Greenlane™
Biogas Upgrading Solutions

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2023

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

This annual information form is dated March 26, 2024. The information contained in this annual information form is current as of December 31, 2023 with subsequent events disclosed to March 26, 2024.

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TERMS OF REFERENCE

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

This AIF is dated March 26, 2024. The information contained in this AIF is current as of December 31, 2023 with subsequent events disclosed to March 26, 2024.

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

MARKET DATA

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- the Company's expectations regarding its revenue, expenses and operations;
- the Company's ability to execute and realize the revenues on its existing sales contracts;
- the Company's estimates of its Sales Order Backlog and the value of its supply contracts;
- the impact of the Company's recent launch of it sector-focused Cascade product line to the market;

- the Company’s anticipated cash needs and its need for additional financing;
- the achievement by the Company’s customers of the conditions precedent to proceeding with biogas upgrading projects under contract with the Company;
- the Company’s ability to participate in the development of renewable natural gas projects and realize returns on these investments;
- the Company’s efforts regarding strategic growth initiatives, including its plan to focus on larger supply contracts (as measured by dollar value) and to pursue its collaboration agreement with ZEG Biogás;
- the Company’s future growth plans and plans to achieve sustainable positive adjusted EBITDA results;
- the Company’s anticipation for the future growth in the biogas upgrading market;
- the continued effects of the Russia-Ukraine war on the global economy and on the markets in which the Company operates;
- the Company’s ability to attract and retain personnel;
- the Company’s competitive position and its expectations regarding competition; and
- anticipated trends and challenges in the Company’s business and the markets in which it operates.

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

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

- the Company will be able to achieve anticipated revenues from the Company’s present Sales Order Backlog, and expenses associated with these contracts will be consistent with the Company’s expectations;
- the Company will be able to operate using its capital-light model using outsourced manufacturers to fabricate its systems and supply chain partners to provide components for these systems;
- general economic conditions will not adversely impact the Company’s plan of operations;
- the satisfaction by the Company’s customers of conditions precedent relating to current contracts with the Company for future biogas upgrading projects, including permitting and financing conditions;

- legislative and regulatory environments where the business of the Company operates including Canada, the United States, Europe and Brazil;

- the Company will be able to achieve future growth plans, including securing sales contracts for the deployment of biogas upgrading systems in Brazil;

- the Company will not be adversely impacted by increasing competition; and

- the Company will be able to obtain regulatory approvals necessary to the operations of its business.

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

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

- Risks relating to the business of the Company:

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

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

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

  - the Company's ability to secure new sales contracts is contingent on its ability to manage and develop relationships with customers;

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

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

  - the Company's inability to achieve profitability and manage growth in its business could result in increased expenses and potential loss of personnel;

  - the Company's inability to retain existing and acquire new skilled personnel could adversely impact the Company's ability to secure new sales contracts and the Company's business and operating results;

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

- the Company’s biogas upgrading systems may fail to meet performance expectations with the result that the Company’s reputation may be damaged and its competitive position harmed;

- the failure of the Company’s biogas upgrading systems to meet technical and performance standards which may result in the Company being subject to engineering liability and product liability claims; the failure of the Company to protect and defend its intellectual property may adversely impact the Company’s competitive position;

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

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

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

- the Company’s strategic initiatives, including its collaboration agreements, equity investments, strategic alliances, continual improvement initiatives and expansion in foreign markets may not result in the targeted increases in revenue or profitability or recovery of its investment;

- the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business;

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

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

- reductions in the demand for renewable natural gas may reduce demand for the Company’s biogas upgrading systems;

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

- compliance with environmental regulations can be costly;

- anti-bribery laws;

- the Company’s inability to defend against cybersecurity risks could result in disruption in its operations, potential liability to its customers and increased expense;

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

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

  - North American and European markets for environmental commodities; and

  - macroeconomic and geopolitical risks and uncertainties.

- Risks related to financial and accounting aspects:

  - the Company’s consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The continuing operations of the Company are dependent upon its ability to continue to secure upgrader contracts to realize profitable operations in the future and there is no assurance that the Company will be successful in securing these upgrader contracts;

  - the Company currently has negative cash flow from operations and there is no assurance that the Company may sustain operations without additional financing or achieve positive cash flows and profitability;

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

  - the Company's restricted cash balance consists of cash that is held by an insurance company as collateral for surety bonds issued by the Company. This cash is subject to collateral restrictions and is therefore not available for general use by the Company;

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

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

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

- the Company’s operating results will be impacted by fluctuations in foreign exchange rates as the majority of its revenues are denominated in non-Canadian currencies, while the majority of its operating expenses are denominated in Canadian dollars;
- there is no assurance that the Company will be able to generate cash flow from operations or secure the additional financing necessary to meet the capital requirements associated with its operations;
- the Company’s operating results may be adversely impacted by credit-related risks relating to third parties, including project delays and slow or reduced payments;
- the Company’s operating results may be adversely impacted if estimates or judgments relating to critical accounting policies if actual outcomes prove to be different from assumed outcomes or estimates;
- the Company’s warranty accrual in respect of operating claims may prove to be insufficient;
- insurance risks;
- inflationary pressures may increase the Company’s costs;
- tax risks; and
- the Company may fail to maintain effective disclosure controls and procedures and adequate internal control over financial reporting.

- Risks related to the Common Shares:
    - market for Common Shares;
    - no history of payment of cash dividends;
    - dilution from future equity financings could negatively impact the holders of the Company’s Common Shares; and
    - tax issues.

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

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

GLOSSARY OF TERMS

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

"**2020 Offering**" refers to the underwritten shelf prospectus offering completed by Greenlane on February 19, 2020 based on a base shelf prospectus filed by the Company on July 31, 2019 of 23,000,000 units, including 3,000,000 units issued pursuant to the underwriter's full exercise of their over-allotment option, at a price of $0.50 per unit for gross proceeds of $11.5 million;

"**2021 Offering**" has the meaning ascribed thereto in "General Development of Business – Three Year History – 2021 Shelf Prospectus Offering";

"**2021 Shelf Prospectus**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Subscription Receipt Financing";

"2023 Annual MD&A" means the Company's management's discussion and analysis for the year ended December 31, 2023;

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

"**Advisory Fee**" has the meaning ascribed thereto in "Interest of Management and Others in Material Transactions";

"**AIF**" or "**Annual Information Form**" means this annual information form of the Company in respect of the year ended December 31, 2023;

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

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

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

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

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

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

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

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

"**Greenlane Renewables Europe B.V.**", formerly Greenlane Biogas Europe B.V. means the entity established by the Company in The Netherlands on June 4, 2021;

"**Greenlane Biogas Netherlands Holding B.V.**" means the entity established by the Company in The Netherlands on December 1, 2021;

"**H_2S**" means hydrogen sulfide;

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

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

"LTIP Payments" has the meaning ascribed thereto in "Interest of Management and Others in Material Transactions";

"**Omnibus Incentive Plan**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Omnibus Incentive Plan";

"**Option**" has the meaning ascribed thereto in "General Development of the Business – Three Year History – Omnibus Incentive Plan";

"**Optioned Common Shares**" has the meaning ascribed thereto in "Interest of Management and Others in Material Transactions";

"**PRSU**" has the meaning ascribed thereto in "General Development of the Business – Three Year History – Omnibus Incentive Plan";

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

"**Promissory Note**" means the promissory note issued by the Company to Pressure Technologies as part of the consideration for the Acquisition;

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

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

"**QT Warrants**" means share purchase warrants issued on August 9, 2019 upon conversion of special warrants earlier issued in connection with the Qualifying Transaction, exercisable by the holder to purchase one Common Share at a price of $0.26 per Common Share until June 3, 2021;

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

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

"**RNG**" means renewable natural gas;

"**RNGC**" has the meaning ascribed thereto in "Overview of Business – Biogas Upgrading Contracts – Updates";

"**RSU**" has the meaning ascribed thereto in "General Development of the Business – Three Year History – Omnibus Incentive Plan";

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

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

"**SWEN**" means SWEN Capital Partners an investment management company based in Paris, France who entered into a joint venture agreement with the Company in July 2020, to provide UaaS to developers and owners of RNG project in Europe under a long term contracts;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange;

