Greenlane Renewables Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

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INTRODUCTION

This management's discussion and analysis ("**MD&A**") of Greenlane Renewables Inc. ("**Greenlane**" or the "**Company**") has been prepared by management as of November 8, 2022 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and with the audited consolidated financial statements for the year ended December 31, 2021 and the related notes thereto. All figures are expressed in Canadian dollars and all tabular amounts are in $000s, except where otherwise indicated. The three-month periods ended September 30, 2022 and 2021 are herein referred to as "**Q3**". The Company reports its unaudited condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

This MD&A refers to certain measures that are not standardized under IFRS, such as Adjusted EBITDA, Gross margin (before amortization of intangible assets), Sales Pipeline and Sales Order Backlog. These are specified financial measures used by Management to manage the Company and to assist readers with evaluating Company's performance, but do not have standardized meanings. To facilitate a better understanding of these measures presented by the Company, qualifications, definitions and reconciliations have been provided in the "Alternative Performance Measures" section of this MD&A.

Certain statements contained in this MD&A are forward-looking information within the meaning of applicable Canadian securities laws relating to the Company. Please refer to the sections of this MD&A regarding the risks associated with "Forward-looking Statements" and "Risks and Uncertainties" and under the heading "Risk Factors" in the Company's Annual Information Form ("**AIF**") dated March 30, 2022 for the year ended December 31, 2021 on file with the Canadian securities regulatory authorities. Additional information and disclosure relating to the Company including the AIF, can be found on the Company's website at www.greenlanerenewables.com and under the Company's profile on the SEDAR website at www.sedar.com. Information contained in or otherwise accessible through the Company's website does not form part of this MD&A.

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

CORE BUSINESS

Greenlane is focused on cleaning up two of the largest and most difficult-to-decarbonize sectors of the global energy system: the natural gas grid and the transportation sector. Greenlane is a leading global provider of biogas upgrading systems that create clean, low-carbon and carbon negative renewable natural gas ("**RNG**"), suitable for injection into the natural gas grid and for direct use as vehicle fuel. The business, acquired by the Company in June 2019, markets and sells under the Greenlane Biogas™ brand, biogas upgrading systems designed to remove impurities and separate carbon dioxide from bio methane in raw biogas created from organic waste at landfills, wastewater treatment plants, farms and food waste facilities. To the Company's knowledge, Greenlane is the only biogas upgrading company offering the three main technologies: water wash, pressure swing adsorption ("**PSA**"), and membrane separation. Greenlane's business has been built on over 30 years of industry experience, patented and proprietary technology, and over 135 biogas upgrading systems sold into 19 countries including some of the largest RNG production facilities in North America and Europe.

The acquisition of Airdep S.R.L. ("**Airdep**"), completed on February 1, 2022, extends the Company's offerings to both biogas desulfurization products using proprietary technology, of which Airdep has sold over 100 units, and air deodorization products. Refer to "Overview of the Biogas Upgrading Business" section for additional details.

UPDATES FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

Results

In the third quarter of 2022, the Company reported revenue of $19.9 million, a Gross margin (before amortization of intangible assets) of $4.9 million or 25% of revenue, net income of $0.6 million and Adjusted EBITDA of $0.4 million. Revenue for the three months ended September 30, 2022 was in line with the stage of completion on active and announced projects and represented a 48% increase over revenue of $13.4 million in the same quarter of 2021.

New contract wins of $13.5 million since June 30, 2022

On August 2, 2022, the Company announced new contracts with a combined value of $13.5 million (US$10.5 million) for the supply of its biogas upgrading technology for two landfill gas-to-RNG projects in South America. The contracts involve the supply of two water wash upgrading systems, the largest in its product line, each capable of processing enough landfill gas to produce up to approximately 850,000 MMBtu annually of pipeline specification RNG for commercial use. Order fulfillment commenced immediately on these contracts.

Deployment of development capital

On August 22, 2022, the Company announced its second deployment of development capital to a company focused on developing landfill gas-to-renewable natural gas projects. Funds to be advanced, on a milestone achievement basis, will be of approximately $0.7 million (US$0.5 million). The funds will be used to progress the development company's landfill gas-to-RNG project to construction financing, as well as to advance their pipeline of project development opportunities. For additional details, refer to the "Deployment of Development Capital Opportunities" section.

Increase in credit facilities

In July 2022, the Company increased its credit facility with Toronto-Dominion Bank ("**TD**") from $12.5 million to $20.0 million. The facility is secured by a guarantee from Export Development Canada ("**EDC**") to provide further guarantees and letters of credit to its customers for system supply contracts that require them.

Global supply chain challenges

The global supply chain challenges continue to impact Greenlane's ability to timely fulfill its contractual obligations in 2022. As a consequence, the Company continues to experience some downward pressure on Gross margin (before amortization of intangible assets), as first reported in the fourth quarter of 2021.

OVERVIEW OF THE BIOGAS UPGRADING BUSINESS

Greenlane designs, develops, sells and services a range of biogas upgrading systems that produce clean, low-carbon and carbon-negative RNG from biogas generated by organic waste sources including, but not limited to, landfills, wastewater treatment plants, dairy farms, and food waste. 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 vehicle fuel.

Each Greenlane biogas upgrading system is customer specific and typically has a standard core upgrading product with optional additional equipment as necessary for the particular application. Greenlane's biogas upgrading system supply contract values typically range from $2 million to $12 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. Some projects are design, install and commission, while others are design and commission only and in addition, the Company may secure an ongoing maintenance contract. The mix of models, scope and geography of each project impacts the overall project revenue.

Due to the long history of Greenlane branded products and Greenlane's prominent market position, geographic reach of its sales force and multi-technology offerings, the Company has visibility into proposed biogas upgrading projects around the world. Greenlane maintains a pipeline of prospective projects that it updates regularly based on quote activity to ensure that it is reflective of active sales opportunities that can convert into orders within approximately a rolling 24-month time horizon ("**Sales Pipeline**", i.e. known sales opportunities). At September 30, 2022, excluding potential opportunities for newly acquired subsidiary Airdep to sell biogas desulfurization and air deodorization products to third parties, the Sales Pipeline was valued at approximately $900 million (December 31, 2021: $850 million). Not all of these potential projects will proceed or proceed within the expected timeframe and not all of the projects that do proceed will be awarded to Greenlane. Additions to the amount in the Sales Pipeline come from situations where the Company provides a quote on a prospective project and reductions in the Sales Pipeline arise when a prospective opportunity is lost to a competitor, does not proceed or is converted to Greenlane's active order book.

