Management's Discussion and Analysis of

GREEN RISE FOODS INC.

(Formerly Green Rise Capital Corporation)

For the three and six months ended June 30, 2021

(Canadian Dollars)

MANAGEMENT’S DISCUSSION AND ANALYSIS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) of Green Rise Foods Inc. (formerly Green Rise Capital Corporation and hereinafter “Green Rise” or “the Company”) provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess the financial condition of the Company as at June 30, 2021, and the results of operations for the three and six month periods ended June 30, 2021.

The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements (“financial statements”) of Green Rise as at June 30, 2021. The accompanying financial statements have been prepared by and are the responsibility of Green Rise’s management. The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

All amounts in this discussion are expressed in millions of Canadian dollars (CAD), unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute “forward-looking information” and “forward-looking statements”. All statements other than statements of historical fact contained in this MD&A. Such statements can, in some cases, be identified by the use of forward-looking terminology such as “expect,” “likely”, “may,” “will,” “should,” “intend,” or “anticipate,” “potential,” “proposed,” “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. The forward-looking statements included in this MD&A are made only as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Forward-looking statements in this MD&A are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

- expansion of facilities;
- changes in laws, regulations and guidelines;
- legislative or regulatory reform and compliance;
- competition;
- environmental regulations and risks;
- limited operating history;
- risks inherent in an agricultural business;
- reliance on a single location;
- retention and acquisition of skilled personnel;
- negative consumer perception;
- product liability;

- insurance coverage;
- regulatory or agency proceedings, investigations and audits;
- litigation;
- constraints on marketing products;
- fraudulent or illegal activity by the Company's employees, contractors and consultants;
- information technology systems and cyber-attacks;
- breaches of security and risks related to breaches of applicable privacy laws;
- access to capital;
- estimates or judgments relating to critical accounting policies; and
- extended economic downturn caused by the COVID-19 pandemic.

In addition to the factors set out above and those identified in this MD&A under "Risks and Uncertainties", other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

OVERVIEW OF GREEN RISE FOODS INC.

Green Rise Foods Inc. was incorporated under the Business Corporations Act (Ontario) on June 9, 2017.

On September 30, 2019, the Company completed its acquisition of Bull Market Farms Inc. ("Bull Market"). In 2018, Bull Market acquired its farm with an existing 51-acre producing greenhouse ("GR1") and is a grower of greenhouse fresh produce located in Leamington, Ontario. The GR1 farm produces two types of tomatoes – beefsteak and a varietal of medley cherry tomatoes. With the Transaction, the Company completed its first greenhouse range acquisition. On February 1, 2021 the Company completed its acquisition of its second range, a 22-acre producing greenhouse ("GR2") located in Kingsville Ontario. The GR2 farm produces beefsteak tomatoes. The Company plans to continue to grow its cultivation capacity with a core goal of being the "best-in-class" contract grower of greenhouse-grown fresh produce. To achieve the "best-in-class" status, the Company maintains a strict financial discipline, seeks out new technologies to help improve its processes and employs policies to maintain and attract the best human capital. These items have helped Green Rise achieve key milestones listed on page 4 of this MD&A under the heading "Highlights for Fiscal 2021".

On October 16, 2020, the Company officially changed its name from Green Rise Capital Corporation to Green Rise Foods Inc. The name change received shareholder approval at its annual general and special meeting of shareholders held on July 8, 2020 and from the TSX Venture Exchange on October 16, 2020.

The Company's common shares are listed on the Toronto Venture Stock Exchange (the "TSX-V") under the trading symbol "GRF.V". The TSX-V approved the Transaction on October 4, 2019.

The address of the Company's registered office is 47 Colborne Street, Suite 301, Toronto, Ontario, M5E 1P8, Canada.

The seasonal operation consists of the growing, packaging and the sale of produce to two major customers.

Highlights for Fiscal 2021

- On January 13, 2021, the Company amended its credit facilities agreement ("the credit facility") between its wholly owned subsidiary Bull Market Farms Inc. ("Bull Market") and the Royal Bank of Canada. As a result, the credit facility was increased from $3.5 million to $5.0 million.