"**UaaS**" means Upgrading as a Service;

"**United States**" or "**U.S.**" means the United States of America;

"**Warrant**" shall mean the one-half of one Common Share purchase warrants issues in connection with the 2020 Offering, exercisable by the holder to purchase one Common Share at a price of $0.70 per Common Share until February 19, 2021; and

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

CORPORATE STRUCTURE

Name, Address and Incorporation

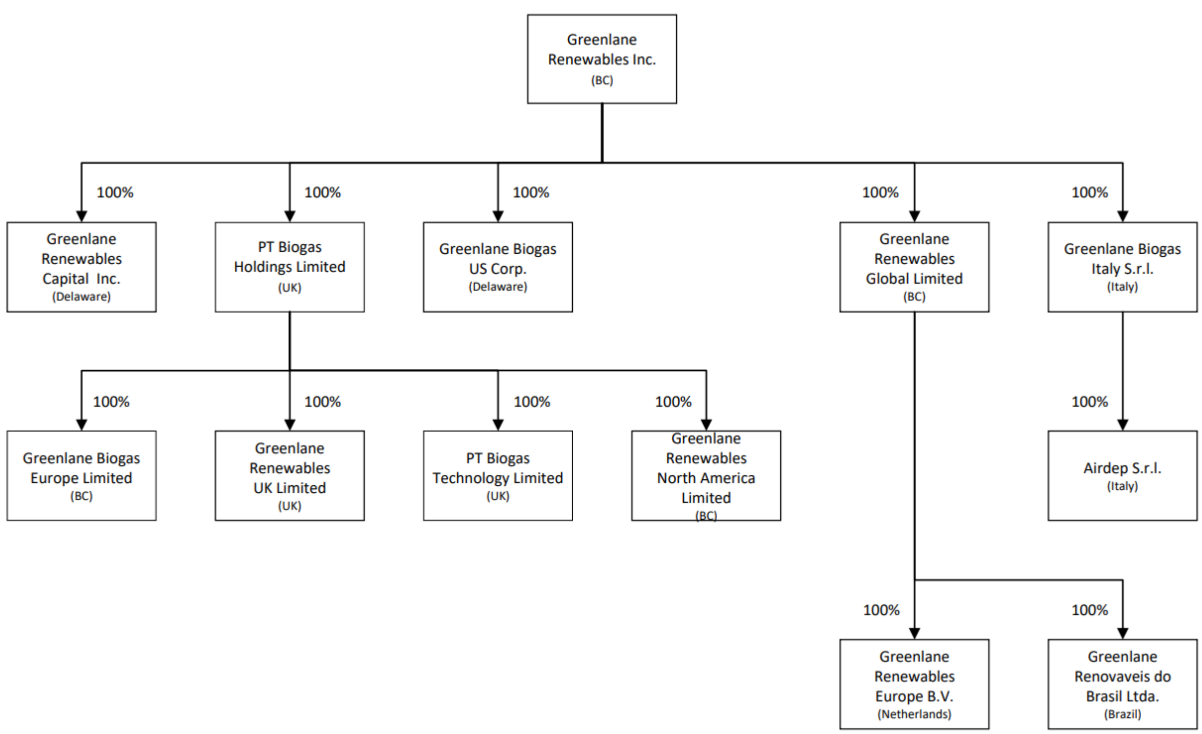
The Company was incorporated under the BCBCA on February 15, 2018 under the name "Creation Capital Corp." The Company was a "capital pool company" that completed its initial public offering on the TSXV on October 29, 2018. On June 3, 2019, the Company completed the acquisition of PT Biogas from Pressure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

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

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

Intercorporate Relationships

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



GENERAL DEVELOPMENT OF THE BUSINESS

General Development of the Business

Summary

Greenlane is focused on decarbonizing two of the largest and most difficult-to-decarbonize sectors of the global energy system: the natural gas grid and the commercial transportation sector. Greenlane is a leading global provider of biogas upgrading systems that create clean, low-carbon and carbon-negative RNG, suitable for injection into the natural gas grid and for direct use as commercial vehicle fuel. The biogas upgrading systems, marketed and sold by the Company under the Greenlane brand, remove impurities and separate carbon dioxide from biomethane in raw biogas created from the anaerobic decomposition of organic waste from key feedstock sources of agriculture (such as dairy and hog manure), water resource recovery facilities, food waste, landfills and sugar mills. To the Company's knowledge, Greenlane is the only biogas upgrading company offering and actively deploying the three most popular technologies: water wash, pressure swing adsorption, and membrane separation. The Company designs and develops the systems it provides and uses a capital light business model with largely outsourced manufacturing and components purchased through an extensive global supply chain. The only exception to this is in relation to its wholly-owned subsidiary, Airdep, where the assembly and a small amount of fabrication is performed in-house. Once delivered to site, Greenlane commissions and performance tests the systems and provides aftercare parts and service. Greenlane's business is built on over 35 years industry experience, patented and proprietary technology, with over 145 biogas upgrading systems sold into 19 countries, including for many of the largest RNG production facilities in the world, and over 160 biogas desulfurization units sold.

Three Year History

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

2021

2021 Shelf Prospectus Offering

On January 27, 2021, Greenlane completed an underwritten shelf prospectus offering (the "**2021 Offering**"), which included 1,590,000 additional shares issued pursuant to the underwriters' full exercise of their over-allotment option, at a price of $2.17 per share for gross proceeds of $26.5 million.

The Company also issued compensation warrants to the underwriters entitling them to subscribe for 731,400 Common Shares (including Common Shares underlying additional compensation warrants issuable upon exercise of over-allotment option) at a price of $2.17 per Common Share for a period of one year following closing.

TD Securities Inc. acted as lead underwriter and sole book runner on behalf of itself and a syndicate of underwriters in connection with the 2021 Offering. The 2021 Offering was completed further to the underwriting agreement between the Company and the underwriters dated January 21, 2021.

Please refer to the Company's 2023 Annual MD&A for a discussion of the planned and actual use of proceeds of this offering, which can be found online on SEDAR+ at www.sedarplus.ca.

Promissory Note Prepayment

The Promissory Note was part of the initial consideration owing to Pressure Technologies as part of the Qualifying Transaction. The Promissory Note had a maturity date of June 30, 2021.

On February 12, 2021, Greenlane prepaid the principal amount owing under the Promissory Note including all interest accrued and unpaid. On February 12, 2021, the principal amount owing under the Promissory Note was £1,525,972 or $2,586,827 with accrued and unpaid interest of £220,748 or $381,431. The security for the Promissory Note was also subsequently discharged. The prepayment of the whole Promissory Note removed the covenants imposed under such indebtedness, removed the restrictions on incurring additional debt, improved the Company's operating and financial flexibility and reduced the Company's interest expense.

The Company used the proceeds from the exercise of approximately 95% of the 11,500,000 Warrants issued in connection with the 2020 Offering to fund the full repayment of the Promissory Note.

TSX Graduation

On February 12, 2021, Greenlane received final approval from the TSX to list its Common Shares and the QT Warrants on the TSX. The Company's Common Shares and QT Warrants commenced trading on the TSX under the stock symbols "GRN" and "GRN.WT", respectively, effective February 17, 2021. The Company's Common Shares and QT Warrants delisted from the TSX Venture Exchange at the commencement of trading on the TSX. The QT Warrants expired on June 3, 2021.

Omnibus Incentive Plan

An incentive plan for equity-based compensation (the "Omnibus Incentive Plan") was approved by the shareholders at the Company's annual general meeting on June 23, 2021. Under this plan, the Company can award stock options (each, an Option), restricted share units (each, a RSU) and performance restricted share units (each, a PRSU), subject to compliance with the policies, rules and regulations of the TSX. The Omnibus Incentive Plan is a rolling plan under which the Company may issue Options, RSUs and PRSUs up to a maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares, less the aggregate number of Common Shares issuable under Options granted under the legacy option plan and under RSUs granted under the legacy RSU plan. Upon adoption of the Omnibus Incentive Plan, the legacy option and RSU plans ceased to be used for new grants.

