Management's Discussion and Analysis of

GREEN RISE FOODS INC.

For the years ended December 31, 2024, and December 31, 2023

(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. (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 December 31, 2024, and the results of operations for the year ended December 31, 2024.

The MD&A is prepared as of April 21, 2025, and should be read in conjunction with the audited consolidated financial statements ("financial statements") of Green Rise as at December 31, 2024. 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 including adverse weather and viruses;
- 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;
- extended economic downturn caused by pandemics; and
- the impact of tariffs.

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

Green Rise was incorporated under the Business Corporations Act (Ontario) on June 9, 2017. On June 15, 2018, Bull Market Farms Inc. (a wholly owned subsidiary of Green Rise) acquired its first farm with an existing 51-acre producing greenhouse ("GR1") of fresh produce located in Leamington, Ontario. GR1 has grown beefsteak tomatoes in the past and is currently growing medley, piccolo and kumato varieties. The Company also leases 15-acres of its GR1 greenhouse to one-customer, who is currently growing organic peppers. With the Transaction, the Company completed its first greenhouse range acquisition.

The Company has plans to increase its cultivation capacity and product diversification. It continues to execute on this plan and has completed, through Bull Market, the following acquisitions:

- On February 1, 2021, the Company acquired its second range, a 20.5-acre producing greenhouse ("GR2") located in Kingsville, Ontario. The GR2 farm currently is producing beef steak tomatoes.
- On June 30, 2022, the Company acquired its third range, a 15-acre producing greenhouse ("GR3") located in Kingsville, Ontario. The GR3 farm is currently producing mini peppers.

The Company aims to be the best in quality and lowest cost grower of greenhouse-grown fresh produce. To achieve this status, the Company's goals include:

- Diversifying its greenhouses and pack-lines to be able to offer multi-sku product offerings of fresh produce;
- Maintaining policies that attract, motivate, and retain a highly skilled workforce with years of agricultural experience in the greenhouse fresh produce industry;
- Improving processes and seeking out new technologies to help increase produce yields, reduce the Company's carbon footprint, drive costs lower, improve product quality and reduce waste and inefficiencies;
- To maintain a strict financial discipline to acquire assets and select annual crop plantings that position the Company to consistently offer the best product pricing and provide consistent financial returns to our shareholders.

These items have helped Green Rise achieve key milestones listed on page 4 & 5 of this MD&A under the heading "Highlights for Fiscal 2024” and “Highlights Subsequent to Fiscal 2024”.

The Company’s common shares are listed on the Toronto Venture Stock Exchange (the “TSX-V”) under the trading symbol “GRF.V”.

The address of the Company’s registered office is 199 Bay Street, Commerce Court West, Suite 4000, Toronto, Ontario M5L 1A9

The seasonal operations consist of growing, packaging and sale of produce principally to one major customer.

Highlights for Fiscal 2024

- Adjusted EBITDA for the twelve-month period ended December 31, 2024, came in at $6.1 million as compared to $2.8 million for the comparative period. A reconciliation of this non-gap measure to net income on an IFRS basis, is included on page 15 of this MD&A.

- The Company generated record fresh produce sales of $29.2 million as compared to $25.6 million in the prior year.

- Weather, seed selection and operational process improvements translated to higher shipped production yields in 2024 and were the main drivers for the increase in revenues and Adjusted EBITDA as compared to the prior year period.

- Despite inflationary pressures, the Company kept production and labor costs, as a percentage of sales, relatively flat for both the 12-months and 3-months ended December 31, 2024, as compared to the relevant prior year periods. These ratios are described on page 16 of this MD&A.

- Following cash injections in the summer of 2024 of $1.5 million (via $1.2 million in promissory notes and $300 thousand in new equity) and a review by the Royal Bank of Canada (“RBC”) of the Company’s operational results, on November 22, 2024, RBC waived compliance with the Company’s 2023 fixed charge coverage ratio of 1.1 to 1, subject to the following: (1) The Company’s available funds under its credit facilities would be reduced by $1.5 million from $7.3 million to $5.8 million. (2) In the event of a cash flow shortfall, the Company would be responsible for injecting the first $1.5 million in relation to such a shortfall and (3) the Company remains in compliance with its annual fixed charge coverage ratio and all other terms and conditions of its financing agreements with RBC.

