Greenlane Renewables Inc.
Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2024

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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 August 7, 2024 and should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2024 and 2023, the audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the related notes thereto, and the annual information form ("**AIF**") for the year ended December 31, 2023. All figures are expressed in Canadian dollars and all tabular amounts are in $000s, except where otherwise indicated. The three-month periods ended June 30, 2024 and 2023 are herein referred to as "**Q2**". 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, such as Gross Margin before amortization, Adjusted EBITDA and Sales Order Backlog. These are specified financial measures used by Management to 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 and on the Company's website at 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

On April 15, 2024, the Company sold its wholly owned subsidiary, Greenlane Renewable U.K. Limited ("**GRUK**"). As a result, the operations of GRUK have been classified as discontinued operations and presented separately from continuing operations with comparative figures restated accordingly.

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
From Continuing Operations						
Revenue	**$ 14,630**	$ 13,755	6%	**$ 32,759**	$ 28,514	15%
Gross Margin before amortization[1,2]	**$ 4,063**	$ 3,879	5%	**$ 8,873**	$ 7,428	19%
Adjusted EBITDA[2]	**$ (829)**	$ (1,585)	48%	**$ (1,366)**	$ (3,180)	57%
Net loss and other comprehensive loss	**$ (416)**	$ (4,354)	90%	**$ (1,212)**	$ (6,399)	81%
From Discontinued Operations						
Revenue	**$ 231**	$ 1,163	-80%	**$ 720**	$ 1,883	-62%
Gross Margin before amortization[1,2]	**$ 88**	$ 427	-79%	**$ 302**	$ 654	-54%
Adjusted EBITDA[2]	**$ (11)**	$ 66	-117%	**$ (105)**	$ (56)	-88%
Net income (loss) and comprehensive income (loss)	**$ 5**	$ 15	-67%	**$ (472)**	$ (58)	-714%
Aggregate						
Revenue	**$ 14,861**	$ 14,918	0%	**$ 33,479**	$ 30,397	10%
Gross Margin before amortization[1,2]	**$ 4,151**	$ 4,306	-4%	**$ 9,175**	$ 8,082	14%
Adjusted EBITDA[2]	**$ (840)**	$ (1,519)	45%	**$ (1,471)**	$ (3,236)	55%
Net loss and comprehensive loss	**$ (411)**	$ (4,339)	91%	**$ (1,684)**	$ (6,457)	74%
Weighted average common shares outstanding	**154,150,136**	153,684,588	0%	**154,081,125**	152,867,225	1%

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 $000s, except as noted)*	**June 30, 2024**	December 31, 2023
Cash and cash equivalents	**$ 9,047**	$ 11,790
Working capital (including cash and cash equivalents)	**$ 13,945**	$ 16,682
Total assets	**$ 55,898**	$ 54,355
Total liabilities	**$ 31,830**	$ 29,053
Total shareholders' equity	**$ 24,068**	$ 25,302
Common shares outstanding	**154,155,741**	153,790,399

Second Quarter Highlights

For the three months ended June 30, 2024, Greenlane:

- generated $14.6 million in revenue from continuing operations which was a 6% increase over Q2 2023;
- recognized Gross Margin before amortization from continuing operations of $4.1 million or 28% of revenue (Q2 2023 - $3.9 million or 28% of revenue);
- realized an Adjusted EBITDA loss from continuing operations of $0.8 million (Q2 2023 - $1.6 million);

- incurred a net loss and comprehensive loss from continuing operations of $0.4 million (Q2 2023 - $4.4 million);
- experienced a decline in its Sales Order Backlog with it ending the quarter at $14.3 million;
- sold its wholly owned subsidiary GRUK for gross proceeds of $0.3 million (£0.2 million) or $22,000 (£13,000), net of cash on hand at closing; and
- having completed 4 upgrader projects (7 upgrader projects in the first half 2024) and reflecting the current sales pipeline and forecasted timing of contract awards, subsequent to June 30, 2024 realigned its resources and reduced its workforce by 18%.

Outlook

The biogas upgrading market is anticipated to grow, driven by increasing demand for RNG caused primarily by a widely held desire to 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 the biogas upgrading business, Greenlane expects to benefit from this trend.