- On February 1, 2021, the Company completed the acquisition, through Bull Market, of the net assets of Mor Gro Farms Inc., comprising a 22-acre greenhouse range on a 57-acre property in Kingsville, Ontario for cash consideration of $15.9 million. As a result of the transaction, a bargain purchase gain of $1.9 million was generated and recognized during the first quarter.

- With the acquisition of GR2, the Company now owns and operates 73-acres of greenhouse cultivation capacity at 2 different locations.

- The Company generated earnings of $1.2 million for the six-month period ended June 30, 2021 ($0.6 million for the three-month period ended June 30, 2021), as compared to $0.7 million for the same period in the prior year ($1.3 million for the three-month period ended June 30, 2020).

- Adjusted EBITDA amounted to $1.7 million for the six-month period ended June 30, 2021 ($2.8 million for the three-month period ended June 30, 2021), as compared to $2.4 million in the prior year period ($3.0 million for the three-month period ended June 30, 2020).

- The Company realized record tomato sales of $7.1 million six-month period ended June 30, 2021 ($7.0 million for the three-month period ended June 30, 2021), as compared to $5.7 million in the prior year period ($5.7 million for the three-month period ended June 30, 2020).

- In March 2021, the Company experienced a crop failure at its newly acquired GR2 facility resulting in an impairment charge of $1.1 million. Following the failure of the first crop at GR2, the Company made the decision to replant and is pleased to report that it began picking fresh produce at its GR2 facility in mid June 2021. As at the date of this MD&A, over 3 million lbs of beef steak tomatoes have been picked from the replant. The investigation of the crop failure and the availability of insurance continues, and it is expected to be finalized in the coming quarters.

Significant Transactions

Mor Gro Farms Inc. Net Asset Acquisition

On February 1, 2021, the Company purchased a greenhouse property and accompanying land, located in Kingsville, Ontario, for a purchase price of $15.9 million. The purchase price has been allocated as follows and is subject to refinement as management completes its valuations on the assets acquired and liabilities assumed:

Purchase Price Cash Consideration	***($000s)***
Total Cash Consideration	**15,858**
Net Identifiable Assets Acquired	
Property, plant and equipment	18,455
Bearer plants	811
Other assets	180
Accounts payable and contracts assumed	(960)
Deferred tax liability	(696)
Total net assets acquired	17,790
Bargain purchase gain	1,932

In accordance with the acquisition method of accounting, the purchase price has been allocated to the underlying assets acquired, based primarily on their estimated fair values at the date of acquisition. The Company used a combination of a direct comparison approach and a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the assets acquired.

Seasonality

The nature of the food production business is predictably seasonal. Currently, the Company's growing season allows for saleable product between the months of April and December. Accordingly, Q2 and Q3 are expected to be the Company's strongest quarters. During Q4, operations begin to wind down through the month of December when management starts the process of cleaning out the greenhouse in preparation for the next growing season. It is expected that the bearer plants that were replanted this year at our GR2 facility will produce fresh produce into January 2022 with the process of cleaning and preparation for the next grow season to occur after the last harvest.

Overall Performance

SELECT QUARTERLY INFORMATION

The summary is set out in the following table. The amounts are derived from the financial statements prepared under IFRS.

($ thousands)	**Three months ended June 30, 2021**	Three months ended June 30, 2020	**Six months ended June 30, 2021**	Six months ended June 30, 2020
Total revenue	**$7,144**	$5,812	**$7,413**	$5,953
-Production costs[1]	**3,781**	2,590	**5,676**	3,138
-Depreciation	**1,618**	1,186	**2,135**	1,561
-SG&A, excluding depreciation	**773**	237	**1,704**	460
-Net change in unrealized (gain) loss on biological asset	**(327)**	(457)	**(1,470)**	(697)
Earnings (Loss) from operations	**$1,299**	$2,256	**$(632)**	$1,491
-Interest expense	**304**	`242	**566**	467
-Bargain purchase (gain)	**-**	-	**(1,932)**	-
-Deferred income tax expense (recovery)	**389**	752	**(467)**	365
Net earnings	**$606**	$1,262	**$1,201**	$659
Adjusted EBITDA[2]	**$2,800**	$2,985	**$1,721**	$2,355

1. Production costs include raw materials, labor, repairs and maintenance expenses and bearer plants impairments.
2. Page 15 of this MD&A includes a reconciliation of net earnings to EBITDA.

