Greenlane™

Biogas Upgrading Solutions

Greenlane Renewables Inc.
Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 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 August 14, 2025 and should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 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 June 30, 2025 and 2024 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 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 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

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.

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
From Continuing Operations						
Revenue	**$ 15,077**	$ 14,630	3%	**$ 22,084**	$ 32,759	-33%
Gross Margin before amortization[1,2]	**$ 7,389**	$ 4,063	82%	**$ 10,187**	$ 8,873	15%
Adjusted EBITDA[2]	**$ 3,406**	$ (829)	511%	**$ 2,336**	$ (1,366)	271%
Net income (loss) and other comprehensive income (loss)	**$ 1,427**	$ (416)	443%	**$ 444**	$ (1,212)	137%
From Discontinued Operations						
Revenue	**$ -**	$ 231	100%	**$ -**	$ 720	100%
Gross Margin before amortization[1,2]	**$ -**	$ 88	100%	**$ -**	$ 302	100%
Adjusted EBITDA[2]	**$ -**	$ (11)	100%	**$ -**	$ (105)	100%
Net income (loss) and comprehensive income (loss)	**$ -**	$ 5	100%	**$ -**	$ (472)	100%
Aggregate						
Revenue	**$ 15,077**	$ 14,861	1%	**$ 22,084**	$ 33,479	-34%
Gross Margin before amortization[1,2]	**$ 7,389**	$ 4,151	78%	**$ 10,187**	$ 9,175	11%
Adjusted EBITDA[2]	**$ 3,406**	$ (840)	505%	**$ 2,336**	$ (1,471)	259%
Net income (loss) and comprehensive income (loss)	**$ 1,427**	$ (411)	447%	**$ 444**	$ (1,684)	126%
Weighted average common shares outstanding	**156,918,991**	154,150,136	2%	**156,867,847**	154,081,125	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

Summary of Financial Position

As at *(in $000s, except as noted)*	**June 30, 2025**	December 31, 2024
Cash and cash equivalents	**$ 16,606**	$ 16,168
Working capital (including cash and cash equivalents)	**$ 13,747**	$ 14,241
Total assets	**$ 48,121**	$ 45,352
Total liabilities	**$ 23,496**	$ 21,377
Total shareholders' equity	**$ 24,625**	$ 23,975
Common shares outstanding	**156,943,784**	156,690,024

Second Quarter Highlights

For the three months ended June 30, 2025, Greenlane:

- generated $15.1 million in revenue from continuing operations which was a 3% increase over Q2 2024;
- recognized Gross Margin before amortization from continuing operations of $7.4 million or 49% of revenue (Q2 2024 - $4.1 million or 28% of revenue);
- realized an Adjusted EBITDA income from continuing operations of $3.4 million or 23% of revenue (Q2 2024 – $0.8 million loss or -6% of revenue);
- earned a net income and comprehensive income from continuing operations of $1.4 million or 9% of revenue (Q2 2024 – $0.4 million loss or -3% of revenue);
- experienced an increase in its Sales Order Backlog with it ending the quarter at $26.3 million;
- secured over $2.0 million in orders for biogas desulfurization equipment from a repeat customer
- and announced the filing of an additional patent application for its new landfill gas upgrading technology.

Subsequent to June 30, 2025, the Company extended its standby letter of credit facility to August 31, 2026 for a total of $20 million.

Outlook

The market for biogas desulfurization and upgrading is anticipated to grow over time, driven by increasing global 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 a pioneer and leading specialist in biogas desulfurization and upgrading. The systems we supply transform biogas generated from organic waste into high-value, grid-compliant renewable natural gas ("**RNG**") from a wide range of sources such as landfills, sugar mills, dairy farms, wastewater treatment plants, and food waste.

We have been actively contributing to the creation of new distributed energy sources and the decarbonization of our planet while solving the industry's most challenging problems for over 35 years with more than 355 systems supplied into 28 countries. Greenlane generates revenue from sales of its multiple product lines of biogas purification equipment ("**system sales**"), parts and service, and technology licensing ("**royalty contracts**").

