GREENLANE RENEWABLES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED – March 31, 2021

1. Introduction

This management's discussion and analysis ("MD&A") of Greenlane Renewables Inc. ("Greenlane" or the "Company") has been prepared by management as of May 12, 2021 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2021 and with the audited consolidated financial statements for the year ended December 31, 2020 and the related notes thereto. All figures are expressed in Canadian dollars (the presentation and functional currency of the Company's financial statements) and all tabular amounts are in $000s, except where otherwise indicated. The Company reports its unaudited consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

This MD&A refers to certain measures that are not standardized under IFRS, such as adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), operating profit, gross margin (before amortization), sales pipeline and sales order backlog. These are non-IFRS measures used by Management to better manage the Company and to assist the Company's shareholders to evaluate the Company's performance, but do not have standardized meaning. To facilitate a better understanding of these measures presented by the Company, qualifications, definitions and reconciliations have been provided in the section "Alternative Performance Measures".

Certain statements contained in this MD&A are forward-looking information within the meaning of applicable Canadian securities laws relating to the Company. Please refer to the cautionary note regarding the risks associated with "Forward-looking Statements" and "Risks and Uncertainties" at the back of this MD&A and under the heading "Risk Factors" in the Company's Annual Information Form, which along with additional information and disclosure relating to the Company, can be found on the Company's website at www.greenlanerenewables.com and on the SEDAR website at www.sedar.com. Information contained in or otherwise accessible through the Company's website does not form part of the MD&A.

Greenlane Renewables Inc. shares trade under the symbol "GRN" and warrants trade under the symbol "GRN.WT" on the TSX. On February 17, 2021 the Company graduated from the TSX Venture Exchange ("TSXV") to the TSX.

The head office of the Company is located at 110-3605 Gilmore Way, Burnaby, B.C. V5G 4X5 and the registered and records office of the Company is located at 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

2. Core Business

Greenlane is focused on cleaning up two of the largest and most difficult-to-decarbonize sectors of the global energy system: the natural gas grid and the transportation sector. Greenlane is a leading global provider of biogas upgrading systems that create clean, low-carbon and carbon negative renewable natural gas, suitable for injection into the natural gas grid and for direct use as vehicle fuel. The business, acquired by the Company in June 2019, provides upgrading systems, marketed and sold under the Greenlane Biogas™ brand, which are designed to remove impurities and separate carbon dioxide from biomethane in the raw biogas created from organic waste at landfills, wastewater treatment plants, farms and food waste facilities. To the Company's knowledge, Greenlane is the only biogas upgrading company offering the three main technologies: water wash, pressure swing adsorption ("PSA"), and membrane separation. Greenlane's business is built on over 30 years of industry experience, patented and proprietary technology, and over 125 systems sold into 19 countries including the largest renewable natural gas ("RNG") production facilities in North America and Europe.

3. Updates for the three months ended March 31, 2021 and subsequent events

Secured New Contracts Worth $9.6 Million Across Multiple Geographies and Technologies Including Supply into Greenlane's 19th Country

i) In February 2021, the Company announced that it signed two contracts, together worth $3.6 million (US$2.8 million).

- **United States (Membrane):** The supply of a new membrane separation biogas upgrading system for a project in the Midwest United States upgrading biogas to RNG from dairy operations. Delivery commenced immediately and is expected to be concluded within the 9-to-18-month period typical for delivery of supply contracts by the Company.

- **Brazil (PSA):** Contract for a new PSA system for a project in Brazil. The Brazilian contract win marks the fifth contract for Greenlane in the country. Delivery commenced immediately and is expected to be concluded within the 9-to-18-month period.

ii) In April 2021, the Company announced the signing of approximately $6.2 million in two new upgrading biogas upgrading system supply contracts.

- **Colombia (PSA):** A contract with TICSA Colombia (an Engineering, Procurement, Construction subsidiary of Grupo EPM, a diverse utility company based in Medellin, Colombia) to supply a PSA system for the primary wastewater treatment facility servicing the metropolitan area of Medellin (San Fernando Wastewater Treatment Plant). Engineering work commenced immediately with a notice to proceed on equipment fabrication expected later this year. This contract marks the 19th country that Greenlane has sold upgrading equipment into, and this project will be the first commercial scale biogas upgrading system deployed in Colombia, producing clean, low-carbon RNG for direct injection into the local natural gas grid.

