waste.

Greenlane has been a pioneer in the RNG industry for over 35 years successfully opening up new markets and segments. Greenlane will continue to focus on sales growth in the most profitable segments of our business including parts and service, biogas desulfurization products and technology licensing. Greenlane is also unique in the industry being, to the Company's knowledge, the only biogas upgrading company offering and actively deploying the three most popular biogas upgrading technologies - water wash, pressure swing adsorption, and membrane separation, independently and in combination – alongside proprietary biogas desulfurization and air deodorization technology.

It is this deep level of understanding, unbiased perspective on technology and segment-specific insights gained through extensive experience that led to the development of new intellectual property that addresses tough industry challenges. In December 2024, Greenlane filed two new patent applications for landfill gas upgrading technology and intends to bring to market in 2025 a new compelling product line that incorporates the content of these patent applications. The new product line is architected to advance the state-of-the-art in the production of RNG from landfills by maximizing methane recovery performance while minimizing capital expenditure. Higher performance and lower cost systems enable RNG project developers to enhance revenue generating RNG output from their assets while minimizing upfront capital investment, making RNG projects more accessible and scalable. Greenlane fabricates its biogas desulfurization and air deodorization products in its facility in Italy and intends to fabricate its new landfill gas product line in the US and Brazil.

From system delivery to commissioning and ongoing parts and service support, Greenlane ensures seamless integration and long-term operational success. With over 355 systems supplied in over 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.

## Results of Continuing Operations

### Revenue

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Revenue:			
System sales	\$ 4,679	\$ 15,419	-70%
Services and spare parts	2,328	1,889	23%
Royalty contracts	-	821	100%
Total revenue	\$ 7,007	18,129	-61%

Revenue for the first quarter of 2025 was \$7.0 million, a decrease of \$11.1 million or 61% less than Q1 2024. The decrease was driven by a \$10.7 million reduction in system sales, \$0.4 million improvement in services and spare parts sales and \$0.8 million reduction in revenue from royalty contracts.

At March 31, 2025, Sales Order Backlog was \$21.2 million. During Q1 2025, \$4.7 million was recognized in revenue and removed from the Sales Order Backlog and \$4.1 million was included for additional sales orders. Sales Order Backlog has been adjusted for individually immaterial contractual change orders and foreign exchange movements. Refer to the "Alternative Performance Measures – Sales Order Backlog" section of this MD&A for additional details.

Services and spare parts revenue of \$2.3 million (Q1 2024 - \$1.9 million) is comprised of upgrader support services in North America and South America along with Cascade H<sub>2</sub>S support activities primarily in Europe.

There was no revenue recognized from royalty contracts in Q1 2025 (Q1 2024 - \$0.8 million). Revenue in Q1 2024 is associated with completion of the first unit under its collaborative agreement with ZEG Biogás e Energia SA (the "Royalty Agreement"). The advance payments of \$3.3 million received under the Royalty Agreement that are included in deferred revenue, resulting from the agreement's minimum volume commitment in the first two years, are considered fully earned in April 2025 and will be recognized as revenue at a Gross Margin before amortization of \$2.8 million in the Company's second quarter results.

### Cost of goods sold and gross profit

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Revenue:			
System sales	\$ 4,679	\$ 15,419	-70%
Services and spare parts	2,328	1,889	23%
Royalty contracts	-	821	100%
	7,007	18,129	-61%
Cost of goods sold			
System sales	3,005	12,142	-75%
Services and spare parts	1,204	1,062	13%
Royalty contracts	-	115	100%
	4,209	13,319	-68%
Gross Margin before amortization <sup>1,2</sup>			
System sales	1,674	3,277	-49%
Services and spare parts	1,124	827	36%
Royalty contracts	-	706	100%
	2,798	4,810	-42%
Amortization of:			
Intangible assets	144	138	4%
Property and equipment	75	86	-13%
	219	224	-2%
Gross profit	\$ 2,579	\$ 4,586	-44%

#### Notes:

- Gross Margin before amortization is calculated as revenue less cost of goods sold, excluding amortization
- Gross Margin before amortization is a non-IFRS measures, refer to "Alternative Performance Measures" for further information

Gross profit was \$2.6 million for Q1 2025 (Q1 2024 - \$4.6 million). The decrease was driven by the lower revenue levels achieved and the factors listed below.

