GREENLANE RENEWABLES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED – March 31, 2022

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, 2022 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022 and with the audited consolidated financial statements for the year ended December 31, 2021 and the related notes thereto. All figures are expressed in Canadian dollars (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"), gross margin (excluding amortization), sales pipeline and sales order backlog. These are specified financial measures used by Management to better manage the Company and to assist the Company's shareholders to evaluate the Company's performance, but do not have standardized meaning. To facilitate a better understanding of these measures presented by the Company, qualifications, definitions and reconciliations 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 ("AIF"), on file with the Canadian securities regulatory authorities. Additional information and disclosure relating to the Company including the AIF, can be found on the Company's website at www.greenlanerenewables.com and 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's common shares trade under the symbol "GRN" on the Toronto Stock Exchange "("TSX"). The head office of the Company is located at 110-3605 Gilmore Way, Burnaby, B.C. V5G 4X5 and the registered and records office of the Company is located at 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

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 ("RNG"), suitable for injection into the natural gas grid and for direct use as vehicle fuel. The business, acquired by the Company in June 2019, markets and sells under the Greenlane Biogas™ brand, biogas upgrading systems designed to remove impurities and separate carbon dioxide from 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 has been built on over 30 years of industry experience, patented and proprietary technology, and over 135 biogas upgrading systems sold into 19 countries including some of the largest RNG production facilities in North America and Europe.

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

3. Updates for the three months ended March 31, 2022 and subsequent events

Results:
In the first quarter of 2022, the Company reported revenues of $16.3 million, a gross margin (excluding amortization) of $4.0 million or 25% of revenues, a net loss of $2.2 million and a breakeven Adjusted EBITDA of $0.03 million. Revenue for the three months ended March 31, 2022 was in line with the stage of completion on active and announced projects and includes $0.9 million from newly acquired Airdep (since completion of the acquisition on February 1, 2022). Revenue increased 33% over revenue of $12.2 million reported in the first quarter of 2021.

Over $18 million in New System Sales Contract Wins Announced Year-to-Date in 2022:
On January 4, 2022**,** the Company announced the signing of two new biogas upgrading system supply contracts valued in total at $7.1 million for separate RNG projects in the United States and Brazil. Order fulfillment by the Company for both projects commenced immediately.

a) A contract for the supply of a biogas upgrading system for a dairy farm RNG project in the State of Nebraska. Greenlane will supply its PSA system for upgrading biogas generated from anaerobic digestion of dairy cow manure into carbon negative RNG suitable for injection into the local pipeline network.
b) A contract for a landfill gas-to-RNG project in Brazil with one of the country's largest landfill operators, Orizon Valorizacao de Residuos ("Orizon"). Greenlane will supply its water wash system to upgrade the landfill gas to low carbon RNG.

On April 28, 2022, the Company announced the signing of an $11.4 million (US$8.9 million) contract with a single customer for the supply of its PSA biogas upgrading systems for new food waste-to-RNG projects across three US states. Order fulfillment commenced immediately.

Acquisition of a Leading Italian Provider of Biogas Desulfurization and Air Deodorization Products:
On February 1, 2022, the Company completed the acquisition of Italian company Airdep, a leading provider of biogas desulfurization and air deodorization products founded in 2011 and based in Vicenza, Italy. The acquisition of Airdep brings in-house an effective and proven technology to remove hydrogen sulfide (H_2S) from biogas for integration with the Company's portfolio of biogas upgrading systems that produce low-carbon and carbon-negative RNG. It also adds an attractive line of products for sales into existing and new biogas projects globally, independent of the full biogas upgrading system. Over the last ten years since its founding, Airdep has deployed over 100 H_2S treatment systems that use a proprietary liquid reagent media for removal of H_2S in biogas. The liquid media is regenerated and recirculated within the process to minimize operating costs. The Airdep system offers lower capital and operating costs than competing methods, and is especially compelling for use in higher flow, higher H_2S concentration applications. In addition to H_2S treatment products, Airdep also offers an extensive line of air deodorization products.

Through the acquisition, the Company expects to further strengthen its price competitiveness and margins by insourcing a technology that it would otherwise procure to integrate into its biogas upgrading systems.

In addition, Greenlane can expand its scope of supply and increase its revenue in projects where customers would otherwise purchase the H_2S systems directly from others.