- **Spain (Water wash):** The supply of the Company's water wash biogas upgrading system in Spain. Order fulfillment on this contract commenced immediately and is expected to be concluded within the 9 to 18 month period.

Advancement of Dairy Farm Project in California with Oil and Gas Supermajor:
In April the Company announced the advancement of the US$2.6 million contract ($3.3 million at current exchange rates) that was part of the $21 million in contract wins for a dairy farm cluster in California in June 2020. The project, which involves an oil and gas supermajor, will use Greenlane PSA biogas upgrading systems to create RNG through the anaerobic digestion of the farm waste stream. The RNG will be supplied as fuel for the US transportation sector.

Completion of $26.5 million bought deal:
On January 27, 2021, the Company completed a bought deal offering ("2021 Bought Deal Offering") with a syndicate of underwriters led by TD Securities Inc. through the issuance of 12,190,000 common shares, including 1,590,000 shares issued pursuant to the underwriters' full exercise of their over-allotment option, at a price of $2.17 per share for gross proceeds of $26.5 million ($24.5 million net). The Company paid the underwriters $1.6 million in fees and commission and issued 731,400 compensation warrants exercisable for one common share at a price of $2.17 for a period of one year following closing. The Company expects to use the proceeds for development of and investments in new RNG projects, for strategic growth initiatives, and for general corporate purposes (including the Company's ongoing business initiatives) and working capital.

Repayment of Outstanding Debt:
In February 2021, the remaining $6.0 million balance (including principal and interest) of the promissory note due to Pressure Technologies plc ("Pressure Technologies") as part of the acquisition of the biogas business in June 2019, was repaid in full. With the early repayment of the promissory note (due June 30, 2021) all liabilities to Pressure Technologies have been eliminated. The capital for the promissory note repayment came from funds received from the exercise of warrants in 2020.

Exercise of Warrants for Gross Proceeds of $4.1 million:
During the first quarter of 2021, 2.6 million $0.70 warrants, 8.7 million $0.26 warrants and 36,750 $2.17 warrants were exercised for proceeds of $4.1 million. On February 19, 2021 the $0.70 warrants expired with 65,000 remaining unexercised, which were subsequently cancelled.

Subsequent to March 31, 2021, 3,303,925 $0.26 warrants were exercised for proceeds of $0.9 million. 7,716,715 $0.26 warrants remain outstanding, with an expiry date of June 3, 2021 and 694,830 $2.17 warrants remain outstanding, expiring on January 27, 2022.

Graduation to the TSX
In February 2021, the Company received final approval for the listing of its common shares and warrants on the TSX. On February 17, 2021, under the current trading symbols of "GRN" and "GRN.WT", the Company commenced trading on the TSX and its common shares and warrants were concurrently delisted from the TSXV.

In addition, in February 2021 Greenlane was named on the 2021 TSX Venture 50 list, a program recognizing the top performers on the TSXV over the past year. Greenlane was ranked as the top company in the Clean Technology and Life Sciences sector.

Results:
In the first quarter of 2021, the Company reported record revenues for the 3rd consecutive quarter, of $12.2 million, net loss of $0.2 million and an Adjusted EBITDA income of $0.6 million. Revenue for the three months ended March 31, 2021 was in line with the stage of completion on active and announced projects and increased 317% over revenue of $2.9 million reported in the first quarter of 2020.

COVID-19:
The COVID-19 pandemic and associated government-imposed lockdowns have not had a negative material impact on Greenlane's ability to fulfil its contracts to-date. The Company has operated at full staffing levels through the pandemic while adding additional employees as required to meet the Company's business needs. While the impact of COVID-19 is expected to be temporary, the Company's business may be impacted further, with a result that it may not be able to complete on its current biogas upgrading contracts

within the anticipated timeframe, 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.