- The Company made principal repayments on its long-term debt of $2.1 million ($2.4 million in 2023). Based on its most recent valuations, it is estimated, as at December 31, 2024, that the Company has between $33 million to $38 million in unrealized equity (difference between the fair value of its greenhouse ranges vs the recorded costs in the Company’s consolidated statement of financial position).

- The Company’s working capital deficit, after adjusting for the impact of mortgages, decreased from a deficit of $6.7 million as at December 31, 2023, to a deficit of $2.8 million as at December 31, 2024 (see table below).

	December 31, 2024	**December 31, 2023**
Working capital deficit	$5,030	$48,970
Current portion of mortgages	(2,252)	(2,092)
Current portion of mortgages, not maturing within 12-months, classified as current	-	(40,223)
Adjusted working capital deficit, excluding mortgages	$2,778	$6,655

- The pursuit by the Company of insurance recoveries, to the extent obtained, will mitigate the financial effects of the crop loss at the GR2 farm that occurred in 2021. Proceedings were held in 2024 in the Ontario Superior Court of

Justice, and it was ruled that the loss of tomatoes in March of 2021 is excluded from the coverage provided under the Company's insurance policy. The ruling also required the Company to cover the cost of legal fees of the insurance carrier. The Company recorded a legal reserve of $0.2 million for the year-ended December 31, 2024. The Company has also filed an application to appeal this decision with the Court of Appeal of Ontario. It is anticipated that the appeal will be held in 2025. To date no insurance recoveries have been received or recorded in the Company's results, nor can such recoveries be assured.

Highlights Subsequent to 2024:

- On January 31, 2025, the Company issued 1,060,001 options to various officers, directors and employees of the Company. A total of 800,000 of these options granted vest at the Board's discretion and are driven by certain financial targets set for in 2025, 2026 and 2027. The remaining options of 260,001 vest over a 1-to 3-year period and were granted to certain officers (or companies under their control) and employees. All options were issued at an exercise price of $0.53 per share and are exercisable for a period of 5-years.
- On March 1, 2025, the Company issued 30,000 options to various employees of the Company. These options vest over a 3-year period with an exercise price of $0.53 per share and are exercisable for a period of 5-years.
- Starting in March 2025, the United States Government has imposed tariffs on a variety of goods imported into Canada and other countries. In response to these actions, the Government of Canada has responded with counter tariffs on goods imported from the United States. At this time, the impact of these actions on the Company are unknown. The ultimate impact of any government-imposed tariff actions will therefore depend on future developments that are highly uncertain and that cannot be predicted with confidence.
- The 2025 crop season is progressing and as at the date of this report, fresh produce is being produced and picked at the Company's GR1, GR2 and GR3 greenhouses. The Company has implemented new measures to help maximize labour efficiencies and the cost of its biological and pest programs, while maintaining operating policies to minimize viruses and waste and to maximize plant health and production yields.

Overall Performance

SELECT QUARTERLY INFORMATION

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

($ thousands)	**Three-months ended Dec 31, 2024**	Three-months ended Dec 31, 2023	**Year ended Dec 31, 2024**	Year ended Dec 31, 2023
Revenues				
-Fresh produce revenues	**$5,280**	$4,036	**$29,156**	$25,584
-Rental and other revenues	**281**	288	**1,117**	886
Total revenues	**$5,561**	$4,324	**$30,273**	$26,470
Cost of Goods Sold				
-Production costs[1]	**4,405**	3,366	**17,299**	16,093
-Depreciation and amortization	**1,994**	2,068	**8,188**	8,492
-SG&A, excluding depreciation	**845**	495	**2,779**	2,544
-Net change in unrealized loss on biological asset	**2,637**	2,400	**-**	-
Income (loss) from operations	**$(4,320)**	$(4,005)	**$2,007**	$(659)
-Interest expense	**(555)**	`(1,189)	**(2,744)**	(2,375)
-Other income	**63**	61	**840**	207
-Income tax (expense) recovery	**1,295**	1,357	**(48)**	774
Net earnings (loss)	**$(3,517)**	$(3,776)	**$55**	$(2,053)