Results for the six-month period ended June 30, 2021

Earnings (Loss) from operations

Revenue

The Company generated $7.4 million in revenue as compared to $6.0 million in the prior year comparative period. The increase of $1.4 million in sales was attributed primarily to two factors being (1) the increase in crop yields primarily from the Company's medley variety crop at its GR1 greenhouse range and (2) the increase in beef steak production from the Company's newly acquired GR2 facility. These items were offset by the decrease in price realized for beef steak tomatoes which averaged $0.66 / lb for the six-months ending June 30, 2021, as compared to $0.89 / lb for the same period in the prior year.

Production costs

Production costs were $5.7 million as compared to $3.1 million in the prior year comparative period. The increase of $2.6 million relates to the following items: (1) The $1.1 million impairment charge resulting from the crop failure at GR2 and (2) higher labor costs experienced of $1.4 million as compared to the prior year period. The main drivers of the higher labor costs were the result of the higher crop yields realized at GR1 (for both the beef steak and medley variety). This accounted for approximately ½ the increase in labor costs or $0.7 million. The newly acquired GR2 facility accounted for $0.3 million of the increase and the remaining labor cost increase of $0.4 million was attributed to higher costs and labor inefficiencies resulting form the minimum 14-day mandatory quarantine requirements for the Company's inbound migrant workers. At the beginning of each crop season (February – May) the Company builds up its work force which typically peaks at the end of May to coincide with when the Company expects its crops to produce the largest quantities of fresh produce (i.e., late spring and summer which typically have more sunny days, longer days and warmer weather). Migrant workers did receive compensation during their 14-day quarantine period and the Company also experienced increases in other worker related costs (which are included in labor costs) as a result of the 14-day quarantine requirement including increased lodging and transportation/travel. The 14-day quarantine requirement did not exist in the first six months of the comparative period.

Depreciation

Depreciation costs were $2.1 million as compared to $1.6 million in the prior year period. This increase of $0.5 million was attributed to (1) the additional amortization relating to the newly acquired GR2 greenhouse property, plant and equipment and (2) the additional amortization relating to the replanted bearer plant at GR2 which began producing beef steak tomatoes in mid June.

SG&A, excluding depreciation

Selling, general and administrative expenses were $1.7 million as compared to $0.5 million in the prior year period. This increase of $1.2 million was attributed to the following: (1) $0.3 million for employee bonuses and termination costs relating to the GR2 acqusition; (2) $0.2 million related to increased professional fees primarily from the GR2 acquisition, the investigation on the GR2 crop failure, professional fees associated with the update of the credit facility (increasing credit line from $3.5 million to $5.0 million in January 2021) and finally for advice and work completed on other corporate strategic matters; (3) $0.3 million related to the land transfer taxes paid on the GR2 acquisition; (4) $0.13 million related to higher stock based compensation resulting from the option grant issued in August 2020 and finally (5) the remaining difference was mainly attributable to the additional SG&A of the newly acquired GR2 facility (including additional insurance, property taxes, market board fees and other SG&A costs with operating an additional greenhouse range and farm).

Net change in unrealized (gain) in biological asset

The net change in unrealized (gain) in biological asset was a gain of $1.5 million as compared to a gain of $0.7 million in the prior year period. This increase of $0.8 million was the result of the additional live assets on the GR2 replanted bearer plant as at June 30, 2021.

Net earnings

Interest expense

Interest expense increased by approximately $100 thousand from the prior year period. The increase was due to the additional interest charges on the $13 million RBC mortgage on the newly acquired GR2 property which was offset by the refinancing (effectively lowering the interest rate from 5.5% to 1.95%) of the $5 million VTB mortgage on our GR1 property. The refinancing of the VTB closed in December 2020 and accordingly a savings of ~$90 thousand was realized in the six-month period ending June 30, 2021 as compared to the same period in the prior year. The additional interest expense on the newly acquired GR2 facility was $165 thousand. The remaining increase is primarily due to the Company drawing larger amounts on its credit facilities in order to fund the 2021 crop costs which occurred primarily in the first quarter.

