

Unaudited Condensed Interim Consolidated Financial Statements of

GREEN RISE FOODS INC.

For the three and nine-months ended September 30, 2025, and September 30, 2024
(Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Financial Statements

Under National Instrument 51-102, Continuous Disclosure Obligations, if an auditor has not performed a review of condensed interim financial statements, they must be accompanied by a notice indicating that such financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of Green Rise Foods Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity’s auditor.

Green Rise Foods Inc.
Condensed Interim Consolidated Statements of Financial Position
(unaudited)

	September 30, 2025	December 31, 2024
(thousands)		
Assets		
Current Assets:		
Trade and other receivables	2,352	492
Inventory	393	430
Bearer plants (note 3)	1,693	1,995
Biological assets (note 3)	2,594	-
Prepaid expenses	149	72
	7,181	2,989
Non-current assets		
Due from related party (note 11)	82	82
Property, plant, and equipment (note 4)	46,565	47,943
Total Assets	\$ 53,828	\$ 51,014
Liabilities		
Current Liabilities		
Line of credit and revolver (note 6)	\$ 4,290	\$ 969
Trade payables	2,523	4,004
Deferred rent revenue (note 7)	-	260
Payable to 2073834 Ontario Ltd. (note 11)	453	453
Current portion of lease obligation (note 5)	80	81
Promissory notes (note 8)	1,184	-
Current portion of long-term debt (note 6)	13,174	2,252
	21,704	8,019
Non-current liabilities		
Lease obligation (note 5)	-	8
Promissory notes (note 8)	1,368	2,538
Long-term debt (note 6)	25,678	38,247
Total Liabilities	48,750	48,812
Shareholder's Equity		
Share Capital (note 9)	5,267	5,244
Contributed Surplus (note 10)	2,256	1,854
Deficit	(2,445)	(4,896)
Total Shareholder's Equity	5,078	2,202
Total Liabilities and Shareholder's Equity	\$ 53,828	\$ 51,014

Approved by the Board of Directors

(Signed) "Enrico (Rick) Paolone"
Director

(Signed) "Jerry Mancini"
Director

Going concern Note 1

Commitments Note 16

Subsequent events Note 17

The accompanying notes are an integral part of these financial statements.

Green Rise Foods Inc.**Condensed Interim Consolidated Statements of Income and Comprehensive Income**

(Amounts are in thousands of Canadian Dollars, except per share amounts)

(unaudited)

For the three and nine-months ended September 30, 2025, and 2024

	Three-months ended September 30, 2025	Three-months ended September 30, 2024	Nine-months ended September 30, 2025	Nine-months ended September 30, 2024
<i>(thousands, except share and per share amounts)</i>				
Revenue (note 12)	\$ 11,544	\$ 11,784	\$ 24,263	\$ 24,712
Cost of sales (note 13)	(9,916)	(9,264)	(16,973)	(16,188)
Gross income	1,628	2,520	7,290	8,524
Selling, general and administrative expenses (note 13)	(928)	(755)	(3,127)	(2,197)
Income from operations	700	1,765	4,163	6,327
Other income -government assistance (note 14)	175	158	196	777
Interest expense	(595)	(1,099)	(1,832)	(2,189)
Income before income taxes	280	824	2,527	4,915
Income tax expense	(47)	(223)	(76)	(1,343)
Net earnings and comprehensive earnings for the period	233	601	2,451	3,572
Basic and diluted income per share	\$ 0.00	\$ 0.01	\$ 0.05	\$ 0.08
Weighted average number of common shares outstanding				
Basic and Diluted	47,629,827	47,234,355	47,602,802	46,754,029

The accompanying notes are an integral part of these financial statements.