1. Production costs include raw materials, labor and repairs and maintenance expenses.

Results for the year ended December 31, 2024

Income from operations

Revenue

The Company generated $29.2 million in fresh produce revenue as compared to $25.6 million in the prior year comparative period. Seed selection, more favorable weather conditions and improvements to operational processes were all key factors which translated to higher shipped production yields and revenues. Rent and other revenue reflected 12-months of the new rental lease on GR1's 15-acre organic lease vs 6.5 months in 2023. The new rental lease, with a higher monthly rent, came into effect on June 16, 2023.

Production costs

Production costs came in at $17.3 million for the current year ended December 31, 2024, as compared to $16.1 million in the comparative prior year period. This increase was mainly attributable to the additional labor relating to the higher shipped production yields achieved in 2024, as compared to the prior year period. Despite increases in hourly labor rates, labor costs as a percent of revenues came in at 32.1% vs 32.3%. The higher hourly wage rates were offset by labor efficiency improvements.

Depreciation and amortization

Depreciation costs were $8.2 million as compared to $8.5 million in the prior year period. The decrease of $0.3 million was attributed primarily to lower gas consumption due to a warmer winter and with rugose resistant seeds, a lower utilization of twine, another key component of the bearer plant investment costs.

SG&A, excluding depreciation

Selling, general and administrative expenses, excluding depreciation on the 15-acre leased greenhouse at the Company's GR1 facility amounted to $2.8 million as compared to $2.5 million for the same period in the prior year. Increased costs relating to administrative wages, insurance and corporate development (including travel and accommodation) supporting operational process reviews and changes were key drivers increasing SG&A expenses from the prior year comparative period.

Net income

Interest expense

Interest expense increased by $0.4 million as compared to the prior year period. This was attributed to the following items: (1) An increase in the unrealized loss on the Company's interest rate swaps ($0.3 million loss in 2024 vs $0.1 million loss in 2023); (2) A total of $0.1 million in interest paid on the promissory notes issued in 2024 ($nil in 2023) and (3) a total of $0.2 million relating to the full year impact of higher interest rates on debts secured against the Company's GR1 greenhouses. These debts were refinanced throughout 2023 at higher annual interest rates. Offsetting these increases were lower interest charges on the Company's operating lines, as compared to 2023. This was the result of lower carrying balances in 2024 and secondly lower interest rates resulting from a series of interest rate cuts by the Bank of Canada in 2024 (The Company's operating lines are charged interest at prime plus 1%).

Other income

Other income increased by $0.6 million. This relates to the 2022 AgriStability program which was received and recorded in 2024. No amounts were recorded in 2023 on the AgriStability program. The Program is administered by AgriCorp, an Ontario Government agency created in 1997.

Income tax (expense) recovery

Income tax expense equalled 48 thousand for the year ended December 31, 2024 (Recovery of $0.8 million for the year ended December 31, 2023). The difference is driven by the fact that the Company reported profit before taxes of 103 thousand as compared to a loss before taxes of $2.8 million in the comparative period.

TRANSACTIONS (*IN THOUSANDS UNLESS OTERHWISE STATED*)

Except as otherwise referred to herein, there were no significant transactions in 2024 or 2023.

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.

SUMMARY OF QUARTERLY RESULTS

($ thousands)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenues	5,561	11,784	12,630	308	4,324	10,938	11,050	158
Earnings (loss) from operations	(4,320)	1,765	3,477	1,085	(4,005)	812	2,743	(209)
Net earnings (loss)	(3,517)	601	2,227	744	(3,776)	344	1,948	(569)
Basic and diluted EPS	(0.08)	0.02	0.04	0.02	(0.08)	0.01	0.04	(0.01)
Total assets	51,014	55,197	60,729	59,216	54,082	57,352	62,641	61,389
Total liabilities	48,812	49,484	56,125	56,892	52,519	52,029	57,726	58,463
Equity	2,202	5,713	4,604	2,324	1,563	5,323	4,915	2,926

Results for the three-month period ended December 31, 2024

Loss from operations

Revenue

The Company generated $5.6 million in revenue as compared to $4.3 million in the prior year comparative period. Seed selection and improvements to operational processes were all key factors which translated to higher shipped production yields and revenues.