Filing of 2021 Shelf Prospectus

In June 2021, the Company filed the 2021 Shelf Prospectus to provide the flexibility to make offerings of securities until July 2023, its effective period. The 2021 Shelf Prospectus enabled offerings of Common Shares, warrants, subscription receipts, or units of the Company up to an aggregate offering price of $500,000,000 during the 25-month period that the 2021 Shelf Prospectus was effective. The Company filed the 2021 Shelf Prospectus with the objective of maintaining financial strength and providing maximum flexibility going forward as it executed its business plan and strategic initiatives.

Acquisition of Airdep

On December 15, 2021, the Company announced that it had entered into a definitive agreement to acquire Italian company, Airdep, a leading provider of biogas desulfurization and air deodorization products founded in 2011 and based in Vicenza, Italy. The acquisition of Airdep brought in-house an effective and proven technology to remove H_2S from biogas for integration with the Company's portfolio of biogas upgrading systems that produce low-carbon and carbon-negative RNG. It also added an attractive line of products for sales into existing and new biogas projects globally, independent of the full biogas upgrading system. Over the ten years since its founding, Airdep had deployed over 160 biogas desulfurization systems that use a proprietary liquid reagent media for removal of H_2S in biogas. The liquid media is regenerated and recirculated within the process to minimize operating costs. The Airdep system is especially compelling for use in higher flow, higher H_2S concentration applications.

2022

Closing of the Airdep Transaction

The acquisition of Airdep was completed on February 1, 2022. Total consideration for the acquisition comprised $7.9 million (€5.5 million) in cash paid on closing; $1.4 million (€1.0 million) in Greenlane Common Shares issuable in equal tranches over the following four quarters; $1.3 million (€0.9 million) for post-closing working capital and financial position adjustments; and additional contingent earn-out consideration of up to $3.5 million (€2.5 million). The earn-out will be calculated, and if thresholds are met, become payable in early 2025 based on future company financial performance and will be payable in cash, or a combination of cash and Greenlane Common Shares, at Greenlane's option. The total maximum consideration for the acquisition is $14.1 million (€9.9 million).

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

Changes in Management

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

Deployment of Development Capital

In June 2022, the Company announced its first deployment of development capital to a company focused on developing RNG projects in California based on the dairy cluster model. Greenlane deployed pre-construction development capital in the form of a convertible note loan agreement with funds to be advanced on a milestone achievement basis up to US$1.0 million. Under the terms of the loan agreement, the Company has the option to convert the note into an equity interest in the development company in addition to realizing a return of capital.

In August 2022, the Company announced its second deployment of development capital to a company focused on developing landfill gas-to-RNG projects, with its initial project in mid-western U.S., estimated to generate over 250,000 MMBtu annually using a biogas upgrading system supplied by the Company.

Greenlane deployed pre-construction development capital in the form of a convertible note loan agreement with funds to be advanced on a milestone achievement basis up to US$0.5 million. Under the terms of the loan agreement, the Company has the option to convert the note into an equity interest in the development company in addition to realizing a return of capital. The Company's earlier pursuit of a 'build, own and operate' strategy, previously focused on UaaS, matured in its approach to the deployment of development capital. Important lessons were learned when the novel UaaS concept, as conceived under the joint venture with SWEN, was launched in 2020. UaaS did not have the uptake in the market that was anticipated in large part because it does not solve all of the developer's capital needs. The joint venture did not conclude any UaaS contracts and the legal entity in The Netherlands that was established for the SWEN joint venture was dissolved in 2022. The Company shifted its resources and focus toward the deployment of specialized development capital.

EDC Export Star

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

<u>2023</u>

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

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

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

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

Changes in Management

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

Launch of Sector-Focused Product Lines

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

Greenlane™ Cascade PSA LF features pressure swing adsorption technology, which is best for complex feedstocks, and delivers high quality RNG from landfills with varying inlet gas quality, contaminant levels and flow rates.

Greenlane™ Cascade H2O features water wash technology, which is best for removing impurities from biogas from highly variable feedstocks and delivers low-carbon and carbon-negative RNG from water resource recovery facilities and food waste.

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

Greenlane™ Cascade H2S features regenerative biogas desulfurization technology, which delivers an established, robust and cost-effective solution for the removal of hydrogen sulfide where the goal is low operating expense. Every biogas project requires hydrogen sulfide removal. Cascade H2S is sold as a standalone product and also is embedded as standard within Cascade H2O and Cascade MS.

Announcement of $35.3 Million System Supply Contract in Brazil

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

Announcement of Changes to the Board of Directors

On December 15, 2023, the Company announced that two members of the Board of Directors, Patricia Fortier and David Blaiklock, were retiring from the Board effective December 31, 2023. The Company also announced that it had no plans to fill vacant board positions at this time and the remaining directors would continue to fulfill the Company’s strong governance and independence standards.

OVERVIEW OF BUSINESS

Greenlane designs, develops, sells and services a range of biogas upgrading systems that produce clean, low-carbon and carbon-negative renewable natural gas from biogas generated by organic waste sources including, but not limited to, agriculture (such as dairy and hog manure), water resource recovery facilities, food waste, landfills, and sugar mills. Biogas is produced naturally from these sources when organic matter is broken down through anaerobic digestion and is a mixture of approximately 60% methane, 40% carbon dioxide plus traces of other contaminant gases. The RNG produced is suitable for either injection into the natural gas grid or for direct use as commercial vehicle fuel.

To the Company’s knowledge, Greenlane is the only biogas upgrading company that offers and has successfully deployed in-house biogas desulfurization equipment and complete biogas upgrading systems utilizing the three main biogas upgrading technologies, namely water wash, PSA and membrane separation. Greenlane's business is built on over 35 years industry experience, patented and proprietary technology, with over 145 biogas upgrading systems sold into 19 countries, including for many of the largest RNG production facilities in the world, and over 160 biogas desulfurization units sold.

Each Greenlane biogas upgrading system typically has a standard core upgrading product with optional additional equipment as necessary to tailor the product capabilities for the particular customer application. Greenlane’s biogas upgrading system supply contract values have ranged from $2 million to $35 million for single systems, depending on size and scope of supply, with larger capacities achieved by installing multiple systems in parallel driving multiples in contract value accordingly. In addition, the Company may secure maintenance contracts to provide spares parts and service of systems after they enter into commercial operation. The mix of models, scope and geography of each project impacts the overall project revenue and margin.

The Company supplies biogas upgrading systems, spare parts and maintenance services to a wide range of customers in the wastewater, agricultural, water resource recovery, food waste, landfill and sugar mill industries. The Company uses a capital light business model in that it purchases components through an extensive global supply chain and outsources the manufacturing of its major pieces of equipment to several trusted regional fabricators. Greenlane’s suppliers and fabricators must meet Greenlane’s quality requirements while its in-house team of supplier quality engineers monitors the production process and ensures quality conformance. In the case of Airdep, final fabrication is performed in-house. Once the fabricated equipment is installed at the project site, typically the responsibility of Greenlane’s customers, Greenlane commissions, performance tests, provides operator training for, and hands over the system to the customer. Post-handover, if engaged to do so, Greenlane provides spare parts and service including 24/7 technical support and remote monitoring.

The Company has a mix of supplier contracts, some of which are for specific projects while others are standing supply, service or pricing agreements. In 2023, approximately 89% of Greenlane’s total project procurement was from suppliers located in North America and approximately 7% was from suppliers in Europe. Less than 4% was from suppliers in other jurisdictions. In any given year, the split among suppliers in different geographies can shift according to the geographic split in Greenlane’s sales. Greenlane’s procurement plan identifies alternative sources of supply for major component suppliers and fabricators that are essential to Greenlane’s business operations. In 2023, prices for goods and services continued to increase due to worldwide inflation. The Company is subject to risks associated with global supply chain disruptions (see “Risk Factors”) that from time to time may cause delays in the progress of its customer’s biogas upgrading projects. Such delays may in turn result in the Company’s recording of revenues and gross profit from as affected contract to be deferred to later fiscal reporting periods.

Greenlane has several major competitors operating in the same geographical markets, many of which own, or have access to, similar biogas upgrading technology. As such, Greenlane strives to differentiate itself by showcasing its broad product portfolio and track record of supplying biogas upgrading systems worldwide, which is longer and more extensive than many of its key competitors Greenlane’s multi-technology approach is unique and particularly compelling for serial developers whose portfolio of projects have different requirements that demand different technology solutions. Greenlane has positioned itself as the go-to partner to grow with these serial project developers.

