Management's Discussion and Analysis of

# GREEN RISE FOODS INC.

For the three-months ended March 31, 2025, and March 31, 2024

(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 March 31, 2025, and the results of operations for the period ended March 31, 2025.

The MD&A is prepared as of May 28, 2025, and should be read in conjunction with the unaudited condensed interim consolidated financial statements ("financial statements") of Green Rise as at March 31, 2025. 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 thousands 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" and other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements of this MD&A. 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.

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.

Pursuing these goals have helped Green Rise achieve key milestones listed on page 4 of this MD&A under the headings "Highlights for Q1 Fiscal 2025" and "Highlights Subsequent to Q1 Fiscal 2025".

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 Q1 Fiscal 2025***

- Adjusted EBITDA for the three-month period ended March 31, 2025, came in at $(1.6) million as compared to $(1.4) million for the comparative period. A reconciliation of this non-gap measure to net income on an IFRS basis, is included on page 12 of this MD&A.

- The realization of negative Adjusted EBITDA is consistent with the seasonality of the Company's crop cycle which produces minimal amounts of revenue in the first quarter of the year as the greenhouses are prepared for the upcoming grow season. The increase of $0.2 million in negative Adjusted EBITDA was driven primarily by two factors being (1) a colder winter and higher gas consumption and (2) higher administrative costs associated with managing a public company and 89 acres of greenhouses.

- The Company made several organizational changes in the current quarter and expects these changes to positively impact operating margins and labor productivity ratios in the later half of the fiscal year. These actions resulted in one-time employee related severance charges of $0.1 million during the quarter ended March 31, 2025.

- The Company's working capital deficit, improved by $0.3 million. This was primarily driven by the investment in the bearer plants and fair value adjustment on the biological assets, offset by the raw inputs and costs to set-up these assets.

| | **March 31, 2025** | **December 31, 2024** |
|---|---|---|
| Working capital deficit | $4,678 | $5,030 |
| Current portion of mortgages | (2,276) | (2,252) |
| Adjusted working capital deficit | $2,402 | $2,778 |

***Highlights Subsequent to Q1 Fiscal 2025***

- 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.

## SIGNIFICANT TRANSACTIONS

There were no significant transactions during the quarter.

**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.

***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 March 31, 2025** | Three-months ended March 31, 2024 |
|---|---|---|
| Revenues | | |
| -Fresh produce revenues | **$233** | $29 |
| -Rental and other revenues | **278** | 279 |
| Total revenues | **$511** | $308 |
| | | |
| Cost of Goods Sold | | |
| -Production costs[1] | **$1,280** | $1,176 |
| -Depreciation and amortization | **729** | 730 |
| -SG&A, excluding depreciation | **1,127** | 564 |
| -Net change in unrealized gain on biological asset | **(3,589)** | (3,247) |
| Income from operations | **$964** | $1,085 |
| | | |
| -Interest expense | **(706)** | (341) |
| -Other income -government assistance | **10** | - |
| -Deferred and current income tax expense | **(5)** | - |
| Net income | **$263** | $744 |

1. *Production costs include raw materials, labor, repairs and maintenance expenses and other cost of sales.*

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**Results for the three-month period ended March 31, 2025**

***Income from Operations***

*Revenue*

The Company generated fresh produce revenue of $233 thousand as compared to $29 thousand in the prior year period. An earlier planting of the Company's beefsteak varieties, as compared to the prior year period, resulted in an earlier pick at the Company's GR2 greenhouse and higher sales in the current period. The first quarter of operations typically has none or minimal sales as the crop season harvest pick typically starts in mid to late March / early April.

*Production costs and depreciation*

Production costs increased by $0.1 million due to increased gas consumption as a result of a colder winter and earlier planting at the Company's GR2 greenhouse.

Depreciation costs came in flat as expected as both three-month periods ended March 31, 2025, and March 31, 2024, had similar costs basis for property, plant, and equipment. Amortization on the bearer plants is based on the yield generated by the plants and will ramp up in Q2 and Q3, the periods with historically the highest yields generated during the harvesting season.

*SG&A*

SG&A, excluding depreciation, increased by $0.6 million as compared to the prior year period. This increase was attributed to the following: (1) One-time employee severance costs of $0.1 million; (2) Higher legal expenses of $0.1 million relating to the Company's pursuit of insurance recoveries in respect of a 2021 crop loss; (3) $0.3 million relating to higher administrative costs associated with operating a public company and providing governance and oversight on the Company's 89-acres of greenhouse facilities and (4) a $0.1 million increase in stock based compensation resulting from the April 2024, July 2024 and January 2025 option grant rewards.

*Net change in unrealized gains on biological assets*

The net change in unrealized gain on biological assets increased by $0.3 million as compared to the prior year period. The earlier planting of beefsteak has resulted in an increase in fruit on the vines at the Company's GR2 facility increasing the unrealized gain in biological assets as compared to the prior year quarter ended.

