GREENLANE RENEWABLES™

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2022

Greenlane Renewables Inc.
Suite 110, 3605 Gilmore Way
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This annual information form is dated March 9, 2023. The information contained in this annual information form is current as of December 31, 2022 with subsequent events disclosed to March 9, 2023.

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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 9, 2023. The information contained in this AIF is current as of December 31, 2022 with subsequent events disclosed to March 9, 2023.

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 anticipated cash needs and its need for additional financing;
- the Company's ability to convert its Sales Pipeline of prospective biogas upgrading opportunities into revenue;
- 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;
- the Company's efforts regarding strategic growth initiatives;
- the Company's future growth plans;
- the effects of the COVID-19 pandemic on the Company, including global shipping delays;
- the 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:

- those relating to general economic conditions;
- those related to the Company's Sales Pipeline of known sales opportunities;
- the Company being successful in earning revenues from the Company's present Sales Order Backlog;
- the satisfaction by the Company's customers of conditions precedent relating to current contracts with the Company for future biogas upgrading projects;
- legislative and regulatory environments where the business of the Company operates including Canada, the United States and Europe;
- the impact of the current COVID-19 pandemic on the Company's operations;
- the realization of future growth plans;
- the impact of increasing competition; and
- the Company's ability 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:
    - there is no guarantee the Company's Sales Pipeline will convert into orders or Sales Order Backlog will convert into revenues without being deferred into future financial periods;
    - managing and developing relationships with customers;
    - reliance on key suppliers as well as global supply chain and shipping challenges affecting the timeliness and cost competitiveness of supply of components;
    - management of growth;
    - retention and acquisition of skilled personnel;
    - competition in the biogas upgrading industry;
    - the Company's biogas upgrading systems may fail to meet performance expectations;
    - engineering liability;
    - product liability claims;
    - dependence on and protection of intellectual property;
    - force majeure events including pandemic, natural disaster, labour disruption and war;
    - unexpected disruptions affecting project developments and operations;
    - risks relating to strategic growth initiatives, including the deployment of development capital, other equity investments, strategic alliances, continual improvement initiatives and expansion in foreign markets;
    - risks relating to acquisitions;
    - failure to secure additional financing;
    - reliance on permits and authorizations and delays in receiving such permits and authorizations;
    - demand for renewable energy;
    - regulatory risks, including changes to national and local legislation;

- environmental risks;
- anti-bribery laws;
- cybersecurity risks;
- legal proceedings;
- global economy;
- 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 negative cash flow from operations;
  - fluctuations in operating results and cash flow;
  - foreign sales and foreign currency fluctuations;
  - capital requirements associated with expanded operations;
  - estimates or judgments relating to critical accounting policies;
  - operating claims;
  - insurance risks;
  - inflation;
  - tax risks; and
  - risks associated with internal controls.
- Risks related to the Common Shares:
  - market for Common Shares;
  - no history of payment of cash dividends; 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:

"**2019 Shelf Prospectus**" means a base shelf prospectus filed by the Company on July 31, 2019 including its supplements, pursuant to which the Company's issuance of Common Shares and QT Warrants was qualified and the 2020 Offering and the 2021 Offering were effected;

"**2020 Offering**" has the meaning ascribed thereto in "General Development of Business – Three Year History – 2020 Shelf Prospectus Offering";

"**2021 Annual MD&A**" means the Company's management's discussion and analysis for the year ended December 31, 2021;

"**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";

"**2022 Annual MD&A**" means the Company's management's discussion and analysis for the year ended December 31, 2022;

"**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, 2022;

"**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**" 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";

"**COVID-19**" means the novel coronavirus, the global outbreak of which was declared a pandemic by the World Health Organization in March 2020;

"**Creation Partners**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Framework Agreement";

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

"**Framework Agreement**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Framework Agreement";

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

"**Greenlane Biogas**" means the brand name of the products and services previously sold by PT Biogas and its wholly-owned subsidiaries, now sold by Greenlane;

"**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";

"**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";

"**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;

"**PT Disposition**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Framework Agreement";

"**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";

"**Right to Direct Sale Agreement**" means an agreement entered into in connection with the Acquisition that entitled the Company to require Pressure Technologies to sell up to 4,354,500 Common Shares beneficially owned by Pressure Technologies to certain employees, consultants, officers and directors of the Company at a price of $0.60 per Common Share;

"**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 "Overview of Business";

"**Sales Pipeline**" has the meaning ascribed thereto in "Overview of Business";

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

"**SPA**" means the share purchase agreement (the "**SPA**") between the Company and Pressure Technologies dated April 1, 2019, as amended on May 10, 2019 pursuant to which the Company completed the Acquisition of PT Biogas and its wholly owned subsidiaries;

"**SWEN**" means SWEN Capital Partners as further described in "General Development of Business – Three Year History – Upgrading as a Service;

"**SWIFT**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Upgrading as a Service";

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

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

"**UaaS**" has the meaning ascribed thereto in "General Development of Business – Three Year History – Upgrading as a Service";

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

"**Units**" has the meaning ascribed thereto in "General Development of Business – Three Year History – 2020 Shelf Prospectus Offering"; and

"**Warrant**" has the meaning ascribed thereto in "General Development of Business – Three Year History – 2020 Shelf Prospectus Offering".