Nature of Operations

Greenlane is focused on decarbonizing two of the largest and most difficult-to-decarbonize sectors of the global energy system: the natural gas grid and the commercial transportation sector. Greenlane is a leading global provider of biogas upgrading systems that create clean, low-carbon and carbon-negative RNG, suitable for injection into the natural gas grid and for direct use as a commercial vehicle fuel. The biogas upgrading systems, marketed and sold by the Company under the Greenlane brand, remove impurities and separate carbon dioxide from bio methane in raw biogas created from the anaerobic decomposition of organic waste from key feedstock sources of agriculture (such as dairy and hog manure), water resource recovery facilities, food waste, landfills and sugar mills. To the Company's knowledge, Greenlane is the only biogas upgrading company offering and actively deploying the three most popular technologies: water wash, pressure swing adsorption ("**PSA**"), and membrane separation. Greenlane's business is built on over 35 years industry experience, patented and proprietary technology, with over 145 biogas upgrading systems sold into 19 countries, including for many of the largest RNG production facilities in the world, and over 160 biogas desulfurization units sold.

Results of Continuing Operations

Revenue

	Three months ended June 30,					Six months ended June 30,				
(in $000s, except as noted)		**2024**		2023	% Change		**2024**		2023	% Change
Revenue:										
System sales	**$**	**13,165**	$	12,584	5%	**$**	**28,584**	$	26,043	10%
Aftercare services		**1,465**		1,171	25%		**3,354**		2,471	36%
Royalty contracts		**-**		-	-		**821**		-	-
Total revenue	**$**	**14,630**	$	13,755	6%	**$**	**32,759**	$	28,514	15%

Revenue for the second quarter of 2024 of $14.6 million was $0.9 million or 6% higher than Q2 2023. The increase was driven by a $0.6 million improvement in system sales and $0.3 million in aftercare services. Revenue for the first half of 2024 of $32.8 million was $4.2 million or 15% more than the same period of 2023. The increase was driven by a $2.5 million improvement in system sales, a $0.9 million improvement in aftercare sales and $0.8 million in recognition of royalty revenue.

System sales contract revenue in Q2 2024 was primarily derived from 10 contracts (Q2 2023 - 19 contracts) and for the six months ended June 30, 2024, system sales contract revenue was primarily derived from 12 contracts (2023 - 21 contracts) recognized in accordance with the stage of completion on the projects. Open Sales Order Backlog on January 1, 2024 of $36.0 million and activities within the Cascade H_2S product line for which the Company does not disclose backlog due to the shorter term duration of contracts contributed to the system sales revenue generated. At June 30, 2024, Sales Order Backlog was $14.3 million (December 31, 2023 - $36.0 million). 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.

Aftercare services revenue of $1.5 million in Q2 2024 (Q2 2023 - $1.2 million) and $3.4 million in the first half of 2024 (2023 - $2.5 million) is comprised of upgrader support services in North America and South America, along with Cascade H_2S support activities in Europe. Greenlane's upgrader support services in the United Kingdom and Europe were sold on April 15, 2024, as such the revenue has been treated separately as discontinued operations. Refer to *"Results of Discontinued Operations*".

There was no revenue recognized from royalty contracts in Q2 2024 (Q2 2023 - $nil) and $0.8 million (2023 - $nil) recognized during the first half of 2024 associated with completion of the first unit under the Company's collaborative agreement with ZEG Biogás e Energis SA (the "**Royalty Agreement**").

Cost of goods sold and gross profit

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
Revenue:						
System sales	**$ 13,165**	$ 12,584	5%	**$ 28,584**	$ 26,043	10%
Aftercare services	**1,465**	1,171	25%	**3,354**	2,471	36%
Royalty contracts	**-**	-	-	**821**	-	-
	14,630	13,755	6%	**32,759**	28,514	15%
Cost of goods sold:						
System sales	**10,037**	9,540	5%	**22,461**	20,351	10%
Aftercare services	**530**	336	58%	**1,310**	735	78%
Royalty contracts	**-**	-	-	**115**	-	-
	10,567	9,876	7%	**23,886**	21,086	13%
Gross Margin before amortization:[1,2]						
System sales	**3,128**	3,044	3%	**6,123**	5,692	8%
Aftercare services	**935**	835	12%	**2,044**	1,736	18%
Royalty contracts	**-**	-	-	**706**	-	-
	4,063	3,879	5%	**8,873**	7,428	19%
Amortization of:						
Intangible assets	**142**	482	-71%	**280**	955	-71%
Property and equipment	**81**	49	65%	**167**	85	96%
Gross profit	**$ 3,840**	$ 3,348	15%	**$ 8,426**	$ 6,388	32%