Bargain purchase gain

This gain is a result of the acquisition of the net assets of the Mor Gro Farms Inc. greenhouse on February 1, 2021. In accordance with the acquisition method of accounting, the purchase price has been allocated to the underlying assets acquired based on primarily on estimates of fair value at the date of acquisition. The difference between the fair value of the underlying assets acquired and the purchase price has resulted in the bargain purchase gain of $1.9 million. There were no acquisitions that took place in the comparative prior year period.

Deferred income tax expense (recovery)

The deferred income tax recovery came in at $0.5 million as compared to a deferred income tax expense of $0.4 million in the prior year period. The recoverable amount is the result of the loss from operations noted in the current period as compared to the earnings from operations in the comparative prior year period.

Summary of quarterly results

($ thousands)	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 30, 2019	September 30, 2019
Revenues	7,144	269	2,827	6,633	5,812	141	2,432	5,893
Earnings (loss) from operations	1,299	(1,931)	(838)	1,949	2,256	(765)	(584)	559
Net earnings (loss)	606	595	(1,013)	1,219	1,262	(603)	(1,082)	(1,496)
Basic and diluted EPS	0.01	0.01	(0.02)	0.02	0.02	(0.01)	(0.02)	(0.05)
Total assets	53,366	50,941	32,153	33,189	33,684	32,524	31,904	34,048
Total liabilities	44,031	42,326	24,201	24,296	24,248	24,350	23,135	24,219
Equity	9,335	8,615	7,952	8,893	9,436	8,174	8,769	9,829

Results for the three-month period ended June 30, 2021

Earnings from operations

Revenues

The Company generated $7.1 million in revenue as compared to $5.8 million in the prior year comparative period. The increase of $1.3 million in sales was attributed primarily to two factors being (1) the increase in crop yields primarily from the Company's medley variety crop at its GR1 greenhouse range and (2) the increase in beef steak production from the Company's newly acquired GR2 facility. These items were offset by the decrease in price realized for beef steak tomatoes which averaged $0.66 / lb for the three-months ending June 30, 2021, as compared to $0.89 / lb for the same period in the prior year.

Earnings (loss) from operations

Production costs were $3.8 million as compared to $2.6 million in the prior year comparative period. The increase of $1.2 million relates primarily to higher labor costs experienced of $1.1 million as compared to the prior year period. The main drivers of the higher labor costs were the result of the higher crop yields realized at GR1 (for both the beef steak and medley variety). This accounted for approximately ½ the increase in labor costs or $0.6 million. The newly acquired GR2 facility accounted for $0.3 million of the increase and the remaining labor cost increase of $0.2 million was attributed to higher costs and labor inefficiencies resulting form the minimum 14-day mandatory quarantine requirements for our inbound migrant workers. At the beginning of each crop season (February – May) the Company builds up its work force which typically peaks at the end of May to coincide with when the Company expects its crops to produce the largest quantities of fresh produce (i.e., late spring and summer which typically has more sunny days, longer days and warmer weather). Migrant workers did receive compensation during their 14-day quarantine period and the Company also experienced increases in other worker related costs (which are included in labor costs) as a result of the 14-day quarantine requirement including increased lodging and transportation/travel. The 14-day quarantine requirement did not exist in the three-month period ending June 30, 2020.

Depreciation

Depreciation costs were $1.6 million as compared to $1.2 million in the prior year period. This increase of $0.4 million was attributed to (1) the additional amortization relating to the newly acquired GR2 greenhouse property, plant and equipment and (2) the additional amortization relating to replanted bearer plant at GR2 which began producing beef steak tomatoes in mid June.