CORPORATE STRUCTURE

Name, Address and Incorporation

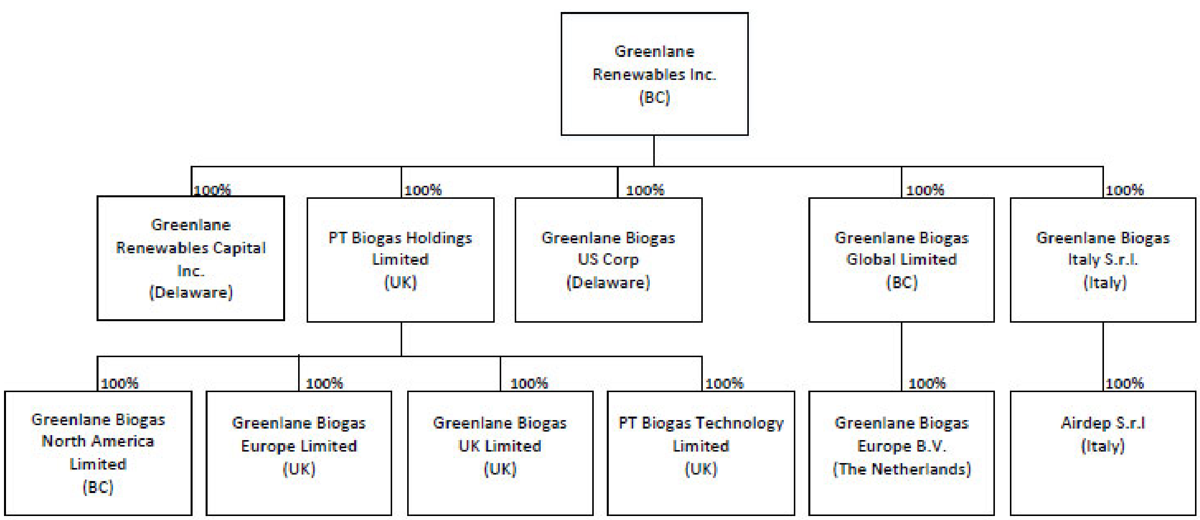
The Company was incorporated under the BCBCA on February 15, 2018 under the name "Creation Capital Corp." The Company was a "capital pool company" that completed its initial public offering on the TSXV on October 29, 2018. On June 3, 2019, the Company completed the acquisition of PT Biogas from Pressure Technologies which qualified as the Company's qualifying transaction (the "**Qualifying Transaction**" or the "**Acquisition**") under 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 Monteviale, Vicenza, Italy, and additional sales and service personnel in the United States, 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 QT Warrants were listed on the TSX under the trading symbol "GRN.WT" from August 13, 2019 until their expiry on June 3, 2021. The listing of the Common Shares and the QT Warrants graduated from the TSXV to the TSX on February 17, 2021. 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 cleaning up 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 renewable natural gas, suitable for injection into the natural gas grid and for direct use as vehicle fuel. The biogas upgrading systems, marketed and sold by the Company under the Greenlane Biogas brand, remove impurities and separate carbon dioxide from biomethane in the raw biogas created from the anaerobic decomposition of organic waste at landfills, wastewater treatment plants, farms, food waste streams, and other feedstock sources. 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 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 140 biogas upgrading systems sold into 19 countries, including for many of the largest RNG production facilities in the world, and over 140 biogas desulfurization units sold.

The market for Greenlane's products and services 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 divert organic waste away from landfills and into a circular economy as the world's population continues to expand.

In addition to its allocation of resources to drive product leadership, the Company is investing to expand its business beyond system sales and service. The Company intends to increase recurring revenues and profits by partnering with project developers where the Company can add incremental value, reduce risks and build scale, and thereby gain exposure to attractive RNG offtake contracts and the associated environmental attributes. The Company has commenced deploying specialized development capital where it can accelerate RNG projects to the ready-for-construction phase, secure additional Greenlane system sales and services, and result in an equity or profits interest for Greenlane in the resulting RNG projects. Furthermore, the Company continually evaluates strategic opportunities that it believes may add to its growth, including pursuing attractive acquisition opportunities as the industry consolidates and strategic alliances to expand upon the Company's biogas upgrading technology solutions.

Three Year History

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

<u>2020</u>

Upgrading As A Service

In July 2020, the Company signed a joint venture agreement with SWEN Impact Fund for Transition ("**SWIFT**"), Europe's first direct investment infrastructure fund dedicated to renewable gases managed by SWEN Capital Partners ("**SWEN**"), an investment management company with more than €5 billion in assets under management based in Paris, France. The agreement enabled Greenlane to provide Upgrading as a Service ("**UaaS**") to developers and owners of RNG projects in Europe by offering to replace the initial capital outlay for the biogas upgrading system, with a monthly fee under long-term contract. The agreement provided for SWIFT to provide capital to the joint venture, while the Company would identify prospective customers, exclusively supply the biogas upgrading systems and provide long-term operation and maintenance of the systems. See "General Development of the Business – Three Year History – Deployment of Development Capital" below.

2020 Shelf Prospectus Offering

On February 19, 2020, Greenlane completed an underwritten shelf prospectus offering (the "**2020 Offering**") based on the 2019 Shelf Prospectus of 23,000,000 units (the "**Units**"), 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.

Each Unit was comprised of one Common Share of the Company and one-half of one Common Share purchase warrant (each full warrant, a "**Warrant**"). Each Warrant entitled the holder to purchase one additional Common Share at an exercise price of $0.70 per Common Share for a one-year period ending February 19, 2021. The Company also issued compensation options to the underwriters, entitling them to purchase an aggregate of 1,380,000 Common Shares at a price of $0.50 per Common Share, also ending February 19, 2021.

Beacon Securities Limited acted as lead underwriter and sole book runner on behalf of itself and a syndicate of underwriters in connection with the 2020 Offering. The 2020 Offering was completed further to the underwriting agreement between the Company and the underwriters dated February 11, 2020.

After deducting commission and associated expenses, Greenlane used the net proceeds from the 2020 Offering in part for a $3.4 million payment (equivalent to £2.0 million) in principal to reduce the outstanding balance of the Promissory Note and a $0.2 million (equivalent to £0.1 million) payment in interest to Pressure Technologies under the Promissory Note. Please refer to the 2022 Annual MD&A for a discussion of the planned and actual use of proceeds of this offering.

Framework Agreement

The Company entered into a framework agreement dated July 2, 2020 among the Company, Pressure Technologies, Creation Partners LLP ("**Creation Partners**") and Brad Douville (the "**Framework Agreement**"). The purpose of the Framework Agreement was to enable Pressure Technologies to divest its shareholdings and to accelerate the full repayment of the Promissory Note at a reduced amount.