4. Overview of the biogas upgrading business

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

Each Greenlane biogas upgrading system is customer specific and typically has a standard core upgrading product with optional additional equipment as necessary for the particular application. Greenlane's biogas upgrading system supply contract values typically range from $2 million to $8 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 an ongoing maintenance contract. 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 active sales opportunities that can convert into orders within approximately a rolling 24-month time horizon ("Sales Pipeline", i.e. known sales opportunities). Not all of these potential projects will proceed or proceed within the expected timeframe and not all of the projects that do proceed will be awarded to Greenlane. Additions to the amount in the Sales Pipeline come from situations where the Company provides a quote on a prospective project and reductions in the Sales Pipeline arise when a prospective opportunity is lost to a competitor, does not proceed or is converted to Greenlane's active order book (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 installation, commissioning and aftercare. The Company uses a capital light business model with fully outsourced manufacturing and components purchased through an extensive global supply chain.

Greenlane has several major competitors operating in the same geographical markets, many of which own, or have access to, similar biogas upgrading technology. As such, Greenlane strives to differentiate itself by showcasing its track record of supplying biogas upgrading systems worldwide, which is longer and more extensive than any of its key competitors, while also, to the Company's knowledge, being the only company to offer multiple biogas upgrading technologies (water wash, PSA and membrane separation), which allows it to offer its customers an unbiased selection of the optimal technology or combination of technologies to provide the best outcome for the unique requirements of each customer's project. Greenlane's multi-technology approach is particularly compelling as more and more serial project developers enter the market whose portfolio of projects will have different requirements and demand different technology solutions. Greenlane has positioned itself as the go-to partner to grow with these serial developers.

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

5. Develop, Build, Own and Operate Business Model

In addition to its core business of selling biogas upgrading systems, the Company intends to add new recurring revenues and profits by pursuing develop, build, own and operate ("DBOO") opportunities. To address a scarcity of project development capital in the market, the company intends to deploy specialized development capital where it can be helpful to accelerate projects to the ready for construction phase. The Company will also seek out other creative financing solutions that solve problems faced by developers such as upgrading as a service ("UaaS").

As a first foray into its DBOO initiative, in July 2020, the Company signed a definitive 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 enables Greenlane to provide UaaS to developers and owners of RNG projects in Europe by offering potential customers the opportunity to replace the initial capital outlay for the biogas upgrading equipment, with a monthly fee.

SWIFT will provide capital to the joint venture for the building and owning of the biogas upgrading systems and will hold a majority share of the joint venture. The Company will hold a minority share and will identify prospective customers through its pipeline of opportunities, and will exclusively supply to the joint venture the biogas upgrading equipment at normal margins and provide long-term operation and maintenance of the equipment under contract. The Company has a call option to increase its equity position in the joint venture up to a maximum of 50%.

Refer to Section 10 for further information on forecast and actual expenses incurred to date related to the DBOO business model.

6. Summary of Quarterly Results

The following table summarizes information regarding the Company's operations on a quarterly basis for the last eight quarters. Prior to the acquisition of the biogas business on June 3, 2019 the results reflect the operations of the Company as a Capital Pool Company ("CPC", as defined by the TSXV), from inception (on February 15, 2018) to June 3, 2019.

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

Revenue and corresponding costs from upgrader projects are recognized using the stage of completion method. Under the stage of completion method, contract revenues and expenses are recognized by reference to the stage of completion of contract activity where the outcome of the construction contract can be measured reliably, otherwise revenue is recognized only to the extent of recoverable contract costs incurred. A typical upgrader project has five to eight milestones and a duration of nine to eighteen months, and therefore quarterly operating results can fluctuate significantly as a result of the timing of contract related work.

	Three Months ended			
	March 31, 2021 $	**December 31, 2020 $**	**September 30, 2020 $**	**June 30, 2020 $**
Revenue	12,205	8,825	6,504	4,241
Gross Profit[1]	3,284	2,363	1,685	1,089
Net Income (Loss)	(230)	(1,181)	743	(940)
Earnings (Loss) per share attributable to owners of the Company (basic and diluted)	(0.00)	(0.02)	0.01	(0.01)
Adjusted EBITDA	604	160	(360)	(671)