The Company supplies biogas upgrading systems and maintenance services to a wide range of customers in the waste water, waste collection, agricultural, food waste, beverage, and pulp and paper industries. The Company manages the entire project life cycle from design and procurement through to on-site installation, commissioning and aftercare. The Company uses a capital light business model with fully outsourced manufacturing and components purchased through an extensive global supply chain.

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 track record of supplying biogas upgrading systems worldwide, which is longer and more extensive than any of its key competitors, while also, to the Company's knowledge, being the only company to offer multiple biogas upgrading technologies (water wash, PSA and membrane separation), which allows it to offer its customers an unbiased selection of the optimal technology or combination of technologies to provide the best outcome for the unique requirements of each customer's project. Greenlane's multi-technology approach is particularly compelling as more and more serial project developers enter the market whose portfolio of projects will have different requirements and demand different technology solutions. Greenlane has positioned itself as the go-to partner to grow with these serial developers no matter the project size, feedstock or global location.

In February 2022, the Company completed the acquisition of 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 brings in-house an effective and proven technology to remove hydrogen sulfide ("**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 adds an attractive line of products for sales into existing and new biogas projects globally, independent of the full biogas upgrading system. Over the last ten years since its founding, Airdep has deployed over 100 H_2S treatment 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 offers lower capital and operating costs than competing methods, and is especially compelling for use in higher flow, higher H_2S concentration applications. In addition to H_2S treatment products, Airdep also offers an extensive line of air deodorization products.

Through the acquisition, the Company expects to further strengthen its price competitiveness and margins by insourcing a technology that it would otherwise procure to integrate into its biogas upgrading systems. In addition, Greenlane can expand its scope of supply and increase its revenue in projects where customers would otherwise purchase the H_2S systems directly from others.

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 solutions and carbon-negative solutions to effectively divert increasing amounts of organic waste away from landfills and into a circular economy as the world's population continues to expand.

DEPLOYMENT OF DEVELOPMENT CAPITAL OPPORTUNITIES

In addition to its core business of selling biogas upgrading systems, the Company intends to add new recurring revenues and profits by adding exposure to lucrative RNG off-take contracts and by deploying development capital.

To date, the Company has made two deployments of development capital to companies focused on developing RNG projects. The deployment of pre-construction development capital has been made in the form of convertible promissory note loan agreements (the "**Loan Agreements**") with funds to be advanced on a milestone achievement basis. Under the terms of the Loan Agreements, Greenlane has the option to convert the notes into an equity interest in the development company in addition to realizing a return of capital.

In the second quarter of 2022, Greenlane signed its first agreement with a company focused on developing RNG projects, based on the dairy cluster model (whereby a digester and biogas upgrading system is installed at a host farm to which manure is transported from other farms nearby). The Company anticipates advancing up to approximately $1.2 million (US$0.9 million), on a milestone basis with this developer. As of September 30, 2022, $0.6 million (US$0.5 million) has been advanced. The funds will be used to progress the development company's dairy cluster project to construction financing, as well as to advance their pipeline of project development opportunities. The initial project planned by the development company is located in California and is estimated to generate over 80,000 MMBtu annually using a Greenlane supplied biogas upgrading system. The total project capital expenditure to be provided by third parties is expected to be approximately US$15.0 million.

In the third quarter of 2022, Greenlane signed an agreement with a company focused on developing landfill gas-to-RNG projects. The Company anticipates advancing up to approximately $0.7 million (US$0.5 million), on a milestone basis with this developer. As of September 30, 2022, $0.4 million (US $0.3 million) has been advanced. The funds will be used to progress the development company's landfill gas-to-RNG project to construction financing, as well as to advance their pipeline of project development opportunities. The initial project is located in the mid-western United States and is estimated to generate over 250,000 MMBtu annually using a Greenlane supplied biogas upgrading system. The total project capital expenditure to be provided by third parties is expected to be approximately US$18.0 million.

The projects' revenues are expected to be generated from the sale of physical gas and D3 Renewable Identification Numbers (D3 RINs) under the US Renewable Fuel Standard program (RFS), credits under California's Low Carbon Fuel Standard (LCFS) program or, alternatively, one or more long-term offtake agreements with natural gas utilities.

The Company plans to replicate these transactions with the objective of owning a small portion of a large number of RNG projects by partnering with project developers and owners to add value, reduce risks and build scale. The Company is currently in discussions with a number of counterparties on the further use of development capital.

SUMMARY OF QUARTERLY RESULTS

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

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

Revenue and corresponding costs from executing system sales contracts are recognized using the stage of completion method. Under the stage of completion method, contract revenues and expenses are recognized by reference to the stage of completion of contract activity where the outcome of the contract can be measured reliably, otherwise revenue is recognized only to the extent of recoverable contract costs incurred. A typical system sales contract (excluding Airdep product sales) has six stages of completion and a duration of nine to eighteen months, and therefore quarterly operating results can fluctuate significantly as a result of the timing of contract related work. The three months results ended September 30, June 30 and March 31, 2022 numbers reported in the table below include the results from newly acquired subsidiary Airdep (from February 1, 2022 onwards). Airdep system sales contracts are smaller in value and are completed over a shorter duration of time so are expected to have limited impact on future fluctuations in quarterly results.