Total consideration for the acquisition comprised of $7.9 million (€5.5 million) in cash paid on closing and $1.4 million (€1.0 million) in Greenlane shares issuable in equal tranches over the following 4 quarters, with additional contingent earn-out consideration of up to $3.6 million (€2.5 million). The earn-out will be calculated, based on future company financial performance, and if thresholds are met, become payable in early 2025 in cash, or a combination of cash and Greenlane shares, at Greenlane's option. The total maximum consideration for the acquisition is $12.9 million (€9.0 million).

Global Supply Chain Challenges: The global supply chain challenges continue to impact Greenlane's ability to timely fulfill its contractual obligations in 2022. As a consequence, the Company continues to experience some downward pressure on profits, as first reported in the fourth quarter of 2021.

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 $12 million for single systems, depending on size and scope of supply, with larger capacities achieved by installing multiple systems in parallel driving multiples in contract value accordingly. Some projects are design, install and commission, while others are design and commission only and in addition, the Company may secure an ongoing maintenance contract. The mix of models, scope and geography of each project impacts the overall project revenue.

Due to the long history of Greenlane branded products and Greenlane's prominent market position, geographic reach of its sales force and multi-technology offerings, the Company has visibility into proposed biogas upgrading projects around the world. Greenlane maintains a pipeline of prospective projects that it updates regularly based on quote activity to ensure that it is reflective of active sales opportunities that can convert into orders within approximately a rolling 24-month time horizon ("Sales Pipeline", i.e. known sales opportunities). At March 31, 2022, excluding potential opportunities for newly acquired subsidiary Airdep to sell biogas desulfurization and air deodorization products to third parties, the Sales Pipeline was valued at over $900 million (December 31, 2021: $850 million). Not all of these potential projects will proceed or proceed within the expected timeframe and not all of the projects that do proceed will be awarded to Greenlane. Additions to the amount in the Sales Pipeline come from situations where the Company provides a quote on a prospective project and reductions in the Sales Pipeline arise when a prospective opportunity is lost to a competitor, does not proceed or is converted to Greenlane's active order book (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 no matter the project size, feedstock or global location.

The addition of Airdep, in February 2022, brings the supply of biogas desulfurization and air deodorization products, which can be incorporated into biogas projects globally, independent of the full biogas upgrading system.

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. Deployment of Development Capital Opportunities

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

The Company intends to deploy specialized project development capital where it can assist developers in accelerating projects to the ready for construction phase, thereby securing additional system sales and services and earning an equity and/or profits interest in the resulting RNG project.

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

See section 10: Use of Proceeds from the 2021 and 2020 Offerings for further details.

6. Summary of Quarterly Results

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

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

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

	Three months ended			
	March 31, 2022 $	**December 31, 2021 $**	**September 30, 2021 $**	**June 30, 2021 $**
Revenue	16,273	17,124	13,439	12,583
Gross Margin (excluding amortization)[1,2]	4,021	4,255	3,373	3,224
Operating income (loss)	(1,458)	(951)	(608)	(653)
Other income (expense)[3]	(693)	(320)	660	(424)
Net Income (Loss)	(2,151)	(1,195)	52	(1,077)
Earnings (Loss) per share attributable to shareholders (basic and diluted)	(0.01)	(0.01)	0.00	(0.01)
Adjusted EBITDA[2]	30	274	83	120

	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 Margin (excluding amortization)[1,2]	3,284	2,363	1,685	1,089
Operating income (loss)	39	(911)	(734)	(925)
Other income (expense)[3]	(269)	(348)	1,477	(15)
Net Income (Loss)	(230)	(1,181)	743	(940)
Earnings (Loss) per share attributable to shareholders (basic and diluted)	(0.00)	(0.02)	0.01	(0.01)
Adjusted EBITDA[2]	604	160	(360)	(671)

1. Gross margin (excluding amortization) is calculated by taking revenue less cost of goods sold (excluding amortization)
2. Adjusted EBITDA and gross margin (excluding amortization) are non-IFRS measures, refer to section 19 Alternative Performance Measures for further information
3. Other income (expense) represents finance expense, finance income, other non-operating income and foreign exchange

7. Review of Results for the three months ended March 31, 2022

	Three months Ended March 31, 2022 $	2021 $
Revenue	16,273	12,205
Cost of goods sold (excluding amortization)	(12,252)	(8,921)
Gross Margin (excluding amortization)	4,021	3,284
Gross Margin %[1]	25%	27%
Amortization	(469)	(314)
Gross Profit	3,552	2,970
Operating expenses	(5,010)	(2,931)
Operating (loss) income	(1,458)	39
Other expenses	(693)	(269)
Net loss	(2,151)	(230)
Loss per share attributable to owners of the Company (basic and diluted)	(0.01)	(0.00)
Adjusted EBITDA	30	604

	March 31, 2022	December 31, 2021
Total Assets	84,946	78,786
Total Current Liabilities	26,016	21,938
Total Long-term Liabilities	4,058	367
Total Equity	54,872	56,481

(1) Here and elsewhere gross margin % excludes depreciation and amortization

The Company's operating loss for the three months ended March 31, 2022 was $1.5 million ($0.04 million operating income for the three months ended March 31, 2021).