Green Rise Foods Inc.**Condensed Interim Consolidated Statements of Changes in Equity**
(unaudited)**For the nine-month periods ended September 30, 2025, and 2024**

<i>(thousands except share amounts)</i>	Number of shares	Share Capital (\$)	Contributed Surplus (\$)	Deficit (\$)	Total Equity (\$)
Balance, December 31, 2024	47,589,066	\$ 5,244	\$ 1,854	\$ (4,896)	\$ 2,202
Stock options exercised (note 9)	50,000	23	(11)	-	12
Stock based compensation (note 10)	-	-	413	-	413
Comprehensive income for the period	-	-	-	2,451	2,451
Balance, September 30, 2025	47,589,066	\$ 5,267	\$ 2,256	\$ (2,445)	\$ 5,078

	Number of shares	Share Capital (\$)	Contributed Surplus (\$)	Deficit (\$)	Total Equity (\$)
Balance, December 31, 2023	46,505,732	\$ 4,693	\$ 1,821	\$ (4,951)	\$ 1,563
Stock options exercised	583,334	259	(123)	-	136
Shares issued in a private placement	500,000	300	-	-	300
Stock based compensation (note 10)	-	-	142	-	142
Comprehensive income for the period	-	-	-	3,572	3,572
Balance, September 30, 2024	47,589,066	\$ 5,252	\$ 1,840	\$ (1,379)	\$ 5,713

The accompanying notes are an integral part of these financial statements.

Green Rise Foods Inc.
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)

For the nine-month periods ended September 30, 2025, and 2024

<i>(thousands)</i>	September 30, 2025	September 30, 2024
Cash provided by (used in):		
Operating activities:		
Net income for the period	\$ 2,451	\$ 3,572
Adjustments for:		
Depreciation and amortization of property, plant and equipment and amortization of bearer plants	6,177	6,194
Amortization of deferred financing fees	14	-
Biological asset gain (note 3)	(2,594)	(2,637)
Change in unrealized (gain) loss on mark to market adjustment on interest rate swaps (note 6)	32	285
Stock based compensation (note 10)	413	142
Current and deferred income tax expense	76	1,346
Net changes in non-cash working capital		
Trade receivables	(1,860)	(1,707)
Inventory	(189)	(79)
Prepaid expenses	(77)	114
Trade payable	(1,817)	(1,935)
Net cash inflow from operating activities	2,626	5,295
Investing activities:		
Costs incurred on bearer plants (note 3)	(3,571)	(2,905)
Acquisition of property, plant and equipment (note 4)	(596)	(94)
Net cash outflow from investing activities	(4,167)	(2,999)
Financing activities:		
Drawn on operating line	3,321	(2,637)
Advance of prepaid rent (note 7)	-	1,009
Proceeds from promissory notes (note 8)	-	1,200
Repayment of promissory note (note 8)	-	(619)
Private placement	-	300
Proceeds from exercise of stock options	12	136
Repayment of long-term debts with Bank (note 6)	(1,679)	(1,546)
Payment of lease obligations (note 5)	(113)	(139)
Net cash inflow / (outflow) from financing activities	1,541	(2,296)
Change in cash during the period	-	-
Cash - Beginning of period	-	-
Cash - End of period	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Green Rise Foods Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Amounts are in thousands of Canadian Dollars, unless otherwise stated)
(unaudited)

For the three and nine-month periods ended September 30, 2025, and September 30, 2024

(Tabular amounts in thousands)

1. Nature of operations and going concern

Green Rise Foods Inc. ("Green Rise" or "the Company") is a grower of fresh produce using controlled environment agriculture technologies. The Company has 89 acres of greenhouse ranges ("ranges") including 51-acres of ranges ("Green Rise 1" or "GR1") located in Leamington, Ontario, and 22-acres and 16-acres of ranges ("Green Rise 2" or "GR2" and "Green Rise 3" or "GR3") located in Kingsville, Ontario. The total growing capacity of the Company's ranges, factoring in walkways and machinery and equipment is 86.5 acres, of which 15 acres of its GR1 ranges are leased to the Company's one major customer. The Company began its operations in 2018 by acquiring its GR1 ranges, via its wholly owned subsidiary Bull Market Farms Inc.

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 2 Victoria Street, Toronto, Ontario, M5E 1L4.

The seasonal operation consists of the growing, packaging and the sale of produce to primarily one major customer.

Going concern

The Company had a working capital deficit of \$14,523 as of September 30, 2025 (working capital deficit of \$5,030 as of Dec 31, 2024). The increase from Dec 31, 2024, relates to the classification of the long-term portion to current of one of the Company's mortgages and certain promissory notes, all of which mature on June 30, 2026. When adjusted for this reclassification from Dec 31, 2024, the working capital deficit, as of September 30, 2025, equals \$2,477. 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 crop health, operational processes and costs (and 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.

