



Greenlane Renewables Inc. Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2026

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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 13, 2026 and should be read in conjunction with the condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and 2025, the audited consolidated financial statements for the years ended December 31, 2025 and 2024 and the related notes thereto, and the annual information form ("**AIF**") for the year ended December 31, 2025. 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, 2026 and 2025 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 \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Revenue	\$ 11,315	\$ 15,077	-25%	\$ 20,859	\$ 22,084	-6%
Gross Margin before amortization ^{1,2}	\$ 4,666	\$ 7,389	-37%	\$ 8,759	\$ 10,187	-14%
Adjusted EBITDA ²	\$ 65	\$ 3,406	-98%	\$ (770)	\$ 2,336	-133%
Net income (loss) and comprehensive income (loss)	\$ (939)	\$ 1,427	-166%	\$ (2,997)	\$ 444	-775%
Weighted average common shares outstanding	159,650,051	156,918,991	2%	159,474,889	156,867,847	2%

Notes:

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

Financial Position

As at (in \$000s, except as noted)	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 12,086	\$ 17,699
Working capital (including cash and cash equivalents)	\$ 10,006	\$ 12,502
Total assets	\$ 41,846	\$ 46,766
Total liabilities	\$ 20,797	\$ 23,092
Total shareholders' equity	\$ 21,049	\$ 23,674
Common shares outstanding	159,702,553	158,159,032

Second Quarter Highlights

For the three months ended June 30, 2026, Greenlane:

- generated \$11.3 million in revenue which was a 25% decrease over Q2 2025;
- recognized Gross Margin before amortization of \$4.7 million or 41% of revenue (Q2 2025 - \$7.4 million or 49% of revenue) and realized an Adjusted EBITDA of \$0.1 million (Q2 2025 - \$3.4 million);
- incurred a net loss and comprehensive loss of \$1.2 million (Q2 2025 - income of \$1.4 million);
- on May 11, 2026, the Company announced it entered into definitive agreements with Panasonic do Brazil Limitada ("Panasonic") as its production partner in Brazil. Under the terms of the agreements, the Company granted Panasonic a technology license for fabricating Greenlane's proprietary next generation Cascade LF landfill gas upgrading and associated Cascade MS anaerobic digester gas upgrading product lines. Panasonic will produce the Greenlane branded product modules in its facilities in São José dos Campos in the Brazilian state of São Paulo and is responsible for capital expenditure related to facility modifications, tooling, and production equipment, as well as providing the necessary working capital and advance payment assurances to meet customer requirements. Panasonic's initial investments are expected to be in the range of 8 million to 10 million Brazilian Reais (C\$2 million to C\$3 million). Greenlane retains responsibility for product design, management of the supply chain including supplier selection and supplier quality assurance, marketing and sales, and commissioning and servicing of the products; and
- completed testing of its New Linear Nitrogen Rejection Unit ("NRU") Technology, which sits at the heart of Greenlane's next-generation Cascade LF landfill gas upgrading system, demonstrating methane recovery performance of up to 99.5% in the removal of nitrogen from landfill gas when producing renewable natural gas.

Outlook

The market for renewable natural gas ("RNG"), also referred to as biomethane, is anticipated to grow over time, driven by a widely held desire to increase supply of renewable alternatives to fossil fuels as global demand for energy continues to increase, the global climate crisis continues to intensify and the global energy markets are increasingly focused on supply security and reliable fuel sources. As a global leader in biogas desulfurization and upgrading, supplying core technologies that enable the production of RNG, Greenlane expects to benefit from this trend.

Nature of Operations

At Greenlane we are relentless innovators solving the toughest challenges. At a time when new solutions are urgently needed, we are accelerating the energy transition to a net-zero emissions economy. As a pioneer and leading global specialist in biogas desulfurization and upgrading, we have been actively contributing to the decarbonization of our planet for over 35 years with more than 500 systems sold into 32 countries. The systems we supply are marketed and sold under our Greenlane Cascade™ and Airdep product brands, and transform biogas generated from organic waste into high-value low-carbon RNG for gas networks, transportation and industry, from a wide range of sources such as landfills, sugar mills, dairy farms, wastewater and food waste. Greenlane is transforming energy production through new technology without new technology risk, making RNG more accessible and scalable for our customers - all while reducing carbon emissions.