Creation Partners and Brad Douville were parties to the Framework Agreement arising from obligations owed to these parties by Pressure Technologies in connection with the completion of the Qualifying Transaction, that were to be paid through the delivery of Company securities (Common Shares and QT

Warrants) including securities placed in escrow to be released and delivered to the payees upon repayment in full of the Promissory Note. Creation Partners is a private limited liability partnership beneficially owned and controlled by Wade Nesmith, David Demers and David Blaiklock (each a director of the Company) and that had provided advisory services to Pressure Technologies. Brad Douville is Chief Executive Officer and a director of the Company, and had been president of PT Biogas prior to the Qualifying Transaction. See “Interest of Management and Others in Material Transactions”.

Under the Framework Agreement, the following transactions and agreements were completed in July 2020:

- Pressure Technologies disposed of their remaining shareholding, being a total of 7,663,920 Common Shares and 5,094,765 QT Warrants in a series of block trade transactions that included the sale of the Common Shares underlying the QT Warrants (the “**PT Disposition**”);

- the principal amount outstanding under the Promissory Note was reduced by $1.8 million to $5.2 million and the maturity date of the remaining balance of the Promissory Note was advanced from June 3, 2023 to June 30, 2021; and

- the Right to Direct Sale Agreement, entered into in connection with the Acquisition, was terminated thereby enabling the Common Shares that were subject to this agreement to be included in the PT Disposition.

In connection with the completion of the PT Disposition, the QT Warrants held by Pressure Technologies were exercised in full at the exercise price of $0.26 per Common Share for gross proceeds of $1,324,639 to the Company.

In order to facilitate the PT Disposition pursuant to the Framework Agreement, Creation Partners and Brad Douville agreed to release Pressure Technologies from its obligations under certain escrow confirmation agreements in order to enable Pressure Technologies to have sufficient free-trading Common Shares and QT Warrants to complete the PT Disposition. As a result of the completion of the PT Disposition, Pressure Technologies agreed to accelerate the transfer of the 1,915,980 Common Shares and 957,990 QT Warrants to Creation Partners and 2,177,250 Common Shares and 1,088,625 QT Warrants to Brad Douville payable by Pressure Technologies under separate arrangements entered with each of Creation Partners and Brad Douville for the completion of the Acquisition.

Pressure Technologies was the owner of greater than 10% of the Company’s outstanding Common Shares at the time of the Framework Agreement but ceased to hold any equity securities of the Company following the completion of the transactions contemplated under the Framework Agreement.

<u>2021</u>

2021 Shelf Prospectus Offering

On January 27, 2021, Greenlane completed an underwritten shelf prospectus offering (the “**2021 Offering**”) based on the 2019 Shelf Prospectus of 12,190,000 Common Shares, 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 2022 Annual MD&A for a discussion of the planned and actual use of proceeds of this offering.

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. See "General Development of Business – Three Year History – Framework Agreement".

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" 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.

Omnibus Incentive Plan

A new 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 both stock options (each, an "**Option**") and restricted share units (each, an "**RSU**"), subject to compliance with the policies, rules and regulations of the TSX. The Omnibus Incentive Plan is a rolling plan where the Company is entitled to issue Options and RSUs 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.

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 replaces the 2019 Shelf Prospectus which was filed in July 2019 and was fully used by February 2021. The 2021 Shelf Prospectus will enable 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 is effective. The Company filed the 2021 Shelf Prospectus with the objective of maintaining financial strength and providing maximum flexibility going forward as it executes its business plan and strategic initiatives. The specific terms of any future offerings will be established in a prospectus supplement to the 2021 Shelf Prospectus.

Increased European Presence

In 2021, the Company established a new entity in The Netherlands, Greenlane Biogas Europe B.V. (on June 4, 2021), to support the Company's operations and growth in the European market.

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 140 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 is especially compelling for use in higher flow, higher H_2S concentration applications.

<u>2022</u>

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 the year, 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 in February, 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 30, 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 is deploying 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 is deploying 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 has 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 began on October 24, 2022.

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, 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.

To the Company's knowledge, Greenlane is the only biogas upgrading company offering the three main biogas upgrading technologies, namely water wash, PSA and membrane separation. With over 35 years industry experience, patented and proprietary technology, with over 140 biogas upgrading systems sold into 19 countries, including for many of the largest RNG production facilities in the world, and over 140 biogas desulfurization units sold.

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, commission, and maintain, while others are design and commission only and, in addition, the Company may secure a maintenance contract for aftercare services. The mix of models, scope and geography of each project impacts the overall project revenue and margin.

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 sales opportunities that can convert into orders within approximately a rolling 24-month time horizon (the "**Sales Pipeline**"). Additions to the amount in the Sales Pipeline come from situations where the Company provides a quote on a prospective opportunity 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 "**Sales Order Backlog**").

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 commissioning and aftercare. The Company 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 Airdep, where the assembly and a small amount of fabrication is performed in-house.

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 2022, approximately 80% of Greenlane's total project procurement was from suppliers located in North America and approximately 12% was from suppliers in Europe. Less than 8% 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 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, to the knowledge of the Company, also being the only biogas upgrading company to offer, and be actively deploying, 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 for serial developers 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 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 expand.

Principal Products or Services

<u>Product Range</u>

Greenlane offers a broad range of 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 client requirements and specifications.

Greenlane's product range is based upon standard modular designs that can be tailored to each customer's unique requirements through careful specification and integration of related balance-of-plant equipment. Greenlane offers a range of water wash, PSA and membrane models with inlet biogas flow capacity ranging from 300 to 5,000 normal cubic metres per hour (Nm^3/hr). Greenlane is able to provide larger capacities by installing multiple systems in parallel.

In conjunction with the core separation technologies, Greenlane specifies, procures and integrates additional balance-of-plant equipment that is required for the complete system. Functions performed by this equipment may include, but are not limited to gas compression, removal of impurities such as H_2S, volatile organic compounds and siloxanes, oxygen removal, gas analysis, and effluent gas treatment. Greenlane's value proposition is to provide the widest range of fully integrated "flange-to-flange" biogas upgrading systems to meet pipeline injection requirements for projects of all types and sizes globally.

Upon the completion of the acquisition of Airdep on February 1, 2022, Greenlane extended its product offerings. The acquisition of Airdep brings 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 adds an attractive line of products for sales into existing and new biogas projects globally, independent of the full biogas upgrading system. The Airdep system is especially compelling for use in higher biogas flow, higher H_2S concentration applications.