(in $000s, except as noted)	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Revenue	$ 19,905	$ 18,091	$ 16,273	$ 17,124
Gross margin (before amortization of intangible assets)[1]	$ 4,942	$ 4,572	$ 4,021	$ 4,255
Operating loss	$ (822)	$ (2,653)	$ (1,458)	$ (951)
Other items[2]	$ (1,537)	$ (481)	$ 693	$ 320
Net income (loss)	$ 563	$ (2,172)	$ (2,151)	$ (1,195)
Earnings (loss) per share:				
Basic	$ 0.00	$ (0.01)	$ (0.01)	$ (0.01)
Diluted	$ 0.00	$ (0.01)	$ (0.01)	$ (0.01)
Adjusted EBITDA[3]	$ 415	$ (429)	$ 30	$ 274

(in $000s, except as noted)		Sep 30, 2021		Jun 30, 2021		Mar 31, 2021		Dec 31, 2020
Revenue	$	13,439	$	12,583	$	12,205	$	8,825
Gross margin (before amortization of intangible assets)[1]	$	3,373	$	3,224	$	3,284	$	2,363
Operating loss	$	(608)	$	(653)	$	39	$	(911)
Other items[2]	$	(660)	$	424	$	269	$	348
Net income (loss)	$	52	$	(1,077)	$	(230)	$	(1,181)
Earnings (loss) per share:								
Basic	$	0.00	$	(0.01)	$	0.00	$	(0.02)
Diluted	$	0.00	$	(0.01)	$	0.00	$	(0.02)
Adjusted EBITDA[3]	$	83	$	120	$	604	$	160

Notes:
1. Gross margin (before amortization of intangible assets) is calculated as revenue less cost of goods sold, excluding amortization
2. Other items represents finance expense, finance income, other non-operating income and foreign exchange
3. Adjusted EBITDA and Gross margin (before amortization of intangible assets) are non-IFRS measures, refer to " Alternative Performance Measures" for further information

REVIEW OF RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended September 30,			Nine months ended September 30,		
(in $000s, except as noted)	**2022**	2021	% Change	**2022**	2021	% Change
Revenue	**$ 19,905**	$ 13,439	48%	**$ 54,269**	$ 38,227	42%
Cost of goods sold	**14,963**	10,066	49%	**40,734**	28,346	44%
Gross margin (before amortization of intangible assets)[1]	**4,942**	3,373	47%	**13,535**	9,881	37%
Amortization of intangible assets	**652**	313	52%	**1,681**	936	44%
Gross profit	**4,290**	3,060	40%	**11,854**	8,945	33%
Operating expenses	**5,112**	3,668	39%	**16,695**	10,167	64%
Operating loss	**(822)**	(608)	-35%	**(4,841)**	(1,222)	-296%
Other items[2]	**(1,537)**	(660)	-132%	**(1,325)**	33	-4115%
Income (loss) before income taxes	**715**	52	1,275%	**(3,516)**	(1,255)	-180%
Current income taxes	**152**	-	100%	**152**	-	100%
Net income (loss)	**$ 563**	$ 52	982%	**$ (3,668)**	$ (1,255)	192%
Basic and diluted loss per share	**$ 0.00**	$ 0.00	-	**$ (0.03)**	$ (0.01)	-67%
Adjusted EBITDA[3]	**$ 415**	$ 83	400%	**$ 16**	$ 807	-98%

Notes:
1. Gross margin (before amortization of intangible assets) is calculated as revenue less cost of goods sold, excluding amortization
2. Other items represents finance expense, finance income, other non-operating income and foreign exchange
3. Adjusted EBITDA and Gross margin (before amortization of intangible assets) are non-IFRS measures, refer to " Alternative Performance Measures" for further information

As at *(in $000s)*	**September 30, 2022**	December 31, 2021
Total assets	**$ 83,035**	$ 78,786
Total current liabilities	**$ 24,605**	$ 21,938
Total long-term liabilities	**$ 4,274**	$ 367
Total shareholders' equity	**$ 54,156**	$ 56,481

For Q3 2022, revenue increased 48% to $19.9 million as compared to Q3 2021, driven by an increase in the number of active projects and the acquisition of Airdep in the first quarter of 2022. Gross margin (before amortization of intangible assets) was $4.9 million (24.8% of revenue), an increase of 47% over the Q3 2021 Gross margin (before amortization of intangible assets) of $3.4 million (25.1% of revenue). Adjusted EBITDA was of $0.4 million compared to $0.1 million in Q3 2021. Meanwhile, the Company realized net income of $0.6 million compared to $0.1 million in Q3 2021.

For the nine months ended September 30, 2022, revenue increased 42% to $54.3 million as compared to the same period of 2021. Gross margin (before amortization of intangible assets) was $13.5 million (24.9% of revenue), an increase of 37% over the 2021 Gross margin (before amortization of intangible assets) of $9.9 million (25.8% of revenue). Adjusted EBITDA was $16,000 compared to $0.8 million in 2021. Meanwhile, the Company incurred a net loss of $3.7 million compared to a net loss of $1.3 million in 2021.

Revenue

	Three months ended September 30,			Nine months ended September 30,		
(in $000s, except as noted)	**2022**	2021	% Change	**2022**	2021	% Change
System sales	**$ 18,517**	$ 12,666	46%	**$ 49,964**	$ 36,081	38%
Aftercare services	**1,388**	773	80%	**4,305**	2,146	101%
Total revenue	**$ 19,905**	$ 13,439	48%	**$ 54,269**	$ 38,227	42%

For Q3 2022, total revenue of $19.9 million was comprised of $18.5 million from system sales and $1.4 million from aftercare services, an increase of 48% as compared to Q3 2021. System sales of $18.5 million largely reflects revenue from 18 customer upgrader contracts (15 contracts in the comparative period), recognized in accordance with the stage of completion of projects. Included in system sales revenue for the current quarter was $1.7 million in revenue generated by Airdep. During the quarter the Company secured new upgrader contracts with an aggregate value of $13.5 million and began recognizing revenue from these contracts. Meanwhile for Q3 2022, aftercare services (preventative maintenance contract services) revenue increased 80% over Q3 2021 contributing $1.4 million in revenue.

During the nine months ended September 30, 2022, total revenue of $54.3 million was comprised of $50.0 million from system sales and $4.3 million from aftercare services, an increase of 42% as compared to the prior year period. System sales revenue of $50.0 million primarily reflects revenue from 18 customer contracts (15 contracts in the comparative period), recognized in accordance with the stage of completion of projects. Included in year-to-date system sales revenue was $3.9 million in revenue generated by Airdep. During the nine months ended September 30, 2022, the Company secured new system sales contracts with an aggregate value of $40.7 million and has begun recognizing revenue from these contracts. Year-to-date, aftercare services (preventative maintenance contract services) revenue increased 101% over the prior year period and contributed $4.3 million in revenue.

As at September 30, 2022, the Company's Sales Order Backlog (excluding Airdep) was $36.7 million, reflecting revenue on sales contracts that will be recognized as completion of the projects progress. Included in the Sales Order Backlog amount was $0.7 million in reduction in the contract value of two previously announced projects to reflect a slight reduction in project scope. Airdep's order backlog has not been included in the reported Sales Order Backlog, since their contracts are smaller in value and delivered over a significantly shorter period of time.