	Three Months ended			
	March 31, 2020 $	**December 31, 2019 $**	**March 31, 2019 $**	**June 30, 2019 $**
Revenue	2,930	3,256	4,956	911
Gross Profit[1]	1,288	1,567	1,268	435
Net Loss	(1,093)	(1,027)	(1,750)	(2,062)
Loss per share attributable to owners of the Company (basic and diluted)	(0.01)	(0.02)	(0.04)	(0.41)
Adjusted EBITDA	(830)	(473)	(860)	43

1. Revenue less cost of goods sold (excluding amortization)

7. Review of Results for the three months ended March 31, 2021

	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenue	12,205	2,930
Cost of goods sold (excluding amortization)	(8,921)	(1,642)
	3,284	1,288
Gross Margin %[(1)]	27%	44%
Amortization	(314)	(309)
Gross Profit	2,970	979
Operating expenses	(2,931)	(2,050)
Operating income (loss)	39	(1,071)
Other expenses	(269)	(22)
Net Loss	(230)	(1,093)
Loss per share attributable to owners of the Company (basic and diluted)	(0.00)	(0.01)
Adjusted EBITDA	604	(830)
	March 31, 2021	**December 31, 2020**
Total Assets	69,352	43,172
Total Current Liabilities	14,141	16,737
Total Long-term Liabilities	399	567
Total Equity	54,812	25,868

(1) Here and elsewhere gross margin % excludes amortization

The Company's operating income for the three months ended March 31, 2021 was $0.04 million compared to an operating loss of $1.1 million for the first three months of 2020.

The Company recorded a net loss of $0.2 million for the three months ended March 31, 2021 ($1.1 million loss for three months ended, March 31, 2020) reflecting operations for the period as well as other expenses of $0.3 million, predominantly coming from the unrealized foreign exchange loss in the period, partially offset by the $0.2 million non-recurring gain included in other income.

The Company's Adjusted EBITDA income was $0.6 million for the three months ended March 31, 2021 (EBITDA loss of $ 0.8 million for the three months ended March 31, 2020).

Revenue

During the three months ended March 31, 2021, the Company recognized revenue of $12.2 million ($2.9 million for the three months ended March 31, 2020).

	Three Months ended	
	March 31, 2021	**March 31, 2020**
	$	**$**
System sales	11,568	2,086
Aftercare services	637	844
Total revenue	**12,205**	**2,930**

System sales revenue in the period primarily reflects revenue from seven customer contracts, recognized in accordance with the stage of completion of projects. In the first quarter of 2021 the Company secured new upgrader contracts with an aggregate value of $3.6 million and has begun recognizing revenue from these contracts in the three-month period, leaving the Company with a sales order backlog as at March 31, 2021 of $37.7 million. This backlog figure excludes the $6.2 million from new contracts signed in April 2021. The sales order backlog refers to revenue on sales contracts that will be recognized as completion of the project progresses. Contracts included in the order backlog are typically recognized over nine to eighteen months from when the contract is secured.

Many of Greenlane's upgrader project customers commit to 'Aftercare services', a maintenance contract for terms ranging from one to 20 years for a fixed annual fee. These contracts provide technical support and remote monitoring to maintain system availability typically in excess of 95%.

Cost of goods sold (excluding amortization) and gross profit

The Company utilizes a capital-light, fully outsourced manufacturing model whereby it outsources fabrication of elements of its systems to trusted supply chain partners who meet Greenlane's quality standards and purchases components globally meeting the Company's cost, quality and delivery requirements.

Cost of goods sold (excluding amortization) for the three months ended March 31, 2021 was $8.9 million ($1.6 million for the three months ended March 31, 2020). Gross margin was 27% for the three months ended March 31, 2021 (44% for the three months ended March 31, 2020). The March 31, 2020 gross margin was higher than typical for the business due to the higher proportion of Aftercare service revenue in the period, which typically has a higher margin than upgrader projects. The gross margin going forward is expected to be between 25-30% on an annual basis.

Amortization of intellectual property was $0.3 million in both the three months ended 31 March 2021 and 2020. The intellectual property is amortized on a straight-line basis over 7 years and 10 months.

Gross profit was $3.0 million for the three months ended 31 March 2021 ($1.0 million for the three months ended 31, March 2020).

Operating expenses

Operating expenses which include salaries, depreciation, research and development, share-based payments and general and administrative costs, was $2.9 million for the three months ended March 31, 2021 ($2.1 million for the three months ended March 31, 2020).