The market for Greenlane’s products is expected to grow as an increasing number of corporations and individuals act on their sustainability targets and governments around the world enact and strengthen environmental policies designed to combat climate change by promoting clean, low-carbon and carbon-negative solutions and to effectively divert increasing amounts of organic waste away from landfills and into a circular economy as the world’s population continues to increase.

Principal Products or Services

<u>Product Range</u>

Greenlane offers a broad range of biogas desulfurization products and complete biogas upgrading systems using one or more of three core gas separation technologies: water wash, PSA, or membrane. The selection of separation technology, or combination of technologies, is made based on an optimized solution to meet the specific biogas applications and requirements.

Each Greenlane biogas upgrading system is designed around one of the three core upgrading technologies it offers with optional additional equipment as necessary to tailor the product capabilities for the particular customer application. Greenlane offers a product line that includes *Greenlane*™ *Cascade H2O* (water wash), *Greenlane*™ *Cascade PSA LF* (PSA) and *Greenlane*™ *Cascade MS* **(**membrane) models with inlet biogas flow capacity ranging from 750 to 10,000 normal cubic metres per hour (Nm^3/hr), or 460 to 6,200 standard cubic feet per minute (scfm). Greenlane is able to provide larger capacities by installing multiple systems in parallel.

Each complete biogas upgrading system offered by Greenlane separates carbon dioxide from biomethane using one of the three core separation technologies, with additional functions performed that may include, but are not limited to gas analysis, gas compression, effluent gas treatment and removal of biogas impurities such as H2S, volatile organic compounds, siloxanes, oxygen, and nitrogen.

Through its Airdep division, Greenlane delivers to its customers an effective, proven and low cost technology to remove H_2S from biogas using a proprietary liquid reagent that is regenerated and recirculated that is especially compelling for use in higher biogas flow, higher H_2S concentration applications.

Sales Order Backlog as at December 31, 2023

As at December 31, 2023, the Company reported a Sales Order Backlog of $36 million, an increase of 30% from the $27.7 million reported as at December 31, 2022. The Company's Sales Order Backlog refers to the balance of unrecognized revenue from contracted projects, where such revenue is recognized over time as completion of the projects progresses.

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

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

Marketing

Greenlane markets and sells its products and services through its internal direct sales team and channel partners such as engineering, procurement and construction companies. Important marketing and sales platform for Greenlane are conferences and expositions where it presents industry insights and product information to attract existing and new customers.

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

Greenlane™ Cascade PSA LF features pressure swing adsorption technology, which is best for complex feedstocks, and delivers high quality RNG from landfills with varying inlet gas quality, contaminant levels and flow rates.

Greenlane™ Cascade H2O features water wash technology, which is best for removing impurities from biogas from highly variable feedstocks and delivers low-carbon and carbon-negative RNG from water resource recovery facilities and food waste.

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

Greenlane™ Cascade H2S features regenerative biogas desulfurization technology, which delivers an established, robust and cost-effective solution for the removal of hydrogen sulfide where the goal is low operating expense. Every biogas project requires hydrogen sulfide removal. Cascade H2S is sold as a standalone product and also is embedded as standard within Cascade H2O and Cascade MS.

Revenue

The following table sets out revenues for each category of products and services:

Product or Service	Revenue for Year ended December 31, 2023 $ 000's	Revenue for Year ended December 31, 2022 $ 000's
Sales from Upgrader Projects	48,730	65,558
Aftercare Services[(1)]	9,086	5,683

Note:

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

The Company's 2023 Annual MD&A provides details of the significant sales contracts entered into by the Company in 2023.

Specialized Skills and Knowledge

Various aspects of the business of the Company require specialized skills and knowledge in the areas of international business, engineering, project management, finance, legal and environmental. The Company has adequate employees with extensive experience in these specialized areas to support the conduct of its business.

Employees

As of December 31, 2023, Greenlane and its wholly-owned subsidiaries have 132 employees and 10 contractors, of which 92 are in Canada, 19 in Italy, 9 in England, 10 in the United States, 1 in France, and 1 in Germany.

Competitive Conditions

Greenlane faces increasing competition within its target markets mainly from other providers of biogas upgrading systems. Competitors of Greenlane are small- to medium-sized companies working in regional segments of the biogas market as well as large multinationals with small biogas upgrading divisions. The most widely deployed technology to-date, globally, has been water wash.

Intangible Property

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

To maintain its competitive advantage, the Company holds a number of patents in respect of its water wash technology and trademarks. The Company has two patent registrations: one registered in seven territories (Germany, France, United Kingdom, Italy, Netherlands, New Zealand and Sweden); and the other registered in the aforementioned territories and additionally in South Africa. The Company has 28 trademark registrations and 10 pending trademark applications in jurisdictions including Canada, the United States, the United Kingdom, Europe, China, New Zealand, Australia and Brazil. The trademarks relate to current logos and names, and those of former brands and names under which PT Biogas has operated.

Foreign Operations

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

Environmental Protection

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

Regulatory Environment

There are regulations with respect to the siting of projects and injection of RNG into natural gas pipeline networks in jurisdictions into which the Company sells biogas upgrading systems. Permits are needed from local regulators and the Company's customers are responsible for meeting such regulations and securing such permits. Systems supplied by the Company are required to meet certain codes such as Canadian Registration Number (CRN) in Canada, American Society of Mechanical Engineers (ASME) in United States, Pressure Equipment Directive (PED) in Europe, and Norma Regulamentadora 13 (NR13) in Brazil.

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

- In Canada, the final Clean Fuel Regulations ("**CFR**") were published by the federal government in June, 2022. The regulations intend to encourage innovation and growth in the low-carbon fuels sector through a system of compliance credits and are aimed at reducing the lifecycle carbon intensity of liquid fuels produced or imported into Canada, which are primarily used in the transportation sector and a major source of GHG emissions in Canada. There are still some options for RNG to participate in the CFR, namely compliance categories 2 (supplying low-carbon fuels) and 3 (supplying fuel or energy to advanced vehicle technology). In British Columbia under its Clean Energy Act Greenhouse Gas Reduction Regulation, public gas utilities can purchase RNG at a price of up to $31/GJ (2021/22 fiscal year, adjusted annually based on consumer price index) at quantities of up to 15% of the total amount, in GJ, of natural gas provided by the public. In Québec, regulations require that the proportion of RNG distributed in the gas system must reach at least 1% starting in 2020, and then gradually increase to a minimum of 10% starting in 2030. The average RNG contract price for Energir, the largest gas utility in Québec, can be up to $25/GJ (in 2024-2026).

- In the United States, regulations that drive the demand for RNG include the Federal Renewable Fuel Standard ("**RFS**") and the Low Carbon Fuel Standard ("**LCFS**") incentive programs in the states of California, Oregon and Washington. More recently, the Inflation Reduction Act ("**IRA**"), introduced in August, 2022, has substantially expanded federal support for biofuels by providing a system of production and investment tax credits available for biogas.

- In Europe, the amending Renewable Energy Directive EU/2023/2413 that entered into force on November 20, 2023 sets an overall renewable energy target of at least 42.5% binding at the EU level by 2030, but aiming for 45%. The amending Directive EU/2023/2413 replaces the revised Renewable Energy Directive EU/2018/2001 that set a target of 32% binding at the EU level. The E.U. has proposed a number of possible measures to boost biomethane production to 35 billion cubic metres (bcm) by 2030, up from 3 bcm in 2020, and to facilitate its integration into the E.U. internal gas market.

Operating Cycles

The Company's revenues are largely derived from biogas upgrader orders accounted for on a stage-of-completion basis over typically a nine-to eighteen-month period. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG off-take and feedstock agreements. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. As a result, the Company's revenue and cash flows vary from month to month and quarter to quarter.

Strategic Growth Initiatives

The Company monitors the markets for its products and the developments affecting the RNG industry to enable it to strategically grow its business, focusing its resources on opportunities that offer superior potential to accelerate the Company's ability to scale up its operations and pursue its mission to decarbonize energy systems by being the go-to leading global provider of integrated biogas upgrading solutions.