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

Gross profit was $3.8 million for Q2 2024 (Q2 2023 - $3.3 million) and $8.4 million for the first half of 2024 (2023 - $6.4 million), which was an increase of $0.5 million or 15% and $2.0 million or 32%, respectively. The increase was driven by higher revenue levels achieved and the factors detailed 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_2S product line, where the assembly and a small amount of fabrication is performed in-house.

Cost of goods sold was $10.6 million for Q2 2024 (Q2 2023 - $9.9 million) and was $23.9 million for the first six months of 2024 (2023 - $21.1 million), being a 7% increase and 13% increase over the comparative periods in the prior year, respectively. The increase was attributable to an increase in revenue activities.

Overall Gross Margin before amortization was $4.1 million or 27.8% of revenue for Q2 2024 (Q2 2023 - $3.9 million or 28.2% of revenue) and for the first half of 2024 was $8.9 million or 27.1% of revenue (2023 - $7.4 million or 26.1% of revenue) being a 40-basis point decrease and 100-basis point increase over the comparative periods in the prior year, respectively.

Gross Margin before amortization contribution from system sales for the second quarter 2024 was $3.1 million or 23.8% of systems sales revenue (Q2 2023 - $3.0 million or 24.2% of systems sales revenue) and year-to-date was $6.1 million or 21.4% of systems sales revenue (2023 - $5.7 million or 21.9% of systems sales revenue). The Company has a portfolio of active projects all at different stages of completion and different gross margin levels. The margin benefited from the positive impact of $0.3 million in the second quarter of 2024 and $0.7 million year-to-date related to the release of expired warranty provisions. Furthermore, the margin realized a beneficial effect of $0.5 million for both the second quarter of 2024 and year-to-date related to adjustments to the Company's current warranty provision estimates based on historical experience.

Gross Margin before amortization contribution from aftercare services in Q2 2024 was $0.9 million or 63.8% of aftercare services revenue (Q2 2023 - $0.8 million or 71.3% of revenue) and for the first half of 2024 was $2.0 million or 60.9% of aftercare services revenue (2023 - $1.7 million or 70.3% of revenue). The reduction in contribution on a percentage basis for both Q2 2024 and the first half of 2024 as compared to the same periods of 2023 was the result of a changes in product mix.

There was no Gross Margin before amortization contribution from royalty contracts in Q2 2024 (Q2 2023 - $nil) and $0.7 million or 86% of royalty contract revenue for the first half of 2024 (2023 - $nil) reflecting the nature of the Royalty Agreement and the value of the underlying technology being licensed.

Amortization of intangible assets and property and equipment was $0.2 million for Q2 2024 (Q2 2023 - $0.5 million) and $0.4 million for the six months ended June 30, 2024 (2023 - $1.0 million) which was a decrease of 58% and 57% for Q2 and year-to-date comparable periods of 2023, respectively. The decrease was the result of a year-end impairment to the corresponding assets carrying value in late 2023 decreasing the carrying value remaining to be amortized.

Operating Expenses

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
Amortization of office equipment	**$ 54**	$ 86	-37%	**$ 107**	$ 174	-39%
General and administration	**4,415**	4,834	-9%	**9,404**	9,392	-
Research and development	**192**	251	-24%	**257**	474	-46%
Sales and marketing	**285**	379	-25%	**578**	742	-22%
Share based compensation	**250**	182	37%	**450**	537	-16%
Total operating expenses	**$ 5,196**	$ 5,732	-9%	**$ 10,796**	$ 11,319	-5%

Total operating expenses for the Q2 2024 were $5.2 million (Q2 2023 - $5.7 million) and $10.8 million for the first half of 2024 (2023 - $11.3 million).