Salaries accounted for $1.7 million of total administrative expenses for the three months ended March 31, 2021, up from $1.0 million in the first quarter of 2020 due mainly to new hires recruited to support the expanding business. At March 31, 2021 the Company had fifty-five employees (March 31, 2020: forty): forty-two employees based in Canada, eight based in the UK, three in Europe and two in the USA. In addition, share-based compensation of $0.2 million for the three months ended March 31, 2021 (March 31, 2020: $0.02 million) relating to employee stock option awards (granted from 2019 to 2021) and restricted share units (granted in 2020 and 2021).

The Company incurred general and administration expenses of $0.9 million for the three months ended March 31, 2021 (March 31, 2020: $0.9 million) reflecting costs relating to IT, investor relations, marketing, travel, insurance and other corporate and office expenses.

Other income (expenses)

During the three months ended March 31, 2021 the Company recognized other expenses of $0.3 million (March 31, 2020: $0.02 million loss) representing:

	Three Months ended March 31	
	2021	**2020**
	$	**$**
Finance expense	(59)	(166)
Other income	209	-
Foreign exchange gain (loss)	(416)	144
Total other income (expenses)	(266)	(22)

Finance expense

The Company reported $0.1 million in finance expense in the three-month period ended March 31, 2021 (March 31, 2020: $0.2 million), predominantly reflecting the interest on the promissory note. The reduction in interest expense quarter on quarter is due to the repayment of the promissory note, in full, in February 2021.

Other income

In February 2021, all amounts due to Pressure Technologies were repaid in full. This included (in addition to repayment of the promissory note) settlement of the intercompany invoices issued prior to the acquisition of the biogas business in June 2019. Settlement of all amounts due to Pressure Technologies resulted in a gain of $0.2 million in the period.

Foreign exchange gain (loss)

Foreign exchange loss of $0.4 million for the three months ended March 31, 2021 (March 31, 2020: gain of $0.1 million), primarily due to the movements in the Canadian dollar against the United States (“US”) dollar on our US dollar bank account.

8. Liquidity and Capital Resources

At March 31, 2021, the Company had cash and cash equivalents of $37.5 million (December 31, 2020: $16.4 million). The increase in cash primarily reflects $24.5 million net proceeds from the 2021 Bought Deal Offering (see section 10 below for further details), $4.4 million proceeds from options and warrants exercised in the period, offset in part by the $6.0 million repayment of the promissory note and net cash outflows from operating activities $1.7 million.

Cash and cash equivalents consist of cash and call deposits that are redeemable prior to maturity on demand and without economic penalty to the Company. The Company’s exposure to credit risk on its cash and call deposits is limited by maintaining all cash and call deposits with major banks with high credit ratings.

Working capital is defined as current assets minus current liabilities. Readers are cautioned that differences in businesses and the timing of transactions, amongst other things may not make working capital balances directly comparable between companies. At March 31, 2021, the Company had a consolidated working capital, including cash, of $36.6 million (December 31, 2020: $7.4 million). Fluctuations in cash and cash equivalents (outside of an equity raise), accounts receivable and accounts payable are primarily driven by the phasing of upgrader projects. The Company aims to ensure that projects are generally in a cash flow positive position (i.e. billings to customers are collected in advance of payments to suppliers). The Company has no significant commitments for capital expenditures.

Debt
At March 31, 2021, the Company had no debt, other than payments resulting from normal course operations and off balance-sheet arrangements discussed below. The promissory note issued to Pressure Technologies was due to mature on June 30, 2021, however this was repaid in full in February 2021, including principal and interest. With the early repayment of the promissory note all liabilities to Pressure Technologies have been eliminated. The Capital for the promissory note repayment came from funds received from the exercise of warrants in 2020.