The Company recorded a net loss of $2.2 million for the three months ended March 31, 2022 ($0.2 million loss for the three months ended March 31, 2021) reflecting operations for the quarter as well as other expenses of $0.7 million, predominantly from foreign exchange loss in the quarter ($0.3 million loss in the three months ended March 31, 2021, mainly due to foreign exchange loss partially offset by a $0.2 million non-recurring gain).

The Company's Adjusted EBITDA was $0.03 million for the three months ended March 31, 2022 (Adjusted EBITDA of $0.6 million for the three months ended March 31, 2021).

Revenue

During the three months ended March 31, 2022, the Company recognized revenue of $16.3 million ($12.2 million for the three months ended March 31, 2021).

	Three months ended	
	March 31, 2022	**March 31, 2021**
	$	**$**
System sales	15,070	11,568
Aftercare services	1,203	637
Total revenue	**16,273**	**12,205**

System sales revenue in the quarter primarily reflects revenue from nine customer upgrader contracts (seven in the three months ended March 31, 2021), recognized in accordance with the stage of completion of projects. During the quarter the Company secured new upgrader contracts with an aggregate value of $7.1M and began recognizing revenue from these contracts immediately. As at March 31, 2022, the Company's sales order backlog (excluding Airdep) was $35.7 million, reflecting revenue on sales contracts that will be recognized as completion of the projects progress. Contracts included in the order backlog are typically recognized over nine to eighteen months from when the contract is signed.

Following the acquisition of AirDep on February 1, 2022, $0.9 million has been recorded from the sale of biogas desulfurization and air deodorization systems in the period. The Airdep order backlog has not been included in the reported sales order backlog of $35.7 million, since the contracts are smaller in value and delivered over a significantly shorter period of time.

Many of Greenlane's upgrading system 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.

Cost of goods sold (excluding amortization) and gross profit

The Company predominantly utilizes a capital-light, fully outsourced manufacturing model whereby it outsources fabrication of elements of its systems, and purchases components globally from trusted supply chain partners who meet the Company's cost, quality and delivery requirements. The only exception to this is in relation to Airdep (acquired February 1, 2022), where the assembly and a small amount of inhouse fabrication is performed in the manufacturing of biogas desulfurization and air deodorization systems.

Cost of sales (excluding amortization) for the three months ended March 31, 2022 was $12.3 million ($8.9 million for the three months ended March 31, 2021), an increase from the comparative period in the prior year directly related to the increase in revenue. Gross margin was 25% for the three months ended March 31, 2022 (27% for the three months ended March 31, 2021). Gross margin in the first quarter of 2022 was negatively impacted by higher than planned labour costs, due to the delivery of a larger number of more complex projects, in addition certain upgrading projects saw increased costs in the period, including related to shipping costs and supply chain disruptions.

Amortization of intellectual property was $0.5 million for the three months ended March 31, 2022, an increase of $0.2 million from the comparative quarter, reflecting amortization of intellectual property acquired from Airdep on February 1, 2022. A preliminary value of $4.8 million has been estimated with respect to customer lists and know-how and is being amortized over five years.

Gross profit was $3.6 million for the three months ended March 31, 2022 ($3.0 million for the three months ended March 31, 2021).

Operating expenses

Operating expenses which includes depreciation, general and administration, research and development, sales and marketing, share-based payments and strategic initiatives were $5.0 million for the three months ended March 31, 2022 ($2.9 million for the three months ended March 31, 2021).

General and administration related to salaries and benefits accounted for $2.0 million of total general and administration expenses for the three months ended March 31, 2022, up from $1.4 million in the comparative quarter primarily due to new hires recruited to support the expanding business, staff employed as a result of the acquisition of Airdep in February (14 new employees) and a cost-of-living salary increase starting from January 2022. At March 31, 2022, the Company had 110 employees and contractors (March 31, 2021: 45): 79 employees based in Canada, 7 in England, 2 in France, 1 in Germany, 14 in Italy and 7 in the US. Employee costs associated with the 110 employees are recorded in general and administration, cost of sales, research and development and sales and marketing. The Company may add further resources as needs require.