<u>Sales Pipeline and Sales Order Backlog as at December 31, 2022</u>

As at December 31, 2022, the Company's Sales Pipeline was in excess of $900 million as compared to $850 million as at December 31, 2021, an increase of $50 million. Not all of the potential projects in the Company's Sales Pipeline will proceed or proceed within the expected timeframe and not all of the projects that do proceed will be awarded to the Company. Nevertheless, over time, the Company believes that this number gives a reasonable metric of changes in market activity and anticipated growth of the industry.

As at December 31, 2022, the Company reported a Sales Order Backlog of $27.7 million, a decrease of 36% from the $43.0 million reported as at December 31, 2021 (excluding sales announced on January 4, 2022 of $7.1 million). 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.

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 Sales Pipeline is converted to the order book.

Management evaluates the Company's performance using a variety of supplementary financial measures, such as "Sales Pipeline" and "Sales Order Backlog". These supplementary financial measures should not be considered as an alternative to or more meaningful than revenue or net loss. These measures do not have a standardized meaning prescribed by IFRS 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 supplementary financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company.

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

Marketing

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

Revenue

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

Product or Service	Revenue for Year ended December 31, 2022 $ 000's	Revenue for Year ended December 31, 2021 $ 000's
Sales from Upgrader Projects	65,558	52,053
Aftercare Services(1)	5,683	3,298

Note:

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

The Company's 2022 Annual MD&A provides details of the significant sales contracts entered into by the Company in 2022.

Specialized Skills and Knowledge

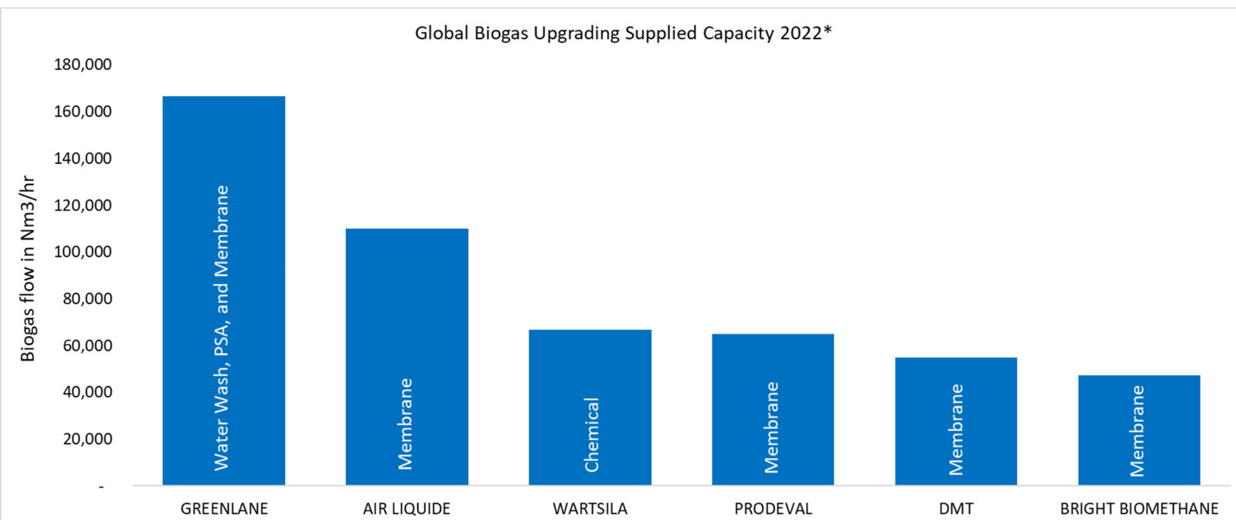
Various aspects of the business of the Company require specialized skills and knowledge in the areas of international business, engineering, project management, finance, legal and environmental. The Company has adequate employees with extensive experience in these specialized areas to support the conduct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

Employees

As of December 31, 2022, Greenlane and its wholly-owned subsidiaries have 121 employees and 10 contractors, of which 94 are in Canada, 17 in Italy, 9 in England, 5 in the United States, 2 in France, 2 in New Zealand, 1 in Germany and 1 in Brazil.

Competitive Conditions

Greenlane faces increasing competition within its target markets mainly from other providers of biogas upgrading systems. This market is starting to see signs of new biogas upgrading system provider entrants. Competitiors 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. The table below compares Greenlane against its main competitors:[1]



* Includes plants under construction

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 product designs, operations know-how, licences, patents and

[1] Sources: (i) "Biomethane Market Intelligence Report: North America and Europe" December 2021 by Biogas World Media Inc. and (ii) company press releases.

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 across 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 sales and service 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 the 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 Clean Fuels Standard ("**CFS**") was brought into law in June, 2022 as part of the Clean Fuel Regulations. The regulations are expected to encourage innovation and growth in the low-carbon fuels sector through a system of compliance credits and are aimed at reducing GHG emissions by 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. It is, in turn, expected that this will also encourage consumers to move towards low-carbon energy sources for transportation fuel such as biofuel and electricity.

- 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 U.S. states of California, Oregon and Washington. More recently, the Inflation Reduction Act ("**IRA**"), introduced in August, 2022, has substantially expanded federal support for biofuels and the system of tax credits available for biogas projects in the U.S. $30 billion has been made available under the IRA for production tax credits in clean energy (including solar, wind, biomass, municipal solid waste and geothermal). In addition, bonus tax credits are available for clean energy projects that satisfy the IRA's domestic content requirements, such as the Buy America provisions for equipment procured for projects.