**Net Income (Includes Income from operations, Interest expense, other income -governance assistance and current and deferred income tax expense)**

*Interest expense*

Interest expense increased by $0.4 million as compared to the prior year period. The increase was attributed to the change in the unrealized loss on the mark to market adjustment on the Company's interest rate swaps (unrealized loss of $126 thousand for the three-month period ended March 31, 2025, as compared to an unrealized gain of $227 thousand for the three-month period ended March 31, 2024). The remaining increase was driven by the promissory notes issued on March 27, 2024, and August 29, 2024.

*Other income -government assistance*

There was no significant other income reported in either the three-months ended March 31, 2025, or 2024. The Company plans to participate in the self-directed risk management program ("SDRM"), administered by AgriCorp, an Ontario Government agency. Participation in this program is required by June 16, 2025 (participation in this program took place in Q3 of Fiscal 2024 where a total of $0.2 million was awarded).

*Current and Deferred income tax expense*

Current and deferred income tax came in flat for both the three-months ended March 31, 2025, and 2024. The Company has sufficient non-capital loss carry forwards and accordingly has not recognized any deferred income tax liability relating to the net earnings realized in either the three-months ended March 31, 2025, and 2024.

## SUMMARY OF QUARTERLY RESULTS

| *($ thousands)* | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 | December 31, 2023 | September 30, 2023 | June 30, 2023 |
|---|---|---|---|---|---|---|---|---|
| Revenues | 511 | 5,561 | 11,784 | 12,620 | 308 | 4,324 | 10,938 | 11,050 |
| Income (loss) from operations | 964 | (4,320) | 1,765 | 3,477 | 1,085 | (4,005) | 812 | 2,743 |
| Net income (loss) | 263 | (3,517) | 601 | 2,227 | 744 | (3,776) | 344 | 1,948 |
| Basic and diluted EPS | 0.01 | (0.07) | 0.02 | 0.04 | 0.02 | (0.08) | 0.01 | 0.04 |
| | | | | | | | | |
| Total assets | 57,830 | 51,014 | 55,197 | 60,729 | 59,216 | 54,082 | 57,352 | 62,641 |
| Total liabilities | 55,246 | 48,812 | 49,484 | 56,125 | 56,892 | 52,519 | 52,029 | 57,726 |
| Equity | 2,584 | 2,202 | 5,713 | 4,604 | 2,324 | 1,563 | 5,323 | 4,915 |

## LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

| *($ thousands)* | **March 31, 2025** | December 31, 2024 |
|---|---|---|
| Cash | - | - |
| Working Capital Deficit[1] | (4,678) | (5,030) |
| Total Assets | 57,830 | 51,014 |
| Total Liabilities | 55,246 | 48,812 |
| Net Equity | 2,584 | 2,202 |

1) The working capital deficit 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 March 31, 2025, the Company's operating line was $5,800 of which $5,027 had been drawn leaving an undrawn balance of $773 ($5,800 of which $216 was drawn and $5,584 was undrawn as at December 31, 2024).

The Company had a working capital deficit of $4,678 as of March 31, 2025 ($5,030 deficit as of December 31, 2024). The Company realized an improvement of $0.3 million in its working capital deficit. With a focus of improving operating margins by increasing production yields and improving labor productivity and production cost ratios, the Company 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 increased by $6.8 million as compared to the amount reported as at December 31, 2024. The increase was primarily driven by the investments made in the bearer plants and resulting unrealized fair value in biological assets across all three of the Company's greenhouses, as at March 31, 2025.

Total Liabilities increased by $6.4 million as compared to the amount reported as at December 31, 2024. The increase was primarily driven by increases in amounts drawn on the Company's operating lines and accounts payable as a result of investments made in the bearer plants and costs associated with operating 71.5 acres of fresh produce cultivation capacity. There was also an increase in the unrealized loss on interest rate swaps which resulted in an increase in liabilities of $0.1 million as compared to the period ended December 31, 2024. These increases were offset by $0.6 million in scheduled principal and lease payments made during the quarter and a reduction of $0.3 million in deferred revenue liability as at December 31, 2024, which was applied to rents due on the Company's 15 acres lease for the months of January, February and March 2025.

Equity increased by $0.4 million mainly a result of the net income generated and the increase in contributed surplus resulting from the stock option expensed during the quarter.

## CAPITAL MANAGEMENT

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at March 31, 2025, totaled $2,584 (December 31, 2024, $2,202).

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 $0.6 million in the first quarter of 2025 ($0.5 million in the first quarter of 2024) 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.

***Interest rate risk***

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans, with exception to its one mortgage on its GR1 property and the GR3 mortgage which have open rate interest rate, have fixed rates of interest and are therefore subject to the risk of changes in fair value if the prevailing interest rate were to increase or decrease. To mitigate the interest rate risk on open variable loans, the Company uses derivative financial instruments (interest rate swaps) to exchange the variable rate inherent in the long-term debt for a fixed rate.