Production costs including depreciation and the net change in unrealized (gains) losses on biological assets.

Production costs including depreciation and the change in unrealized losses on biological assets came in at $9.0 million as compared to $7.8 million in the prior year comparative period. Higher labour costs associated with the pick and packing of the higher production yields accounted for $0.7 million of this increase. Other factors contributing to increased production costs include a $0.2 million increase in utility consumption (a colder winter in the current quarter ended as compared to the same period in the prior year) and a higher realized loss on the change in the biological asset which increased by $0.3 million. Efforts to increase fruit on the vine as of September 30, 2024, as compared to the prior year period, were successful (i.e. higher sales in Q4 2023 as compared to Q4 2023). However darker days in late October and early November slowed down additional fruit sets form materializing, hampering sales late in the 2024 harvesting cycle.

SG&A, excluding depreciation

Selling, general and administrative expenses, excluding depreciation on the 15-acre leased greenhouse at the Company's GR1 facility, amounted to $0.8 million as compared to $0.5 million for the same period in the prior year. Addition legal fees relating to the Company's pursuit of insurance recoveries on its 2021 GR2 crop loss accounted for $0.2 million of this increase. Increases in SG&A Admin wages and the participation in several conferences translated to higher corporate development expenses in Q4 2024 as compared to the prior period quarter.

Net loss

Interest expense

Interest expense decreased by $0.6 million as compared to the prior year-end quarter. The decrease was mainly due to the change in the mark to market adjustment on the interest rate swaps. As at December 31, 2024, the swaps in place had an unrealized loss of $0.4 million as compared to an unrealized loss of $0.4 million at the start of the quarter, resulting in a small impact to interest expense for the quarter. In comparison, as at December 31, 2023, the swaps in place had an unrealized loss of $0.1 million compared to an unrealized gain of $0.5 million at the start of the quarter, resulting in an unrealized loss of $0.6 million booked to interest expense for the 3-month period ended December 31, 2023.

Other income

The Q4 other income line includes, primarily, the Fuel Tax credit Program. A total of $63 thousand was recorded in Q4 2024 on this program ($51 thousand in Q4 of 2023). Accordingly other income was relatively flat in Q4 2024 as compared to the prior year quarter.

Income tax recovery

An income tax recovery of $1.3 million as compared to a recovery of $1.4 million was noted for the three month-ended comparisons of December 31, 2024, and 2023. The amount is primarily a function of the quarterly net loss before taxes.

SELECT ANNUAL INFORMATION:

($ thousands)	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Total revenues	30,273	26,470	23,056
Earnings (loss) from operations	2,007	(659)	(2,551)
Net earnings (loss)	55	(2,053)	(1,768)[1]
Total assets	51,014	54,082	55,781
Total long-term liabilities	40,793	118[2]	26,505
Basic and diluted earnings (loss) per share	0.00	(0.04)	(0.04)
Weighted average number of common shares outstanding			
Basic	46,963,929	46,425,824	45,718,565
Diluted	47,126,244	46,425,824	45,718,565

1. Includes $2.1 million receipt of 2021 AgriStability Program. The grant was received in December.2022.
2. All mortgage debt was classified as current, for the year ended December 31, 2023.

Revenues, earnings (loss) from operations and net earnings (loss)

Revenues, earnings (loss) from operations and net earnings (loss) have generally improved over the three fiscal years. This was mainly driven by seed selections, weather, operational process improvements and acquisitions as well as the timing of receipt on the AgriStability program.

Assets and long-term liabilities

The decrease in total assets for the years ended December 31, 2024 and 2023 is mainly driven by depreciation on the Company's property, plant and equipment, net of new additions.