The Company predominantly utilizes a capital-light, largely outsourced manufacturing model whereby it outsources the fabrication of its systems, and purchases components globally from trusted supply chain partners who meet the Company's cost, quality and delivery requirements. The only exception to this is in relation to the Company's Cascade H<sub>2</sub>S product line, where the assembly and a small amount of fabrication is performed in-house.

Cost of goods sold for Q1 2025 was \$4.2 million (Q1 2024 - \$13.3 million) being a 68% decrease over the comparative period in the prior year. The decrease is primarily driven by the decrease in revenue.

Overall Gross Margin before amortization was \$2.8 million or 40.0% of revenue for Q1 2025 (Q1 2024 – \$4.8 million or 26.5% of revenue).

Gross Margin before amortization contribution from system sales for Q1 2025 was \$1.7 million or 35.8% of systems sales revenue (Q1 2024 - \$3.3 million or 21.2% of systems sales revenue). The Company has a portfolio of active projects all at different stages of completion and different gross margin levels. The Q1 2025 margin benefited from the positive impact of \$0.4 million of expired warranty provisions.

Gross Margin before amortization contribution from services and spare parts was \$1.1 million or 48.3% of services and spare parts revenue (Q1 2024 - \$0.8 million or 43.8% of revenue). This quarter-over-quarter improvement in contribution is the result of increased revenue and product mix.

There was no Gross Margin before amortization from royalty contracts for Q1 2025 (Q1 2024 - \$0.7 million).

Amortization of intangible assets and property and equipment was \$0.2 million for Q1 2025 which was a decrease of 2% from Q1 2024.

### Operating Expenses

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Amortization of office equipment	\$ 54	\$ 53	2%
General and administration	3,455	4,989	-31%
Research and development	253	65	289%
Sales and marketing	160	293	-45%
Share based compensation	72	200	-64%
Total operating expenses	\$ 3,994	\$ 5,600	-29%

Total operating expenses for the Q1 2025 were \$4.0 million (Q1 2024 - \$5.6 million).

General and administration expenses in Q1 2025 were \$3.5 million (Q1 2024 - \$5.0 million). Of this, \$2.3 million or 32% of revenue related to salaries and benefits (Q1 2024 - \$3.1 million or 18.7% of revenue). At March 31, 2025, the Company had 97 employees and contractors (Q1 2024 – 136 employees and contractors). The reduction in workforce was made possible through realizing operational efficiencies and to project completions, implementations of systems, processes and standard current products made by the Company in prior periods. Going forward, the Company will review its labour needs and adjust the workforce as required.

The Company incurred general and administration expenses (excluding salaries and benefits) of \$1.2 million in Q1 2025 (Q1 2024 - \$1.9 million). The decrease over the same quarter in the prior year is a result of a recovery of \$0.2 million in bad debt expense and a reduction in contractor costs related to work performed in Q1 2024 to establish a local presence in Brazil.

Research and development costs were \$0.3 million in Q1 2025 (Q1 2024 - \$0.1 million) reflecting internal labour costs and external consultancy fees associated with ongoing initiatives to enhance the Company's product offerings.

Sales and marketing costs, which includes salaries and benefits for sales personnel, as well as marketing and promotion costs for Company's branding and costs associated with attending sales conferences were \$0.2 million in Q1 2025 (Q1 2024 - \$0.3 million).

Share-based compensation is a non-cash expense associated with the issuance of stock options ("Options"), restricted share units ("RSUs") and performance restricted share units ("PRSUs") to the Company's employees, directors and advisors. In Q1 2025, share-based compensation was \$0.1 million (Q1 2024 - \$0.2 million). The expense is related to amortizing the cost of the outstanding unvested Options and RSUs over the vesting period. As at March 31, 2025, the Company had 7.4 million Options and 5.2 million RSUs (December 31, 2024 – 7.6 million and 3.4 million, respectively).