RNG is high-value because it is low-carbon. RNG is an essential tool for the most difficult to decarbonize sectors of the global energy system, namely the natural gas grid, commercial transportation and industry. As a drop-in substitute for up to 100% of the fossil natural gas in the distribution network requiring no change to downstream appliances, RNG allows gas utilities to reduce the carbon intensity of the energy they provide to their customers. RNG is to gas utilities as wind and solar is to electric utilities (but without the intermittency).

In commercial transportation, RNG is an established low-carbon substitute for diesel fuel in long-haul heavy-duty transport. EVs are considered the future of light-duty transportation but not for heavy duty. In industry, RNG helps manufacturers meet their sustainability commitments and can be a cost-effective delivered-to-site low-carbon substitute fuel for high-heat hard-to-electrify applications.

Results of Continuing Operations

Revenue

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Revenue:						
System sales	**$ 6,245**	$ 13,165	-53%	**$ 10,924**	$ 28,584	-62%
Parts and service	**5,512**	1,465	276%	**7,840**	3,354	134%
Royalty contracts	**3,320**	-	100%	**3,320**	821	304%
Total revenue	**$ 15,077**	$ 14,630	3%	**$ 22,084**	$ 32,759	-33%

Revenue for Q2 2025 of $15.1 million was 3% higher than Q2 2024. The increase was driven by a $4.0 million improvement in parts and service and the recognition of $3.3 million in royalty revenue partially offset by a $6.9 million decrease in system sales. Revenue for the first half of 2025 of $22.1 million was $10.7 million or 33% less than the same period of 2024. The decrease was driven by a $17.7 million reduction in system sales partially offset by a $4.5 million improvement in parts and service sales and a $2.5 million improvement in royalty revenue.

At June 30, 2025, Sales Order Backlog was $26.3 million. During Q2 2025, $6.2 million was recognized in revenue and removed from the Sales Order Backlog and $11.3 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.

Parts and service revenue of $5.5 million in Q2 2025 (Q2 2024 - $1.5 million) and $7.8 million in the first half of 2025 (2024 - $3.4 million) is comprised of orders provided to customers operating systems supplied by the Company primarily in North America, South America, and Europe. The increase is primarily driven by higher parts orders in the quarter.

There was $3.3 million of revenue recognized from royalty contracts in Q2 2025 (Q2 2024 - $nil) and during the first half of 2025 (2024 - $0.8 million). During the quarter, the Company reached the second anniversary of its technology licensing agreement with ZEG Biogás e Energia SA (the "**Royalty Agreement**") which triggered revenue recognition of the agreement's one-time minimum volume commitment.

Cost of goods sold and gross profit

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Revenue:						
System sales	**$ 6,245**	$ 13,165	-53%	**$ 10,924**	$ 28,584	-62%
Parts and service	**5,512**	1,465	276%	**7,840**	3,354	134%
Royalty contracts	**3,320**	-	100%	**3.320**	821	304%
	15,077	14,630	3%	**22,084**	32,759	-33%
Cost of goods sold:						
System sales	**3,866**	9,567	-60%	**6,871**	21,503	-68%
Parts and service	**3,371**	1,000	237%	**4,575**	2.268	102%
Royalty contracts	**451**	-	100%	**451**	115	292%
	7,688	10,567	-27%	**11,897**	23,886	-50%
Gross Margin before amortization:[1,2]						
System sales	**2,379**	3,598	-34%	**4,053**	7,081	-43%
Parts and service	**2,141**	465	360%	**3,265**	1,086	201%
Royalty contracts	**2,869**	-	100%	**2,869**	706	306%
	7,389	4,063	82%	**10,187**	8,873	15%
Amortization of:						
Intangible assets	**150**	142	6%	**294**	280	5%
Property and equipment	**87**	81	7%	**162**	167	-3%
Gross profit	**$ 7,152**	$ 3,840	86%	**$ 9,731**	$ 8,426	15%