General and administration expenses in Q2 2024 were $4.4 million (Q2 2023 - $4.8 million). Of this, $3.0 million or 20.2% of revenue related to salaries and benefits (Q2 2023 - $3.0 million or 21.8% of revenue). General and administration expenses for the first half of 2024 were $9.4 million (2023 - $9.4 million). Of this, $6.1 million or 18.5% of revenue related to salaries and benefits (2023 - $6.1 million or 21.4 % of revenue). At June 30, 2024, the Company had 124 employees and contractors (2023 - 136 employees and contractors). Subsequent to June 30, 2024, having completed 4 upgrader projects in Q2 2024 (7 upgrader projects in the first half of 2024) and reflecting the current sales pipeline and forecasted timing of contract awards the Company realigned its resources and reduced its workforce by 18%. Management estimates the realignment will reduce the Company's cost structure by $1.0 million for the remainder of fiscal 2024.

The Company incurred general and administration expenses (excluding salaries and benefits) of $1.4 million in Q2 2024 (Q2 2023 - $1.8 million), and $3.3 million for the first half of 2024 (2023 - $3.3 million). The current quarter decrease over the comparative period is largely the result of a reduction in professional fees. Meanwhile, year-to-date the consistency in the amount over the comparative period was due to a $0.2 million bad debt provision and contractor costs relating to establishing a local presence in Brazil offsetting the current quarter reduction in professional fees realized.

Research and development costs were $0.2 million in Q2 2024 (Q2 2023 - $0.3 million) and $0.3 million for the first half of 2024 (2023 - $0.5 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 $0.3 million in Q2 2024 (Q2 2023 - $0.4 million) and $0.6 million year-to-date (2023 - $0.7 million).

Share-based compensation is a non-cash expense associated with the issuance of stock options ("**Options**") and restricted share units ("**RSUs**") to the Company's employees, directors and advisors. In Q2 2024, share-based compensation expense was $0.3 million (Q2 2023 - $0.2 million) and for the six months ended June 30, 2024, share-based compensation expense was $0.5 million (2023 - $0.5 million). The expense is related to amortizing the cost of the outstanding unvested Options and RSU over the vesting period. As at June 30, 2024, the Company had 5.4 million Options and 8.1 million RSUs (December 31, 2023 - 6.7 million and 4.3 million, respectively).

Other Items

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
Impairment of notes receivable	**$ -**	$ 1,068	-100%	**$ -**	$ 1,068	-100%
Finance expense	**37**	15	147%	**72**	31	132%
Finance income	**(70)**	(131)	47%	**(174)**	(339)	49%
Other (income) loss	**(647)**	20	-3,335%	**(899)**	41	-2,293%
Foreign exchange (gain) loss	**(158)**	832	-119%	**(289)**	595	-149%
Other items	**$ (838)**	$ 1,804	-147%	**$ (1,290)**	$ 1,396	-192%

During the three months ended June 30, 2024, the Company recognized $0.8 of income and $1.3 million during the six months ended June 30, 2024 (Q2 2023 - $1.8 million of loss and $1.4 million loss year-to-date) from other items.

The Company had interest earned on cash on hand and recognized a foreign exchange gain which is largely driven by the majority of Greenlane's contracts being denominated in United States dollars and Euros and these respective currencies changing value against the Canadian dollar. Furthermore, in Q2 2024 the Company settled an intellectual property pre-litigation claim and received a payment which was recognized as other income.

Income Taxes

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
Current (reduction)	**$ (20)**	$ 291	-107%	**$ 282**	$ 427	-34%
Deferred (recovery)	**(21)**	2	-1,150%	**(67)**	(52)	29%
Total income taxes	**$ (41)**	$ 293	-114%	**$ 215**	$ 375	-43%

Included in Q2 2024 was a current tax reduction of $20,000 (Q2 2023 - $0.3 million provision) and a deferred tax recovery of $21,000 (Q2 2023 - $2,000 provision). Meanwhile, for the first six months of 2024, the Company recorded a current tax provision of $0.3 million (2023 - $0.4 million) and a deferred tax recovery of $0.1 million (2023 - $0.1 million). The effective income tax rate is significantly lower than the Company's statutory rate of 27% largely due to tax loss carryforwards 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