### Other Items

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Finance expense	\$ 32	\$ 35	-9%
Finance income	(94)	(104)	-10%
Other (income) loss	26	(252)	-110%
Foreign exchange gain	(488)	(131)	273%
	\$ (524)	\$ (452)	16%

During the three months ended March 31, 2025, the Company recognized income of \$0.5 million (Q1 2024 - \$0.5 million in income) from other items.

The Company had interest earned on cash on hand and recognized a foreign exchange gain which is largely driven by the Euro changing value against the Canadian dollar impacting the Company's receivables.

## Income Taxes

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Current	\$ 148	\$ 302	-51%
Deferred recovery	(24)	(46)	48%
Total income taxes	\$ 124	\$ 256	-52%

Included in Q1 2025 was a current tax provision of \$0.2 million (Q1 2024 - \$0.3 million) and a deferred tax recovery of \$0.02 million (Q1 2024 - \$0.05 million). The effective income tax rate is significantly lower than the Company's statutory rate of 27% largely due to tax loss carry-forwards that have not been recognized for financial statement purposes and stock-based compensation expense that is not deductible for tax purposes.

## Net loss and comprehensive loss

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Net loss	\$ (1,015)	\$ (818)	24%
Other comprehensive income	32	22	45%
Net loss and comprehensive loss	\$ (983)	\$ (796)	23%
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	0%

In Q1 2025, the Company incurred a net loss of \$1.0 million compared to a net loss of \$0.8 million in Q1 2024. In Q1 2025, the Company incurred a net loss and comprehensive loss of \$1.0 million compared to a net loss of \$0.8 million in Q1 2024.

## Results of Discontinued Operations

April 15, 2024, the Company disposed of its wholly owned subsidiary Greenlane Renewables UK Limited 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.

Greenlane Renewables UK Limited 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 allows 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.

The following table provides the operating results of the discontinued operations.

(in \$000s, except as noted)	Three months ended March 31,		
	2025	2024	% Change
Revenue:			
Services and spare parts	\$ -	\$ 489	100%
Cost of goods sold:			
Services and spare parts	-	275	100%
Gross margin before amortization <sup>1, 2</sup>			
Services and spare parts	-	214	100%
Gross profit	-	214	100%
Operating expenses			
Amortization of office equipment	-	20	100%
General and administration	-	308	100%
	-	328	100%
Operating loss	-	(114)	100%
Adjusted EBITDA <sup>2</sup>	-	(94)	100%

### Notes:

- Gross Margin before amortization is calculated as revenue less cost of goods sold, excluding amortization
- Gross Margin before amortization and Adjusted EBITDA are non-IFRS measures, refer to "Alternative Performance Measures" for further information

## Summary of Quarterly Results

The following table summarizes information regarding the Company's operations on a quarterly basis for the last eight quarters.

The Company's results are not impacted by seasonality, however the operating results are significantly affected by the timing and delivery of new system sales contracts. Timing of system sales contract awards tends to be variable due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG off-take and feedstock agreements.

Revenue and corresponding costs from executing system sales contracts are recognized using the stage of completion method. Under the stage of completion method, contract revenues and expenses are recognized by reference to the stage of completion of contract activity where the outcome of the contract can be measured reliably, otherwise revenue is recognized only to the extent of recoverable contract costs incurred. A typical system sales contract has five to eight payment milestones and a duration of nine to 24 months, and therefore quarterly operating results can fluctuate significantly as a result of the timing of contract related work.

(in \$000s, except as noted)	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024
Revenue	\$ 7,007	\$ 8,517	\$ 10,544	\$ 14,630
Gross Margin before amortization <sup>1,2</sup>	\$ 2,798	\$ 3,834	\$ 3,622	\$ 4,063
Adjusted EBITDA <sup>2</sup>	\$ (1,070)	\$ (209)	\$ (173)	\$ (829)
Net loss from continuing operations	\$ (1,015)	\$ 2,072	\$ (2,157)	\$ (477)
Net (loss) income from discontinued operations	\$ -	\$ -	\$ -	\$ (6)
Basic and diluted loss per share	\$ (0.01)	\$ 0.01	\$ (0.01)	\$ 0.00