## CONTRACTUAL OBLIGATIONS

As at March 31, 2025, 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 | 5,760 | 5,760 | - | - |
| Trade payables | 6,343 | 6,343 | - | - |
| Payable to 2073834 Ontario Ltd. | 453 | 453 | - | - |
| Lease obligations | 76 | 71 | 5 | - |
| Promissory note | 2,543 | - | 2,543 | - |
| Mortgage loans | 40,071 | 2,276 | 37,795 | - |
| Total | 55,246 | 14,903 | 40,343 | - |

## COMMITMENTS

As at March 31, 2025, the payments due by period are set out in the following table:

| ***($000s)*** | **Total** | **Less than 1 Year** | **1 – 5 Years** | **After 5 Years** |
|---|---|---|---|---|
| Purchase commitments | 1,122 | 696 | 427 | - |

Purchase commitments consist of commitments to acquire gas through to February 2027.

The Company has entered into an agreement with its principal customer for a 10-year period to supply all available produce at its GR1 greenhouse range. The Company also has an agreement on its GR3 property which automatically renews each year unless otherwise terminated by either party not later than 90 days prior to the end of the applicable term.

## OFF BALANCE SHEET ARRANGEMENTS

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

**CONTINGENCIES**

The Company may be involved in legal proceedings from time to time arising in the ordinary course of business. Contingencies will be accrued when the outcome if probable, and the amount can be reasonably estimated.

Based on the Company's knowledge of events at March 31, 2025, no such matters requiring accrual were identified.

**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 three-month period ended March 31, 2025, the Company paid $230 in management salaries (March 31, 2024: $160) and had $65 in stock-based compensation (March 31, 2024: $17). The Company also paid $16 in mileage reimbursements to certain officers 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, $2 was paid to certain officers for gym memberships and fees.

As of March 31, 2025, the Company also held two non-interest-bearing note receivables for $87 (December 31, 2024, $95) from two of its officers. $5 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 paid 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 Q2 of 2026.

On August 29, 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. A total of $25 was paid in interest on the Notes in the three months ended, March 31, 2025 ($Nil for the three months ended, March 31, 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 December 31, 2024 consolidated financial statements and on page 2, 3, 9 and 11 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 had a working capital deficit of $4.679 as of March 31, 2025 (working capital deficit of $5,030 as of Dec 31, 2024). 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.

  Managing production yields and operational processes and costs, particularly labor efficiencies, are critical to the Company's cash flow generation capabilities. The Company also depends on certain levels of sunlight to help achieve its 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 financial plan.

Key actions to maximize yield and maintain optimal plant health occur daily. The brightest days have historically occurred in Q2 and Q3, where the days are longest. The success of an annual crop accordingly is not truly known until mid to late Q3. These conditions accordingly indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The condensed interim consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its net assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future. The condensed interim consolidated financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities, revenue, and expenses and the statement of financial position classification used if the Company was unable to continue operations in accordance with this assumption. Such adjustments could be material.

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 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, 47,589,066 total shares and 2,973,337 stock options were outstanding.

## APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on May 28, 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 | |
|---|---|---|
| *($ thousands)* | **March 31, 2025** | March 31, 2024 |
| Net earnings | **$263** | $744 |
| Additions (Deductions) | | |
| Depreciation | **729** | 730 |
| Interest expense | **706** | 341 |
| Current and Deferred income tax expense | **5** | - |
| **EBITDA** | **$1,703** | $1,815 |
| Additions (Deductions) | | |
| Bearer plant amortization | **$(39)** | $(5) |
| Unfunded CAPEX | **(9)** | (8) |
| Stock based compensation | **119** | 17 |
| Non-recurring legal fees | **109** | - |
| Employee severance | **118** | - |
| Net change in unrealized gain on biological assets | **(3,589)** | (2,247) |
| **Adjusted EBITDA** | **$(1,588)** | $(1,428) |

## Adjusted 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 | |
|---|---|---|
| *($ thousands)* | **March 31, 2025** | March 31, 2024 |
| Net earnings | **$263** | $744 |
| Additions (Deductions) | | |
| Change in unrealized (gain) loss on mark to market adjustment on interest rate swaps | **126** | (227) |
| Non-recurring legal fees | **109** | - |
| Employee severance | **118** | |
| Net change in unrealized (gain) on biological assets | **(3,589)** | (3,247) |
| **Adjusted Net loss** | **$(2,973)** | $(2,730) |

## Selected Production Cost Ratios to Produce Sales

The Company utilizes Adjusted Labor and Adjusted Production costs as a percentage of produce sales to measure its financial performance. Adjusted Labor and Adjusted Production costs are not recognized measures under IFRS; however, management believes that Adjusted Labor and 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. These ratios are not shown in Q1 given the seasonality of the business as minimal revenues occur in Q1. The ratios will be illustrated in the Q2, Q3 and Q4 MD&As.