These 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. These 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.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, under IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the audited consolidated financial statements for the fiscal year ended December 31, 2024, except as disclosed herein.

The condensed interim financial statements do not include all the disclosures included in the annual audited consolidated financial statements and accordingly should be read in conjunction with the annual audited consolidated financial statements and the notes thereto for the year ended December 31, 2024. These condensed interim consolidated financial statements were approved by the Audit Committee of the Company for issue on November 27, 2025.

The condensed interim financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, and are presented in Canadian dollars, rounded to the nearest thousand except when otherwise indicated.

Basis of Consolidation

The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date control ceases.

These condensed interim consolidated financial statements include the accounts of the Company and the wholly owned subsidiary, Mor Gro Sales Inc. All intercompany balances, transactions, unrealized gains, and losses resulting from intercompany transactions have been eliminated on consolidation.

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.

3. Bearer plants & Biological assets

Bearer plants

A reconciliation of beginning and ending balance of bearer plant assets is as follows:

(\$000s)	September 30, 2025	December 31, 2024
Bearer plants – beginning of the year	1,995	1,731
Reclassification from inventory	226	743
Additions	3,571	4,900
Depreciation of bearer plants	(4,099)	(5,379)
Bearer plants – end of the period	1,693	1,995

Bearer plant costs net of depreciation equaled \$1,693 as at September 30, 2025 and consist of costs directly attributable to bringing the bearer plants to the location and condition necessary for them to be capable of operating in the manner intended by management, including costs of site preparation incurred on or before December 31, 2024, pertaining to the 2025 crop.

Biological assets

The Company did not have any biological assets as at December 31, 2024; however, it did have biological assets as at September 30, 2025, consisting of tomatoes and mini peppers growing on the vines. Sales of tomatoes started at the end of the first quarter and the sale of mini-peppers started after the quarter-ended March 31, 2025. The growing cycle for each harvest ranges from five weeks for mini peppers to nine weeks for tomatoes.

The changes in the carrying value of the Company's biological assets are as follows:

(\$000s)	September 30, 2025
Biological assets – beginning of the year	-
Net change in unrealized gains due to biological asset transformation recorded on the statement of income and comprehensive income	(2,594)
Biological assets – end of the period	2,594

In determining the carrying amount of biological assets, which are measured at fair value less costs to sell, the following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy, are used by management as part of this model:

- Selling price and yield – determined using the actual selling price per pound and yield in the following period; and
- Post-harvest costs -calculated as the harvesting and overhead costs for the five to six (mini-peppers) and the seven to nine weeks (tomatoes) following the period ended, consisting of the cost of direct and indirect materials and labour related to packaging.

4. Property, plant, and equipment:

(\$000s)	Land	Greenhouse	Buildings	Machinery and equipment	Vehicle	Right-of-use assets	Total
Cost:							
Balance – December 31, 2024	6,470	44,378	2,899	7,513	45	713	62,018
Additions	-	189	48	357	2	104	700
Balance – September 30, 2025	6,470	44,567	2,947	7,870	47	817	62,718
Accumulated depreciation:							
Balance – December 31, 2024	-	9,531	475	3,390	17	662	14,075
Additions	-	1,338	87	576	3	74	2,078
Balance – September 30, 2025	-	10,869	562	3,966	20	736	16,153
Net book value							
Balance – September 30, 2025	6,470	33,698	2,385	3,904	27	81	46,565
Net book value							
Balance – December 31, 2024	6,470	34,847	2,424	4,123	28	51	47,943

5. Lease obligations

Continuity schedule:

(\$000s)	September 30, 2025	December 31, 2024
Lease obligation – beginning of the year	89	251
Additions during the period	104	-
Lease payments, excluding interest	(113)	(162)
Less: Current portion	(80)	(81)
Long term lease obligation – end of the period	-	8

Balance sheet summary:

(\$000s)	September 30, 2025	December 31, 2024
Current lease obligation -end of period	80	81
Long term lease obligation -end of period	-	8
Total lease obligation – end of the period	80	89

The lease payments are discounted using the interest rate implicit in the lease, or if that cannot be determined, the Company's incremental borrowing rate.