Long term liabilities had decreased as at December 31, 2023, mainly due to the Company's breach of its fixed charge covenant ratio which resulted in all of its long-term mortgage debt being classified as current. With the Company onside on its 2024 fixed charge coverage ratio, all long-term mortgage debt was reclassified to long term. In addition, the issuance of $3.2 million in promissory notes in 2024, net of $0.6 million of repayments, also contributed to the increase in long-term liabilities.

Basic and diluted earnings (loss) per common share

This is a function of net earnings (loss) and the weighted average number of common shares outstanding. The slight uptick in basic and diluted common shares is the result of the exercise of stock options and the granting of options that occurred in 2022, 2023 and 2024.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**December 31, 2024**	December 31, 2023
Cash	-	-
Working Capital (Deficit)[1]	(5,030)	(48,970)
Total Assets	51,014	54,082
Total Liabilities	48,812	52,519
Net Equity	2,202	1,563

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

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. The Company is exposed to risks related to seasonality as there is limited revenue from January through to mid April. If the current resources and cash generated from operations is insufficient to satisfy its obligations, the Company can draw on its credit facility.

As of December 31, 2024, the Company's operating line was $5,800 of which $216 had been drawn leaving an undrawn balance of $5,584 ($7,300 of which $3,755 was drawn and $3,545 was undrawn as at December 31, 2023).

The Company had a working capital deficit of $5,030 as of December 31, 2024 ($48,970 deficit as of December 31, 2023). When the working capital deficit of $48,970 for the year ended December 31, 2023, is adjusted for long-term mortgage debt, the working capital deficit is $8,747. In the prior year, the mortgage debt had been classified as current as the Company was offside on its annual fixed charge coverage ratio, with the Royal Bank of Canada ("RBC"), which requires that the Company maintain annually, a minimum annual ratio of 1.1:1. During Fiscal 2024, the Company took steps to improve its working capital deficit, as well as improve its operating results to address both its working capital deficit and meet its annually fixed charge coverage requirement with RBC. These steps include:

- On March 27, 2024, the Company converted $1,987, from its trade accounts payable to a three-year interest-bearing promissory note. The Company's principal customer is the counterparty for both the trade accounts payable balance and interest only promissory note. The promissory note bears interest at the secured overnight lending rate of the Bank of New York plus 3%, with interest paid monthly. The promissory note also has early payment triggers which include (1) proceeds from the AgriStability grant program and (2) proceeds from any insurance recoveries. A total of $619 was paid on the promissory note with the receipt of the 2022 AgriStability on April 5, 2024.
- The company improved its operating results in 2024, largely due to seed selections, certain operational process improvements, labor efficiencies and securing gas forward contracts at or below the 10-year historic averages. A warmer winter and weather conditions were also factors contributing to the improvement in production yields and the costs of the Company running its greenhouses. Earnings from operations improved from a loss of $659 for the year ended December 31, 2023, to earnings of $2,007 for the year ended December 31, 2024.

With these measures, the Company realized an improvement of $3.7 million in its working capital deficit and was able to achieve the annual minimum fixed charge coverage ratio requirement of 1.1:1. The Company is continuing to focus on improvements to production yields and minimizing waste and costs where possible and expects to have sufficient cash flows to carry out operations throughout 2025.

Interest rate risk

With the availability in its operating lines and agreements with certain large Vendors to extend credit terms to Q2 or Q3 of 2025, the Company has made all needed investments in its bearer plants. As of the date of this MD&A, the Company has healthy plants and has commenced harvesting across all three farms, and it is anticipated that the Company will have sufficient cash flow to carry out operations throughout 2025.

Total Assets decreased by $3.1 million. The decrease was driven by three factors being: (1) The amortization taken on the Company's property, plant and equipment and (2) the timing of receipt of certain consumables for the 2024 crop as compared to the 2025 crop. These two items were offset by the investments made for the 2025 bearer plants (certain plants were delivered earlier and hence a larger investment made at the end of 2024 for the 2025 harvest (as compared to 2023 for the 2024 harvest).