- In Europe, the Renewable Energy Directive (RED II) has a binding target of 32% for the overall share of energy from renewable sources in the E.U.'s gross final consumption of energy in 2030, including the contribution of advanced biofuels and biogas produced from listed feedstocks as a share of final consumption of energy in the transport sector to be at least 1% in 2025 and at least 3.5% in 2030. In March 2022, in response to the global energy market disruption caused by Russia's invasion of Ukraine, the European Commission proposed, in its RePowerEU Plan, to increase the renewable energy target to 45% by 2030 with the twin objectives of securing access to clean, affordable energy for the E.U. and independence from Russian fossil energy. 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. In Italy, recent government policies and measures have been put in place aimed at supporting growth in the sector, including feed-in tariffs, renewable energy certificates, tax incentives and research and development funding. The UK government commenced its Green Gas Support Scheme on November 30, 2021 to provide tariff support for biomethane produced via anaerobic digestion which is injected into the gas grid. Consultation on proposed changes is expected in early 2023 in recognition of issues affecting the deployment of new anaerobic digestion plants under the scheme, such as supply chain delays and challenges securing food waste feedstocks.

Components

Greenlane manages the entire project life cycle from design and procurement through to on-site commissioning and aftercare. Greenlane uses an asset-light production and inventory model with largely outsourced manufacturing and components purchased through an extensive global supply chain. The only exception to this is in relation to Airdep, where the assembly and a small amount of fabrication is performed in-house. Greenlane outsources the manufacturing process to several trusted regional fabricators that follow Greenlane's quality standard protocol while its in-house team of supplier quality engineers monitors the production process and ensures quality conformance. Once production and on-site installation are complete, Greenlane performs final commissioning and provides operator training to familiarize the customer's staff with the new equipment. Post-commissioning, if engaged to do so, Greenlane provides maintenance, support and aftercare service including 24/7 technical support and remote monitoring as well as maintenance and spare parts.

The global semiconductor shortage and the continuation of the global transportation and logistics challenges have had a negative impact on Greenlane's ability to timely fulfil its contractual obligations with some of its customers in 2022. To mitigate against the impact of long lead times for electronic components, the Company placed a significant stock order of electronic components and will continue to maintain inventory. None of Greenlane's suppliers have entered into bankruptcy due to the COVID-19 pandemic, natural disaster or other adverse supply chain effects. Greenlane's purchasing plan identifies alternative sources of supply for major component suppliers and product fabricators that are essential to Greenlane's business operations. In 2022, the global supply chain, which was already disrupted by the COVID-19 pandemic, was further impacted by the Russia-Ukraine war. The prices for goods and services continued to increase due to worldwide inflation. The Company is subject to a continued risk resulting from the COVID-19 pandemic, the war in Ukraine and other risks affecting the global supply chain (see "Risk Factors") that it may be delayed in completing on some of its current biogas upgrading contracts or that its customers may be delayed in respect of satisfaction of conditions precedent, with the further result that the Company's recording of revenues and gross profit from these contracts may be deferred to later fiscal reporting periods.

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 varies 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 deployment of development capital; 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.

Deployment of Development Capital

The Company recognized a gap in the market relating to capital that can assist entrepreneurial RNG project developers in the early pre-construction phase of project development. To address this gap, the Company launched a program with the aim of adding incremental value to the community of project developers around the world to help de-risk RNG projects and to build scale in RNG origination. Specifically, the Company's program is to deploy specialized project development capital to assist developers in accelerating projects to the 'ready for construction' phase, thereby 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. The Company is currently in discussions with counterparties, including outside of North America, with the aim of deploying more balance sheet capital to further its deployment-of-development-capital objectives utilizing investment structures appropriate for each opportunity.

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 acquisition targets 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 was a 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, including the Company's deployment-of-development-capital model, in priority to these objectives.

Continual Improvement Initiatives

The Company continually evaluates new product development and expansion of its product offerings, with the objectives of having the broadest and most complete biogas upgrading portfolio in the industry, ensuring more ways to win over competitors leading to increasing revenues and, through further scale up and standardization, increasing gross margins. In particular in 2021, the Company strengthened its product portfolio by developing and delivering new membrane separation systems as well as developing larger more complex PSA systems for landfill applications. During 2022, the Company built further resiliency in its supply chain by entering into master supply agreements with supply chain partners that have high financial stability, lower costs and the ability to meet quality and delivery requirements, with the objective to strengthen the Company's technology, broaden its product offerings and make its supply chain more resilient and lower cost. In addition, the Company placed a significant stock order of electronic components as a means of combating the global semiconductor shortage. In 2023, the Company intends to broaden its inventory strategy to include other long lead components.

Expansion in Attractive Markets

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 Pipeline and Sales Order Backlog

The Company's estimates of qualified prospective projects based on quote activity that 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 possible prospective market amount and there can be no assurance that management's expectations are an accurate assessment of the number of active sales opportunities that may be converted into sales orders to become part of Greenlane's active order book (and are added to the Sales Order Backlog). There can be no assurance that these potential projects will proceed or proceed within the expected timeframe or at the anticipated value. In addition, it is anticipated that the Company will be successful in securing only a portion of the estimated available projects from the potential Sales Pipeline. Specifically, it is anticipated that not all of these sales opportunities will be available to the Company, that the Company's prospective customers may fail to secure required financing or permitting approvals, or that the Company may determine not to pursue certain opportunities or, if pursued, that these opportunities may not result in biogas upgrading contracts being awarded to the Company.

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 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.

Managing and Developing Relationships with Customers

The success of the Company's business 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 keep up with 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, 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. The continued strain of the COVID-19 pandemic in combination with other factors such as the war in Ukraine, 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 2022 and may continue to experience increases in 2023 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.

Managing Growth

In 2022, the Company experienced significant growth in revenue and number of employees in response to the demand for its products. In order to manage growth and adapt 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. 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.

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 expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. The design of biogas upgrading systems for customers and the fulfillment of sales made requires 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 of 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 key tool to combat climate change 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 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 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 combine 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 hurt 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 interconnected 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 are now being eased 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 has drastically reduced capacity for Ukraine to supply goods and raw materials, such as steel. The sanctions imposed on Russia have also led to the reduced availability of Russian-produced steel and other products.

Climate change has increased the incidence of natural disasters caused by weather and climate extremes including heatwaves, droughts, forest fires, atmospheric rivers, torrential downpours and flooding. Future incidents 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 detailed 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 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:

- **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 concluded two such agreements 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 conclude 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 will be successful in enabling the Company in developing new products or improving its existing product offerings, or that the revenues generated by these new products will exceed 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.