SG&A, excluding depreciation

Selling, general and administrative expenses were $0.8 million as compared to $0.2 million in the prior year period. This increase of $0.6 million was attributed to the following: (1) $0.2 million for employee bonuses relating to the GR2 acqusition; (2) $0.2 million related to the investigation on the GR2 crop failure and fees on advice and other work completed on various corporate strategic matters; (3) $0.07 million related to higher stock based compensation resulting from the option grant issued in August 2020 and finally (4) the remaining difference was mainly attributable to the additional SG&A of the newly acquired GR2 facility (including additional insurance, property taxes, market board fees and other SG&A costs with operating an additional greenhouse range and farm).

Net change in unrealized (gain) in biological asset

The net change in unrealized (gain) in biological asset was a gain of $0.3 million as compared to a gain of $0.4 million in the prior year three-month period ended June 30, 2020. This decrease of $0.1 million was the result of the reduction in value of the GR1 bio asset as at June 30, 2021 (as compared to the March 31, 2021 value) which was offset by value of the additional live assets on the GR2 replanted bearer plant as at June 30, 2021.

Net earnings

Interest expense

Interest expense increased by $62 thousand from the prior year period. The increase was due to the additional interest charges on the $13 million RBC mortgage on the newly acquired GR2 property which was offset by the refinancing (effectively lowering the interest rate from 5.5% to 1.95%) of the $5 million VTB mortgage on our GR1 property. The refinancing of the VTB closed in December 2020 and accordingly a savings of ~$45 thousand was realized in the three-month period ending June 30, 2021, over the comparative prior year period. The additional interest expense on the newly acquired GR2 facility was $100 thousand. The remaining increase is primarily due to the Company drawing larger amounts on its credit facilities in order to fund the 2021 crop costs (including the replant at GR2).

Deferred income tax expense (recovery)

The deferred income tax expense came in at $0.4 million as compared to a deferred income tax expense of $0.8 million in the prior year quarter. The difference is attributed to the higher net earnings noted in the prior year comparative period.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**June 30, 2021**	December 31, 2020
Cash	-	3,057
Working Capital (Deficit)[1]	(3,257)	1,485
Total Assets	53,366	32,153
Total Liabilities	44,031	24,201
Net Equity	9,335	7,952

1) Working capital is the net of all current assets and liabilities.

As at June 30, 2021 the Company had current liabilities of $11.4 million and a working capital deficit of $3.3 million.

During the six-month period ended June 30, 2021 cash decreased by $3.1 million and the Company had drawn $3.7 million on its credit facilities. Cash was used to execute three key activities being: (1) To close the net asset acquisition of Mor Gro Farms Inc. ($3.2 million use of funds); (2) To invest in the bearer plants for the 2021 crop season ($3.3 million use of funds) and (3) to repay long-term debt obligations ($0.9 million use of funds). This was offset by the cash generated from operations ($0.7 million source of funds).

In Q1 the Company is exposed to risks related to seasonality as there is limited revenue from January through to March. Accordingly, the Company has in place a planning and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. With additional investments in bearer plants required as a result of the additional 22-acres of cultivation capacity with the acquisition of the Mor Gro Farms Inc. greenhouse, the Company amended its credit facilities with the Royal Bank of Canada on January 13, 2021 by increasing its operating line availability from $3.5 million to $5.0 million. As at June 30, 2021 the Company had utilized $3.7 million of the facility to support its operations leaving $1.3 million available. The Company expects the facility to be fully repaid by the end of its fiscal year.

With the addition of cash flow generated from the replant at GR2, as the Company began collecting receivables on the GR2 offtake in early July and with the increase in crop yields resulting from warmer weather and brighter days in Q2, the Company is on track to pay down its credit facilities. Historically the Company's credit facilities have been paid in August however with the lower beef steak prices noted in the second quarter ($0.66 / lb vs $0.89 / lb in the prior year period) and the additional cash flow required to fund the GR2 replant, the Company, as of the date of this MD&A, expects to fully pay down its credit facilities at end of the third quarter (i.e. mid to late October).

Total Assets increased by $21.2 million as compared to December 31, 2020 which is mainly attributed to acquiring (1) $18.5 million of assets from the Mor Gro Farms Inc. net asset acquisition and (2) the increase in receivables which is consistent with the Company's farms in full production at the end of the second quarter as compared to the end of the fourth quarter, where the Company has wound down its crop operations for the year and collected all if not the majority of its customer receivables.