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
Net loss	**$ (477)**	$ (4,481)	89%	**$ (1,295)**	$ (6,702)	81%
Other comprehensive income	**(61)**	(127)	52%	**(83)**	(303)	73%
Net loss and comprehensive loss	**$ (416)**	$ (4,354)	90%	**$ (1,212)**	$ (6,399)	81%
Basic and diluted loss per share	**$ 0.00**	$ (0.03)	100%	**$ (0.01)**	$ (0.04)	75%

In Q2 2024, the Company incurred a net loss of $0.5 million compared to a net loss of $4.5 million in Q2 2023. In Q2 2024, the Company incurred a net loss and comprehensive loss of $0.4 million compared to a net loss and comprehensive loss of $4.4 million in Q2 2023.

For the six months ended June 30, 2024, the Company incurred a net loss of $1.3 million compared to a net loss of $6.7 million for the six months ended June 30, 2023. For the six months ended June 30, 2024, the Company incurred a net loss and comprehensive loss of $1.2 million compared to a net loss and comprehensive loss of $6.4 million for the six months ended June 30, 2023.

Results of Discontinued Operations

On April 15, 2024, the Company disposed of its wholly owned subsidiary 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 aftercare services 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.

Comparative period balances of the condensed consolidated interim statements of financial position, loss and comprehensive loss and cash flows have been restated. The following table provides the operating results of the discontinued operations.

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2024**	2023	% Change	**2024**	2023	% Change
Revenue:						
Aftercare services	**$ 231**	$ 1,163	-80%	**$ 720**	$ 1,883	-62%
Cost of goods sold:						
Aftercare services	**143**	736	-81%	**418**	1,229	-66%
Gross margin before amortization: [1, 2]						
Aftercare services	**88**	427	-79%	**302**	654	-54%
Gross profit	**88**	427	-79%	**302**	654	-54%
Operating expenses:						
Amortization of office equipment	**-**	24	-100%	**20**	47	-57%
General and administration	**99**	361	-73%	**407**	710	-43%
Operating (loss) income	**$ (11)**	$ 42	-126%	**$ (125)**	$ (103)	21%
Adjusted EBITDA [2]	**$ (11)**	$ 66	-117%	**$ (105)**	$ (56)	-88%

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

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 contacts. 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)	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Revenue	$ 14,630	$ 18,129	$ 16,544	$ 9,575
Gross Margin before amortization[1,2]	$ 4,063	$ 4,810	$ 3,286	$ 2,892
Adjusted EBITDA[2]	$ (829)	$ (537)	$ (1,665)	$ (4,435)
Net loss from continuing operations	$ (477)	$ (796)	$ (17,035)	$ (5,071)
Net (loss) income from discontinued operations	$ (6)	$ (477)	$ (644)	$ (148)
Basic and diluted loss per share	$ 0.00	$ (0.01)	$ (0.12)	$ (0.03)

(in $000s, except as noted)	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Revenue	$ 13,755	$ 14,759	$ 16,142	$ 19,129
Gross Margin before amortization[1,2]	$ 3,879	$ 3,549	$ 3,100	$ 4,719
Adjusted EBITDA[2]	$ (1,595)	$ (1,595)	$ (1,891)	$ 401
Net (loss) income continuing operations	$ (4,339)	$ (1,955)	$ (1,580)	$ 406
Net (loss) income discontinued operations	$ 65	$ (122)	$ 90	$ (138)
Basic and diluted loss per share	$ (0.03)	$ (0.01)	$ (0.01)	$ 0.00

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

These consolidated financial statements have been prepared by management using generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from June 30, 2024. As at June 30, 2024, the Company had working capital $13.9 million (December 31, 2023 – $16.7 million).