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 how the Company will use the proceeds of the 2020 Offering and the 2021 Offering towards these strategic development initiatives, including the allocation of funds to these initiatives, the amount and timing of investments or the return of capital on these investments. Investors should refer to the Company's 2022 Annual MD&A "Equity – Update on Use of Proceeds from Equity Offerings" section for additional information on these planned uses of expenditures. As disclosed in the prospectus supplements related to these offerings, the Company may reallocate the use of proceeds from these offerings at its discretion.

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 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 Pipeline and Sales Order Backlog".

Demand for Renewable Energy

Sales of the Company's products and services largely depend upon the increased use and widespread adoption and demand of renewable natural gas. 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.

There is no assurance that regulatory initiatives in Canada, the United States and Europe, as described above under "*Overview of Business - Regulatory Environment*", will have the effect of increasing demand for our biogas upgrading systems or result in the Company securing new contracts.

Regulatory Risks, Including Changes to National and Local Legislation

Renewable energy and renewable natural gas 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 businesses. 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, 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. 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 and European Markets for Environmental Commodities

Most of the value of RNG in North America and Europe arises from the associated “green attributes” of the 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 has exacerbated 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

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, 2022. 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.

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. 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.

Foreign Sales; Global Procurement

The majority of the Company's sales are denominated in foreign currencies (not Canadian); however, it incurs the majority significant portion 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 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 against 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 in 2023 as compared to 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 will operate 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 Internal Controls

The Company is required to maintain and evaluate the effectiveness of our internal controls over financial reporting 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 internal controls over financial reporting 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 internal controls over financial reporting is effective. The Company's failure to establish and maintain effective internal controls over financial reporting 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 internal controls over financial reporting 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, 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.

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 152,040,781 Common Shares issued and outstanding as fully paid and non-assessable. In addition, as of the date hereof, up to 7,039,472 Common Shares are reserved for issuance of options under the Omnibus Incentive Plan and the legacy Stock Option Plan and 1,968,887 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 1) dividends, if, as and when declared by the Board of Directors, 2) one vote per Common Share at meetings of the shareholders of Greenlane and, 3) 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 2022	$1.32	$0.95	9,777,013
February 2022	$1.21	$0.95	5,346,755
March 2022	$1.20	$0.96	7,155,720
April 2022	$1.19	$0.88	4,756,409
May 2022	$0.95	$0.69	5,533,365
June 2022	$0.96	$0.66	3,005,232
July 2022	$0.73	$0.60	1,820,249
August 2022	$0.94	$0.75	3,940,162
September 2022	$0.83	$0.61	2,213,097
October 2022	$0.78	$0.52	4,818,478
November 2022	$0.58	$0.46	4,430,897
December 2022	$0.58	$0.47	4,967,656

Prior Sales

During the financial year ended December 31, 2022, the following securities of the Company, which are not listed or quoted on a marketplace, were issued:

Options

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
February 2, 2022	2,475,904 Options	$1.15
March 17, 2022	31,875 Options	$1.02
June 24, 2022	253,000 Options	$0.68
August 11, 2022	195,000 Options	$0.77
November 11, 2022	284,250 Options	$0.53

Restricted Share Units

Date of Issuance	Aggregate Number and Type of Securities Issued	Exercise Price per Security
February 2, 2022	901,921 Restricted Share Units	N/A
June 24, 2022	29,500 Restricted Share Units	N/A

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth information regarding the Company's Directors and executive officers. 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
Brad Douville(4) British Columbia, Canada	President and CEO of Greenlane (June 2019 to present); President of the Alternative Energy Division of Pressure Technologies plc (November 2017 to June 2019); various positions at Westport Fuel Systems Inc. and Cummins Westport joint venture (June 1996 to November 2017)	June 3, 2019	Director; Chief Executive Officer
Wade Nesmith(2)(4) 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(2)(3) 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) and VP & Associate Corporate Counsel at Ledcor Industries Inc. (October 2009 to March 2017)	June 12, 2020	Director; Chair of Corporate Governance and Nominating Committee
David Blaiklock(1)(2) British Columbia, Canada	Director of Greenlane (February 2018 to present); Partner at Creation Partners (May 2018 to August 2022); CFO of Primero Mining Corp. (July 2009 to September 2014); Executive Consultant of Primero Mining Corp. (October 2014 to February 2015)	February 15, 2018	Director; Chair of Audit Committee

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
David Demers(3)(4) 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); and CEO of Westport Fuel Systems Inc. (June 1995 to July 2016)	February 15, 2018	Director; Chair of Corporate Development Committee
Patricia Fortier(1)(3) Ontario, Canada	Senior Fellow at University of Ottawa (2017 to present); Director of Primero Mining Corp. (November 2016 to May 2018); Assistant Deputy Minister for Consular, Security and Legal Affairs of Global Affairs Canada (September 2015 to October 2016); Canadian Ambassador to Peru and Bolivia (November 2011 to August 2015)	June 3, 2019	Director; Chair of Human Resources and Compensation Committee
Elaine Wong(1)(4) British Columbia, Canada	President of Pine Street Ventures Ltd. (January 2016 to present) Executive Vice-President, Strategic Development, Westport Fuel Systems (2010 to 2014), Chief Financial Officer, Westport Fuel Systems (2003 to 2010); Director of Finance, Cummins Westport Inc. (2001 to 2003)	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 - present); Vice President, Dorigo Systems (2019-2021); 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 Corporation (April 2012 to May 2018)	N/A	Chief Legal Officer
Sandra Keyton British Columbia, Canada	Chief Human Resources Officer of Greenlane (August 2022 present); Vice President, Human Resources of Greenlane (July 2019 to August 2022); Senior Vice President, Global Human Resources at Westport Fuel Systems Inc. (2009 to 2016)	N/A	Chief Human Resources Officer
Sanford Selman, North Carolina, U.S.	Senior Vice President, Project Finance of Greenlane (June 2021 to present); VP Innovation of Nationwide Title Clearing Inc. (May 2020 - May 2021); Managing Director of Asia West Inc. (July 2002 to May 2021)	N/A	Senior Vice President, Project Finance