6. Long-term debt

Continuity schedule:

(\$000s)	September 30, 2025	December 31, 2024
Loans and mortgages -beginning of the year	40,499	42,315
Repayments during the period	(1,679)	(2,092)
Change to mark to market valuation loss on interest rate swap	32	276
Less: Current portion	(13,174)	(2,252)
Long-term portion	25,678	38,247

Balance sheet summary:

(\$000s)	September 30, 2025	December 31, 2024
Current portion of long-term debt -end of period	13,174	2,252
Long term portion of long-term debt -end of period	25,678	38,247
Total long-term debt obligation – end of the period	38,852	40,499

On December 27, 2023, the Company refinanced a mortgage on its GR1 property (“the open mortgage”), with a principal balance of \$4,113, with the Royal Bank of Canada (“RBC”). Immediately following the approval, the Company entered into an interest rate swap agreement with RBC for the same notional amount of \$4,113 and term of 3-years at an all-in-interest rate fixed at 3.98% for three years and the credit spread is currently fixed at 1.55%. The credit spread is set annually by RBC. The next annual review of the credit spread is in Q2 of 2026.

Effectively the Company swapped the interest rate and repayment obligations of the open mortgage with the interest and repayment obligations of the interest rate swap. The interest rate is paid quarterly and has the same principal repayments amounts as the open mortgage. The interest rate swap is measured at fair value which resulted, for the nine-month period ended September 30, 2025, a decrease in the mark to market loss on this swap of \$7 (Decrease of \$11 in the mark to market loss on the swap for the quarter-ended September 30, 2025). The gains have been recorded in the statement of income and comprehensive income as a decrease in interest expense for both the three and nine-month periods ended September 30, 2025. In the prior nine-month period ended September 30, 2024, the GR1 interest rate swap resulted in a loss of \$40 as a result in the change in the fair value of the swap (loss of \$84 for the three-month period ended September 30, 2025). These were recorded as increases to interest expense in the statement of income and comprehensive income for both the three and nine-month periods ended September 30, 2025. The interest rate swap quarterly blended payments including interest and principal range from \$116 to \$123 over the 3-year term.

On July 18, 2023, with an effective date of June 30, 2023, the Company refinanced another mortgage on its GR1 property, with a principal balance of \$12,773, with RBC. As at September 30, 2025, the principal balance on this mortgage was \$11,478 and has been classified as current in the condensed statements of financial position. The mortgage has a term of 3-years, bears interest at a rate of 5.75% per annum and has monthly payments of \$106 representing blended interest and principal.

On June 30, 2022, the Company entered into a first mortgage with RBC in the amount of \$15,350. The mortgage has an open variable interest rate at the prime interest rate plus 1.0% per annum. Proceeds from this mortgage were used entirely to fund the GR3 acquisition and resulting closing transaction costs and taxes. On July 20, 2022, and in order to manage the volatility of interest rates, the Company entered into an interest rate swap agreement with RBC for a notional amount of \$15,350 and term of 5-years at an all-in interest rate fixed at 3.84% for five years and the credit spread currently fixed at 1.25%. The credit spread is set annually by RBC. The next annual review of the Company’s credit spread will be finalized in Q2 of fiscal 2026. Effectively the Company swapped the interest rate and repayment obligations on the open mortgage with the interest and repayment obligations of the interest rate swap. The interest rate swap is paid out quarterly and has the same principal repayment amounts as the open mortgage. The interest rate swap is measured at fair value which resulted, for the nine-month period ended September 30, 2025, in an increase in the mark to market loss on this swap of \$39 (a gain of \$1 for the three-month period ended September 30, 2025). The loss (gain) has been recorded in the statement of income and comprehensive income as an increase (decrease) in interest expense. In the prior year nine-month period ended September 30, 2024, the GR3 interest rate swap resulted in a loss of \$245 as a result in the change in the fair value of the swap (\$365 loss for the three-month period ended September 30, 2025). These losses were recorded as an increase in interest expense in the statement of income and comprehensive income for both the three and nine-month periods ended September 30, 2025. The interest rate swap quarterly blended payments including interest and principal range from \$324 to \$332 over the 5-year term.

Credit Facilities

On November 22, 2024, as part of waiving the 2023 fixed charge coverage ratio covenant, RBC reduced the Company’s operating line credit facilities from \$7.3 million to \$5.8 million. Availability under the Company’s revolver and credit card facilities remained unchanged

at \$0.8 million and \$0.2 million respectively. The RBC credit facilities are secured via a general security agreement against all the assets of the Company, including receivables, inventory and machinery and equipment.