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 $7.2 million for Q2 2025 (Q2 2024 - $3.8 million) and $9.7 million for the first half of 2025 (2024 - $8.4 million), which was an increase of $3.3 million or 86% and $1.3 million or 15%, respectively. The increase was driven by higher revenue levels achieved in parts and service and royalty contracts; 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 $7.7 million for Q2 2025 (Q2 2024 - $10.6 million) and was $11.9 million for the first six months of 2025 (2024 - $23.9 million), being a 27% decrease and 50% decrease over the comparative periods in the prior year, respectively. The decrease was primarily attributable to the decrease in system sales revenue activities.

Overall Gross Margin before amortization was $7.4 million or 49% of revenue for Q2 2025 (Q2 2024 - $4.1 million or 28% of revenue) and for the first half of 2025 was $10.2 million or 46% of revenue (2024 - $8.9 million or 27% of revenue).

Gross Margin before amortization contribution from system sales for Q2 2025 was $2.4 million or 38% of systems sales revenue (Q2 2024 - $3.6 million or 27% of systems sales revenue) and year-to-date was $4.1 million or 37% of systems sales revenue (2024 - $7.1 million or 25% 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 the expired warranty provisions in Q2 2025 and the first half of the year of $0.2 million and $0.6 million, respectively.

Gross Margin before amortization contribution from parts and service in Q2 2025 was $2.1 million or 39% of parts and service revenue (Q2 2024 - $0.5 million or 32% of revenue) and for the first half of 2025 was $3.3 million or 42% of parts and service revenue (2024 - $1.1 million or 32% of revenue). The increase in contribution on a percentage basis for both Q2 2025 and the first half of 2025 as compared to the same periods of 2024 was the result of changes in product mix.

Gross Margin before amortization contribution from royalty contracts in Q2 2025 was $2.9 million or 86% of royalty revenue (Q2 2024 - $nil) and $2.9 million or 86% of royalty contract revenue for the first half of 2025 (2024 - $0.7 million or 86%) 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 consistent at $0.2 million for Q2 2025 and Q2 2024 and $0.5 million for the first half of 2025 (2024 - $0.4 million).

Operating Expenses

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Amortization of office equipment	**$ 45**	$ 54	-17%	**$ 99**	$ 107	-7%
General and administration	**3,279**	4,415	-26%	**6,734**	9,404	-28%
Research and development	**405**	192	111%	**658**	257	156%
Sales and marketing	**299**	285	5%	**459**	578	-21%
Share based compensation	**134**	250	-46%	**206**	450	-54%
Total operating expenses	**$ 4,162**	$ 5,196	-20%	**$ 8,156**	$ 10,796	-24%

Total operating expenses for Q2 2025 were $4.2 million (Q2 2024 - $5.2 million) and $8.2 million for the first half of 2025 (2024 - $10.8 million).

General and administration expenses in Q2 2025 were $3.3 million (Q2 2024 - $4.4 million). Of this, $2.0 million or 13% of revenue related to salaries and benefits (Q2 2024 - $3.0 million or 20% of revenue). General and administration expenses for the first half of 2025 were $6.7 million (2024 - $9.4 million). Of this, $4.3 million or 19% of revenue related to salaries and benefits (2024 - $6.1 million or 19% of revenue). At June 30, 2025, the Company had 97 employees and contractors (June 30, 2024 - 124 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 $1.3 million in Q2 2025 (Q2 2024 - $1.4 million), and $2.4 million for the first half of 2025 (2024 - $3.3 million). The current quarter decrease over the comparative period is largely the result of a recovery of bad debt expense . Meanwhile, the decrease in the first half of 2025 over the comparative period is a result of the recovery of bad debt expense and a reduction in contractor costs related to work performed in 2024 to establish a local presence in Brazil.