9. Contractual obligations

The Company has contractual obligations as at March 31, 2021 of $14.3 million:

	Due within one year $ 000's	**Due between one and five years $ 000's**	**Total $ 000's**
Accounts payable and accrued liabilities	13,155	-	13,155
Lease liability	229	399	628
Contract liabilities	639	-	639
Total	**14,023**	**399**	**14,422**

10. Use of Proceeds

2021 Bought Deal Offering
On January 27, 2021, the Company completed the 2021 Bought Deal Offering through the issuance of 12,190,000 common shares, including 1,590,000 shares issued pursuant to the underwriters' full exercise of their over-allotment option, at a price of $2.17 per share for gross proceeds of $26.5 million ($24.5 million net). The Company's Prospectus (non-pricing) Supplement, dated January 21, 2021, contained certain disclosure in respect of the Company's intended use of the proceeds from the equity financings as of such date. As disclosed in that document, the Company expects to use the proceeds for development of and investments in new RNG projects, for strategic growth initiatives, and for general corporate purposes (including the Company's ongoing business initiatives) and working capital. There have been no changes to the Company's planned use of proceeds at this time.

A summary of the actual use of proceeds from January 27 to March 31, 2021 against the disclosed anticipated uses is set forth in the table below.

Use of Proceeds	Total Planned Spend $	Total Spend to March 31, 2021 $
Development of and investment in new RNG projects	8,000	85
Strategic growth initiatives (including pursuing attractive acquisition opportunities as the industry consolidates, adding system capabilities for hydrogen production as markets develop and strategic alliances to expand the Company's upgrading technology solutions)	8,000	-
General corporate purposes and working capital	8,500	629
Total	**$24,500***	**714**

*actual net proceeds received were $24,455,958

February 2020 Public Offering

On February 19, 2020, the Company closed an underwritten public offering through the issuance of 23,000,000 units (each unit was comprised of one common share and one-half of one common share warrant), including 3,000,000 units issued pursuant to the underwriters' full exercise of their over-allotment option, at a price of $0.50 per unit for gross proceeds of $11.5 million ($10.3 million net). The Company's Prospectus (non-pricing) Supplement ("2020 Prospectus"), dated February 12, 2020, contained certain disclosure in respect of the Company's intended use of the proceeds from the equity financings as of such date. As disclosed in that document, the Company planned to use the net proceeds on a payment to Pressure Technologies against the outstanding promissory note, investments in the Company's "build, own and operate" business model and for general corporate purposes and working capital. There have been no changes to the Company's planned use of proceeds at this time.

A summary of the actual use of proceeds from February, 19, 2020 to March 31, 2021 against the disclosed anticipated uses is set forth in the table below.

Use of Proceeds	Total Planned Spend $	Total Spend to March 31, 2021 $
Investments by the Company in its build, own and operate business model	3,500	57
Payment to Pressure Technologies against promissory note	3,500	3,614
General corporate purposes and working capital	3,400	3,400
Total	**10,400[1]**	**7,071**

1. Actual net proceeds received were $10,342,875

The variance of $0.1 million in the payment against the promissory note is a result of the requirement to repay accrued interest ($0.2 million) on the principal repaid, offset in part by a foreign exchange gain ($0.1

million) in principal repayment. This had not been included in the planned spend because the requirement to repay accrued interest was unconfirmed at that time, as disclosed in the 2020 Prospectus.

The Company is progressing with the develop, build, own and operate model through the joint venture with SWEN as discussed in section 5, further spend is expected to be incurred through 2021.

11. Industry Outlook

The biogas upgrading market is estimated to grow, driven by increasing demand for RNG caused primarily by a universal desire to combat climate change by reducing greenhouse gas emissions supported by government regulations and incentives for use of RNG as a transportation fuel and to replace fossil natural gas in the pipeline distribution network. As a global leader in the biogas upgrading business Greenlane expects to benefit from this trend.

Currently, Greenlane has a Sales Pipeline with an estimated value of over $715 million in biogas upgrading equipment sales for competitive bid. At March 31, 2021 Greenlane had a sales order backlog of $37.7 million, this figure excludes the $6.2 million from new contracts signed in April 2021. Refer to ‘Alternative Performance Measures’ for further information.

The Company plans to scale up operations as it wins new upgrader projects, search out consolidation opportunities in the highly-fragmented biogas upgrading industry and expand Greenlane’s business beyond equipment sales into project development through the DBOO business model (refer to section 5 above for further details). Following the completion of the 2021 Bought Deal Offering and earlier February 2020 Public Offering, the Company has raised funds to support these growth initiatives, see section 10 above for details of the intended use of proceeds from the two capital raises.