As at September 30, 2025, \$3,530 had been drawn on the Company's operating line credit facilities (\$216 as at December 31, 2024) leaving an undrawn balance of \$2,270 (\$5,584 as at December 31, 2024). All the operating lines bear an interest rate of prime plus 1% per annum.

As of September 30, 2025, \$760 had been drawn on the Company's revolver facility (\$753 as at December 31, 2024) leaving an undrawn balance of \$40 (\$47 as at December 31, 2024).

Financial Covenants

Borrowings under the RBC credit facilities are expected to be resolved with operating requirements and have a zero balance of at least 1 Business Day in each fiscal year. The credit facility also requires an annual certification on a fixed charge coverage ratio of 1.1 to 1. The Company complied with these requirements for the year ended December 31, 2024.

7. Deferred rent revenue

On March 27, 2024, the Company received \$1,009, from its principal customer to cover the basic monthly rent due, covering the period April 1, 2024, to March 31, 2025, on the portion of the GR1 greenhouse ranges leased to this principal customer. The amount received was discounted at an annual rate of 8.31%. The total undiscounted basic rent over this period is \$1,050.

Continuity schedule:

(\$000s)	September 30, 2025	December 31, 2024
Deferred rent revenue -beginning of the year	260	-
Net advancement of prepaid rent during the year	-	1,009
Add interest accrued on balance during the period	2	39
Prepaid rent earned during the year	(262)	(788)
Deferred rent revenue -end of period	-	260

8. Promissory notes

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 (note 11). The Notes were advanced on August 1, 2024, bear interest at 8.31% per annum, with interest paid monthly and the principal to be paid at maturity on June 30, 2026, provided that such payment of principal is no longer subject to postponement in favor of RBC or the latter has consented to such payment. The Company, if and when authorized by RBC, has the option to repay any principal amount owing under the Notes and any unpaid interest thereon on or before maturity. The Company has provided a general security agreement for the Notes and interest is payable from the earliest of August 1, 2024, and the day the loans were advanced. For the period ended September 30, 2025, the notes have been classified as current and are reported net of deferred financing costs.

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. Interest on the promissory note is computed monthly based on the principal outstanding on the last business day of the month, at a rate per annum based on the secured overnight financing rate ("SOFR"), as published by the Federal Reserve Bank of New York, plus three percent (3%), calculated monthly in advance from the effective date until the maturity date. The promissory note also has two early payment triggers for the principal which include (1) proceeds from the AgriStability Program and (2) proceeds from insurance claims. A mortgage and general security agreement, second only to that of the Royal Bank of Canada mortgage and general security agreements, has also been provided on this promissory note.

Continuity schedule:

(\$000s)	September 30, 2025	December 31, 2024
Promissory notes -beginning of the year	2,538	-
Reclassified from accounts payable during the year	-	1,987
Promissory notes issued during the year (note 11)	-	1,200
Less: Deferred financing fees on notes issuance	-	(38)
- Add: Amortization of deferred financing fees during the year	14	8
Payments made during the year	-	(619)
Reclassified to current liabilities	(1,184)	-
Promissory notes long term portion -end of period	1,368	2,538

9. Share capital

	Number of Shares	Amount (\$000s)
Common shares:		
Common shares, December 31, 2024	47,589,066	5,244
Stock options exercised on July 18, 2025 i)	50,000	23
Common shares, September 30, 2025	47,639,066	5,267

- i) On July 18, 2025, a Director of the Company exercised 50,000 options with a strike price of \$0.24, resulting in the issuance of 50,000 common shares and net cash proceeds of \$12. In addition, a total of \$11, representing stock-based compensation of these options that had previously been credited toward contributed surplus, was reclassified into share capital. The share price on the day of exercise was 38 cents per share.

10. Contributed surplus

Stock Option Continuity

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2024	1,833,336	\$0.53
Options issued during the period (i – vi)	1,140,001	\$0.53
Options exercised during the period (note 9i)	(50,000)	\$0.24
Options forfeited (vii)	(258,336)	\$0.27
Balance at September 30, 2025	2,665,001	\$0.54

Stock Option Plan

The Company has implemented a rolling stock option plan as it reserves a maximum of 10% of the issued and outstanding common shares of the Company for issuance under the Stock Option Plan. Options granted shall vest one third on each anniversary date (unless otherwise determined by the Company's Board) and are exercisable for a period of up to ten years.