The Company's strategic pursuits include: expanding Greenlane's business beyond equipment sales to include recurring revenue and profits from RNG projects through creative structures with project developers and financiers to deploy capital to develop and build RNG projects; searching out consolidation opportunities in the highly-fragmented biogas upgrading industry; and seeking strategic business alliances that will enhance the Company's product offerings, and competitiveness. The Company also engages in processes of continually evaluating and improving its product and service offerings. The Company continually evaluates the RNG markets globally and seeks to expand its presence in attractive markets.

<u>Project Capital Deployment</u>

As the landscape for capital deployment to develop and build RNG projects around the world continues to evolve, the Company continues to seek out new innovative structures with project developers and financiers that can help de-risk RNG projects and build scale in RNG origination, while at the same time add recurring revenue and profits to Greenlane's business. The Company is building on it growing pool of experience in structuring such deals. Greenlane previously structured an "Upgrading-as-a-Service"

(“UaaS”) model, focused on Europe to offer RNG project developers the opportunity to replace their initial capital outlay for the biogas upgrading equipment with a monthly fee. In this case, the capital commitment was provided by a European sustainable investments fund. No transactions were concluded under this agreement, but the Company gain valuable insights for future structures and offers. Greenlane has also deployed directly specialized project development capital to assist developers in accelerating projects to the ‘ready for construction’ phase, with the aim of securing the Company additional system and services sales and earning an equity and/or profits interests in the resulting pipeline of RNG projects.

During 2022, the Company made two investments in the form of convertible notes to two developers in the United States who have agreed to purchase Greenlane’s biogas upgrading systems for their projects. The funding provided under these notes is specifically designated for pre-construction expenses. Due to unforeseen circumstances and unanticipated delays associated with one of the projects, Greenlane fully assumed ownership of one project and is now seeking to identify a new capable developer to continue its advancement. Construction has not yet started on either project.

Consolidation Opportunities

The biogas upgrading industry globally continues to be fragmented, with many small- and medium-sized participants and a few, very large companies with small internal biogas upgrading divisions. The Company continues to look for potential M&A opportunities that generally fall into two broad categories: (i) competitors involved in biogas upgrading, and (ii) companies having compelling technologies that the Company might otherwise buy from, which can strengthen the Company’s portfolio. The acquisition of Airdep that was completed in early 2022 was the Company’s first such acquisition, falling into the latter category. The Company has no fixed timetable for this pursuit and the costs of executing on it are unknown, being dependent on the attributes of the specific target and circumstances.

Strategic Alliances

In addition, the Company is evaluating opportunities to enter into agreements with strategic partners in order to enhance the Company’s product offerings and competitiveness. The Company believes there may be opportunities to gain advantage over competitors in the RNG business through agreements or strategic alliances that would enable the Company to offer an expanded array of biogas related solutions in targeted geographies. These arrangements may take the form of joint ventures or strategic alliances. Should any opportunities be identified that the Company would want to pursue, any arrangement would be subject to negotiation of definitive agreements.

The amounts to be invested by the Company in pursuing these objectives will be dependent upon a number of factors, including (i) the determinations made by the Company to pursue any agreements or strategic alliances, and (ii) any commitments required to be made by the Company under any agreements of strategic alliances entered into by the Company in pursuit of these strategic growth initiatives. Actual expenditures may also be impacted by determinations of the Company to pursue other alternate business objectives that it deems to be higher priority.

Continual Improvement Initiatives

The Company continually evaluates market demands and customer requirements in order to prioritize its new product development activities and refine its product offerings, with the objectives of further standardization and increasing gross margins. An example of this, as noted above, is the Company’s introduction and launch in September 2023 of its sector-focused solution-optimized line of Cascade products. Furthermore, the Company has taken action and has been investing toward making the business scalable and creating operating leverage through the implementation of new systems and related processes. The Company expects to realize efficiencies and overall cost reductions through key systems it implemented in 2023 the initial phase of its Enterprise Resource Planning ("**ERP**") system, which heavily focused on finance, product lifecycle management ("**PLM**"), procurement, project management and reporting. The ERP is expected to streamline and improve a number of disparate legacy systems and processes and positions the Company to scale the business. Optimizing these systems is expected to continue into 2024.

<u>Expansion in Attractive Markets</u>

The Company continually evaluates opportunities and developments in global RNG markets. In markets in which the Company identifies opportunities to expand sales, it allocates focus and resources to leverage these opportunities. In some cases, this may entail strengthening the Company's local presence in markets in which it currently operates. In other cases, the Company may assess expansion into new countries where its expertise and capabilities may provide a competitive advantage.

RISK FACTORS

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

Risks Relating to the Business of the Company

Sales Order Backlog

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

Execution on Existing Sales Contracts

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

Managing and Developing Relationships with Customers

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

Managing Relationships with Suppliers

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

Achieving Profitability and Managing Growth

In 2022, the Company experienced significant growth in revenue and number of employees in response to the demand for its products and its acquisition of Airdep in February of that year. In addition, the Company plans to focus on securing larger supply contracts (as measured by dollar value) and executing on its strategic initiatives, including its collaboration agreement with ZEG Biogás in April, 2023. In order to achieve the Company's objectives of achieving profitability, managing growth and adapting its strategy to meet evolving demand effectively, the Company must: (a) attract, train, retain and manage qualified employees; (b) expand sales and marketing, purchasing, distribution capabilities, engineering, project management and administrative functions; (c) ensure the skills capabilities of its management team are appropriate and sufficient to address the Company's present and future requirements; and (d) implement and maintain adequate systems to manage fulfillment of customer orders and support overall operational requirements. While it intends to focus on managing its costs and expenses over the long term, the Company expects to invest to support its growth and may have additional unexpected costs which may affect the Company's financial results. The Company may not be able to expand quickly enough to exploit potential market opportunities or timely fulfill sales orders, thereby affecting potential revenue amounts and timing and, ultimately, profitability. Significant growth affects employee workload, and delays in the Company's ability to hire qualified personnel may affect the Company's ability to retain existing trained personnel. Similarly, downturns in the Company's business may result in the Company being required to reduce costs and there is no assurance that the Company may optimally adjust its expenses to match reduced revenues. In addition, completion of larger supply contracts (as measured by dollar value) will require additional working capital and/or advanced payment/performance bonding and there is no assurance that the Company will sustain the necessary working capital required to or have the required bonding capacity to either secure or undertake these larger supply contracts. Further, the inability of the Company to secure sales contracts may result in the Company being required to reduce its employee base and its execution capabilities in order to control costs, which may impair the Company's ability to achieve profitability and grow in the longer term.

Retention and Acquisition of Skilled Personnel

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

Competition in the Biogas Upgrading Industry

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

Technology Failure

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

Engineering Liability

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

Product Liability

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

Intellectual Property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unexpected Disruptions Affecting Projects and Operations

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

Risks Related to Strategic Growth Initiatives

While the Company is presently evaluating and pursuing a number of strategic opportunities that it believes may add to the growth of the Company's business, there is no assurance that these efforts will lead to increased revenues or profitability for the Company. Risks associated with the following strategic initiatives include the following:

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

- **Deployment of Development Capital**: There is no assurance that the Company will be successful in deploying development capital in order to secure ownership interests in RNG projects, and thereby gain exposure to recurring revenues from RNG offtake contracts and associated environmental attributes, as well as securing system and services sales. While the Company has invested capital in two projects to date, there is no assurance that the Company will realize a return of its invested capital, secure ownership interests in RNG projects or secure systems and service sales from these projects. Moreover, there is no assurance that the Company will be able to source other deployment of development capital agreements. In addition, there is no assurance that the Company will have sufficient capital to deploy to these initiatives to acquire a material ownership position in any RNG projects or will determine to deploy its capital towards these initiatives given the Company's other capital requirements and business objectives. In the event the Company deploys development capital in other RNG projects, there is no assurance that the RNG projects will be completed and, if completed, will generate a return to its investors and there is a risk that the Company may lose the capital that it has invested in development-stage RNG projects.

- **Other Equity Investments**: There is no assurance that investments made in developers or other strategic forms of cooperation will result in the expected strategic outcome for the Company or otherwise provide the anticipated financial return.