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
Dale Goudie British Columbia, Canada	Vice President, Products of Greenlane (November 2022 to present); Vice President, Technology and Product Management of Greenlane (May 2020 to November 2022); Director, Engineering and Product Management of Greenlane Biogas North America Limited; (August 2018 to May 2020); Director, Product Management at Westport Fuel Systems Inc. (2016 to July 2018).	N/A	Vice President, Products
Jim Bornholdt British Columbia, Canada	Vice President, Purchasing of Greenlane (August 2022 to Present); Vice President, Purchasing, Quality, Health, Safety of Greenlane (May 2020 to August 2022); Director, Purchasing, Project Management and Quality, Health, and Safety of Greenlane Biogas North America Limited (October 2018 to May 2020); Director of Procurement, Acciona Infrastructure Canada Inc. (June 2016 to August 2018); Director, Supply Chain Management, Seaspan Vancouver Shipyards (May 2012 to May 2016).	N/A	Vice President, Purchasing
Donald (Allen) MacKinnon British Columbia, Canada	Vice President, Service of Greenlane (August 2022 to Present); Senior Director, Global Service of Greenlane (November 2021 to August, 2022); Global Service Director of Greenlane (September 2020 to November 2021); Director, Operational Excellence of Westport Fuel Systems (August 2016 to September 2020)	N/A	Vice President, Service
Stephen Wortley British Columbia, Canada	Partner at McMillan LLP (1991 to present)	N/A	Corporate Secretary

Notes:

(1) Member of Audit Committee.

(2) Member of the Corporate Governance and Nominating Committee.

(3) Member of the Human Resources and Compensation Committee.

(4) Member of the Corporate Development Committee.

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 15,635,229 Common Shares, representing approximately 10% of the issued and outstanding Common Shares.

The following are brief biographies of the above individuals:

Brad Douville, *Director and Chief Executive Officer*

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 was the founder of Primero Mining Corp. He served in the capacity of director of Primero Mining Corp. from October 2008 to May 2018 when Primero Mining Corp. was acquired by First Majestic Silver Corp. He acted as Chairman of Primero Mining Corp. from March 2012 to May 2018 and acted as President of Primero Mining Corp. from October 2008 to September 2009, and Chief Executive Officer from October 2008 to June 2010 and Executive Chairman of the Board from June 2010 to March 2012. Mr. Nesmith obtained his Bachelor of Law degree from York University's Osgoode Hall Law School in 1977. He was the Superintendent of Brokers for the Province of British Columbia (1989 – 1992), and subsequently a senior partner, specializing in securities law with Lang Michener LLP (now McMillan LLP) (1993 to 1998). Mr. Nesmith was a founding director of Westport Fuel Systems Inc. and from 1998 to 2003 he worked for Westport, helping to lead their public markets activities and retiring as President, Westport Europe. He was a founding director of Wheaton Precious Metals Corp. (formerly Silver Wheaton Corp.) (TSX, NYSE), serving from 2004 to 2016. Mr. Nesmith also served as a director of Westport Fuel Systems Inc. from June 2017 to July 2019.

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.

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 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.

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 is President of Pine Street Ventures Ltd., which provides strategic consulting. 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.

Sandra Keyton, *Chief Human Resources Officer*

Sandra Keyton joined Greenlane in April 2018 on a part-time contract basis and then as Vice President, Human Resources in July 2019. Sandra was promoted to Chief Human Resources Officer in August 2022. From 2009 to 2016, she worked at Westport Fuel Systems Inc. where she held the position of Senior Vice President, Global Human Resources and led the global Human Resources function in the Company's high growth period. Sandra is a growth-oriented Human Resources executive with over 30 years' global HR experience in publicly traded companies in the technology, automotive and energy sectors. She is a past

British Columbia Human Resources Management Association Board Member and holds her CPHR designation. She is a graduate of the British Columbia Institute of Technology Human Resources Management Program.

Sanford Selman, *Senior Vice President, Project Finance*

Sanford Selman joined Greenlane in June 2021 as Senior Vice President, Project Finance. Prior to joining Greenlane, he was Vice President, Innovation of Nationwide Title Clearing Inc. (May 2020 to May 2021) and Managing Director of Asia West Inc. (July 2002 - May 2021). Sanford has over 30 years of experience in executing energy and environmental infrastructure and technology finance transactions. He has provided financial consulting services to government and private sector clients. Sanford holds a Bachelor of Science in Mechanical Engineering (with Honors) from Worcester Polytechnic Institute and a Master of Business Administration in Finance & Investments from The George Washington University.

Dale Goudie, *Vice President, Products*

Dale Goudie joined Greenlane in August 2018 as Director, Engineering and Product Management. He was promoted to Vice President, Technology and Product Management in May 2020 and since November 2022 has been Vice President, Products of Greenlane. Prior to joining Greenlane, Dale was with Westport Fuel Systems Inc. for a period of 14 years, ending as Director, Product Management at Westport Fuel Systems Inc. during the period December 2016 to July 2018. He has over 25 years' engineering experience including in the design and development of natural gas engines, fuel systems, and cryogenic systems. He holds a BSc in Mechanical Engineering (Queen's University) and a MASc in Mechanical Engineering (University of Victoria).

Jim Bornholdt, *Vice President, Purchasing*

Jim Bornholdt joined Greenlane as Director, Purchasing, Project Management and Quality, Health, and Safety in October 2018 and was promoted to Vice President, Purchasing, Quality, Health, Safety in May 2020. He has been Vice President, Purchasing of Greenlane since August 2022. Prior to joining Greenlane, Jim was Director of Procurement, Acciona Infrastructure Canada Inc. (June 2016 - August 2018) and Director, Supply Chain Management, Seaspan Vancouver Shipyards (May 2012 - May 2016). Jim has over 35 years' experience in purchasing and logistics functions for multi-million-dollar projects across a broad range of industries, including manufacturing, aerospace, civil construction, and the Olympic Games.

Donald (Allen) MacKinnon, *Vice President, Service*

Allen MacKinnon joined Greenlane as Global Service Director in September 2020 and was promoted to Vice President, Service of Greenlane in August 2022. From 2016 to 2020, he was Director, Operational Excellence of Westport Fuel Systems Inc. Allen is an operations and service professional with 14 years' experience in alternative fuels and clean technology. His focus is on delivering excellence in operations, continuous improvement and outstanding customer support. Allen holds a bachelor's degree in

Mechanical Engineering from the University of British Columbia and a Management of Technology MBA from Simon Fraser University.