- i). On January 31, 2025, the Company issued 350,000 options to officers, directors and a corporation controlled by a director of the Company. The estimated fair value of the stock options was based on a Black Scholes valuation model and amounted to \$147. The following assumptions were used -stock exercise price of \$0.53, expected dividend yield of 0%, expected volatility of 109%, risk free rate of 2.74% and the expected life of 5-years. The options will vest if the Board determines at its discretion that prior to the release of the Company's audited financial statements for the fiscal year ended December 31, 2025, certain financial targets have been achieved for the 2025 fiscal year. Volatility was estimated based upon historical price observations over a 5-year period.

- ii). On January 31, 2025, the Company issued 450,000 options to officers of the Company. The estimated fair value of the stock options was based on a Black Scholes valuation model and amounted to \$189. The following assumptions were used -stock exercise price of \$0.53, expected dividend yield of 0%, expected volatility of 109%, risk free rate of 2.74% and the expected life of 5-years. The options will vest if the Board determines at its discretion that prior to the release of the Company's audited financial statements for the fiscal

year ended December 31, 2027, certain financial targets have been achieved for the 2025, 2026 and 2027 fiscal years. Volatility was estimated based upon historical price observations over a 5-year period.

iii). On January 31, 2025, the Company issued 200,001 options to an officer, a director and a corporation controlled by a director of the Company. The estimated fair value of the stock options was based on a Black-Scholes valuation model and amounted to \$84. The following assumptions were used -stock exercise price of \$0.53, expected dividend yield of 0%, expected volatility of 109%, risk free rate of 2.74%, vesting period 1 year and expected life of 5 years. Volatility was estimated based upon historical price observations over a 5-year period.

iv). On January 31, 2025, the Company issued 60,000 options to certain employees of the Company. The estimated fair value of the stock options was based on a Black-Scholes valuation model and amounted to \$25. The following assumptions were used -stock exercise price of \$0.53, expected dividend yield of 0%, expected volatility of 109%, risk free rate of 2.74%, vesting period 3 years and expected life of 5 years. Volatility was estimated based upon historical price observations over a 5-year period.

v). On March 1, 2025, the Company issued 30,000 options to certain employees of the Company. The estimated fair value of the stock options was based on a Black-Scholes valuation model and amounted to \$12. The following assumptions were used -stock exercise price of \$0.53, expected dividend yield of 0%, expected volatility of 107%, risk free rate of 2.60%, vesting period 3 years and expected life of 5 years. Volatility was estimated based upon historical price observations over a 5-year period.

vi). On April 21, 2025, the Company issued 50,000 options to an employee of the Company. The estimated fair value of the stock options was based on a Black-Scholes valuation model and amounted to \$21. The following assumptions were used -stock exercise price of \$0.53, expected dividend yield of 0%, expected volatility of 111%, risk free rate of 2.79%, vesting period 3 years and expected life of 5 years. Volatility was estimated based upon historical price observations over a 5-year period.

vii). During the second quarter a total of 116,668 options were forfeited at an exercise price of \$0.24 per option. During the third quarter a total of 116,668 and 25,000 options were forfeited at exercise prices of \$0.24 and \$0.56 per option respectively.

The stock option compensation expense and charge to contributed surplus relating to the stock options vested during the nine-month period ended September 30, 2025, was \$413 (September 30, 2024, \$142) and \$147 for the three-month period ended September 30, 2025 (\$96 for the three-month period ended September 30, 2024).

11. Related party transactions

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 nine-month period ended September 30, 2025, the Company paid \$690 in management salaries (September 30, 2024: \$483) and had \$371 in stock-based compensation (September 30, 2024: \$119). For the three-month period ended September 30, 2025, the Company paid \$230 in management salaries (\$164 for the three-month period ended September 30, 2024) and incurred \$128 in stock-based compensation (\$88 in stock-based compensation for the three-month period ended September 30, 2024). The Company also paid, for the nine-month period ended September 30, 2025, \$48 in mileage reimbursements for personal vehicle use for business purposes and \$6 in gym memberships to certain officers (\$16 and \$2 for the three-months ended September 30, 2025, for mileage and gym memberships respectively). The mileage reimbursement was in accordance with prescribed Canada Revenue Agency mileage rates.