Research and development costs were $0.4 million in Q2 2025 (Q2 2024 - $0.2 million) and $0.7 million for the first half of 2025 (2024 - $0.3 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 relatively consistent at $0.3 million in Q2 2025 (Q2 2024 - $0.3 million) and $0.5 million for the first half of 2025 (2024 - $0.6 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 Q2 2025, share-based compensation expense was $0.1 million (Q2 2024 - $0.3 million) and for the first half of 2025, share-based compensation expense was $0.2 million (2024 - $0.5 million). The expense is related to amortizing the cost of the outstanding unvested Options, RSUs and PRSUs over the vesting period. As at June 30, 2025, the Company had 7.3 million Options, 4.8 million RSUs and 0.2 million PRSUs (December 31, 2024 - 7.6 million, 3.2 million and 0.2 million, respectively).

Other Items

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Finance expense	**39**	37	5%	**71**	72	-1%
Finance income	**(85)**	(70)	21%	**(179)**	(174)	3%
Other (income) loss	**40**	(647)	-106%	**66**	(899)	-107%
Foreign exchange (gain) loss	**198**	(158)	-225%	**(290)**	(289)	0%
Other items	**$ 192**	$ (838)	-123%	**$ (332)**	$ (1,290)	-74%

During Q2, 2025, the Company recognized a loss from other items of $0.2 million (Q2 2024 - $0.8 million gain). For the first half of 2025, the Company recognized a gain from other items of $0.3 million (2024 - $1.3 million gain).

The Company had interest earned on cash on hand and foreign exchange (gain) loss 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 $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Current (recovery)	**$ 1,524**	$ (20)	-7,720%	**$ 1,672**	$ 282	-493%
Deferred (recovery)	**(3)**	(21)	-86%	**(27)**	(67)	60%
Total income taxes	**$ 1,521**	$ (41)	-3,810%	**$ 1,645**	$ 215	-665%

Included in Q2 2025 was a current tax provision of $1.5 million (Q2 2024 - $20 recovery) and a deferred tax recovery of $3 (Q2 2024 - $21 recovery). Meanwhile, for the first half of 2025, the Company recorded a current tax provision of $1.7 million (2024 - $0.3 million provision) and a deferred tax recovery of $27 (2024 - $67 recovery). The current tax recorded in Q2 2025 includes tax related to the royalty revenue.

Net income (loss) and comprehensive income (loss)

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Net income (loss)	**$ 1,277**	$ (477)	368%	**$ 262**	$ (1,295)	120%
Other comprehensive Income (loss)	**150**	61	146%	**182**	83	119%
Net income (loss) and comprehensive income (loss)	**$ 1,427**	$ (416)	443%	**$ 444**	$ (1,212)	137%
Basic and diluted earnings (loss) per share	**$ 0.01**	$ 0.00	100%	**$ 0.00**	$ (0.01)	100%

In Q2 2025, the Company earned net income of $1.3 million compared to a net loss of $0.5 million in Q2 2024. In Q2 2025, the Company earned net income and comprehensive income of $1.4 million compared to a net loss and comprehensive loss of $0.4 million in Q2 2024.

For the first half of 2025, the Company earned net income of $0.3 million compared to a net loss of $1.3 million for the first half of 2024. For the first half of 2025, the Company earned net income and comprehensive income of $0.4 million compared to a net loss and comprehensive loss of $1.2 million for the s first half of 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 parts and service business. As part of management's ongoing evaluation of its operations and strategic plan, these operations were deemed non-core. The disposal has allowed 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 has 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.