Total Liabilities decreased by $3.7 million as compared to the amount reported as at December 31, 2023. The overall decrease in mortgage debt and lease liabilities of ~$2.3 million, as a result of scheduled principal and lease payments, coupled with a reduction of $4.5 million in the operating line, trade payables and accrued liabilities were offset by (1) the increase in debt of $2.5 million as a result of the issuance of the promissory notes in 2024; (2) The increase in the mark to market adjustments on the Company's interest rate swaps (unrealized loss of $0.4 million as at December 31, 2024 as compared to an unrealized loss of $0.1 million as at December 31, 2023) and (3) the $0.3 million increase in liabilities relating to deferred rent revenue.

Equity increased by $0.6 million mainly a result of options exercised during the year and the $0.3 million raised via a private placement in July 2024.

CAPITAL MANAGEMENT

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at December 31, 2024, totaled $2,202 (2023 $1,563).

The Company's objectives when managing capital are to safeguard its assets and maintain a competitive cost structure, continue as a going concern and provide returns to its shareholders. In addition, the Company works with all relevant stakeholders to ensure the safety of its operations and employees and to remain in compliance with all environmental regulations.

The Company manages its capital structure and makes adjustments to it in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The Company's management holds strict financial metrics when evaluating returns on greenhouses and in deciding the composition (debt vs equity) in funding deals or addressing any shortfalls in capital. The Company continued to pay down its mortgage debt (Paid $2.1 million in 2024 (2023: $2.4 million)) and utilizes its equity position in its real properties to refinance and fund deals. The Company also assesses government programs such as AgriStability, to help address any years where gross margins fall below the Company's 5-year historic gross margin average.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at December 31, 2024 the payments due by period are set out in the following table:

($000s)	Total	Less than 1 year	1 to 5 years	Over 5 years
Operating line	969	969	-	-
Trade, tax and other payables	4,004	4,004	-	-
Deferred rent	260	260		
Payable to 2073834 Ontario Ltd.	453	453	-	-
Lease obligations	89	81	8	-
Promissory notes	2,538	-	2,538	
Mortgage loans	40,499	2,252	38,247	-
Total	48,812	8,019	40,793	-

COMMITMENTS

The Company has entered into an agreement with its principal customer for a 10-year period to supply fresh produce from its GR1 facility. The pricing for this is set annually and is fixed. The Company has also entered into an agreement with this same customer at its GR3 facility which is renewed annually.

As at December 31, 2024, the Company had $2.4 million relating to purchase commitments. These commitments relate to input costs for the 2025 crop season and commitments to acquire gas through to February 2027.

OFF BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT COMPENSATION (In thousands unless otherwise stated)

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 year ended December 31, 2024, the Company paid $642 in management salaries (2023: $577), $nil in management bonuses (2023: $nil) and had $111 in stock-based compensation (2023: $78). The Company incurred $23 in professional fees to one of its directors ($2 in 2023). The transactions were at fair value and related to legal services in both 2024 and 2023 and paid to the same director. The Company also incurred $22 in biological purchases ($nil in 2023) from a Company controlled by one of its officers. The transactions were at fair value. The Company also paid $67 in mileage to certain officers and Board members for the use of their personal vehicles used for business purposes. The mileage reimbursement was in accordance with prescribed Canada Revenue Agency mileage rates. Finally, $7 was paid to certain officers for gym memberships and fees.

As of December 31, 2024, the Company also held a non-interest-bearing note receivable for $95 (December 31, 2023, $82) from two of its officers. $13 is expected to be settled in Q2 of 2025 and the remaining $82 in Q2 of fiscal 2026.

On June 30, 2022, the Company acquired its third greenhouse range from 2073834 Ontario Ltd., ("207") a company principally controlled by Adam Suder the Company's Chief Growth Officer. Total consideration for this acquisition was $15,051. Of this amount $14,634 has been paid in cash and $417 is expected to be in Q4 of 2025. In addition, a total of $36 in finance related costs are also expected to be paid to 207 in Q4 of Fiscal 2025. The amounts due to 207 have been included as a note payable in current liabilities in the Consolidated Statement of Financial Position. However, the Company must obtain the Royal Bank of Canada's approval for the payment of this liability and this approval is not expected to take place until Q4 of 2025.