(in \$000s, except as noted)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Revenue	\$ 18,129	\$ 16,544	\$ 9,575	\$ 13,755
Gross Margin before amortization <sup>1,2</sup>	\$ 4,810	\$ 3,285	\$ 2,892	\$ 3,879
Adjusted EBITDA <sup>2</sup>	\$ (537)	\$ (1,433)	\$ (4,434)	\$ (1,585)
Net (loss) income continuing operations	\$ (818)	\$ (16,939)	\$ (4,885)	\$ (4,481)
Net (loss) income discontinued operations	\$ (477)	\$ (874)	\$ (144)	\$ 62
Basic and diluted loss per share	\$ (0.01)	\$ (0.12)	\$ (0.03)	\$ (0.03)

Notes:

1. Gross Margin before amortization is calculated as revenue less cost of goods sold, excluding amortization
2. Gross Margin before amortization and Adjusted EBITDA are non-IFRS measures, refer to "Alternative Performance Measures" for further information

## Liquidity

Three months ended March 31, (in \$000s)	2025	2024
Net cash generated (used) in:		
Operating activities	\$ (966)	\$ (4,464)
Investing activities	\$ 891	\$ (59)
Financing activities	\$ (81)	\$ (61)
Net decrease in cash	\$ (156)	\$ (4,584)

## Operating Activities

For Q1 2025, the Company used \$1.0 million in cash from operating activities (Q1 2024 - \$4.5 million). Cash used in operating activities before non-cash working capital items was \$1.2 million (Q1 2024 - \$0.8 million) driven by the operating loss incurred during the period. In addition, the Company provided \$0.2 million (Q1 2024 – used \$2.9 million) in non-cash working capital.

## Investing Activities

Net cash inflow in investing activities was \$0.9 million in Q1 2025, primarily from proceeds received from the note receivable.

## Financing Activities

Net cash used in financing activities was \$0.1 million related to the payment of lease liabilities.



### Contractual Obligations

The table below summarizes the future undiscounted contractual cash flow requirements as at March 31, 2025 for the Company's financial liabilities:

as at March 31, 2025	Carrying amount	Contractual cash flow	Less than 12 months	1 - 2 years	2 – 3 years	Thereafter
Accounts payable and accrued						
Liabilities	\$ 11,400	\$ 11,400	\$ 11,400	\$ -	\$ -	\$ -
Lease liability	2,032	2,411	454	462	959	536
Warranty liability	333	333	333	-	-	-
Deferred consideration						
– contingent earn-out	685	685	685	-	-	-
	\$ 14,450	\$ 14,829	\$ 12,872	\$ 462	\$ 959	\$ 536

As part of normal ongoing operations, it is possible that the Company could become involved in litigation and claims from time to time. Management is not presently aware of any litigation or claims where likelihood and quantum of liability can be reasonably estimated and which would materially affect the financial position or financial performance of the Company.

### Capital Resources

At March 31, 2025, Greenlane had cash and cash equivalents of \$16.2 million (December 31, 2024 - \$16.2 million) and working capital including cash and cash equivalents of \$12.4 million (December 31, 2024- \$14.2 million).

Included in cash and cash equivalents is \$2.3 million in an escrow account as an advance payment security related to a system supply contract that is released for direct project payments to the Company's suppliers with the surplus distributed to the Company as the project progresses.

### Lease Liabilities

The Company has lease liabilities in relation to its head office lease in Burnaby, British Columbia, Canada and operations offices and Vicenza, Italy. The following table outlines changes in the Company's lease liabilities:

As at	March 31, 2025	December 31, 2024
Balance, beginning of the year	\$ 2,074	\$ 1,951
Additional leases	-	412
Lease payments	(113)	(421)
Finance fees	32	143
Disposal of subsidiary	-	(35)
Foreign exchange adjustment	39	24
Balance, end of the period	2,032	2,074
Current portion	(339)	(328)
Non-current portion of lease liabilities	\$ 1,693	\$ 1,746

### Debt

At March 31, 2025, the Company had no debt other than payables resulting from normal course operations and off balance sheet arrangements noted below.