	Three months ended June 30,			Six months ended June 30,		
(in $000s, except as noted)	**2025**	2024	% Change	**2025**	2024	% Change
Revenue:						
Parts and service	**$ -**	$ 231	-100%	**$ -**	$ 720	-100%
Cost of goods sold:						
Parts and service	**-**	143	-100%	**-**	418	-100%
Gross margin before amortization: [1, 2]						
Parts and service	**-**	88	-100%	**-**	302	-100%
Gross profit	**-**	88	-100%	**-**	302	-100%
Operating expenses:						
Amortization of office equipment	**-**	-	-	**-**	20	-100%
General and administration	**-**	99	-100%	**-**	407	-100%
Operating loss	**$ -**	$ (11)	-100%	**$ -**	$ (125)	-100%
Adjusted EBITDA [2]	**$ -**	$ (11)	-100%	**$ -**	$ (105)	-100%

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, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Revenue	$ 15,077	$ 7,007	$ 8,517	$ 10,544
Gross Margin before amortization [1,2]	$ 7,389	$ 2,798	$ 3,834	$ 3,622
Adjusted EBITDA [2]	$ 3,406	$ (1,070)	$ (209)	$ (173)
Net income (loss) from continuing operations	$ 1,277	$ (1,015)	$ 2,072	$ (2,157)
Net income (loss) from discontinued operations	$ -	$ -	$ -	$ -
Basic and diluted loss per share	$ 0.01	$ (0.01)	$ 0.01	$ (0.01)

(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	$ 3,285	$ 2,892
Adjusted EBITDA [2]	$ (829)	$ (537)	$ (1,433)	$ (4,434)
Net income (loss) continuing operations	$ (477)	$ (818)	$ (16,939)	$ (4,885)
Net income (loss) discontinued operations	$ (6)	$ (477)	$ (874)	$ (144)
Basic and diluted loss per share	$ 0.00	$ (0.01)	$ (0.12)	$ (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

Six months ended June 30, *(in $000s)*		**2025**		2024
Net cash used in:				
Operating activities	**$**	**(374)**	$	(2,570)
Investing activities		**831**		(44)
Financing activities		**(171)**		(119)
Net increase (decrease) in cash	**$**	**286**	$	(2,733)

Operating Activities

For the first half of 2025, the Company used $0.4 million in cash from operating activities (2024 - $2.6 million). Cash provided by operating activities before non-cash working capital items was $2.3 million (2024 – used $1.6 million) driven by the operating income incurred during the period. In addition, the Company used $2.5 million (2024 - $0.3 million) in non-cash working capital.

Investing Activities

Net cash inflow in investing activities was $0.8 million in the first half of 2025, primarily from proceeds received from the note receivable.

Financing Activities

Net cash used in financing activities was $0.2 million related to the payment of lease liabilities.

Contractual Obligations

The table below summarizes the future undiscounted contractual cash flow requirements as at June 30, 2025 for the Company's financial liabilities:

as at June 30, 2025		Carrying amount		Contractual cash flow		Less than 12 months		1 - 2 years		2 - 3 years		Thereafter
Accounts payable and accrued liabilities	$	13,528	$	13,528	$	13,528	$	-	$	-	$	-
Lease liability		2,564		3,111		529		525		1,013		1,044
Warranty liability		205		205		205		-		-		-
Deferred consideration – contingent earn-out		707		707		707		-		-		-
	$	17,004	$	17,551	$	14,969	$	525	$	1,013	$	1,044

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, 2025, Greenlane had cash and cash equivalents of $16.6 million (December 31, 2024 - $16.2 million) and working capital including cash and cash equivalents of $13.7 million (December 31, 2024 - $14.2 million).

Included in cash and cash equivalents is $4.3 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 in Vicenza, Italy. The following table outlines changes in the Company's lease liabilities:

As at		**June 30, 2025**		December 31, 2024
Balance, beginning of the year	**$**	**2,074**	$	1,951
Additional leases		**586**		412
Lease payments		**(242)**		(421)
Finance fees		**71**		143
Disposal of subsidiary		**-**		(35)
Foreign exchange adjustment		**75**		24
Balance, end of the period		**2,564**		2,074
Current portion		**(385)**		(328)
Non-current portion of lease liabilities	**$**	**2,179**	$	1,746

Debt

At June 30, 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

In June 2025, the Company renewed its standby letter of credit facility (the "Facility") for $20.0 million (previously $26.5 million).The Facility provides the Company the ability to issue standby letters of credit to its customers for system supply contracts that have advance payment and performance security requirements. As at June 30, 2025, the Company had issued $7.8 million in standby letters of credit under the Facility.