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

- **Continual Improvement Initiatives**: There is no assurance that the Company's continual improvement initiatives including its launch of its optimized Cascade product lines, will be successful in enabling the Company in developing and selling new products or improving its existing product offerings, or that these new products will generate revenue that exceeds the associated development costs.

- **Expansion in Foreign Markets**: As the Company expands its global footprint to move into new, developing and lucrative markets, the Company may establish or increase local operations in jurisdictions in which its prior experience is limited or which require significant investment of resources to be successful. There is no assurance that such expansion initiatives will be successful or that the investment will generate the anticipated business opportunities and returns. In addition, there are a number of risks inherent in Greenlane's international business activities, including government policies concerning the import and export of goods, services and other regulatory requirements, foreign exchange controls, tariffs and other trade barriers, costs and risks of localizing products, personnel and subcontractors in foreign countries, higher credit risks, potentially adverse tax consequences, banking restrictions and limits on repatriation of earnings, the burdens of complying with a wide variety of foreign laws, slower payment of invoices, nationalization and possible social, labour, political and economic instability.

- **New Business Models**: There is no assurance that the Company will realize the anticipated benefits of new business models such as collaborative agreements to establish volume production in foreign markets under a royalty-like business model, or that such business models will be repeated with other collaborators or in other jurisdictions.

The Company anticipates that significant expenses will be required in connection with any strategic growth opportunities that the Company determines to pursue. Risks include risks associated with the ability of the Company to expand its product lines, to expand the market for its products and to enter into joint ventures or strategic alliances in connection with these opportunities. These initiatives may require substantial investment by the Company before significant revenues are achieved, and there is no assurance that this investment will be recovered. With respect to opportunities to upgrade the Company's technology solutions, there is also no assurance that the Company will be able to expand its offering of biogas upgrading solutions through joint venture agreements or strategic alliances.

There is, further, no assurance as to the Company's ability to fund strategic growth opportunities or that it will allocate the proceeds of any particular offering towards these strategic growth initiatives or to the amount and timing of investments or the return of capital on these investments. Investors should refer to the Company's 2023 Annual MD&A "Update on Use of Proceeds from Equity Offerings" section for additional information on the planned uses of expenditures. The Company's management will have substantial discretion concerning the use of proceeds of any particular offering as well as the timing of the expenditure of the proceeds thereof.

Risks Associated with Acquisitions

Following the acquisition by the Company of Airdep on February 1, 2022, the Company intends to continue to expand its business through further acquisitions. Any such acquisitions will be, in part, dependent on management's ability to identify, acquire and develop suitable acquisition targets in both new and existing markets. In certain circumstances, acceptable acquisition targets might not be available. Acquisitions involve a number of risks, including: (i) the possibility that the Company, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the expected benefits of the acquisition may not materialize and the Company may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) the difficulty of integrating the operations, systems, including accounting systems and financial standards, and personnel of an acquired business; (v) the challenge of implementing uniform standards, controls, procedures and policies throughout an acquired business; (vi) the inability to integrate, train, retain and motivate key personnel of an acquired business; and (vii) the potential disruption of its ongoing business and the distraction of management from its day-to-day operations. These risks and difficulties, if they materialize, could disrupt the Company's ongoing business, distract management, result in the loss of key personnel, increase expenses and otherwise have a material adverse effect on the Company's business, results of operations and financial performance. In addition, there is no assurance that the acquisition of Airdep will enable the Company to further strengthen its price competitiveness and margins, or increase its revenues through its ability to integrate the removal of H_2S into its portfolio of biogas upgrading systems.

Inability to Secure Additional Financing May Impair Ability to Expand Business

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

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

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

Demand for Renewable Natural Gas

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

Regulatory Risks, Including Changes to National and Local Legislation

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

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

Environmental Risks

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

Anti-Bribery Laws

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

Cybersecurity

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

Legal Proceedings

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

Global Economy

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

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

North American Market for Environmental Commodities

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

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

Macroeconomic and Geopolitical Risks and Uncertainties

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

Financial and Accounting Risks

Company's Ability to Continue as a Going Concern

The consolidated financial statements have been prepared by management using generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from December 31, 2023. For the year ended December 31, 2023, the Company incurred a net loss of $29.6 million (2022 – $5.5 million) and used $9.0 million in cash from operating activities (2022 – generated $40,000). As at December 31, 2023, the Company had working capital $16.7 million (2022 – $27.2 million).

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

The consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported revenues, expenses and statements of financial position classifications which may be required should the Company be unable to continue as a going concern. These adjustments may be material.

Negative Cash Flow from Operations

The Company had negative cash flow from operating activities before non-cash working capital for the year ended December 31, 2023. The Company cannot guarantee if it will have positive cash flow from operating activities in future periods. The Company cannot provide any assurance that it will achieve sufficient revenues from sales to achieve or maintain profitability or positive cash flow from operating activities. If the Company does not achieve or maintain profitability or positive cash flow from operating activities, then there could be a material adverse effect on the Company's business, financial condition and results of operation and the Company may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding, of which there is no assurance that any required funding will be obtained. The Company's negative cash flow from operations may impair the ability of the Company to sustain the necessary working capital or secure adequate financial assurances or performance bonding required to enable the Company to expand on its business operations, including executing on existing sales contracts and undertaking its strategic growth initiatives, including securing new larger customer contracts. In addition, negative cash flow could result in the Company being forced to consider reductions in its employee base that may adversely impact on the Company's ability to execute on existing sales contracts and to secure new sales contracts.

While the Company experienced a growth in revenue in 2022, there is no assurance that the Company will maintain or increase its revenue in future, and 2023 showed lower revenue than 2022. In the event that contract awards do not materialize or are delayed and cash flow from operations does not adequately support the fixed costs of the Company, the Company will then be required to re-evaluate its planned expenditures, reallocate its total resources and may require future financings in such a manner as the Board of Directors and management deem to be in the Company's best interest. This may result in a substantial reduction of the scope of the Company's existing and planned operations. Failure of potential projects to translate into purchase orders for the Company may also adversely affect the Company's business, financial condition and results of operations and the price of its Common Shares.

Fluctuating Period Operating Results and Cash Flow

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

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

The Company's revenues are largely derived from a relatively small number of large biogas upgrader orders accounted for on a stage of completion basis over typically a 9 to 18-month period. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits and RNG offtake and feedstock agreements. Some projects have pause periods to allow customers to complete concurrent activities such as site infrastructure work. As a result, the Company's revenue varies from quarter to quarter and these variations may result in the Company's quarterly revenues not being as anticipated or as reflected in the Company's guidance, if any. In addition, other third party credit-related risks may cause project delays and slow or reduced payments impacting the timing and amount of revenues, or an increase in the costs of project execution. The loss of, or a reduction in, purchase orders or anticipated purchase orders from these customers could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, if one of the Company's customers is unable to meet its commitments to the Company, the Company's business, financial condition and results of operations could be adversely affected. As the Company pursues larger orders, it may also be increasingly reliant on a small number of large customers and their ability to finance, permit and execute the project.

Foreign Sales; Global Procurement

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

Capital Requirements Associated with Expanded Operations

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

Estimates or Judgments Relating to Critical Accounting Policies

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

Operating Claims

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

Insurance Risks

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

Inflation

The general rate of inflation impacts the economies and business environments in which the Company operates. Inflation increased significantly in 2022 and has continued to be elevated throughout 2023 as compared to recent historical norms. Accordingly, the Company expects that costs of all inputs to the Company's products, including raw materials, supplier costs and general employee and overhead costs, will increase. These increases in cost may adversely impact the profitability of our current and future contracts. To the extent that the Company is not able to pass these costs on to the Company's customers through increased pricing of the Company's products, the Company's margins on its products will be reduced. Further, increased pricing of the Company's products may result in reduced demand and negatively impact the Company's revenues. Accordingly, increased inflation and any economic conditions resulting from governmental attempts to manage or reduce inflation, such as the imposition of higher interest rates or wage and price controls, may negatively impact the Company's costs as well as the demand for its products and services, and have a material adverse effect on the Company's business, financial condition and results of operations.