Cost of goods sold and gross profit

	Three months ended September 30,			Nine months ended September 30,		
(in $000s, except as noted)	**2022**	2021	% Change	**2022**	2021	% Change
Revenue	**$ 19,905**	$ 13,439	48%	**$ 54,269**	$ 38,227	42%
Cost of goods sold	**14,963**	10,066	49%	**40,734**	28,346	44%
Gross margin (before amortization of intangible assets)[1, 2]	**4,942**	3,373	47%	**13,535**	9,881	37%
Gross Margin %	***24.8%***	*25.1%*		***24.9%***	*25.8%*	
Amortization of intangible assets	**652**	313	108%	**1,681**	936	80%
Gross profit	**$ 4,290**	$ 3,060	40%	**$ 11,854**	$ 8,945	33%

Notes:

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

The Company predominantly utilizes a capital-light, fully outsourced manufacturing model whereby it outsources the fabrication of its systems, and purchases components globally from trusted supply chain partners who meet the Company's cost, quality and delivery requirements. The only exception to this is in relation to Airdep, where the assembly and a small amount of fabrication is performed in-house.

Cost of goods sold for Q3 2022 was $15.0 million (Q3 2021 - $10.1 million) and year-to-date was $40.7 million (2021 - $28.3 million), an increase from the comparative periods in the prior year directly related to the increase in revenue. Gross margin (before amortization of intangible assets) was 24.8% for the three months ended September 30, 2022 (Q3 2021 - 25.1%) and 24.9% for the nine months ended September 30, 2022 (2021 - 25.8%). The Company has a portfolio of projects all at different stages of completion and different gross margin levels.

Amortization of intangible assets was $0.7 million for the three months ended September 30, 2022 and $1.7 million for the year-to-date period, an increase of $0.3 million and $0.7 million, respectively from the comparative periods, reflecting amortization of intangible assets acquired from Airdep. A preliminary value of $6.2 million on acquisition has been estimated with respect to revenue backlog and know-how and is being amortized over an average preliminary estimated life of seven years.

Gross profit was $4.3 million for Q3 2022 (Q3 2021 - $3.1 million) and $11.9 million for the nine months ended September 30, 2022 (2021 - $8.9 million).

Operating expenses

	Three months ended September 30,			Nine months ended September 30,		
(in $000s, except as noted)	**2022**	2021	% Change	**2022**	2021	% Change
Amortization of property and equipment	**$ 146**	$ 83	76%	**$ 446**	$ 238	87%
General and administration	**3,733**	2,809	33%	**11,044**	7,697	43%
Research and development	**123**	256	-52%	**718**	476	51%
Sales and marketing	**671**	225	198%	**1,757**	1,002	75%
Share based compensation	**368**	295	25%	**1,556**	754	106%
Strategic initiatives	**71**	-	100%	**1,174**	-	100%
Total operating expenses	**$ 5,112**	$ 3,668	39%	**$ 16,695**	$ 10,167	64%

Operating expenses were $5.1 million for Q3 2022 (Q3 2021 - $3.7 million) and $16.7 million for the nine months ended September 30, 2022 (2021 - $10.2 million).

Of the total operating expenses for the three months ended September 30, 2022, salaries and benefits accounted for $3.0 million, up from $1.8 million in the comparative prior year quarter. For the nine months ended September 30, 2022, salaries and benefits were $8.4 million (2021 - $5.5 million). In view of the Company's extraordinary growth over the last two years, the Company is rapidly adding talented new team members while accelerating systemic and process enhancements. The Company continues to invest in building the Company and strengthening the team to position for further growth. An increase in the number of employees and average compensation of the Company's employee base driven by a regionally tight labour market, were primary contributors to the overall increase in general and administrative costs. In addition to the 14 employees added with the acquisition of Airdep in February 2022, the Company is consciously adding key staff that are critical to successfully execute on its strategic growth plans. At September 30, 2022, the Company had 122 employees and contractors (2021 – 75 employees): 89 employees based in Canada, 8 in England, 2 in France, 1 in Germany, 16 in Italy, 5 in the US and 1 in Brazil. Employee costs are recorded in general and administration, cost of sales, research and development, and sales and marketing.

The Company incurred other general and administration expenses (excluding salaries and benefits) of $1.6 million in Q3 2022 (Q3 2021 - $1.0 million) and $4.6 million for the nine months ended September 30, 2022 (Q3 2021 - $2.2 million), primarily due to increases in insurance and public company related expenses.

Research and development costs were $0.1 million for the three months ended September 30, 2022 (2021 - $0.3 million) and $0.7 million for the nine months ended September 30, 2022 (2021 - $0.5 million) reflecting internal labour costs and external consultancy fees associated with ongoing initiatives to enhance the Company's product offerings.

Sales and marketing expenses which includes salaries and benefits for sales personnel, as well as marketing and promotion costs to improve the Company's branding and costs associated with attending sales conferences increased to $0.7 million for the three months ended September 30, 2022 from $0.2 million for the same period of the prior year and to $1.8 million for the nine months ended September 30, 2022 (2021 - $1.0 million), as a result of increased headcount and higher travel costs in the current year period.

Share-based compensation of $0.4 million was recognized during Q3 2022 (Q3 2021 - $0.3 million) and $1.6 million for the nine months ended September 30, 2022 (2021 - $0.8 million) relating to employee stock option awards and restricted share units granted.

Strategic initiative costs were $0.1 million for the three months ended September 30, 2022 (Q3 2021 - $nil) and $1.2 million for the nine months ended September 30, 2022 (2021 - $nil) primarily representing costs associated with pursuing acquisition opportunities and to a lesser extent costs relating to the deployment of development capital initiatives (see "Deployment of Development Capital Opportunities"). On June 1, 2022, the Company was successful in completing its first deployment of development capital, as such it has stopped classifying associated costs as strategic initiatives given the initiative has been commercialized.