12. Related Party Transactions

Key management includes Directors, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), who have the authority and responsibility for the planning, directing and controlling the activities of the Company. The compensation recognized for these key management personnel for the three months ended March 31, 2021 and 2020 is outlined below:

	Three months ended March 31	
	2021	**2020**
	$	**$**
Non-executive Director fees (excluding share-based compensation)	76	-
Salary and management fees	156	135
Share-based compensation	114	2
	346	**137**

In February 2021, the Company settled all amounts due to Pressure Technologies, which arose through the acquisition of the biogas business, including the outstanding promissory note ($6.0 million) and intercompany invoices ($0.4 million).

13. Off Balance-sheet Arrangements

In April 2020, the Company issued a performance bond for US$0.5 million through Atlantic Specialty Insurance Company ("ASIC"), partially guaranteed by Export Development Canada ("EDC"), to a customer. In September 2020, the Company issued a payment bond for US$0.9 million through ASIC, to another customer. Upon demand of either bond, the Company would be required to compensate ASIC and EDC for any losses and expenses as applicable.

14. Critical Accounting Policies and Management Estimates

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

The Company's significant accounting policies and key sources of estimation uncertainty are those that affect its financial statements and are summarized in Note 3, 4 and 5 of the consolidated financial statements for the year ended December 31, 2020, there have been no changes since December 31, 2020. Critical accounting policies and estimates in the period included revenue recognition for biogas upgrader projects, the assessment of impairment of long-lived assets and goodwill, the measurement of financial instruments and the recognition of provisions and contingent liabilities.

15. Financial Instruments and Related Risks

There has been no change in financial instruments and related risk during the period.

16. Future Accounting Standards

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

17. Disclosure Controls and Internal Controls Over Financial Reporting

In accordance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, management is responsible for establishing and maintaining adequate disclosure controls and procedures ("DCP") and internal controls over financial reporting ("ICFR"). On February 17, 2021, the Company graduated from the TSXV and commenced trading on the TSX. The Company's CEO and CFO will be required to file certifications relating to DCP and ICFR for the Company in connection with its interim and annual filings commencing with the three and six months ended June 30, 3021, the second reporting period after the Company became a Non-Venture Issuer.

18. Outstanding Share Information

As of May 12, 2021 the Company had the following common shares, stock options, warrants and restricted share units outstanding:

Common shares	142,427,041
Stock options (vested and unvested)	4,463,334
Warrants	8,411,545
Restricted share units	1,090,452

At March 31, 2021, 138,873,116 common shares were outstanding.

Alternative performance measures

Non-IFRS Measures

Management evaluates the Company's performance using a variety of measures, including "operating profit (loss)", "gross margin (excluding amortization)", "Adjusted EBITDA", "Sales Pipeline" and "sales order backlog". The non-IFRS 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 non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company. Management uses these and other non-IFRS financial measures to exclude the impact of certain expenses and income that must be recognized under IFRS when analyzing consolidated underlying operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

Reconciliation of net loss to Adjusted EBITDA Income (Loss)

	Three months ended March 31	
	2021	**2020**
	$	**$**
Net income (loss)	(230)	(1,093)
Add back:		
Share based compensation	175	22
Depreciation and amortization	390	380
Finance expense	59	166
Other income	(209)	-
Foreign exchange (gain) loss	419	(144)
Other adjustments – bonus accrual	-	(161)
Adjusted EBITDA Income (Loss)	**604**	**(830)**

Sales Order Backlog

Sales Order backlog refers to the balance of unrecognized revenue from contracted projects. The sales order backlog increases by the value of new system sales contracts and is drawn down over time as projects progress towards completion with amounts recognized in revenue (by reference to the stage of completion of each contract).

Sales Pipeline

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

Risks and Uncertainties

Greenlane's business is exposed to risks and uncertainties that affect its outlook, results of operations and financial position. The risks and uncertainties described below are not the only ones that Greenlane faces. Additional risks and uncertainties, including those that management is not currently aware of or that management currently deems immaterial, may also adversely affect Greenlane's business. Please refer to the heading "Risk Factors" in the Company's Annual Information Form, which can be found on the Company's website at www.greenlanerenewables.com and on the SEDAR website at www.sedar.com.