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. As a drop-in substitute for fossil natural gas in the distribution network, RNG requires no change to downstream appliances and 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.

It is Greenlane's deep level of understanding, unbiased perspective on technology and segment-specific insights gained through extensive experience that led to the development of new intellectual property that addresses the tough industry challenge of landfill gas upgrading. In the Americas, approximately 70% of RNG production today is derived from landfill gas, but to enable project developers to scale up their portfolios of RNG producing assets, lower cost systems that perform better without adding new technology risk are needed. The Company believes it accomplishes all three with its new Cascade LF product line, featuring its new Linear NRU technology. The Company filed several new patent applications for its new landfill gas upgrading technology and is completing product development and launch activities with a target of starting production of the first unit by the end of 2026 in partnership with Panasonic.

In 2026, the Company entered into definitive agreements with Panasonic as its production partner in Brazil. Under the terms of the agreements, the Company granted Panasonic a technology license for fabricating Greenlane's Cascade LF and Cascade MS product lines. Panasonic will produce the Greenlane branded product modules in its facilities in São José dos Campos in the Brazilian state of São Paulo and is responsible for capital expenditures related to facility modifications, tooling, and production equipment, as well as providing the necessary working capital and advance payment assurances to meet customer requirements. Greenlane retains responsibility for product design, management of the supply chain including supplier selection and supplier quality assurance, marketing and sales, and commissioning and servicing of the products. Cascade MS shares commonality with Cascade LF and is Greenlane's membrane separation biogas upgrading solution, designed to provide the best possible combination of price and performance specifically for large biogas projects. Brazil is the launch market for Cascade LF and Cascade MS. Next, the Company plans to establish manufacturing for Cascade LF and Cascade MS to serve the North American market.

In 2023, the Company entered into a licence agreement with ZEG Biogás (the "**Royalty Agreement**") in Brazil for local production of its Cascade H2O Totara+ product model. Under the terms of the agreement, ZEG Biogás was granted exclusive rights to localize the supply chain and manufacture the product in Brazil under the Greenlane brand and to market and sell the product to biomethane producing projects in which ZEG Biogás has an equity stake or a biomethane off-take agreement. Greenlane retains responsibility for the product design, the supply of components not available locally in Brazil, and the local commissioning and servicing of the products. ZEG Biogás is focused on the sugar mill sector in Brazil producing biomethane from the liquid byproduct of the ethanol making process.

Beyond these two license agreements, for its gas upgrading equipment, the Company has historically outsourced fabrication to select trusted fabrication partners combined with an extensive global supply chain for modules and components with an in-house team of supplier quality engineers auditing the production process and ensuring quality conformance. The Company produces its biogas desulfurization and air deodorization equipment in its leased facility in Italy.

Greenlane generates revenue from sales of its multiple product lines of biogas desulfurization and upgrading equipment ("**System Sales**"), parts and service, and technology licensing ("**Royalty Contracts**").

Results of Operations

Revenue

(in \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Revenue:						
System Sales	\$ 7,175	\$ 6,245	15%	\$ 13,652	\$ 10,924	25%
Parts and service	4,140	5,512	-25%	7,207	7,840	-8%
Royalty	-	3,320	-100%	-	3,320	-100%
Total revenue	\$ 11,315	\$ 15,077	-25%	\$ 20,859	\$ 22,084	-6%

Revenue for Q2 2026 of \$11.3 million was \$3.8 million or 25% lower than Q2 2025. Excluding the one-time minimum volume commitment of \$3.3 million recognized in Q2 2025 as royalty revenue, revenues decreased by \$0.4 million due to lower parts and service sales of \$1.4 million partially offset by an increase of \$0.9 million in System Sales.

At June 30, 2026, Sales Order Backlog was \$25.6 million. During Q2 2026, \$7.2 million was recognized in revenue and removed from the Sales Order Backlog and \$1.3 million was added for new sales orders that were secured. 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 \$4.1 million in Q2 2026 (Q2 2025 - \$5.5 million) is primarily comprised of upgrader support services in the Americas along with biogas desulfurization system support activities primarily in Europe. The decrease was primarily driven by timing of spare parts sales as there was one large part order that occurred in Q2 2025. The decrease in spare part sales is partially offset by revenue growth from expanded maintenance service requirements in the current period.