Other items

During the three months ended September 30, 2022 the Company recognized income from other items of $1.5 million (Q3 2021 - $0.7 million). During the nine months ended September 30, 2022, the Company recognized income from other items of $1.3 million (2021 - loss of $33,000) as follows:

	Three months ended September 30,			Nine months ended September 30,		
(in $000s, except as noted)	**2022**	2021	% Change	**2022**	2021	% Change
Finance expense	**$ 24**	$ 9	167%	**$ 69**	$ 78	-12%
Finance income	**(46)**	-	-100%	**(80)**	-	-100%
Other income	**-**	-	-	**-**	(209)	100%
Foreign exchange (gain) loss	**(1,515)**	(669)	-126%	**(1,314)**	164	-901%
Total other items	**$ (1,537)**	$ (660)	-133%	**$ (1,325)**	$ 33	-4,115%

Foreign exchange gain of $1.5 million for the three months ended September 30, 2022 (Q3 2021 - $0.7 million) and $1.3 million for the nine months ended September 30, 2022 (2021 – loss of $0.2 million) was primarily due to the majority of the Company's contracted revenue being in the US, the US dollar strengthening against the Canadian dollar and the gains recorded on the Company's US dollar bank account and US accounts receivable balance.

LIQUIDITY AND CAPITAL RESOURCES

	Nine months ended September 30,	
(in $000s)	**2022**	2021
Net cash provided by (used in):		
Operating activities	**$ 417**	$ (6,470)
Investing activities	**(10,420)**	(87)
Financing activities	**(172)**	25,683
Net increase (decrease) in cash	**$ (10,175)**	$ 19,126

At September 30, 2022 the Company had cash and cash equivalents of $21.3 million (December 31, 2021: $31.5 million). Cash and cash equivalents consist of cash and cash deposits that are redeemable prior to maturity on demand and without economic penalty to the Company. The Company's exposure to credit risk on its cash and call deposits is limited by maintaining all cash and call deposits with major banks with high credit ratings.

At September 30, 2022 the Company had $1.7 million recorded as restricted cash (December 31, 2021: $1.7 million), reflecting US$1.2 million held in a cash deposit as partial security for a performance bond and $0.1 million cash deposit for security on the Company's credit cards. See "Off Balance Sheet Arrangements" for further details.

Operating activities

Year-to-date, the Company generated $0.4 million (2021 - $6.5 million) in cash from operating activities. Cash generated from operating activities before non-cash working capital was $0.2 million (2021 - $0.7 million).

Working capital is defined as current assets minus current liabilities. Readers are cautioned that differences in businesses and the timing of transactions, amongst other things, may not make working capital balances directly comparable between companies. At September 30, 2022, the Company had a consolidated working capital, including cash and cash equivalents, of $29.6 million (December 31, 2021: $39.1 million). The Company aims to ensure that projects are generally in a cash flow positive position (i.e. billings to customers are collected in advance of payments to suppliers) as a strategy to minimize project working capital requirements.

Management believes that its working capital and liquidity strategies are sufficient to fund non-discretionary expenditures over the near term. The Company has no significant commitments for capital expenditures.

Investing activities

Year-to-date, the Company used $10.4 million (2021 - $0.1 million) in cash for investing activities. Net cash used included:

- strategic initiative costs of $1.2 million;
- the net investment of $7.7 million for the acquisition of Airdep (includes the payment of $7.9 million in cash and $0.8 million for post-closing working capital adjustments, net of Airdep's cash on hand at closing of $1.0 million);
- the gross investment of $1.2 million in convertible promissory notes (see "Deployment of Development Opportunities" section); and
- the purchase of property and equipment of $0.4 million, primarily within Airdep.

Financing activities

Year-to-date, the Company used $0.2 million (2021 – generated $25.7 million) in cash for financing activities, primarily for repayment of facilities leases.

CONTRACTUAL OBLIGATIONS

The Company has contractual obligations as at September 30, 2022 of $27.3 million:

(in $000s)	Carrying amount	Contractual cash flow	Less than 12 months	2 – 5 years
Accounts payable and accrued liabilities	$ 22,139	$ 22,139	$ 22,139	$ -
Contract liabilities	816	-	-	-
Deferred consideration – share issuance[1]	669	-	-	-
Lease liability	1,199	1,259	289	970
Warranty liability	1,013	-	-	-
Deferred consideration – contingent earn-out[2]	1,431	1,431	-	1,431
Total contractual cash flow	$ 27,267	$ 24,829	$ 22,428	$ 2,401

Notes:
1. Deferred consideration – share issuance is to be settled in common share of the Company.
2. Deferred consideration – contingent consideration is to be settled in cash or a combination of cash and common shares of the Company, at the Company's option.

USE OF PROCEEDS FROM THE 2021 AND 2020 OFFERINGS

2021 Bought Deal Offering

On January 27, 2021, the Company completed a bought deal offering ("**2021 Bought Deal Offering**") through the issuance of 12,190,000 common shares, including 1,590,000 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 ($24.5 million net). The Company's Prospectus (non-pricing) Supplement, dated January 21, 2021, contained certain disclosure in respect of the Company's intended use of the proceeds from the equity financings as of such date. As disclosed in that document, the Company expects to use the proceeds for development of and investments in new RNG projects, for strategic growth initiatives, and for general corporate purposes (including the Company's ongoing business initiatives) and working capital. There have been no changes to the Company's planned use of proceeds at this time.

A summary of the actual use of proceeds from January 27, 2021 to September 30, 2022 against the disclosed anticipated uses is set forth in the table below.

Use of proceeds *(in $000s)*		Planned spend		Spent to Sep 30, 2022
Development of and investment in new RNG projects	$	8,000	$	1,051
Strategic growth initiatives (including pursuing attractive acquisition opportunities as the industry consolidated, adding system capabilities for hydrogen production as markets develop and strategic alliances to expand the Company's upgrading technology solutions)		8,500		8,500
General corporate purposes and working capital		8,500		8,500
Total	$	24,500	$	17,509

On February 1, 2022 the Company completed the acquisition of Airdep for a cash payment of $7.9 million (€5.5 million) utilizing all remaining funds allocated to strategic growth initiatives as well as $0.6 million allocated to general corporate purposes and working capital (working capital adjustment and net financial position payment made in the second quarter came from free cash and any additional amounts to fund any future earn-out payments are expected to come from free cash or, at the Company's option, from the issuance of shares).