On August 29, 2024, with an effective date of August 1, 2024, the Company issued to three directors of the Company, or family corporations controlled by them or with which they have a relationship ("the Lenders"), an aggregate of $1.2 million of non-convertible promissory notes ("the Notes"), evidencing three separate loans to the Lenders in the principal amount of $400 each (note 8). A total of $42 was paid in interest on the Notes in 2024 (Nil in 2023 as the Notes were issued in 2024).

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. These risks have been identified in the December 31, 2024, consolidated financial statements and on page 2, 3, 12 and 13 of this MD&A. 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.

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 a future epidemic, pandemic or contagious disease occurs it may significantly impact the results and operations of the Company and will depend on further developments, which are highly uncertain and cannot be predicted.

The United States Government has imposed tariffs on a variety of goods imported into the United States from Canada and other countries. In response to these actions, the Government of Canada has responded with counter tariffs on goods imported into Canada from the United States. At this time, the impact of these actions on the Company are unknown. The ultimate impact of any government-imposed tariff actions will therefore depend on future developments that are highly uncertain and that cannot be predicted with confidence.

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 life 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.

- 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 assets

  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 4 to the Green Rise 2024 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.

- Bearer plants

  The classification of bearer assets is a significant judgment. Expenditures for bearer plants are recorded in investing activities on the statement of cash flows. Bearer plants 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.

- Going Concern

  The Company realized net earnings of $55 during the year ended December 31, 2024 (2023 net loss of $2,053) and had a working capital deficit of $5,030 on December 31, 2024 (2023 working capital deficit of $48,970). The Company's ability to continue as a going concern is dependent on its ability to generate sufficient cash flows from its operations to meet its obligations as they come due and to have adequate cash resources at the end of the year to fund the investment required to set-up the following year's bearer plants.

  Actions executed and events occurring during the year ended December 31, 2024 to improve cash flows, and the working capital deficit include the advancement of prepaid rent, the conversion of $1,987 in payables into a 3-year promissory note, the receipt of the 2022 AgriStability grant which generated $619, the issuance of $1,200 in promissory notes which mature on June 30, 2026 and the issuance of 500,000 common shares via a private placement which generated $300 in gross proceeds. Operational process improvements, seed selections, the cost of gas purchases, a warmer winter and finally labor efficiencies, all helped the Company realize income from operations of $2,007 for the year ended December 31, 2024 (2023 a loss of $659). The Company also depends on certain levels of sunlight to help achieve its targeted annual production yields. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations that are in line with its annual plan.

  Following a review by the Company's operating results by the Royal Bank of Canada ("RBC) and the injection of $1.5 million (via $1.2 million in promissory notes and a $300 private placement equity raise (see notes 8 and 11 respectively to the Company's consolidated financial statements, for the year ended December 31, 2024), on November 22, 2024, RBC waived the Company's 2023 breach on its annual fixed charge coverage ratio, subject to the following conditions: (1) The Company's available funds under its credit facilities were reduced by $1.5 million from $7.3 million to $5.8 million, (2) In the event of a cash flow shortfall, the Company would be responsible for injecting the first $1.5 million in relation to such a shortfall, and (3) The Company remains in compliance with its annual fixed charge coverage ratio. For the year ended December 31, 2024, the Company maintained its annual compliance on its fixed charge coverage ratio which requires the Company to maintain a ratio of a minimum of 1.1:1. While the Company has been successful in the past in raising capital, reducing its working capital deficit, and is in compliance with its annual fixed charge coverage ratio, there is no assurance that it will be successful in closing further financings, achieving positive working capital, and maintaining covenant compliance in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

New and amended accounting pronouncements

The Company has adopted the following revised IFRS amendments effective January 1, 2024. These changes were made in accordance with the applicable transitional provisions and had no impact on the financial statements of the Company.

IAS 1 – Presentation of Financial Statements and IFRS 2 Practice Statement 2

Effective January 1, 2024, the Company adopted the IASB's amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The adoption of these amendments did not have an impact on the Company's financial statements.

New accounting standards issued but not effective

IFRS 18 – Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

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 legisl ation 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, 47,589,066 total shares and 2,806,669 stock options were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on April 21, 2025.