There was no revenue recognized from Royalty Contracts in Q2 2026 (Q2 2025 - \$3.3 million). During Q2 2025, the Company reached the second anniversary of the Royalty Agreement which triggered revenue recognition of the agreement's one-time minimum volume commitment.

Cost of goods sold and gross profit

(in \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Revenue:						
System Sales	\$ 7,175	\$ 6,245	15%	\$ 13,652	\$ 10,924	25%
Parts and service	4,140	5,512	-25%	7,207	7,840	-8%
Royalty contracts	-	3,320	-100%	-	3,320	-100%
	11,315	15,077	-25%	20,859	22,084	-6%
Cost of goods sold						
System Sales	3,872	3,866	0%	7,374	6,871	7%
Parts and service	2,777	3,371	-18%	4,726	4,575	3%
Royalty contracts	-	451	-100%	-	451	-100%
	6,649	7,688	-14%	12,100	11,897	2%
Gross Margin before amortization ^{1,2}						
System Sales	3,303	2,379	39%	6,278	4,053	55%
Parts and service	1,363	2,141	-36%	2,481	3,265	-24%
Royalty contracts	-	2,869	-100%	-	2,869	-100%
	4,666	7,389	-37%	8,759	10,187	-14%
Amortization of:						
Intangible assets	153	150	2%	306	294	4%
Property and equipment	111	87	28%	223	162	38%
	264	237	11%	529	456	16%
Gross profit	\$ 4,402	\$ 7,152	-38%	\$ 8,230	\$ 9,731	-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 \$4.4 million for Q2 2026 (Q2 2025 - \$7.2 million). Excluding gross profit of \$2.9 million generated from the one-time minimum volume commitment under the Royalty Agreement, gross profit increased by \$0.1 million, the movement was driven by changes in revenue described above and the factors detailed below.

Cost of goods sold was \$6.6 million for Q2 2026 (Q2 2025 - \$7.7 million), a decrease of 14% over the comparative period primarily attributable to the decrease in revenue.

Overall Gross Margin before amortization was \$4.7 million or 41% of revenue for Q2 2026 (Q2 2025 - \$7.4 million or 49% of revenue).

Gross Margin before amortization contribution from System Sales for Q2 2026 was \$3.3 million or 46% of systems sales revenue (Q2 2025 - \$2.4 million or 38% of systems sales revenue). The Company has a portfolio of active projects all at different stages of completion and different gross margin levels. The change in contribution on a percentage basis for Q2 2026 as compared to the same period of 2025 was primarily the result of changes in product mix.

Gross Margin before amortization contribution from parts and service in Q2 2026 was \$1.4 million or 33% of parts and service revenue (Q2 2025 - \$2.1 million or 39% of parts and service revenue). The change in contribution on a percentage basis for Q2 2026 as compared to the same period of 2025 was primarily the result of the timing of service offerings at different gross margin levels.

Gross Margin before amortization contribution from Royalty Contracts in the first half of 2026 was nil (For the three and six months ended June 30, 2025 - \$2.9 million or 86% of royalty revenue) 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 \$0.3 million for Q2 2026 (Q2 2025 - \$0.2 million) which was an increase of 11% for the comparable period of 2025 reflecting additions to property and equipment and resulting increase in amortization.

Operating Expenses

(in \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Amortization of office equipment	\$ 45	\$ 45	0%	\$ 90	\$ 99	-9%
General and administration	3,471	3,279	6%	7,363	6,734	9%
Research and development	849	405	110%	1,693	658	157%
Sales and marketing	281	299	-6%	473	459	3%
Share based compensation	202	134	51%	362	206	76%
Total operating expenses	\$ 4,848	\$ 4,162	16%	\$ 9,981	\$ 8,156	22%

Total operating expenses for Q2 2026 were \$4.9 million (Q2 2025 - \$4.2 million).