The Company incurred other general and administration expenses (excluding salaries) of $1.4 million for the three months ended March 31, 2022, up from $0.9 million for three months ended March 31, 2021, primarily due to increases in insurance and public Company related expenses (including board fees), and business development activities.

Research and development costs were $0.3 million for the three months ended March 31, 2022 (March 31, 2021: $0.1 million) reflecting internal labour costs and external consultancy fees associated with ongoing initiatives to enhance product offerings.

Sales and marketing expenses were flat at $0.3 million for the three months ended March 31, 2022 and 2021, which includes salaries and benefits for sales personnel, as well as marketing and promotion costs to improve the Company's branding and costs associated with attending sales conferences.

Share-based compensation of $0.6 million was recognized during the three months ended March 31, 2022 (March 31, 2021: $0.2 million for the three month period) relating to employee stock option awards (granted from 2019 to 2022) and restricted share units (granted from 2020 to 2022).

Strategic initiative costs were $0.3 million for the three months ended March 31, 2022 (March 31, 2021: nil) representing costs associated with development of new business opportunities both through the deployment of development capital (see section 5 above) and pursuing acquisition opportunities.

Other income (expenses)

During the three months ended March 31, 2022 the Company recognized other expenses of $0.7 million ($0.3 million for three months ended March 31, 2021) representing:

	Three months ended March 31,	
	2022 $	**2021 $**
Finance expense	(25)	(59)
Finance income	24	-
Other income	-	209
Foreign exchange loss	(692)	(419)
Total other expenses	(693)	(269)

Finance expense
The Company reported $0.03 million in finance expense in the three months ended March 31, 2022 ($0.06 million for three months ended March 31, 2021). The reduction in interest expense quarter over quarter is due to the repayment of the promissory note to Pressure Technologies plc ("Pressure Technologies"), in full, in February 2021. The amount in 2022 relates to the finance charge associated with lease liabilities.

Finance income
The Company held $9.7 million in six term deposits as at March 31, 2022. The finance income of $0.02 million was predominantly interest earned and accrued on these term deposits during the three months ended March 31, 2022.

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 loss
Foreign exchange loss of $0.7 million for the three months ended March 31, 2022 ($0.4 million loss for three months ended March 31, 2021), primarily due to the losses in the Canadian dollar movement against Euro and US dollar, predominantly in relation to the Company's US dollar bank account and accounts receivable balance in US dollars.

8. Liquidity and Capital Resources

At March 31, 2022, the Company had cash and cash equivalents of $23.1 million (December 31, 2021: $31.5 million). The decrease of $8.4 million primarily reflects the $6.9 million cash payment for acquisition of Airdep (net of cash received on acquisition) and cash used in operating activities ($1.3 million). Cash and cash equivalents consist of cash and cash deposits that are redeemable prior to maturity on demand and without economic penalty to the Company. The Company's exposure to credit risk on its cash and call deposits is limited by maintaining all cash and call deposits with major banks with high credit ratings.

At March 31, 2022 the Company had $1.6 million recorded as restricted cash (December 31, 2021: $1.7 million), reflecting US$1.2 million held in a cash deposit as partial security for a performance bond and $0.1 million cash deposit for the Company's credit cards. See note 13 "Off Balance Sheet Arrangements" below for further details.

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, 2022, the Company had a consolidated working capital, including cash and cash equivalents, of $29.2 million (December 31, 2021: $39.1 million). The Company aims to ensure that projects are generally in a cash flow positive position (i.e. billings to customers are collected in advance of payments to suppliers) although the operating cash flow for the three months ended March 31, 2022 was negative, mainly due to the timing of invoicing and collections from certain customers (the majority of overdue receivables were collected subsequent to the quarter end) and timing of payment to suppliers.

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

Debt
At March 31, 2022, the Company had no debt, other than payables resulting from normal course operations, deferred consideration payable from the acquisition of Airdep, and off balance-sheet arrangements discussed in Section 13.