The continuing operations of the Company are dependent upon its ability to continue to secure system sales upgrader contracts to realize profitable operations in the future. Contract awards are dependent on customer-related factors such as specifying system design, securing project financing and permitting, and government-related factors such as the continuance of existing and the introduction of new policies, mandates and regulations that encourage the use of renewable natural gas. There can be no assurance that management will be successful in securing these system sale upgrader contracts. In addition, the timing of contract awards can be delayed longer than expected. In the event that system sale upgrader contract awards are not secured or are delayed and as a result, cash flow from operations does not adequately support the fixed costs of the Company, the Company may then be required to re-evaluate its planned expenditures and may require future financings in such a manner as the Board and management deem to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations. Management believes that the Company will be able to continue to secure system sale upgrader contracts and realize profitable operations in the future however, there can be no assurance that these plans, including obtaining financing, if necessary, will be successful. These factors represent a material uncertainty that may cast significant doubt on the Company's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Six months ended June 30, *(in $000s)*	**2024**	2023
Net cash used in:		
Operating activities	**$ (2,570)**	$ (4,907)
Investing activities	**(44)**	(156)
Financing activities	**(119)**	(167)
Net decrease in cash	**$ (2,733)**	$ (5,230)

Operating Activities

For the first half of 2024, the Company used $2.6 million in cash from operating activities (2023 - $4.9 million), including $0.7 million (2023 - $0.5 million) in cash used in discontinued operations. Cash used in operating activities before non-cash working capital items was $1.6 million (2023 - $3.6 million) driven by the operating loss incurred during the period. In addition, the Company used $0.3 million (2023 - $1.1 million) in non-cash working capital.

Investing Activities

Net cash used in investing activities was $44,000 in the first half of 2024 comprised of $66,000 for the purchase of property and equipment offset by $22,000 received in the disposal of GRUK.

Financing Activities

Net cash used in financing activities was $0.1 million for the first half of 2024 related to the payment of lease liabilities.

Contractual Obligations

The table below summarizes the future undiscounted contractual cash flow requirements as at June 30, 2024 for the Company's financial liabilities:

as at June 30, 2024	Carrying amount	Contractual cash flow	Less than 12 months	1 - 2 years	2 - 3 years	Thereafter
Accounts payable and accrued liabilities	$ 23,510	$ 23,510	$ 23,510	$ -	$ -	$ -
Lease liability	2,206	2,685	444	902	855	484
Warranty liability	1,254	1,254	1,054	200	-	-
Deferred consideration – contingent earn-out	1,542	771	771	-	-	-
	$ 28,512	$ 28,220	$ 25,779	$ 1,102	$ 855	$ 484

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 June 30, 2024, Greenlane had cash and cash equivalents of $9.0 million (December 31, 2023 - $11.8 million) and working capital of $13.9 million (December 31, 2023 - $16.7 million).

Lease Liabilities

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

As at		June 30, 2024		December 31, 2023
Balance, beginning of the year	$	1,951	$	1,235
Additional leases		408		1,001
Lease payments		(191)		(383)
Finance fees		72		81
Disposal of subsidiary		(35)		-
Foreign exchange adjustment		1		17
Balance, end of the period		2,206		1,951
Current portion		(312)		(232)
Non-current portion of lease liabilities	$	1,894	$	1,719

Debt

At June 30, 2024, 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 provides the Company the ability to issue standby letters of credit to its customers for system supply contracts that have advance payment and performance security requirements. As at June 30, 2024, the Company had issued $19.1 million and committed to issue $1.0 million in standby letters of credit on the Facility.

The Company also has $7.3 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 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 $1.2 million to $24.1 million at June 30, 2024. 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:

	August 7, 2024	June 30, 2024
Common shares[1]	154,155,741	154,155,741
Stock options[2]	5,253,148	5,367,478
Restricted share units[3,4]	6,823,691	6,945,549
Performance restricted share units[5]	1,175,000	1,175,000

Notes:

1. As of August 7, 2024, on a fully-diluted basis the Company would have 167,407,580 common shares outstanding (June 30, 2024 - 167,643,768)
2. As of August 7, 2024, 2,519,348 Options are exercisable (June 30, 2024 - 2,519,348)
3. As of August 7, 2024, 1,445,498 RSUs are exercisable (June 30, 2024 - 795,498)
4. As of August 7, 2024, 234,436 unvested RSUs are only exercisable for cash once vested (June 30, 2024 - 234,436)
5. As of August 7, 2024, nil PRSUs are exercisable (June 30, 2024 - 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
Notes receivable; and 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; accounts receivable; and notes receivable, 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 estimated based on a probability weighted range of the fiscal 2025 payout scenarios from €0.9 million to €2.5 million derived by the estimated future financial performance of Airdep S.r.l. ("**Airdep**") using a discount rate of 0.5%.