General and administration expenses in Q2 2026 were \$3.5 million (Q2 2025 - \$3.3 million). Of this, \$2.4 million related to salaries and benefits (Q2 2025 - \$2.0 million), where the increase reflects a higher number of employees compared to the comparative quarter. At June 30, 2026, the Company had 128 employees and contractors (Q2 2025 - 97 employees and contractors). The number of employees increased to support development of the Company's next generation Cascade LF and new Cascade MS product lines, to progress establishment of localized production in Brazil of these product lines and to support growth in parts and service and biogas desulfurization sales.

The Company incurred general and administration expenses (excluding salaries and benefits) of \$1.1 million in Q2 2026 (Q2 2025 - \$1.3 million). The decrease in Q2 2026 was the result of a reduction in professional and consulting fees and insurance rates.

Research and development costs were \$0.8 million in Q2 2026 (Q2 2025 - \$0.4 million) reflecting costs of internal labour and outside services associated with ongoing development of the Company's next generation Cascade LF and new Cascade MS product lines.

Sales and marketing costs, which includes salaries and benefits for sales personnel, marketing and promotion costs and costs associated with attending sales conferences, were \$0.3 million in Q2 2026 (Q2 2025 - \$0.3 million).

Share-based compensation is a non-cash expense associated with the issuance of stock options ("Options"), restricted share units ("RSUs") and performance restricted share units ("PRSUs") to the Company's employees, directors and advisors. In Q2 2026, share-based compensation expense was \$0.2 million (Q2 2025 - \$0.1 million). The expense is related to amortizing the cost of the outstanding unvested Options and RSUs over the vesting period. As at June 30, 2026, the Company had 11.4 million Options, 3.2 million RSUs and 0.2 million PRSUs outstanding (December 31, 2025 - 6.9 million, 3.5 million and 0.2 million, respectively).

Other Items

(in \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Finance expense	38	39	-3%	79	71	11%
Finance income	(32)	(85)	-62%	(91)	(179)	-49%
Other loss (income)	-	40	100%	(49)	66	174%
Foreign exchange (gain) loss	(204)	198	203%	(162)	(290)	-44%
	\$ (198)	\$ 192	203%	\$ (223)	\$ (332)	-33%

The Company recognized income from other items of \$0.2 million during Q2 2026 (Q2 2025 - loss of \$0.2 million).

Finance expense primarily relates to interest on leases. Finance income primarily relates to interest earned on cash on hand.

The Company recognized a foreign exchange gain of \$0.2 million in Q2 2026 (Q2 2025 - \$0.2 million 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.

Income Taxes

(in \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Current	\$ 932	\$ 1,524	-39%	\$ 1,626	\$ 1,672	-3%
Deferred (recovery)	(158)	(3)	5153%	(131)	(27)	385%
Total income taxes	\$ 774	\$ 1,521	-49%	\$ 1,495	\$ 1,645	-9%

Included in Q2 2026 was a current tax provision of \$0.9 million (Q2 2025 - \$1.5 million) and a deferred tax recovery of \$0.2 million (Q2 2025 - \$3 recovery). The Company incurs income taxes on certain foreign operations that cannot be offset by consolidated tax losses due to cross-border limitations. The current tax in Q2 2025 includes tax related to the royalty revenue.

Net income (loss) and comprehensive income (loss)

(in \$000s, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Net income (loss)	\$ (1,022)	\$ 1,277	-180%	\$ (3,023)	\$ 262	-1254%
Other comprehensive income (loss)	83	150	-45%	26	182	-86%
Net income (loss) and comprehensive income (loss)	\$ (939)	\$ 1,427	-166%	\$ (2,997)	\$ 444	-775%
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ 0.01	-200%	\$ (0.02)	\$ 0.00	-200%

In Q2 2026, the Company realized a net loss of \$1.0 million compared to a net income of \$1.3 million in Q2 2025. In Q2 2026, the Company realized net loss and comprehensive loss of \$0.9 million compared to a net income and comprehensive income of \$1.4 million in Q2 2025. The net income in Q2 2025 was largely driven by the recognition of royalty revenue.

For the first half of 2026, the Company incurred a loss of \$3.0 million compared to income of \$0.3 million for the first half of 2025. For the first half of 2026, the Company incurred a net loss and comprehensive loss of \$3.0 million compared to a net income and comprehensive income of \$0.4 million for the first half of 2025.