Tax Risks

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

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

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

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

Risks Related to the Common Shares

Market for the Common Shares

There can be no assurance that there will be an active trading market for the Common Shares or that any market developed will be sustained. The Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include: (i) announcements of new offerings, products, services or technologies;

(ii) commercial relationships, acquisitions or other events by the Company or its competitors; (iii) price and volume fluctuations in the overall stock market from time to time; (iv) significant volatility in the market price and trading volume of renewable energy companies; (v) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (vi) actual or anticipated changes or fluctuations in the Company's results of operations; (vii) whether the Company's results of operations meet the expectations of securities analysts or investors; (viii) actual or anticipated changes in the expectations of investors or securities analysts; (ix) litigation involving the Company, its industry, or both; (x) regulatory developments in Canada, the UK, Europe, the United States, Brazil, and other foreign countries; (xi) general economic conditions and trends; (xii) major catastrophic events; (xiii) sales of large blocks of the Common Shares; (xiv) departures of key employees or members of management; or (xv) an adverse impact on the Company from any of the other risks cited herein.

No History of Payment of Cash Dividends

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

Tax Issues

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

Future Offerings could be dilutive to the Company's shareholders

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

DIVIDENDS AND DISTRIBUTIONS

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

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

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. As of the date of this AIF, there were 154,028,236 Common Shares issued and outstanding as fully paid and non-assessable. In addition, as of the date hereof, up to 6,741,128 Common Shares are reserved for issuance of options under the Omnibus Incentive Plan and the legacy Stock Option Plan and 5,860,974 are reserved for issuance of RSUs under the Omnibus Incentive Plan and the legacy Restricted Share Unit Plan. There were no warrants outstanding.

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

MARKET FOR SECURITIES

Trading Price and Volume

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

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

	TSX Price Range ($)		
Month	**High**	**Low**	**Total Volume**
January 2023	$0.56	$0.425	12,181,950
February 2023	$0.54	$0.415	4,195,038
March 2023	$0.465	$0.28	10,923,666
April 2023	$0.44	$0.285	5,751,482
May 2023	$0.365	$0.25	5,478,781
June 2023	$0.285	$0.235	5,767,099
July 2023	$0.295	$0.24	9,698,572
August 2023	$0.275	$0.20	4,954,217
September 2023	$0.24	$0.19	1,320,633
October 2023	$0.24	$0.185	2,483,266
November 2023	$0.21	$0.14	3,860,965
December 2023	$0.16	$0.12	2,636,982

Prior Sales

During the financial year ended December 31, 2023, the following securities of the Company, which are not listed or quoted on a marketplace, were issued:

Common Shares

Date of Issuance	Aggregate Number of Common Shares Issued	Price per Common Share
January 18, 2023	11,160(4)	$0.425
January 18, 2023	80,000(2)	$0.4315
January 18, 2023	56,000(3)	$0.4283
February 1, 2023	5,000(2)	$0.53
February 1, 2023	770,298(1)	$0.46943
February 6, 2023	50,000(3)	$0.53
June 15, 2023	25,793(4)	$0.26
June 15, 2023	21,739(4)	$0.26
June 15, 2023	72,000(3)	$0.26
September 6, 2023	100,000(2)	$0.23
November 24, 2023	41,234(3)	$0.155
November 24, 2023	32,609(4)	$0.155
November 29, 2023	28,000(3)	$0.155
November 29, 2023	28,553(4)	$0.155
December 8, 2023	69,481(3)	$0.145
December 8, 2023	39,130(4)	$0.145
December 11, 2023	132,468(3)	$0.15
December 11, 2023	65,217(4)	$0.15
December 13, 2023	19,928(4)	$0.15
December 27, 2023	68,399(3)	$0.125
December 27, 2023	32,609(4)	$0.125

Notes:

(1) These Common Shares were issued as partial consideration for the February 1, 2022 acquisition of Airdep.
(2) These Common Shares were issued upon exercise of options granted under the Original Share Option Plan.
(3) These Common Shares were settlement of RSUs granted under the Original RSU Plan.
(4) These Common Shares were settlement of RSUs granted under the Omnibus RSU Plan.

Options

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
March 14, 2023	242,000	$0.37
May 16, 2023	37,000	$0.29
November 14, 2023	937,000	$0.18
December 7, 2023	38,000	$0.15

Restricted Share Units

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
March 14, 2023	1,917,500	N/A
November 14, 2023	520,000	N/A

Performance Restricted Share Units

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
December 7, 2023	1,175,000 (1)	N/A

Note:
(1) These securities include 1,175,000 PRSUs that are subject to performance conditions that could result in between zero and two Common Shares being issuable per PRSU.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth information regarding the Company's Directors and executive officers as of December 31, 2023. The term of office for the Directors expires at the Company's next Annual General Meeting.

Name, Province and Country of Residence	Principal Occupations for the Last Five Years	Served as a Director of the Company Since	Positions with the Company
Ian Kane, Alberta, Canada	President and CEO of Greenlane (August 14, 2023 to present); President and CEO of Excell Battery Company (sold to Ultralife Corporation in December 2021) (May 2019 to August 2023); President of Alpha Technologies Ltd. (Jan 2016 to Jan 2019).	August 14, 2023	Director, Chief Executive Officer, President
Brad Douville British Columbia, Canada	Executive Vice Chair of Greenlane (August 14, 2023 to present); President and CEO of Greenlane (June 2019 to August 2023); President of the Alternative Energy Division of Pressure Technologies plc (November 2017 to June 2019)	June 3, 2019	Director, Executive Vice Chair

Name, Province and Country of Residence	Principal Occupations for the Last Five Years	Served as a Director of the Company Since	Positions with the Company
Wade Nesmith British Columbia, Canada	Chairman of Greenlane (July 2019 to present); Partner at Creation Partners (May 2018 to August 2022); Chairman (March 2012 to May 2018) and Director (October 2008 to May 2018) of Primero Mining Corp.; Director of Westport Fuel Systems Inc. (July 2017 to July 2019)	February 15, 2018	Director; Chairman
Candice Alderson British Columbia, Canada	Chief Commercial Officer and previously Senior Vice President at Artemis Gold Inc. (February 2021 to present); SVP of Infrastructure Investments at Ledcor Industries Inc. (October 2019 to February 2021); SVP & Associate Corporate Counsel at Ledcor Industries Inc. (March 2017 to October 2019)	June 12, 2020	Director
David Blaiklock(1) British Columbia, Canada	Director of Greenlane (February 2018 to present); Partner at Creation Partners (May 2018 to August 2022)	February 15, 2018	Director
David Demers British Columbia, Canada	Chair of Crocus Advisors Inc.; Partner at Creation Partners (May 2018 to August 2022); Director of Primero Mining Corp. (October 2008 to May 2018); Director at TIMIA Capital Corp (May 2017 to present); Director at Augurex Life Sciences Corp. (March 2018 to present)	February 15, 2018	Director
Patricia Fortier(1) Ontario, Canada	Senior Fellow at University of Ottawa (2017 to present); Director of Primero Mining Corp. (November 2016 to May 2018)	June 3, 2019	Director
Elaine Wong British Columbia, Canada	President of Pine Street Ventures Ltd. (January 2016 to present); Director of Greenlane (July 2020 to present)	July 21, 2020	Director
Monty Balderston Alberta, Canada	Chief Financial Officer of Greenlane (July 2022 to present); Chief Financial Officer of Mosaic Capital Corporation (June 2017 to March 2022)	N/A	Chief Financial Officer
Alexander Chassels British Columbia, Canada	Chief Operating Officer of Greenlane (August 2022 to present); Vice President, Dorigo Systems (2019 to2021); Vice President of Operations of Alpha Technologies, Ltd (2014 to 2019)	N/A	Chief Operating Officer
H. Maura Lendon Ontario, Canada	Chief Legal Officer of Greenlane (August 2022 to present); Senior Vice President, General Counsel of Greenlane (August 2021 to August 2022); Founder, Scalable General Counsel (March 2019 to July 2021), Chief General Counsel and Corporate Secretary, Primero Mining Corp. (April 2012 to May 2018)	N/A	Chief Legal Officer

Name, Province and Country of Residence	Principal Occupations for the Last Five Years	Served as a Director of the Company Since	Positions with the Company
Steve Pratt British Columbia, Canada	Vice-President, Engineer of Greenlane (May 2023 to Present); Vice-President, Engineering of Vanrx Pharmasystems (November 2019 to February 2021); Head of Engineering, Aseptic Filling at Cytiva (February 2021 toMay 2023); Director of Engineering of Alpha Technologies Ltd. (January 2010 to November 2019)	N/A	Vice-President, Engineering
Stephen Wortley British Columbia, Canada	Partner at DLA Piper (Canada) LLP (March 2024 to Present); Partner at McMillan LLP (1991 to March, 2024)	N/A	Corporate Secretary

Note:

(1) Retired as of December 31, 2023.