Stephen Wortley, *Corporate Secretary*

Stephen Wortley is a partner of the law firm of McMillan LLP. 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

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 three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

Creation Partners was a limited liability partnership that was controlled by Wade Nesmith, David Demers and David Blaiklock, each of whom is a director of Greenlane. In payment of an advisory fee (the "**Advisory Fee**") to Creation Partners pursuant to the Qualifying Transaction, Pressure Technologies transferred 957,990 PT Special Warrants to Creation Partners on June 6, 2019 upon completion of the Qualifying Transaction and delivered into escrow, 1,915,980 Common Shares and 957,990 QT Warrants issued on conversion of 1,915,980 PT Special Warrants. Such escrowed Common Shares and QT Warrants were to be released to Creation Partners upon repayment in full of the Promissory Note, but was amended by the Framework Agreement (see below). Pursuant to the Framework Agreement, the Advisory Fee has been paid in full.

In connection with amounts owing to Brad Douville under a long term incentive plan negotiated in 2019 (the "**LTIP Payments**"), Pressure Technologies transferred 2,177,250 PT Special Warrants to Brad Douville on June 6, 2019 upon completion of the Qualifying Transaction and delivered into escrow, 2,177,250 Common Shares and 1,088,625 QT Warrants issued on conversion of 2,177,250 PT Special Warrants. Such escrowed Common Shares and QT Warrants were to be released to Brad Douville upon repayment in full of the Promissory Note, but was amended by the Framework Agreement (see below). Brad Douville is the Director and Chief Executive Officer of the Company. Pursuant to the Framework Agreement, the LTIP Payments have been paid in full.

On June 3, 2019, Greenlane and Pressure Technologies entered into the Right to Direct Sale Agreement with respect to 4,354,500 Common Shares (the "**Optioned Common Shares**") released to Pressure Technologies under the Value Escrow Agreement to the effect that Greenlane had the right to direct Pressure Technologies to sell all or any portion of the Optioned Common Shares to former directors, officers and employees of the Company (other than Wade Nesmith, David Demers and David Blaiklock), as determined by Greenlane in its discretion, at a price of $0.60 per Optioned Common Share, exercisable for two years from June 3, 2019 subject to acceleration upon the Common Shares trading at a price of more than $0.75 per Common Share for any consecutive 10-day trading period (accelerated to the date that is 30 calendar days from the last of such trading days), and subject to the terms of the Right to Direct

Sale Agreement. This was amended by the Framework Agreement (see below). Pursuant to the Framework Agreement, the Right to Direct Sale Agreement was terminated.

On July 2, 2020, the Company, Pressure Technologies, Creation Partners and Brad Douville entered into the Framework Agreement. Under the Framework Agreement, the following transactions and agreements were completed in July 2020:

- Pressure Technologies disposed of a total of 7,663,920 Common Shares and 5,094,765 QT Warrants in a series of block trade transactions that included the sale of the Common Shares underlying the QT Warrants (the "**PT Disposition**");

- the principal amount outstanding under the Promissory Note was reduced by $1.8 million to $5.2 million and the maturity date of the remaining balance of the Promissory Note was advanced from June 3, 2023 to June 30, 2021; and

- the Right to Direct Sale Agreement, entered into in connection with the Acquisition, was terminated. Termination of this arrangement enabled the Common Shares to be included in the PT Disposition.

In connection with the completion of the PT Disposition, the QT Warrants held by Pressure Technologies were exercised in full at the exercise price of $0.26 per Common Share for gross proceeds of $1,324,639 to the Company.

In order to facilitate the PT Disposition pursuant to the Framework Agreement, Creation Partners and Brad Douville agreed to release Pressure Technologies from its obligations under certain escrow confirmation agreements with Pressure Technologies in order to enable Pressure Technologies to have sufficient free-trading Common Shares and QT Warrants to complete the PT Disposition. As a result of the completion of the PT Disposition, Pressure Technologies agreed to accelerate the transfer of the Common Shares and PT Warrants deliverable by Pressure Technologies to Creation Partners and to Brad Douville as follows:

- Pressure Technologies transferred 1,915,980 Common Shares and 957,990 QT Warrants to Creation Partners which were deliverable to Creation Partners in payment of the Advisory Fee; and

- Pressure Technologies transferred 2,177,250 Common Shares and 1,088,625 QT Warrants to Brad Douville which were deliverable to Brad Douville in payment of the LTIP Payments to Brad Douville.

Pressure Technologies was the owner of greater than 10% of the Company's outstanding Common Shares at the time of the Framework Agreement but ceased to hold any equity securities of the Company following the completion of the transactions contemplated under the Framework Agreement.

As a result of the completion of the transactions completed pursuant to the Framework Agreement and as a result of the expiration of the QT Warrants on June 3, 2021, Wade Nesmith, David Blaiklock, David Demers and Brad Douville beneficially own, directly or indirectly, the number of Common Shares set forth in the following table as of the date of this AIF. These figures do not include Options or RSUs held by these individuals. None of the securities below are subject to escrow.

Name	Common Shares[1]
Wade Nesmith Director	5,925,500
David Blaiklock Director	2,693,837
David Demers Director	2,710,079
Brad Douville Chief Executive Officer and Director	5,925,550

Note:

(1) The above information has been furnished from insider reports available at www.sedi.ca.

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, 2022. 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

The Company's Audit Committee members are David Blaiklock, Patricia Fortier and Elaine Wong. All Audit Committee members are considered to be "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, 2022 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, 2022 and period ended December 31, 2021 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, 2022	Fees Billed by Auditor in Financial Year Ended December 31, 2021
Audit Fees(1)	$181,199	$162,556
Audit-Related Fees(2)	$Nil	$41,176
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.sedar.com. 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.sedar.com. Additional financial information is provided in our consolidated financial statements and management’s discussion and analysis for the financial year ended December 31, 2022.

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.