Total Liabilities increased by $19.8 million. This is a result of an increase of $12.4 million relating to the first mortgage on the Mor Gro Farms Inc. property and secondly $3.7 million related to the increase in trade payables as compared to the balance as at December 31, 2020. The increase in payables is consistent with investments made to the bearer plants and with the additional costs incurred as a result of the replanting at GR2. Finally, the Company had drawn $3.7 million on its operating line which accounted for the remaining increase in the Company's total liabilities.

The increase in equity reflects the net income earned for the period plus the stock-based compensation expense which increased contributed surplus by $138 thousand for the period. It also reflects the fact that 200,000 in stock options were exercised during the second quarter with a cost base of $44 thousand.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available to support the development of management's planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but instead relies on the expertise of management to sustain future development of the business.

Management expects to generate sufficient cash flows from operations to meet its debt servicing, principal payment, and working capital requirements over both the short and long-term through increased profitability and strong management of working capital and capital expenditures. The Company regularly reviews all of its assets to ensure appropriate returns on investment are being achieved and fit with the Company's long-term strategic objectives.

In the definition of capital, the Company includes equity, which is comprised of share capital, contributed surplus and retained earnings.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at June 30, 2021 the payments due by period are set out in the following table:

($000s)	**Total**	**Less than 1 Year**	**1 – 5 Years**	**After 5 Years**
Trade Payables	5,576	5,485	91	-
Lease obligations	288	87	201	-
Long-term debt	32,354	1,999	8,483	21,872
Total	38,218	7,571	8,775	21,872

COMMITMENTS

The Company has entered into an agreement with a customer for a 10-year period to supply produce at prevailing market prices.

As at June 30, 2021, the Company had $225 thousand relating to purchase commitments. These commitments relate to packaging supplies and commitments to acquire gas through to November 2022. These contracts were assumed as part of the Mor Gro Farms Inc. acquisition and have been recorded in trade payables on the Company's balance sheet.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors. For the six-month period ended June 30, 2021, the Company paid $394 thousand in cash compensation (2020 – $106 thousand). A total of $200 thousand of the $394 thousand in cash compensation paid in the current six-month period ended June 30, 2021, included bonuses paid to two executives totaling $200k, attributed to the Mor Gro Farms Inc. acquisition.

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely affect the Company's business and results of operations.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") a "Public Health emergency of International Concern", and on March 11, 2020 declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Company's operations, suppliers or other vendors and customer base. The operations for the Company's services could be negatively impacted by the regional and global outbreak of COVID-19, including stop-work orders for an unknown period of time. Any quarantines, labor shortages or other disruptions to the Company's operations, or those of its customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for its services. As of the date of this management, discussion and analysis, the Company's operations have been classified as an essential service and there has been no disruption to the current operating activities. The extent to which COVID-19 impacts the Company's future results will depend on further developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain COVID-19 or its impact, among others.

CRITICAL ACCOUNTING JUDGMENT AND ESTIMATION UNCERTAINTIES

Areas where critical accounting estimates and judgments have the most significant effect on the amounts recognized in the financial statements include:

- Estimated useful lives of property, plant and equipment

  Management estimates the useful lives of property, plant and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recording expenses for depreciation of property, plant and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property, plant, and equipment in the future.

- Estimated fair value of biological asset

  The fair value of the biological asset is derived using a discounted cash flow model. Management estimates the sales price of the produce on the vine by utilizing expected production and sales prices in the following period and estimates the costs to sell and complete by projecting yields, crop, packaging and transportation costs. The estimated costs are subject to fluctuations based on the timing and prevailing growing conditions and market conditions.

- Bearer plants

  The classification of bearer plants is a significant judgment. Expenditures for bearer plants are recorded in investing activities on the cash flow statements. Bearer plant depreciation is based on the estimated yield profile of the plants over their life. The amounts of timing of recorded expense for depreciation of bearer plants for any period are affected by the estimate of useful lives.