Summary of Quarterly Results

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

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

Revenue and corresponding costs from executing System Sales contracts are recognized using the stage of completion method. Under the stage of completion method, contract revenues and expenses are recognized by reference to the stage of completion of contract activity where the outcome of the contract can be measured reliably, otherwise revenue is recognized only to the extent of recoverable contract costs incurred. A typical upgrader System Sales contract has five to eight payment milestones and a duration of nine to twenty-four months, with the exception of biogas desulfurization System Sales that typically have a duration of three to nine months, and therefore quarterly operating results can fluctuate significantly as a result of the timing of contract related work.

(in \$000s, except as noted)	June 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025
Revenue	\$ 11,315	\$ 9,544	\$ 10,797	\$ 11,550
Gross Margin before amortization ^{1,2}	\$ 4,666	\$ 4,093	\$ 4,417	\$ 4,536
Adjusted EBITDA ²	\$ 65	\$ (835)	\$ (505)	\$ 503
Net income (loss)	\$ (1,022)	\$ (2,001)	\$ (1,320)	\$ 16
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ 0.00

<i>(in \$000s, except as noted)</i>	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)
Basic and diluted earnings (loss) per share	\$ 0.01	\$ (0.01)	\$ 0.01	\$ (0.01)

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 Accounting Standards measures, refer to "Alternative Performance Measures" for further information

Liquidity

Six months ended June 30, <i>(in \$000s)</i>	2026	2025
Net cash provided by (used in):		
Operating activities	\$ (4,807)	\$ (374)
Investing activities	(703)	831
Financing activities	(204)	(171)
Net increase (decrease) in cash	\$ (5,714)	\$ 286

Operating Activities

For the first half of 2026, the Company used \$4.8 million in cash from operating activities (2025 – used \$0.4 million). Cash used in operating activities before non-cash working capital items was \$0.8 million (2025 – generated \$2.3 million) driven by the operating loss incurred during the period. In addition, the Company used \$2.8 million (2025 – \$2.5 million) in non-cash working capital primarily driven by increases in trade receivable and inventory.

Investing Activities

Net cash used in investing activities was \$0.7 million in the first half of 2026, comprised mainly of contingent earn-out payment for \$0.7 million.

Financing Activities

Net cash used in financing activities was \$0.2 million for the first half of 2026, mostly related to the payment of lease liabilities.

Contractual Obligations

The table below summarizes the future undiscounted contractual cash flow requirements as at June 30, 2026 for the Company's financial liabilities:

As at June 30, 2026 <i>(in \$000s)</i>	Carrying amount	Contractual cash flow	Less than 12 months	1 - 2 years	2 – 3 years	Thereafter
Accounts payable and accrued liabilities	\$ 13,498	\$ 13,498	\$ 13,498	\$ -	\$ -	\$ -
Lease liability	2,464	2,959	585	658	725	991
Warranty liability	484	484	459	25	-	-
Total contractual cash flow	\$ 16,446	\$ 16,941	\$ 14,542	\$ 683	\$ 725	\$ 991

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, 2026, Greenlane had cash and cash equivalents of \$12.1 million (December 31, 2025 - \$17.7 million) and, inclusive of cash, working capital of \$10.0 million (December 31, 2025 - \$12.5 million). During the first half of the year, the restricted cash balance of \$0.4 million that was held as security for a surety bond related to upgrading System Sales contracts, was released into cash and cash equivalents due to various project completions.

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 (in \$000s)	June 30, 2026	December 31, 2025
Balance, beginning of the year	\$ 2,663	\$ 2,074
Additional leases	-	882
Lease payments	(293)	(550)
Finance fees	78	165
Foreign exchange adjustment	16	92
Balance, end of the year	2,464	2,663
Current portion	(452)	(434)
Non-current portion of lease liabilities	\$ 2,012	\$ 2,229

Debt

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

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

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

Shareholders' Equity

Equity decreased \$2.6 million to \$21.0 million at June 30, 2026. The decrease was primarily attributable to the net loss and comprehensive loss incurred in the six months period ending June 30, 2026.