Committees of the Board

As of December 31, 2023:

(i) the members of the Audit Committee were David Blaiklock (Chair), Patricia Fortier and Elaine Wong.

(ii) the members of the Corporate Governance and Nominating Committee were Candice Alderson (Chair), Wade Nesmith and David Blaiklock.

(iii) the members of the Human Resources and Compensation Committee were Patricia Fortier (Chair), Candice Alderson and David Demers.

(iv) the members of the Corporate Development Committee were David Demers (Chair), Brad Douville, Wade Nesmith and Elaine Wong.

Following Mr. Blaiklock's and Ms. Fortier's retirement, the Board approved the following changes to the Committees of the Board. As of the date of the AIF:

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

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

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

As of the date of the AIF, the Company's Directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control of direction over 14,016,471 Common Shares, representing approximately 9% of the issued and outstanding Common Shares.

The following are brief biographies of the above individuals:

Ian Kane, *Director,* *Chief Executive Officer and President*

Ian Kane was appointed the Chief Executive Officer and President of Greenlane Renewables Inc. and was additionally appointed to the Company's Board of Directors on August 14, 2023. Ian is a seasoned executive with a proven track record of optimizing company growth and financial performance after the start up phase across diverse industries. Ian was the President and CEO of Excell Battery Company (sold to Ultralife Corporation in December 2021) from May 2019 until August 2023. Ultralife is the leading provider of critical power solutions and communication systems. From January 2016 to January 2019, Ian was the President of Alpha Technologies Ltd., an established leader of power solutions for telecom, cable, broadband, industrial and renewable energy. He holds a Masters in Engineering and an MBA.

Brad Douville, *Director and Executive Vice Chairman*

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

Wade Nesmith, *Director and Chairman*

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

Candice Alderson, *Director*

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

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

David Blaiklock, *Director*

David Blaiklock has over 30 years of public company experience in a senior financial role. He previously served as the Chief Financial Officer of Primero Mining Corp., and as the Corporate Controller for Intrawest Corporation. He has experience in the financial operations of a growth-oriented and acquisition-focused public company. Previously, he was Corporate Controller of a number of public and private companies, primarily involved in real estate development. He received his designation as a Chartered Accountant while working with the international accounting firm Deloitte Touche Tohmatsu Limited. Mr. Blaiklock has a B.A. in Economics and Business Studies from the University of Sheffield. Mr. Blaiklock retired from the Company's Board of Directors on December 31, 2023.

David Demers, *Director*

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

Patricia Fortier, *Director*

Patricia Fortier is a former Canadian diplomat with experience in extractive and defence industries, governance, international security, crisis management and conflict resolution. She is currently a Senior Fellow at the University of Ottawa and a director on non-profit boards (Canadian Ambassadors Alumni Association, Canadian International Council) and is the Canada director for the global network, Women Executives on Boards. She has been a director on the board of Primero Mining Corp. Her last assignment in the Canadian Foreign Service was as Assistant Deputy Minister, responsible for Security, Consular and Legal Affairs. She was Canadian Ambassador to Peru, Bolivia and the Dominican Republic as well as Minister Counsellor in Washington, D.C. She has worked with multilateral organizations abroad as well as climate change and human rights/democracy NGOs. Other diplomatic postings included Chile, India, and Kenya with short-term postings to the UN in New York and Zambia. She was a Weatherhead Fellow at Harvard University and has a Master's degree in Public Administration and a BA (Hons) from Queens University in Kingston. She speaks English (mother tongue), Spanish and French. Ms. Fortier retired from the Company's Board of Directors on December 31, 2023.

Elaine Wong, *Director*

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

Monty Balderston, *Chief Financial Officer*

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

Alexander Chassels, *Chief Operating Officer*

Alex Chassels joined Greenlane in August 2022 as Chief Operating Officer. Prior to that, he was Vice President of Dorigo Systems from 2019 to 2021 and Vice President of Operations of Alpha Technologies Ltd from 2014 to 2019. Alex is a seasoned operations executive with over 20 years of global experience in technology development, manufacturing, and services. Through growing positions of responsibility and leadership with Creo, Kodak, and Alpha Technologies (an Enersys Company), he has developed a clear team-based approach to delivering the highest levels of customer satisfaction. Alex holds a BA in Philosophy (Magna Cum Laude) and Chemistry from the University of Arizona.

H. Maura Lendon, *Chief Legal Officer*

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

Steve Pratt, *Vice President, Engineering*

Steve Pratt joined Greenlane in May 2023 as Vice President, Engineering. Prior to joining Greenlane, Steve was the Vice President, Engineering at Vanrx Pharmasystems (acquired by Cytiva in February 2021) (November 2019 to February 2021), Head of Engineering, Aseptic Filling at Cytiva (February 2021- May 2023) and Director of Engineering at Alpha Technologies Ltd. (January 2010 to November 2019). Steve has over 30 years of engineering experience in technology and product development, process optimization and strategy deployment. He specializes in helping companies transition from project-to-product, building high-performing teams and developing solutions that exceed customer expectations. He holds a BE and ME in Mechanical Engineering from Stevens Institute of Technology.

Stephen Wortley, *Corporate Secretary*

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

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

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

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

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

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

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

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

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

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

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

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

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

CONFLICTS OF INTEREST

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

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

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

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

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

Regulatory Actions

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

TRANSFER AGENTS AND REGISTRARS

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

MATERIAL CONTRACTS

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

INTERESTS OF EXPERTS

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who prepared the independent auditor's report included with the Company's annual consolidated financial statements for the year ended December 31, 2023. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

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

Composition of the Audit Committee

As of the date of the AIF, the Company's Audit Committee members are Elaine Wong, David Demers and Wade Nesmith. All members of the Audit Committee for the year ended December 31, 2023 were "independent" and "financially literate" within the meaning of NI 52-110.

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

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

Relevant Education and Experience

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

Audit Committee Oversight

At no time since the commencement of the Company's financial year ended December 31, 2023 has the Audit Committee made any recommendations to the Board to nominate or compensate any external auditor that was not adopted by the Board.

Pre-Approval Policies and Procedures

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

External Auditor Services Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by PricewaterhouseCoopers LLP to the Company to ensure auditor independence. Fees incurred with PricewaterhouseCoopers LLP for the period ended December 31, 2023 and period ended December 31, 2022 for audit and non-audit services are outlined in the following table:

Nature of Services	Fees Billed by Auditor in Financial Year Ended December 31, 2023	Fees Billed by Auditor in Financial Year Ended December 31, 2022
Audit Fees[1]	$266,592	$181,199
Audit-Related Fees[2]	$Nil	$ Nil
Tax Fees[3]	$Nil	$Nil
All Other Fees[4]	$Nil	$Nil

Notes:

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

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

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, the Company's principal shareholders, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's most recently filed management information circular available on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in our consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2023.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

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

I. PURPOSE AND PRIMARY RESPONSIBILITY

1. Purpose

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

2. Primary Responsibility

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

II. MEMBERSHIP

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

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

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

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

III. AUTHORITY

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

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

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

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

IV. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee include:

1. Matters related to the external auditor:

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

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

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

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

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

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

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

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

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

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

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

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

2. Matters related to the financial statements and accounting:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) establishing procedures for:

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

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

3. Cybersecurity matters

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

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

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

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

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

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

4. Other matters

(a) Establishing procedures for:

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

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

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

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

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

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

V. MEETINGS

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

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

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

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

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

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

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

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

VI. REPORTS

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

VII. MINUTES

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

VIII. ANNUAL PERFORMANCE EVALUATION

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