During the nine months ended September 30, 2022 the Company used $1.1 million of funds allocated to the development of and investment in new RNG projects with the Company's deployment of development capital. Total funds to be deployed under the agreements are up to $1.9 million (US$1.4 million), expected to be funded further from proceeds allocated towards the development of and investment in new RNG projects. See "Deployment of Development Capital Opportunities" for further details.

There are no variances from the planned spend noted in the table above.

February 2020 Public Offering

On February 19, 2020, the Company closed an underwritten public offering through the issuance of 23,000,000 units (each unit was comprised of one common share and one-half of one common share warrant), including 3,000,000 units issued pursuant to the underwriters' full exercise of their over-allotment option, at a price of $0.50 per unit for gross proceeds of $11.5 million ($10.3 million net). The Company's Prospectus (non-pricing) Supplement, dated February 12, 2020, contained certain disclosure in respect of the Company's intended use of the proceeds from the equity financings as of such date. As disclosed in that document, the Company planned to use the net proceeds on a payment to Pressure Technologies against the outstanding promissory note, investments in the Company's "develop, build, own and operate" business model and for general corporate purposes and working capital.

A summary of the actual use of proceeds from February 19, 2020 to September 30, 2022 against the disclosed anticipated uses is set forth in the table below.

Use of proceeds *(in $000s)*		Planned spend		Spent to Sep 30, 2022
Investments by the Company in its develop, build, own and operate business models	$	3,500	$	63
Payment to Pressure Technologies against promissory note		3,500		3,614
General corporate purposes and working capital		3,400		3,400
Total	$	10,400	$	7,077

The variance of $0.1 million in the payment against the promissory note is a result of the requirement to repay accrued interest ($0.2 million) on the principal repaid, offset in part by a foreign exchange gain ($0.1 million) in principal repayment. This had not been included in the planned spend because the requirement to repay accrued interest was unconfirmed at that time, as disclosed in the 2020 Prospectus.

The deployment of funds for the Company's "develop, build, own and operate" business model was to be used toward the previously announced joint venture with SWEN Impact Fund for Transition, however with uptake in the market slower than expected for this business model, the Company expects to redirect these funds to the deployment of development capital (see "Deployment of Development Capital Opportunities"). Any material variance in the use of proceeds will be subsequently disclosed.

INDUSTRY OUTLOOK

The biogas upgrading market is anticipated to grow, driven by increasing demand for RNG caused primarily by a movement towards combatting climate change by reducing greenhouse gas emissions supported by government mandates and demand from businesses, utilities, organizations and individuals for use of RNG as a transportation fuel and to replace fossil natural gas in the pipeline distribution network. As a global leader in the biogas upgrading business, Greenlane expects to benefit from this trend.

The Company plans to continue to scale up its operations as it continues to win a greater number of new upgrader projects, search out consolidation opportunities in the highly-fragmented biogas upgrading industry and expand Greenlane's business beyond equipment sales to also include recurring revenue and profits from RNG projects through deployment of development capital (refer to "Deployment of Development Capital Opportunities"). Following the completion of the 2021 Bought Deal Offering and earlier February 2020 Public Offering, the Company has raised funds to support these growth initiatives, see "Use of Proceeds from the 2021 and 2020 Offerings" for details of the intended use of proceeds from the two capital raises.

RELATED PARTY TRANSACTIONS

Key management includes Directors, the Chief Executive Officer and the Chief Financial Officer, who have the authority and responsibility for the planning, directing and controlling the activities of the Company. The remuneration paid and payable to these key management personnel for the three and nine months ended September 30, 2022 and 2021 is outlined below:

	Three months ended September 30,		Nine months ended September 30,	
(in $000s)	**2022**	2021	**2022**	2021
Non-executive directors fees	**$ 102**	$ 128	**$ 308**	$ 279
Salaries and short-term benefits	**308**	258	**1,145**	770
Share based compensation	**147**	122	**444**	386
	$ 557	$ 508	**$ 1,897**	$ 1,435

OFF BALANCE-SHEET ARRANGEMENTS

At September 30, 2022, the Company had $12.4 million in off-balance sheet financing, comprised of $7.3 million representing an advance payment bond and performance bond and $3.1 million in standby letters of credit. The Company was required to provide a cash deposit of $1.5 million, classified as restricted cash, to partially secure its advance payment bond. Upon demand of any of the advance payment bond, performance bonds or standby letters of credit, the Company would be required to compensate Atlantic Specialty Insurance Company ("**ASIC**"), EDC or TD for any losses and expenses, as applicable.

In July 2022, the Company entered into a new $20.0 million credit facility with TD secured by a guarantee from EDC to provide further guarantees and letters of credit to its customers for system supply contracts that require them. The Company anticipates issuing up to a maximum of $17.7 million in letters of credit to meet current contractual obligations.

CRITICAL ACCOUNTING POLICIES AND MANAGEMENT ESTIMATES

Preparing financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Company's significant accounting policies and key sources of estimation uncertainty are those that affect its financial statements and are summarized in Notes 3, 4 and 5 of the consolidated financial statements for the year ended December 31, 2021. Except for the judgements applied in accounting for the business acquisition of Airdep, there have been no changes since December 31, 2021. Critical accounting policies and estimates in the period included revenue recognition for system sales contracts, the preliminary estimation of the fair values of assets acquired and liabilities assumed and valuation of deferred consideration following the acquisition of Airdep, the assessment of impairment of long-lived assets and goodwill, measurement of financial instruments and the recognition of provisions and contingent liabilities.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Refer to the year ended December 31, 2021 MD&A for details of the financial instruments and related risks. During the three and nine months ended September 30, 2022, the Company entered into Loan Agreements (refer to "Deployment of

Development Capital Opportunities"), representing deployment of pre-construction development capital to two companies focused on developing renewable natural gas projects. Under the terms of the Loan Agreements, the Company has the option to convert the funds advanced under the Loan Agreements into an equity interest in the development company in addition to realizing a return of capital. The funds advanced under the Loan Agreements have been recorded at fair value through the profit and loss, in accordance with IFRS 9, Financial Instruments. The value attributable to the conversion feature is currently assessed as nil as the projects are still in development.

There have been no other changes in the types and methodology of valuation of financial instruments since December 31, 2021.