NON-IFRS MEASURES

The Company has presented certain non-IFRS financial measures and non-IFRS ratios in this document. The Company believes these measures and ratios, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

EBITDA and Adjusted EBITDA

The Company utilizes EBITDA and adjusted EBITDA to measure its financial performance. Earnings before interest, taxes, depreciation, and amortization (EBITDA) and Adjusted EBITDA are a non-IFRS financial measure and non-IFRS ratios, respectively, and are common financial performance measures in the agricultural industry; however, they have no standard meaning under IFRS. EBITDA represents earnings before interest, income taxes, depreciation, and amortization. EBITDA is then adjusted to include or exclude specific items that are relevant or irrelevant to the Company's annual cash flow generation such as: (1) bearer plant amortization and unfunded CAPEX; (2) non-cash items such as stock-based compensation and the net change in unrealized (gain) loss on biological assets and (3) non-reoccurring items such as certain one-time legal or acquisition related expenses. The objective of Adjusted EBITDA is to present the annual cash flows generated by the Company before interest and principal repayments on its debt obligations.

	Three-months ended		Year ended	
($ thousands)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Net earnings (loss)	**$(3,517)**	$(3,776)	**$55**	$(2,053)
Additions (Deductions)				
Depreciation	**1,994**	2,068	**8,188**	8,492
Interest expense	**555**	1,189	**2,744**	2,375
Deferred income tax expense (recovery)	**(1,295)**	(1,357)	**48**	(774)
EBITDA	**$(2,263)**	$(1,876)	**$11,035**	$8,040
Additions (Deductions)				
Bearer plant amortization	**(1,294)**	(1,342)	**(5,379)**	(5,611)
Unfunded CAPEX	**40**	87	**-**	(68)
Stock based compensation	**13**	16	**155**	133
Non-reoccurring legal expenses	**193**	11	**243**	264
Net change in unrealized (gain) loss on biological assets	**2,637**	2,400	**-**	-
Adjusted EBITDA	**$(674)**	$(704)	**$6,054**	$2,758

Adjusted Earnings (Loss)

The Company utilizes adjusted earnings (defined as net earnings adjusted for (1) non-recurring expenses such as impairment on bearer plants and purchase price adjustments allocated to assets other than property, plant and equipment and (2) unrealized (gains) and losses in biological assets and mark to market adjustments on the interest rate swaps. Adjusted earnings are not recognized measures under IFRS; however, management believes that adjusted earnings is a useful supplemental measure to net earnings as these measures provide readers with an indication of recurring earnings compared to prior periods. The Company calculates adjusted earnings as follows:

	Three-months ended		Year ended	
($ thousands)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Net earnings (loss)	**$(3,517)**	$(3,776)	**$55**	$(2,053)
Additions (Deductions)				
Non-reoccurring legals expenses	**243**	11	**243**	264
Mark to market adjustment on interest rate swap	**(9)**	601	**276**	78
Net change in unrealized (gain) loss on biological assets	**2,637**	2,400	**-**	-
Adjusted earnings (loss)	**$(646)**	$(764)	**$574**	$(1,711)

Selected Adjusted Production Cost Ratios to Produce Sales:

The Company utilizes labor and adjusted production costs as a percentage of produce sales to measure its financial performance. Adjusted production costs are not recognized measures under IFRS; however, management believes that adjusted production costs as a ratio to produce sales is a useful supplemental measure to provide readers with an indication of margins as compared to reoccurring costs in prior periods. The Company calculates adjusted production costs and the ratio of adjusted production costs to produce sales as follows:

(In 000s)	**Three-months ended December 31, 2024**	**Three-months ended December 31, 2023**	**Year ended December 31, 2024**	**Year ended December 31, 2023**
Production costs	$4,404	$3,365	$17,299	$16,093
Produce sales	$5,280	$4,036	$29,156	25,584
Production costs as % of produce sales	83.4%	83.4%	59.3%	62.9%
Production labor	2,425	1,844	9,347	8,276
Production labor as a % of produce sales	45.9%	45.7%	32.1%	32.3%