9. Contractual obligations

The Company has contractual obligations as at March 31, 2022 of $28.8 million:

	Due within one year $	Due between two and five years $	Total $
Accounts payable and accrued liabilities	21,301	-	21,301
Lease liability	312	1,096	1,408
Warranty liability	260	145	405
Contract liabilities	2,714	-	2,714
Deferred consideration – share issuance	1,429	-	1,429
Deferred consideration – contingent earn-out	-	1,527	1,527
Total	**26,016**	**2,768**	**28,784**

10. Use of Proceeds from the 2021 and 2020 Offerings

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

A summary of the actual use of proceeds from January 27, 2021 to March 31, 2022 against the disclosed anticipated uses is set forth in the table below.

Use of Proceeds	Total Planned Spend $	Total Spend to March 31, 2022 $
Development of and investment in new RNG projects	8,000	606
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	8,000
General corporate purposes and working capital	8,500	8,500
Total	**24,500***	**17,106**

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

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

The Company is working on the deployment of development capital, see Section 5 "Deployment of Development Capital Opportunities" above for further details.

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

February 2020 Public Offering

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

A summary of the actual use of proceeds from February 19, 2020 to March 31, 2022 against the disclosed anticipated uses is set forth in the table below.

Use of Proceeds	Total Planned Spend $	Total Spend to March 31, 2022 $
Investments by the Company in its develop, build, own and operate business model	3,500	63
Payment to Pressure Technologies against promissory note	3,500	3,614
General corporate purposes and working capital	3,400	3,400
Total	**10,400[1]**	**7,077**

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 deployment of funds for the Company's "develop, build, own and operate" business model was to be used toward the previously announced joint venture with SWEN Impact Fund for Transition, however with uptake in the market slower than expected for the this offering, the Company expects to redirect these funds to the deployment of development capital (see Section 5 "Deployment of Development Capital Opportunities" above). Any material variance in the use of proceeds will be subsequently disclosed.

11. Industry Outlook

The biogas upgrading market is anticipated 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 mandates and demand from businesses, utilities, organizations and individuals for use of RNG as a transportation fuel and to replace fossil natural gas in the pipeline distribution network. As a global leader in the biogas upgrading business, Greenlane expects to benefit from this trend.

The Company plans to continue to scale up its operations as it continues to win a greater number of new upgrader projects, search out consolidation opportunities in the highly-fragmented biogas upgrading industry and expand Greenlane's business beyond equipment sales to also include recurring revenue and profits from RNG projects through deployment of development capital (refer to 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 remuneration paid and payable to these key management personnel for the three months ended March 31, 2022 and 2021 is outlined below:

	Three months ended March 31,	
	2022	**2021**
	$	**$**
Non-executive Director fees (excluding share-based compensation)	103	76
Salaries and other short term benefits	595	359
Share-based compensation	136	114
	834	**549**

13. Off Balance-sheet Arrangements

In 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 one customer. The performance bond remains in effect until the performance conditions stipulated in the customer contract are met. Commissioning and handover of the equipment is expected later in 2022.

In January 2022, the Company issued a performance bond for US$4.8 million through ASIC, partially secured by a cash deposit of US$1.2 million, to a customer.

In February 2022, the Company entered into a new $12.5 million credit facility with TD secured by a guarantee from EDC to provide further guarantees and letters of credit to its customers for system supply contracts that require them. Under this facility, $3.6 million in letters of credit have been issued to one customer, and the Company anticipates issuing up to a maximum of $9.0 million to meet current contractual obligations.

On March 31, 2022, the two standby letters of credit for €1.6 million, issued through Toronto Dominion Bank ("TD") related to an advance payment guarantee with one customer, expired. The guarantee was secured by $3.2 million in term deposits with TD, which following expiry of the standby letters of credit have been released from restricted cash.

At March 31, 2022, the Company had US$5.3 million and $3.6 million in off-balance sheet financing. Upon demand of either the performance bond or standby letters of credit, the Company would be required to compensate ASIC, EDC or TD 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 Notes 3, 4 and 5 of the consolidated financial statements for the year ended December 31, 2021. Except for the judgements applied in accounting for the business acquisition of Airdep, there have been no changes since December 31, 2021. Critical accounting policies and estimates in the period included revenue recognition for system sales contracts, the preliminary estimation of the fair values of assets acquired and liabilities assumed and valuation of deferred consideration following the acquisition of Airdep, the assessment of impairment of long-lived assets and goodwill, measurement of financial instruments and the recognition of provisions and contingent liabilities.

15. Financial Instruments and Related Risks

Refer to the year ended December 31, 2021 MD&A for details of the financial instruments and related risks. There has been no change in the types and methodology of valuation of financial instruments since December 31, 2021.