FUTURE ACCOUNTING STANDARDS

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

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, management is responsible for establishing and maintaining adequate disclosure controls and procedures ("**DCP**") and internal controls over financial reporting ("**ICFR**"). The Company's CEO and CFO have designed or caused to be designed under their supervision, the DCP that provide reasonable assurance that (i) material information relating to the Company is made known to the Company's CEO and CFO by others, and (ii) information required to be disclosed by the Company in its filings under securities legislation is recorded, processed, summarized and reported within the time periods specified under applicable securities legislation. The CEO and the CFO have also designed or caused to be designed under their supervision the ICFR to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The scope of the Company's internal control over financial reporting or disclosure controls and procedures for the period covered by this report excludes Airdep. The acquisition of Airdep was completed on February 1, 2022, and Management proceeded to integrate the operations and administration of the business immediately thereafter. Although Airdep is currently subject to similar controls as the Company's other operations for the consolidation and financial reporting of period-end results, the Company will formally expand its ICFR and DCP to include Airdep in the first quarter of 2023. The acquisition of Airdep was $12.1 million in net assets (22%), $5.0 million of consolidated revenues (9% for the nine months ended September 30, 2022), and $1.3 million of net earnings for the nine months ended September 30, 2022.

During the period from July 1, 2022, to September 30, 2022, there was no change to the ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

OUTSTANDING SHARE INFORMATION

As of November 8, 2022, on a fully diluted basis, the Company had the following common shares, stock options, and restricted share units outstanding:

Common shares	152,040,781
Stock options	7,077,673
Restricted share units	1,968,888

At September 30, 2022, 151,208,368 common shares were outstanding.

ALTERNATIVE PERFORMANCE MEASURES

Specified financial measures

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

Gross margin (before amortization of intangible assets)

Gross margin (before amortization of intangible assets) is a non-IFRS measure and is defined by the Company as gross profit before amortization of intangible assets.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined by the Company as earnings before interest, taxes, foreign exchange, and amortization, as well as adjustments for other income (expense), value assigned to options and RSU's granted, strategic initiatives, and non-recurring items.

Reconciliation of net income (loss) and comprehensive income (loss) to Adjusted EBITDA

	Three months ended September 30,		Nine months ended September 30,	
(in $000s)	**2022**	2021	**2022**	2021
Net income (loss) and comprehensive income (loss)	**$ 176**	$ 11	**$ (4,572)**	$ (1,273)
Add (deduct):				
Exchange difference on translating foreign operations	**387**	41	**904**	18
Current income tax expense	**152**	-	**152**	-
Foreign exchange (gain) loss	**(1,515)**	(669)	**(1,314)**	164
Other income	**-**	-	**-**	(209)
Finance income	**(46)**	-	**(80)**	-
Finance expense	**24**	9	**69**	78
Share-based compensation	**368**	295	**1,556**	754
Strategic initiatives	**71**	-	**1,174**	-
Professional fees related to the Shelf Prospectus and other matters	**-**	-	**-**	101
Amortization of property and equipment	**146**	83	**446**	238
Amortization of intangible assets	**652**	313	**1,681**	936
Adjusted EBITDA	**415**	83	**16**	807

Sales Order Backlog

Sales Order Backlog is a supplementary financial measure that refers to the balance of unrecognized revenue from contracted biogas upgrading system supply projects. The Sales Order Backlog increases by the value of new system sales contracts and is drawn down over time as projects progress towards completion with amounts recognized in revenue (by reference to the stage of completion of each contract).

Sales Pipeline

Sales Pipeline is a supplementary financial measure that refers to the cumulative amount of prospective projects that the Company updates regularly based on quote activity to reflect sales opportunities that could convert into orders within approximately a 24 month horizon.

Additions to the amount in the Sales Pipeline come from situations where the Company provides a quote and reductions to the amount in the Sales Pipeline arise when the Company loses a quote or bid, the project owner decides not to proceed with the project or, where a quote in the pipeline is converted to the order book (Sales Order Backlog).

RISKS AND UNCERTAINTIES

Greenlane's business is exposed to risks and uncertainties that affect its outlook, results of operations and financial position. The risks and uncertainties described below are not the only ones that Greenlane faces. Additional risks and uncertainties, including those that management is not currently aware of or that management currently deems immaterial, may also adversely affect Greenlane's business. Please refer to the heading "Risk Factors" in the Company's AIF and the Shelf Prospectus (a short form base shelf prospectus filed in June 2021) which can be found on the SEDAR website at www.sedar.com.

Macroeconomic and geopolitical risks and uncertainties that impact Greenlane's business include: the uncertain and unpredictable condition of the global economy; the effects of the Russia-Ukraine war and related economic and political sanctions on global fuel sources and supply chains; significant markets for RNG may develop more slowly than expected; changes in government policies and regulations could hurt the market for Greenlane's products; competition from other developers and manufacturers of biogas upgrading products could reduce Greenlane's market share or reduce its Gross margins; technological advances or the adoption of new codes and standards could impair Greenlane's ability to deliver its products and fluctuations in foreign exchange rates could impact Greenlane's revenues and costs.

The general rate of inflation impacts the economies and business environments in which Greenlane operates. Increased inflation and any recessionary or adverse economic conditions resulting from governmental attempts to reduce inflation, such as the imposition of higher interest rates or wage and price controls, may negatively impact Greenlane's costs and margins, the demand for and competitiveness of its products and services, and its ability to win new sales, the ability of its customers to obtain financing and to timely pay Greenlane, the financial ability of Greenlane's suppliers, and could, accordingly have a material adverse effect on Greenlane's business, financial condition and results of operations.