Securities data

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

	August 13, 2026	June 30, 2026
Common shares ¹	159,794,221	159,702,553
Stock options ²	11,412,261	11,422,261
Restricted share units ^{3,4}	3,134,440	3,226,108
Performance restricted share units ⁵	175,000	175,000

Notes:

- As of August 13, 2026, on a fully-diluted basis the Company would have 174,515,922 common shares outstanding (June 30, 2026 – 174,525,922)
- As of August 13, 2026, 2,789,160 Options are exercisable (June 30, 2026 – 2,799,160)
- As of August 13, 2026, 1,428,611 RSUs are exercisable (June 30, 2026 – 1,520,279)
- As of August 13, 2026, 30,299 unvested RSUs are only exercisable for cash once vested (June 30, 2026 – 30,299)
- As of August 13, 2026, nil PRSUs are exercisable (June 30, 2026 – nil)

Financial Instruments 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 and accounts 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 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"), Euros, Brazilian Real ("BRL") and Great Britain Pound ("GBP"). The Company believes that its results of operations, financial position and cash flows could be affected by a sudden change in foreign exchange rates but would not impair or enhance its ability to pay its foreign currency obligations. The Company manages foreign exchange risk by maintaining Euros, USD, BRL, and GBP cash on hand to fund its anticipated short-term foreign currency expenditures.

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, 2026, 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 has in place a planning and budgeting process to help determine the funds needed to support the Company's normal operating requirements on an ongoing basis as well as its planned capital expenditures. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis and matches the maturity dates of its cash equivalents to capital and operating needs. Changes in operating levels, customer demand, foreign exchange rates and other factors all impact the Company's liquidity position.

Related Party Transactions

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

(in \$000s, except as noted)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Non-executive directors' fees	\$ 89	\$ 71	\$ 178	\$ 143
Salaries and short-term benefits	402	356	882	750
Equity-based compensation	127	101	229	186
Related party transactions	\$ 618	\$ 528	\$ 1,289	\$ 1,079

Proposed Transactions

From time-to-time, management is 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, 2025, and there have been no changes since December 31, 2025.

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.

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, 2026 to June 30, 2026, 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, 2025. There have been no significant changes of accounting policies during the year, and no changes are expected to be adopted in the current year.

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

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, and transaction costs.

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

(in \$000s, except as noted)	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net income (loss) and comprehensive income (loss)	\$ (939)	\$ 1,427	\$ (2,997)	\$ 444
Add (deduct)				
Exchange differences on translating foreign operations	(83)	(150)	(26)	(182)
Provision for income taxes	774	1,521	1,495	1,645
Foreign exchange (gain) loss	(204)	198	(162)	(290)
Other (income) loss	-	40	(49)	66
Finance income	(32)	(85)	(91)	(179)
Finance expense	38	39	79	71
Share based compensation	202	134	362	206
Amortization of:				
Office equipment	45	45	90	99
Property and equipment	111	87	223	162
Intangible assets	153	150	306	294
Adjusted EBITDA	\$ 65	\$ 3,406	\$ (770)	\$ 2,336

Sales Order Backlog

The Company provides an update on its contracted System Sales, which includes its multiple product lines of biogas desulfurization and upgrading systems ("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 includes no amounts in connection with parts and service sales, given the smaller individual order values, and no amounts in connection with Royalty Contracts.

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 biogas upgrading market is anticipated to grow; 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 plans for Brazil to be the launch market for Cascade LF and Cascade MS; the timing, execution and expected production capacity under the Panasonic partnership, including the target of starting production of the first Cascade LF unit by end of 2026; the performance capabilities and commercial viability of the Linear NRU technology; the Company's plans to establish manufacturing for Cascade LF

and Cascade MS to serve the North American market; the Company's performance expectations of Cascade LF product line and its ability to improve methane recovery performance while reducing capital expenditure; 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, reliance on third-party manufacturing and licensing partners, potential production or supply chain disruptions, 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: the ability of Panasonic to fulfil its obligations under the definitive agreements; the Company's ability to effectively manage the supply chain, product design and commissioning for Panasonic-fabricated products, the Linear NRU technology performing in commercial applications as demonstrated in testing; 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 upgrading System Sales 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.