NEW ACCOUNTING PRONOUNCEMENTS

IAS 1: Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

IAS 16: Amendments to IAS 16, Property, Plant and Equipment

On May 14, 2020, the IASB published an amendment to IAS 16 Property, Plant and Equipment. The amendment clarifies the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use. The provisions of this amendment will apply retrospectively to financial statements beginning on or after January 1, 2022. Early adoption is permitted. The Company is currently evaluating the impact of this amendment on its financial statements.

IAS 41: Amendments to IAS 41, Agriculture

In May 2020, the IASB published Annual Improvements to IFRS Standards 2018–2020 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022. IAS 41 Agriculture–The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IFRS 3: Amendment to IFRS 3, Business Combinations

On May 14, 2020, the IASB issued amendments to IFRS 3 Business Combinations that added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the impact of this amendment on its financial statements.

Critical accounting judgments and estimation uncertainties

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ materially from the amount included in the financial statements.

Areas where critical accounting estimates and judgments have the most significant effect on the amounts recognized in the financial statements include:

ESTIMATES:

Leases:

The Company uses judgement to determine the incremental borrowing rate used to calculate the initial liability and corresponding asset. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment.

Estimated fair value of biological asset

The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant estimates include those related to the valuation of biological assets (See note 5 to the Green Rise 2020 consolidated financial statements). Biological assets are measured at the fair value less costs to sell, which is calculated as expected sales of harvested biological produce, less costs to sell and costs to complete. Management estimates the sales price of the produce on the vine by utilizing actual sales prices in the following period, estimates the expected yield based on historical production, and estimates the costs to sell and costs to complete, which includes packaging and transportation costs. Stage of growth and remaining costs to complete for in-progress produce are estimated by management based on historical production. The estimated inputs are subject to fluctuations based on the timing and prevailing growing conditions and market conditions.

JUDGMENTS:

Bearer assets

The classification of bearer assets is a significant judgment. Expenditures for bearer assets are recorded in investing activities on the statement of cash flows. Bearer assets are depreciated based on the estimated yield profile of the plants over their life. The amounts and timing of recorded expense for depreciation of bearer plants for any period are affected by the estimate of useful lives.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Venture issuers are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR as defined in National Instrument 52-109 -Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”). In particular the Chief Executive Officer and Chief Financial Officer are not required to make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

OUTSTANDING SHARE DATA

As at the date of this MD&A, 45,122,402 total shares were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on Aug 19, 2021.

NON-IFRS MEASURES

EBITDA and Adjusted EBITDA

The Company utilizes EBITDA and adjusted EBITDA to measure its financial performance. EBITDA is (defined as earnings before interest, depreciation, amortization, net unrealized gains and losses on biological assets, income taxes and non-recurring expenses such as listing expenses and non-reoccurring legal fees) to measure its financial performance. EBITDA and Adjusted EBITDA are not recognized measures, however management believes that EBITDA and Adjusted EBITDA are useful supplemental measures to net earnings as these measures provide readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provide an indication of recurring earnings compared to prior periods. The Company calculates EBITDA and adjusted EBITDA as follows:

	Three-months ending		Six-months ending	
($ thousands)	**June 30, 2021**	June 30, 2020	**June 30, 2021**	June 30, 2020
Net earnings (loss)	**$606**	$1,262	**$1,201**	$659
Additions (Deductions)				
Depreciation	**1,618**	1,186	**2,135**	1,561
Interest expense	**304**	242	**566**	467
Deferred income tax expense (recovery)	**389**	752	**(467)**	365
EBITDA	**$2,917**	$3,442	**$3,435**	$3,052
Additions (Deductions)				
Impairment of bearer plants	**$10**	-	**$1,078**	$-
Bargain purchase gain	**-**	-	**(1,932)**	-
Land transfer tax on acquisition	**-**	-	**306**	-
Employee related payments	**200**	-	**304**	-
Net change in unrealized gain on biological assets	**(327)**	(457)	**(1,470)**	(697)
Adjusted EBITDA	**$2,800**	$2,985	**$1,721**	$2,355