On March 11, 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a global pandemic. The Company continues to operate its business at this time. As the COVID-19 pandemic continues to evolve, the Company's business may be impacted, 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 Company also faces many operating risks and uncertainties, including but not limited to: Greenlane may not be able to implement its business strategy; Greenlane's biogas upgrading systems may fail performance expectations; unexpected disruptions may affect project developments and operations; there is no assurance that Greenlane's strategic growth initiatives or opportunities will lead to increased revenues or profitability; Greenlane may face competition for the attraction and retention of skilled personnel and may be unable to hire sufficient staff to keep pace with operational demands; competition in the biogas industry may increase and Greenlane may have greater competition for future business; Greenlane may not be able to obtain insurance or the insurance placed may not be sufficient to cover losses; Greenlane could be liable for environmental damages resulting from its activities; Greenlane's strategy for the sale of biogas upgrading products depends on developing partnerships with component manufacturers related to its water wash, PSA and membrane biogas upgrading systems and market channel partners who incorporate Greenlane's products into their projects; Greenlane is reliant on third party suppliers for key materials and components for its products; Greenlane may not be able to manage the expected expansion of its operations; Greenlane's deployment of development capital may not result in the benefits expected; Greenlane sells its products in many different countries which have different rules and regulations; Greenlane will need to recruit, train and retain key management and other qualified personnel in a highly competitive labour market to successfully operate and expand its business and it may not be able to do so at a rate to keep pace with the fast expanding market; the acquisition of Airdep and any other technologies or companies that Greenlane might acquire in the future could disrupt its business or otherwise not realize the benefits anticipated for which Airdep and any other acquisitions were made; any failures of Greenlane's products could negatively impact its customer relationships and increase its costs; Greenlane's intellectual property could be compromised which could adversely affect its business; potential customers could reduce their spending on biogas upgrading projects; Greenlane may not be able to maintain the necessary liquidity level or secure the financing necessary to fulfill its business plan; and financing may not be available on favorable terms.

The Company's estimates of Sales Order Backlog are subject to normal commercial risks which include, without limitation, the ability of the Company's customers to secure required financing or permitting approvals and the ability of the Company's suppliers in its supply chain to deliver on time and on specification. Delays in completion of projects representing the Company's Sales Order Backlog may result in revenues from these contracts being deferred to future financial periods. In addition, the contracts that we enter into may provide the customer with the ability to terminate with prescribed threshold payments based on length of time or progress made since the contract was entered into. Determinations by customers to exercise these termination rights could result in the Company earning less revenues than indicated by the amount of the Sales Order Backlog.

The Company's estimates of qualified prospective projects that management believes could convert into orders within approximately 24 months, which is referred to as the Company's Sales Pipeline, are estimates only and should be evaluated by investors in this context. These estimates represent management's expectations as to the amount or the number of contracts to be signed and are estimates only as to the possible prospective market. There can be no assurance that management's expectations are an accurate assessment of the potential market or that these potential projects will proceed or will proceed within the expected timeframe. In addition, it is anticipated that the Company will be successful in securing only a portion of the available projects that are judged to be within the Company's potential Sales Pipeline. Specifically, it is anticipated that not all of these sales opportunities will be available to the Company, that the Company may determine not to pursue these opportunities or, if pursued, that these opportunities may not result in biogas upgrading contracts being awarded to the Company.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements, including statements regarding the future success of the Greenlane business, technology and market opportunities. Forward-looking statements typically contain words such as "believes", "expects", "anticipates", "plans", "continues", "could", "indicates", "will", "intends", "may", "projects", "schedules", "estimates", "would", "continues to" or the negative of these terms, or similar expressions suggesting future outcomes or events, or the continuation of present facts into future periods, although not all forward-looking statements contain these identifying words. Examples of such statements include, but are not limited to, statements concerning: expected progress for the fulfillment of contracts for biogas upgrading systems and the timing of revenue recognition; the potential impact of COVID-19 on the Company's business; that the Company anticipates advancing approximately $1.2 million and $0.7 million in its first and second deployment of development capital projects, respectively and that the funds will be advanced to the developers on a milestone achievement basis and will be used to progress biogas projects to construction financing and advance project development opportunities; the expectations for these initial development capital projects are to generate over 80,000 MMBtu and over 250,000 MMBTU annually, respectively and their expected revenue to be generated from the sale of D3 Renewable Identification Numbers under the US Renewable Fuel Standard program, credits under California's Low Carbon Fuel Standard program, and the physical gas commodity; that third parties are expected to provide the total project capital expenditure of approximately US$15 million and US $18 million for the first and second deployment of development capital projects, respectively; that the Company expects to direct funds from its 2020 public offering to the deployment of development capital; that the Company intends to add new recurring revenues and profits by adding exposure to lucrative RNG off-take contracts and by deploying development capital; that global supply chain challenges continue to impact the Company's ability to timely fulfill contractual obligations; that the Company has visibility into proposed biogas upgrading projects around the world that is reflective of sales opportunities that can convert into orders; the Company is consciously adding key staff that are critical to successfully execute on its strategic growth plans; the Company plans to continue to scale up its operations as it continues to win a greater number of new upgrader projects, search out consolidation opportunities and expand the Company's business; the anticipated benefits of acquiring Airdep and its technologies including that the Company will be able to enhance its global offerings and expand sales globally; that the acquisition will further strengthen the Company's price competitiveness and margins, the key market drivers impacting the Company's success; intentions and expectations with respect to future biogas upgrading projects and development work; the Company anticipates issuing up to $17.7 million in letters of credit to meet current contractual obligations; trends in, and the development of, the Company's target markets including regulatory policies and legislation; that the market for the Company's products is expected to grow and that the Company expects to benefit from this trend; the benefits of the Company's products; expectations regarding competitors; the expected impact of the described risks and uncertainties; and that management believes that its working capital and liquidity strategies are sufficient to fund non-discretionary expenditures over the near term.

These statements are neither promises nor guarantees but involve known and unknown risks and uncertainties that may cause the Company's actual results, level of activity or performance to be materially different from any future results, levels of activity or performance expressed in or implied by these forward-looking statements. These risks include, generally, risks related to revenue growth including the ability to add key staff and scale up operations, the impact of increasing inflation and interest rates, operating results, industry and products, technology, competition, regulatory policies, the availability of skilled personnel; the ability of the Company to identify sales opportunities and convert opportunities into committed contracts; the implementation and results from the deployment of development capital and their ability to provide the Company with recurring revenue streams, the ability of the Company to realize the benefits of the Airdep acquisition, the effects of the Russia-Ukraine war and related economic and political sanctions on global fuel sources and supply chains; the economy and other factors. Although the forward-looking statements contained herein are based upon what management believes to be current and reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. Examples of such assumptions include but are not limited to: trends in certain market segments and the economic climate generally; the impact of COVID-19 on the global supply chain including shipping, material supplies and inflation; the pace and outcome of technological development and the expected actions of competitors and customers; the actions of governments in response to economic conditions and to combat climate change. The forward-looking statements contained herein are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement and the Risks and Uncertainties in this MD&A and other referenced public disclosure. Except to the extent required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements contained herein.