For both the three and nine-month period ended September 30, 2025, the Company paid \$52 for the utilization of the 2 Victoria Street, Toronto office, which is owned by two officers of the Company (\$nil in the prior year comparative periods).

The Company had also incurred \$23 in professional fees to one of its directors, for the three and nine-month periods ended September 30, 2024. These fees related to professional legal services completed on the \$300 equity raise and \$1.2 million notes issued in Q3 of 2024.

As of September 30, 2025, the Company also held one non-interest-bearing note receivable for \$82 (December 31, 2024, \$95) from one of its officers. The amount was expected to be settled 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 Q2 of 2026. In addition, a total of \$36 in finance related costs are also expected to be paid to 207 in Q2 of Fiscal 2026. 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 (note 8). A total of \$75 was paid in interest on the Notes in the nine-month period ended, September 30, 2025 (\$17 for the nine-month period ended September 30, 2024). A total of \$25 for the three-month period ended September 30, 2025 (\$17 for the three-month period ended September 30, 2024).

12. Revenue

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
(\$000s)				
Sales of fresh produce	\$11,270	\$11,505	\$23,439	\$23,876
Rent ¹	274	279	824	836
Total	\$11,544	\$11,784	\$24,263	\$24,712

1. The Company leases a portion of its greenhouse space at GR1 to its principal customer. The current lease commenced on June 16, 2023, with a term to December 31, 2026, and has 2, two-year option renewals. These renewals are at the option of the principal customer with the same terms and conditions excluding basic rent which will be set at fair market value at the time of renewal.

13. Expenses by Nature

The following table outlines the Company's significant expenses by nature:

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
(000s)				
Cost of sales				
Raw materials and consumables used	\$2,612	\$2,252	\$5,932	\$5,637
Labor	3,532	3,390	7,348	6,922
Depreciation (note 5)	2,526	2,572	5,917	5,931
Unrealized gain on change in fair value of biological assets (note 4)	1,134	934	(2,594)	(2,637)
Repairs and maintenance	90	54	268	185
Other	22	62	102	150
Total	\$9,916	\$9,264	\$16,973	\$16,188

	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
(000s)				
Selling, general and administrative expenses ¹				
Salaries	\$261	\$179	\$795	\$526
Marketing board fees	24	25	50	50
Insurance	80	74	314	290
Depreciation ¹	113	85	274	263
Office rent	9	30	103	75
Professional services	52	84	445	347
Employee severances	19	-	137	-
Stock based compensation	146	96	413	142
Other	224	182	596	504
Total	\$928	\$755	\$3,127	\$2,197

14. Other income -government assistance

(000s)	For the three-month period ended September 30, 2025	For the three-month period ended September 30, 2024	For the nine-month period ended September 30, 2025	For the nine-month period ended September 30, 2024
Government Programs				
-SDRM	\$165	\$ 158	\$186	\$ 158
-Other Programs	10	-	10	-
-AgriStability	-	-	-	619
Total	\$175	\$158	\$196	\$777

In April 2024, the Company was awarded \$619 on the 2022 AgriStability program. The AgriStability program is a Business Risk Management Program under Sustainable Canadian Agriculture Partnership. It helps farmers manage income risk by providing financial assistance when their farm business experiences a large margin decline. The SDRM program helps growers manage risks beyond their control to help mitigate risk associated with farm businesses. Both programs are administered by AgriCorp, an Ontario Government agency. The refundable fuel tax program is assessed as part of the annual tax return. This program allows farming businesses, with one or more establishments in Ontario, Manitoba, Saskatchewan and Alberta to have a portion of their fuel charges and farming expenses returned to them.

15. Financial instruments

The Company's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. These amounts are initially recognized at fair value and subsequently are measured at amortized cost. The fair value of these amounts approximates their carrying values. All other assets and liabilities are determined using Level 3 of the fair value hierarchy.

Fair values of financial instruments are determined by valuation methods depending on the hierarchy levels as defined below:

- Level 1 – quoted market price in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liabilities that are not based on observable market data.