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. Subsequent to June 30, 2024, the Company collected $2.7 million or 50% of the $5.4 million of accounts receivable over 90 days (net of $2.4 million of allowance for doubtful accounts) that was outstanding at June 30, 2024 and expects that the remaining amount is collectable.

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 and Euros 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 June 30, 2024, 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 Executive Vice Chair, 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. The remuneration paid and payable to these key management personnel is outlined below:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Non-executive directors' fees	**$ 72**	$ 170	**$ 143**	$ 341
Salaries and short-term benefits	**499**	184	**1,021**	507
Equity-based compensation	**149**	88	**295**	167
Related party transactions	**$ 720**	$ 442	**$ 1,459**	$ 1,015

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 for interim financial statements. The preparation of the condensed consolidated interim financial statements in conformity with IFRS 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, 2023 and there have been no changes since December 31, 2023.

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.

During the period from January 1, 2024 to June 30, 2024, 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.

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.

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, 2023. There have been no changes of accounting policies during the current year with the exception of the additional policy for Assets held for sale and Discontinued operations as detailed in Note 4 of the condensed consolidated interim financial statements for the three and six months ended June 30, 2024 and 2023, and no other 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, gross profit, operating loss or net loss. These measures do 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 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 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 and RSUs, impairment of intangible assets and goodwill, impairment of notes receivable, strategic initiatives, transaction costs and non-recurring items.

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Net loss and comprehensive loss from continuing Operations	**$ (416)**	$ (4,354)	**$ (1,212)**	$ (6,399)
Add (deduct):				
Exchange differences on translating foreign operations	**(61)**	(127)	**(83)**	(303)
Provision for income taxes	**(41)**	293	**215**	375
Foreign exchange (gain) loss	**(158)**	832	**(289)**	595
Other (income) loss	**(647)**	20	**(899)**	41
Finance income	**(70)**	(131)	**(174)**	(339)
Finance expense	**37**	15	**72**	31
Impairment of notes receivable	**-**	1,068	**-**	1,068
Share based compensation	**250**	182	**450**	537
Amortization of:				
Office equipment	**54**	86	**107**	174
Property and equipment	**81**	49	**167**	85
Intangible assets	**142**	482	**280**	955
Adjusted EBITDA from continuing operations	**$ (829)**	$ (1,585)	**$ (1,366)**	$ (3,180)

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Net income (loss) and comprehensive income loss from discontinued operations	**$ 5**	$ 15	**$ (472)**	$ (58)
Add (deduct):				
Exchange differences on translating foreign operations	**(11)**	47	**(11)**	22
Foreign exchange (gain) loss	**(5)**	(22)	**15**	(71)
Finance expense	**-**	2	**1**	4
Impairment loss on inventory and property and equipment	**-**	-	**342**	-
Amortization of:				
Office equipment	**-**	24	**20**	47
Adjusted EBITDA from discontinued operations	**$ (11)**	$ 66	**$ (105)**	$ (56)

Sales Order Backlog

The Company provides regular updates on its biogas upgrader system sales opportunities that successfully convert into contractual agreements in its reported sales order backlog ("**Sales Order Backlog**"). Sales Order Backlog is a supplementary financial measure that refers to the balance of unrecognized revenue from contracted biogas upgrader system supply projects. 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 biogas upgrader system sales 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). A typical biogas upgrading system sales contract has six stages of completion and a duration of nine to 24 months, and therefore annual and quarterly operating results will fluctuate as a result of the timing of contract related work. Sales Order Backlog does not include: (i) Cascade H_2S component revenue, included in system sales, given the smaller individual contract value and shorter duration; (ii) aftercare services revenue due to the smaller individual contract value and variable nature; or (iii) the Royalty Agreement due to the inherent variable nature of the agreement.

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's realignment of resources will reduce the Company's cost structure by $1.0 million; the expected progress for the fulfilment of contracts for biogas upgrading systems and the timing of revenue recognition; the Company's estimates respecting deferred consideration; 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.