The Company also has $7.2 million in advance payment bonds and performance bonds outstanding. The Company was required to provide a cash deposit of $1.6 million, classified as restricted cash, to partially secure the bonds. Subsequent to June 30, 2025, $1.2 million of the restricted cash was released to the Company due to various project completions and as a result, reflected within cash and cash equivalents after the reporting period.

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 increased $0.7 million to $24.6 million at June 30, 2025. The increase was primarily attributable to the net income and comprehensive income incurred in the period.

Securities data

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

	August 14, 2025	June 30, 2025
Common shares[1]	156,943,784	156,943,784
Stock options[2]	7,164,762	7,289,762
Restricted share units[3,4]	4,762,032	4,762,032
Performance restricted share units[5]	175,000	175,000

Notes:
1. As of August 14, 2025, on a fully-diluted basis the Company would have 169,045,578 common shares outstanding (June 30, 2025 – 169,170,578)
2. As of August 14, 2025, 1,102,823 Options are exercisable (June 30, 2025 - 1,107,823)
3. As of August 14, 2025, 1,382,588 RSUs are exercisable (June 30, 2025 – 1,382,588)
4. As of August 14, 2025, 119,120 unvested RSUs are only exercisable for cash once vested (June 30, 2025 - 119,120)
5. As of August 14, 2025, nil PRSUs are exercisable (June 30, 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.

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 June 30, 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:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Non-executive directors' fees	**$ 71**	$ 72	**$ 143**	$ 143
Salaries and short-term benefits	**356**	499	**750**	1,021
Equity-based compensation	**101**	149	**186**	295
Related party transactions	**$ 528**	$ 720	**$ 1,079**	$ 1,459

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 "material" 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 June 30, 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.

The Company is exposed to risks associated with evolving global trade policies and tariff regimes. In 2025 the U.S. imposed tariffs on Canada and Canada responded with retaliatory tariffs.. 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.

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, 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,	
	2025	2024	**2025**	2024
Net loss and comprehensive loss from continuing Operations	**$ 1,427**	$ (416)	**$ 444**	$ (1,212)
Add (deduct):				
Exchange differences on translating foreign operations	**(150)**	(61)	**(182)**	(83)
Provision for income taxes	**1,521**	(41)	**1,645**	215
Foreign exchange (gain) loss	**198**	(158)	**(290)**	(289)
Other (income) loss	**40**	(647)	**66**	(899)
Finance income	**(85)**	(70)	**(179)**	(174)
Finance expense	**39**	37	**71**	72
Share based compensation	**134**	250	**206**	450
Amortization of:				
Office equipment	**45**	54	**99**	107
Property and equipment	**87**	81	**162**	167
Intangible assets	**150**	142	**294**	280
Adjusted EBITDA from continuing operations	**$ 3,406**	$ (829)	**$ 2,336**	$ (1,366)

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,	
	2025	2024	**2025**	2024
Net income (loss) and comprehensive income loss from discontinued operations	**$ -**	$ 5	**$ -**	$ (472)
Add (deduct):				
Exchange differences on translating foreign operations	**-**	(11)	**-**	(11)
Foreign exchange (gain) loss	**-**	(5)	**-**	15
Finance expense	**-**	-	**-**	1
Impairment loss on inventory and property and equipment	**-**	-	**-**	342
Amortization of:				
Office equipment	**-**	-	**-**	20
Adjusted EBITDA from discontinued operations	**$ -**	$ (11)	**$ -**	$ (105)

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 parts and service, 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 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.