### Off Balance Sheet Financing Arrangements

The Company has a \$26.5 million standby letter of credit facility (the "**Facility**") that affords the Company the ability to issue standby letters of credit to its customers for system supply contracts that have advance payment and performance security requirements. At March 31, 2025, the Company had issued \$8.0 million in standby letters of credit under the Facility.

The Company also has \$7.6 million in advance payment bonds and performance bonds outstanding. The Company was required to provide a cash deposit of \$1.7 million, classified as restricted cash, to partially secure the advance payment bonds.

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

### Shareholders' Equity

Equity decreased \$0.9 million to \$23.0 million at March 31, 2025. The decrease was primarily attributable to the net loss and comprehensive loss incurred in the period.

## Securities data

The Company had the following common shares, Options and RSUs outstanding:

	May 15, 2025	March 31, 2025
Common shares <sup>1</sup>	156,922,024	156,840,024
Stock options <sup>2</sup>	7,423,095	7,423,095
Restricted share units <sup>3,4</sup>	4,838,624	4,979,348
Performance restricted share units <sup>5</sup>	175,000	175,000

Notes:

1. As of May 15, 2025, on a fully-diluted basis the Company would have 169,358,743 common shares outstanding (March 31, 2025 – 169,417,467)
2. As of May 15, 2025, 1,119,490 Options are exercisable (March 31, 2025 – 1,071,254)
3. As of May 15, 2025, 1,454,348 RSUs are exercisable (March 31, 2025 – 1,254,844)
4. As of May 15, 2025, 123,952 unvested RSUs are only exercisable for cash once vested (March 31, 2025 – 182,676)
5. As of May 15, 2025, nil PRSUs are exercisable (March 31, 2025 – nil)

## Financial Information and Related Risks

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition, all financial instruments, including derivatives, are recognized in the statement of financial position at fair value. Subsequent measurement is then based on the financial instruments being classified into one of four categories: held for trading, loans and receivables, available for sale and financial liabilities. The Company has designated its financial instruments into the following categories applying the indicated measurement methods:

Financial Instrument	Measurement Method
Cash and cash equivalents; and restricted cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deferred consideration - contingent earn-out	Fair value through profit and loss

Each reporting period, the Company assesses whether there are any impaired financial assets, other than those classified as held for trading. An impairment loss, other than temporary, is included in net earnings.

## Fair Value

### Financial assets

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

### Financial liabilities

Due to the relatively short-term nature of: accounts payable and accrued liabilities the Company has determined that the carrying amounts approximate fair value.

### Deferred consideration - contingent earn-out

The liability recognized in connection with the deferred consideration - contingent earn-out has been calculated based on the financial performance of Airdep S.r.l. ("Airdep").

## Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, accounts receivable, and notes receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions, and through the performance of credit checks for all new customers. The Company considers its credit risk with respect to accounts receivable and notes receivable to be limited to the value of the provision for allowance for expected credit losses which has been recognized.

## Foreign Exchange Rate Risk

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

The Company manages foreign exchange risk by maintaining USD, GBP, Euros and BRL cash on hand to fund its anticipated short-term foreign currency expenditures.

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk on its foreign currency denominated cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities.

A substantial amount of the Company's sales and purchases are transacted in foreign currencies. The exposure to foreign exchange rates varies throughout the year depending on the volume and timing of transactions in foreign currencies.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At March 31, 2025, the Company had no variable rate interest bearing financial liabilities or assets.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The Company's ability to do this relies on the Company maintaining sufficient cash in excess of anticipated needs and raising debt or equity financing in a timely manner. Greenlane's ongoing liquidity may be impacted by various external events and conditions.

### Related Party Transactions

Key management includes Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"), who have the authority and responsibility for the planning, directing, and controlling the activities of the Company. In 2024, key management included the Executive Vice Chair. The remuneration paid and payable to these key management personnel is outlined below:

For the three months ended March 31,	2025	2024
Non-executive directors' fees	\$ 72	\$ 71
Salaries and short-term benefits	394	522
Equity-based compensation	85	146
Related party transactions	\$ 551	\$ 739

### Proposed Transactions

Management is constantly having discussions and is working with various third parties regarding potential corporate transactions. As of the date of this MD&A, the Company has not entered into any corporate transaction agreement or binding letter of intent and there is no assurance that any agreement will be entered into in the future or that any corporate transaction will be considered or completed.