Assets/Liabilities	Category	Measurement	September 30, 2025	December 31, 2024
Trade receivables	Financial asset	Amortized cost	2,122	94
Other receivables	Financial asset	Amortized cost	230	398
Other long-term receivables	Financial asset	Amortized cost	82	82
Operating and Revolver lines	Financial liabilities	Amortized cost	4,290	969
Trade payables	Financial liabilities	Amortized cost	2,523	4,004
Payable to 2073834 Ontario Ltd.	Financial liabilities	Amortized cost	453	453
Deferred rent	Financial liabilities	Amortized cost	-	260
Lease obligations	Financial liabilities	Amortized cost	80	89
Promissory note	Financial liabilities	Amortized cost	2,552	2,538
Interest rate swaps	Financial liabilities ¹	Fair value	386	354
Long-term debt	Financial liabilities	Amortized cost	38,466	40,145

1. Interest rate swap liabilities are presented on the condensed interim consolidated statements of financial position in long-term debt. The interest rate swap is classified as level 2 in the fair value hierarchy as the fair value has been determined based on inputs which can be substantially observed or corroborated in the marketplace.

Management of financial risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and interest rate risk.

Credit risk

The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Company. The Company believes its maximum exposure to credit risk is the carrying value of its trade and other receivables. As at September 30, 2025, a total of \$2,122 was owed by customers (December 31, 2024: \$81), \$230 related to HST (December 31, 2024: \$335) and \$82 related to an amount owed from an officer of the Company (December 31, 2024: \$95). In addition, there was \$63 owed on the Return of Fuel Charge Credit Program ("RFCC") for the period ended December 31, 2024. All amounts have been collected after September 30, 2025, with exception to the non-interest-bearing loan of \$82 (refer to note 11). The non-interest-bearing note is expected to be settled by Q2 of Fiscal 2026.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its obligations as they fall due. It is the Company's intention to meet its obligations through the collection of accounts receivable and cash from sales. 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. The Company also arranges with certain large Vendors to extend credit terms to Q2 or Q3, when the Company's greenhouses are at full production and cash flow generation is highest in the year. The table below summarizes the timing of the due dates of the Company's financial obligations.

As at September 30, 2025, the following obligations are due:

<i>(\$000s)</i>	Total	Less than 1 year	1 to 5 years	Over 5 years
Operating line	4,290	4,290	-	-
Trade payables	2,523	2,523	-	-
Payable to 2073834 Ontario Ltd.	453	453	-	-
Lease obligations	80	80	-	-
Promissory notes	2,552	1,184	1,368	-
Mortgage loans	38,852	13,174	25,678	-
Total	48,750	21,704	27,046	-

As at September 30, 2025, the Company's operating line is \$5,800 of which \$3,530 had been drawn leaving an undrawn balance of \$2,270 (\$5,800 of which \$216 was drawn and \$5,584 was undrawn as at December 31, 2024). As at September 30, 2025, the Company's revolver line is \$800 of which \$760 had been drawn leaving an undrawn balance of \$40 (\$800 of which \$753 was drawn and \$47 was undrawn as at December 31, 2024).

As of the date of this report, all three farms are generating meaningful cash flows from its produce production with production yields and operating costs are aligned with the Company's annual forecast.

The Company intends to manage these risk exposures by increasing produce yields, minimizing waste, and improving labor and production cost efficiencies. With these measures, the Company expects to have enough cash resources to meet its obligations in 2025, further improve its working capital ratio and maintain its annual compliance requirements of 1.1:1 on its fixed charge coverage ratio.

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 rates, 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 (see note 6).

Management of capital risk

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at September 30, 2025, totaled \$5,078 (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 \$1.7 million through to Q3 F'2025 (\$2.1 million for Fiscal 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.

16. Commitments and Contingencies

As at September 30, 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	763	570	193	-

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

The Company has entered into an agreement with a 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.

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 is probable, and the amount can be reasonably estimated.

Based on the Company's knowledge of events at September 30, 2025, no such matters were identified.

17. Subsequent Events

Starting in March 2025, the United States Government has imposed tariffs on a variety of goods imported into Canada from the United States and other countries. In response to these actions, the Government of Canada has responded with counter tariffs on goods imported from the United States into Canada. 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.