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"). The Company's CEO and CFO have designed or caused to be designed under their supervision, the DCP that provide reasonable assurance that (i) material information relating to the Company is made known to the Company's CEO and CFO by others, and (ii) information required to be disclosed by the Company in its filings under securities legislation is recorded, processed, summarized and reported within the time periods specified under applicable securities legislation. The CEO and the CFO have also designed or caused to be designed under their supervision the ICFR to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The scope of our internal control over financial reporting or disclosure controls and procedures for the period covered by this report excludes Airdep. We completed the acquisition of Airdep on February 1, 2022, and proceeded to integrate the operations and administration of the business immediately thereafter. Although Airdep is currently subject to similar controls as our other operations for the consolidation and financial reporting of period-end results, we will formally expand our internal controls over financial reporting or disclosure controls and procedures to include Airdep in the first quarter of 2023. The acquisition of Airdep was $11.8 million in net assets (18%), $0.9 million of consolidated revenues (6% for the three months ended March 31, 2022), and $0.2 million of net earnings as at and for the three months ended March 31, 2022.

During the period from January 1, 2022, to March 31, 2022, there was no change to the ICFR that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

18. Outstanding Share Information

As of May 12, 2022 the Company had the following common shares, stock options, warrants and restricted share units outstanding:

Common shares	150,641,162
Stock options (vested and unvested)	7,515,250
Restricted share units	2,143,873

At March 31, 2022, 150,300,657 common shares were outstanding.

19. Alternative performance measures

i) Specified Financial Measures

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

Adjusted EBITDA

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

Reconciliation of net loss to Adjusted EBITDA

	Three months ended March 31,	
	2022	**2021**
	$	**$**
Net loss	(2,151)	(230)
Add back:		
Share based compensation	550	175
Depreciation and amortization	617	390
Finance expense	25	59
Finance income	(24)	-
Other income	-	(209)
Foreign exchange loss	692	419
Strategic initiatives	321	-
Adjusted EBITDA	**30**	**604**

Refer to section 6 above for an explanation of gross margin (excluding amortization).

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

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

20. 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 and the Shelf Prospectus (a short form base shelf prospectus filed in June 2021) which can be found on the SEDAR website at www.sedar.com.

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

On March 11, 2020, the World Health Organization declared COVID-19, the disease caused by the novel coronavirus, a global pandemic. The Company continues to operate its business at this time. As the COVID-19 pandemic continues to evolve, the Company's business may be impacted, including through supply chain and delivery delays, with a result that it may not be able to complete on its current biogas upgrading contracts within the anticipated timeframe. In some cases, such delays may result in liquidated damages, may adversely affect the Company's recording of revenues, and receipt of milestone payments from these contracts may be deferred to later fiscal reporting periods.

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

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

The Company's estimates of sales order 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.

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

21. 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: expected progress for the fulfillment of contracts for biogas upgrading systems and the timing of revenue recognition; the potential impact of COVID-19 on the Company’s business including through shipping delays, access to material supplies and inflation; actions expected to be undertaken to achieve the Company’s strategic goals; the anticipated benefits of acquiring Airdep and its technologies including that the Company will be able to enhance its global offerings and expand sales globally; that the Company will be able to enhance and develop innovative new products and serve new customers as a result of the Airdep acquisition; that the acquisition will further strengthen the Company’s price competitiveness and margins, the key market drivers impacting the Company’s success; intentions and expectations with respect to future biogas upgrading projects and development work; expectations regarding business activities and orders that may be received in future years; trends in, and the development of, the Company’s target markets including regulatory policies and legislation; the Company’s market opportunities; the benefits of the Company’s products; expectations regarding competitors; the expected impact of the described risks and uncertainties; the management of the Company’s liquidity risks in light of the prevailing economic conditions; the ability of the Company to obtain financing in order to grow its business; and visibility as to 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, regulatory policies, the availability of skilled personnel; the ability of the Company to convert opportunities into committed contracts; the ability of the Company to realize the benefits of the Airdep acquisition, the effects of the Russia-Ukraine war and related economic and political sanctions on global fuel sources and supply chains; the economy and other factors. Although the forward-looking statements contained herein are based upon what management believes to be current and reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. Examples of such assumptions include but are not limited to: trends in certain market segments and the economic climate generally; the impact of COVID-19 on the global supply chain including shipping, material supplies and inflation; the pace and outcome of technological development and the expected actions of competitors and customers. The forward-looking statements contained herein are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement and the Risks and Uncertainties in this MD&A and other referenced public disclosure. Except to the extent required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements contained herein.