### Critical Accounting Policies and Management Estimates

This MD&A of the Company's financial condition, results of operations and cash flows is based on the financial statements which are prepared in accordance with IFRS Accounting Standards for interim financial statements. The preparation of the condensed consolidated interim financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Actual results may differ from these estimates and the differences could be material. Estimates, judgements and assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Key areas of estimation where management has made difficult, complex or subjective assumptions, often as a result of matters inherently uncertain, are summarized in the consolidated financial statements for the year ended December 31, 2024 and there have been no changes since December 31, 2024.

### Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is responsible for the preparation of the Company's Consolidated Financial Statements, as well as the general reasonableness of the Company's financial reporting. The Board of Directors is responsible for overseeing management's performance of its financial reporting and internal control responsibilities. The Board of Directors exercises this responsibility with the assistance of the Audit Committee of the Board of Directors.

### Disclosure Controls and Procedures and Internal Control over Financial Reporting

In accordance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, management is responsible for establishing and maintaining adequate disclosure controls and procedures ("DCP") and internal controls over financial reporting ("ICFR"). The Company's CEO and CFO have designed or caused to be designed under their supervision, the DCP that 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. The CEO and the CFO have also designed or caused to be designed under their supervision the ICFR to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards.

During the period from January 1, 2025 to March 31, 2025, there was no change to the ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

## **Risks and Uncertainties**

Greenlane's business is subject to a number of risks and uncertainties. Additional risks and uncertainties not currently known to Greenlane or that Greenlane currently deemed immaterial may also adversely impact Greenlane's business, financial condition, results of operations or cash flow, and such impact may be material. Any of the matters highlighted in these risk factors could have a material adverse effect on Greenlane's business, financial condition, results of operations or cash flow. An investment in, and the operations of Greenlane are subject to a number of risks and uncertainties in the normal course of business. Management invests significant time to understand these risks and uncertainties. These risks range from macro-economic factors to industry-specific risks, many of which are largely beyond the Company's control.

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. The Company is currently not supplying an upgrader system into the United States reliant on components or assemblies from Canada or Mexico.

Greenlane has identified significant risks in its most recent AIF under the heading "*Risk Factors*". Greenlane's AIF is available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Changes in Accounting Policies**

The Company's significant accounting policies are those that affect its financial statements and are summarized in Note 3 of the consolidated financial statements for the year ended December 31, 2024. There have been no changes of accounting policies during the current year and no changes are expected to be adopted in the current year.

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

## **Alternative Performance Measures**

### **Specified financial measures**

Management evaluates the Company's performance using a variety of measures, including Gross Margin before amortization, Adjusted EBITDA, and Sales Order Backlog. The specified financial measures, including non-IFRS measures and supplementary financial measures should not be considered as an alternative to or more meaningful than revenue or net loss. These measures do not have a standardized meaning prescribed by IFRS Accounting Standards 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 Accounting Standards. The Company believes these specified financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company. Management uses these specified financial measures to exclude the impact of certain expenses and income that must be recognized under IFRS Accounting Standards when analyzing consolidated underlying operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

### **Gross Margin before amortization**

Gross Margin before amortization is a non-IFRS measure and is defined by the Company as gross profit before amortization of intangible assets and property and equipment.

## Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined by the Company as earnings before interest, taxes, foreign exchange, depreciation and amortization, as well as adjustments for other income (expense), value assigned to Options, RSUs and PRSUs granted, transaction costs and non-recurring items.