Macroeconomic and geopolitical risks and uncertainties that impact Greenlane's business include: the uncertain and unpredictable condition of the global economy; significant markets for RNG may never develop or may develop more slowly than expected; changes in government policies and regulations could hurt the market for Greenlane's products; competition from other developers and manufacturers of RNG products could reduce Greenlane's market share or reduce its gross margins; technological advances or the adoption of new codes and standards could impair Greenlane's ability to deliver its products and fluctuations in foreign exchange rates could impact Greenlane's revenues and costs.

On March 11, 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a global pandemic. The COVID-19 pandemic and the associated government-imposed lockdowns have had the impact of delaying the supply of a small number of components required by Greenlane to fulfil contracts. Although all of the Company's suppliers are now back at work, the Company's purchasing plan identifies alternative sources of supply for major component suppliers and product fabricators that are essential to Greenlane's business operation.

The Company continues to operate its business at this time. As the COVID-19 pandemic continues to evolve, the Company's business may be impacted, with a result that it may not be able to complete on its current biogas upgrading contracts within the anticipated timeframe, with the further result that the Company's recording of revenues and receipt of milestone payments from these contracts may be deferred to later fiscal reporting periods.

The Company also faces many operating risks and uncertainties, including but not limited to: Greenlane may not be able to implement its business strategy; Greenlane currently depends on a relatively limited number of customers for a majority of its revenues; Greenlane's insurance may not be sufficient to cover losses; Greenlane could be liable for environmental damages resulting from its activities; Greenlane's strategy for the sale of RNG products depends on developing partnerships with component manufacturers related to its water wash, PSA and membrane biogas upgrading systems and market channel partners who incorporate Greenlane's products into their projects; Greenlane is reliant on third party suppliers for key materials and components for its products; Greenlane may not be able to manage the expected expansion of its operations; Greenlane's plan to expand into project development may not materialize or may not result in the benefits expected; Greenlane sells its products in many different countries which have different rules and regulations; Greenlane will need to recruit, train and retain key management and other qualified personnel to successfully operate and expand its business; Greenlane might acquire technologies or companies in the future and these acquisitions could disrupt its business; any failures of Greenlane's products could negatively impact its customer relationships and increase its costs; Greenlane's intellectual property could be compromised which could adversely affect its business; potential customers could reduce their spending on biogas upgrading projects; Greenlane may not be able to maintain the necessary liquidity level or secure the financing necessary to fulfill its business plan; and financing may not be available on favorable terms.

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

Forward-Looking Statements

This MD&A contains forward-looking statements, including statements regarding the future success of the Greenlane business, technology and market opportunities. Forward-looking statements typically contain words such as "believes", "expects", "anticipates", "plans", "continues", "could", "indicates", "will", "intends", "may", "projects", "schedules", "would" or similar expressions suggesting future outcomes or events, although not all forward-looking statements contain these identifying words. Examples of such statements include, but are not limited to, statements concerning: actions expected to be undertaken to achieve the Company's strategic goals; the key market drivers impacting the Company's success; intentions with respect to future biogas upgrading development work; expectations regarding business activities and orders that may be received in future years; trends in, and the development of, the Company's target markets; the Company's market opportunities; the benefits of the Company's products; expectations regarding competitors; the expected impact of the described risks and uncertainties; the management of the Company's liquidity risks in light of the prevailing economic conditions; and the ability of the Company to obtain financing in order to grow its business; visibility to more than 160 new projects, proposed or proceeding, and their estimated value.

These statements are neither promises nor guarantees but involve known and unknown risks and uncertainties that may cause the Company's actual results, level of activity or performance to be materially different from any future results, levels of activity or performance expressed in or implied by these forward-looking statements. These risks include, generally, risks related to revenue growth, operating results, industry and products, technology, competition, the economy and other factors. Although the forward-looking statements contained herein are based upon what management believes to be current and reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. Examples of such assumptions include but are not limited to: trends in certain market segments and the economic climate generally; the pace and outcome of technological development and the expected actions of competitors and customers. The forward-looking statements contained herein are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Except to the extent required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements contained herein.