The following tables reconciles net loss and comprehensive loss to Adjusted EBITDA from continuing operations:

(in \$000s, except as noted)	Three months ended March 31,	
	2025	2024
Net loss and comprehensive loss from continuing operations	\$ (983)	\$ (796)
Add (deduct)		
Exchange differences on translating foreign operations	(32)	(22)
Provision for income taxes	124	256
Foreign exchange gain	(488)	(131)
Other (income) loss	26	(252)
Finance income	(94)	(104)
Finance expense	32	35
Share based compensation	72	200
Amortization of:		
Office equipment	54	53
Property and equipment	75	86
Intangible assets	144	138
Adjusted EBITDA from continuing operations	\$ (1,070)	\$ (537)

The following tables reconciles net loss and comprehensive loss to Adjusted EBITDA from discontinued operations:

(in \$000s, except as noted)	Three months ended March 31,	
	2025	2024
Net loss and comprehensive loss from discontinued operations	\$ -	\$ (477)
Add (deduct)		
Exchange differences on translating foreign operations	-	-
Foreign exchange loss (gain)	-	20
Finance expense	-	1
Impairment loss on inventory and property and equipment	-	342
Amortization of:		
Office equipment	-	20
Adjusted EBITDA from discontinued operations	\$ -	\$ (94)

## Sales Order Backlog

The Company provides an update on its contracted system sales, which includes both Greenlane and Airdep branded products ("**Sales Order Backlog**"). Sales Order Backlog is a supplementary financial measure that refers to the balance of unrecognized revenue from sales contracts. The Company's Sales Order Backlog is a snapshot in time which varies from period-to-period. The Sales Order Backlog increases by the value of new system supply contracts and is drawn down over time as these projects progress towards completion with amounts recognized in revenue (by reference to the stage of completion of each contract). Sales Order Backlog does not include revenue from contracts in connection with services and spare parts, given the smaller individual contract values, or royalties.

## Forward-Looking Information

This MD&A contains forward-looking statements, including statements regarding the future success of the Greenlane business, technology and market opportunities. All statements that are not historical in nature contain forward-looking information. Forward-looking statements typically contain words such as "believes", "expects", "anticipates", "plans", "continues", "could", "indicates", "intends", "would" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen or that current events or conditions will continue or be repeated, although not all forward-looking statements contain these identifying words. Examples of such statements include, but are not limited to, statements concerning: the Company will be able to realize its assets and discharge its liabilities in the normal course of business; the biogas upgrading market is anticipated to grow; the Company is pursuing sales opportunities and if contract awards are delayed, the Company will adjust its work force as required; the expected progress for the fulfilment of contracts for biogas upgrading systems and the timing of revenue recognition; the Company's expectation that \$3.3 million of deferred revenue related to the Royalty Agreement will be recognized in Q2 2025 at a gross margin excluding amortization of \$2.8 million; the Company's estimates respecting deferred consideration; the Company's intention to bring to market in 2025 a new product line based on recently filed patents for landfill gas upgrading that is expected to improve methane recovery performance while reducing capital expenditure; the Company's intent to fabricate this product line in US and Brazil;

trends in, and the development of, the Company's target markets including regulatory policies and legislation; the Company's market opportunities; the benefits of the Company's products; expectations regarding competitors; and the expected impact of the described risks and uncertainties.

These statements are neither promises nor guarantees but involve known and unknown risks and uncertainties that may cause the Company's actual results, level of activity or performance to be materially different from any future results, levels of activity or performance expressed in or implied by these forward-looking statements. These risks include, generally, risks related to the business as a going concern, revenue growth, operating results, industry and products, technology, competition, regulatory policies, the availability of skilled personnel, the ability of the Company to convert opportunities into committed contracts; systematic process enhancements and their expected benefits; the economy and other factors. Although the forward-looking statements contained herein are based upon what management believes to be current and reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. Examples of such assumptions include but are not limited to: assumption that Company will be able to realize its assets and discharge its liabilities in the normal course of business; assumed benefits of systematic process enhancements; the Company ability to continue securing upgrader contracts to realize profitable operations in the future; expected timing and value of contract awards; Greenlane may face impediments in delivering and advancing projects to be able to timely realize revenue; trends in certain market segments and the economic climate generally; regulatory developments in the industry; the pace and outcome of technological development; and the financial stability and expected actions of competitors, customers and suppliers. The forward-looking statements contained herein are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement and the Risks and Uncertainties in this MD&A and other referenced public disclosure. Except to the extent required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements contained herein.