Management's Discussion and Analysis of

GREEN RISE FOODS INC.

For the years ended December 31, 2025, and December 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 December 31, 2025, and the results of operations for the year ended December 31, 2025.

The MD&A is prepared as of April 30, 2026, and should be read in conjunction with the audited consolidated financial statements ("financial statements") of Green Rise as at December 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 IFRS Accounting 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;
- risks inherent in an agricultural business including adverse weather and viruses;
- retention and acquisition of skilled personnel;
- compliance and ability to participate in the temporary foreign worker programs;
- 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 ("the Transaction"). 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 2025" and "Highlights Subsequent to 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 2 Victoria Street, Toronto, Ontario, M5E 1L4.

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

Highlights for Fiscal 2025

- Adjusted EBITDA for the twelve-month period ended December 31, 2025, came in at $5.1 million as compared to $6.1 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 $30.8 million as compared to $29.2 million in the prior year 12-month period ended.

- Improved production programs on certain varieties, as well as higher beefsteak pricing, helped translate to higher revenues in 2025 as compared to 2024. This was offset by adverse weather conditions which created prolonged heat waves in late June, mid July and early to mid August, reducing fruit sets which ultimately lowered expected production yields.

- The Company realized cost of goods sold of $26.5 million as compared to $25.1 million in the prior year comparative 12-month period ended. Factors increasing cost of goods sold included a longer 2025 harvesting season, a colder winter and smaller packed sizes which resulted in higher labor, bearer plant, fuel and packaging costs.

- The receipt of $619 thousand on the 2022 AgriStability program in 2024 (no amounts were received on the 2023 AgriStability in 2025) also contributed to a lower Adjusted EBITDA in 2025 as compared to 2024.

- Despite inflationary pressures, the Company kept production and labor costs, as a percentage of sales, relatively flat for the 12-month period ended December 31, 2025, as compared to the prior year period. These ratios are described on page 16 of this MD&A.

- The Company made principal repayments on its long-term debt of $2.3 million ($2.1 million in 2024).

- The Company was in breach to comply with its annual fixed charge coverage ratio ("the financial covenant") as well as the requirement to zero out its operating lines for at least 1 business day, for the year ended December 31, 2025. The financial covenant requires the Company to maintain a ratio of 1.1:1. For the year-end December 31, 2025, the Company's financial covenant was 0.77:1. The Company intends to leverage its upcoming mortgage maturity on June 30, 2026, on its GR1 property, to secure additional funding to address the breach.

- The Company's working capital deficit, after adjusting for the impact of mortgages, increased from a deficit of $2.8 million as at December 31, 2024, to a deficit of $4.0 million as at December 31, 2025 (see table below).

	December 31, 2025	**December 31, 2024**
Working capital deficit	$43,410	$5,030
Current portion of mortgages and promissory notes	(39,415)	(2,252)
Adjusted working capital deficit, excluding mortgages and promissory notes	$3,995	$2,778

- 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 has a legal reserve of $0.2 million recorded as of December 31, 2025 ($0.2 million as of December 31, 2024). The Company appealed the decision to the Court of Appeal for Ontario, seeking to set aside the order and obtain a declaration that coverage exists or alternatively, an order directing that the matter proceed to trial. The appeal was argued on October 1, 2025 and the Court of Appeal reserved judgement. No decision has yet been released. Decisions of the Court of Appeal are typically released within approximately 6-12 months of oral argument.

Highlights Subsequent to Fiscal 2025:

- The Company had another successful planting season with product, as of the date of this MD&A report, being picked and packed at all three of its farms. The Company has hired additional supervisors and has implemented training and labor programs to help maximize labor efficiencies, while maintaining policies to minimize waste and to maximize plant health and production yields.

- On January 5, 2026, certain management changes were made which resulted in (i) George Hatzoglou, the Company's Chief Financial Officer, being additionally appointed as Chief Operating Officer and (ii) Abe Schmitt being appointed as Vice-President Operations. These changes also involved Adam Suder, the Company's former Chief Growth Officer leaving the Company.

- On March 27, 2026, the Company received a $1.5 million Grower's Advance from its distribution partner, Mastronardi Produce Limited. The amount is non-interest bearing and will be repaid in full by June 30, 2026. The Grower's Advance is helping the Company meets its obligations while it ramps up its harvesting. The Company also extended its purchase and marketing agreement with Mastronardi Produce Limited so that it applies to all three farms, GR1, GR2 and GR3 and the end of the initial term was amended from June 14, 2028, to December 31, 2032. Also, the Company is currently in discussions with Mastronardi Produce Limited in connection with certain clarifying amendments to be made to that marketing agreement.

- On April 17, 2026, the Company received a letter from RBC requesting it provide a proposal on how it plans to remediate the 2025 fixed charge coverage ratio breach by May 31, 2026. The Company intends to leverage its upcoming mortgage maturity on June 30, 2026, on its GR1 property, to secure additional funding to address the breach.

- The formal 2026 CUSMA Joint Review is scheduled to begin on July 1, 2026, though preparatory steps and consultations have started. The ultimate impact of any government-imposed tariff actions will therefore depend on this review and other future developments that are highly uncertain and that cannot be predicted with confidence.

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, 2025**	Three-months ended Dec 31, 2024	**Year ended Dec 31, 2025**	Year ended Dec 31, 2024
Revenues				
-Fresh produce revenues	**$7,387**	$5,280	**$30,826**	$29,156
-Rental and other revenues	**291**	281	**1,115**	1,117
Total revenues	**$7,678**	$5,561	**$31,941**	$30,273
Cost of Goods Sold				
-Production costs[1]	**4,670**	4,405	**18,320**	17,299
-Depreciation and amortization	**2,387**	1,994	**8,578**	8,188
-SG&A, excluding depreciation	**624**	845	**3,477**	2,779
-Net change in unrealized loss on biological asset	**2,594**	2,637	**-**	-
Income (loss) from operations	**$(2,597)**	$(4,320)	**$1,566**	$2,007
-Interest expense	**(523)**	(555)	**(2,355)**	(2,744)
-Other income	**10**	63	**206**	840
-Income tax (expense) recovery	**12**	1,295	**(64)**	(48)
Net earnings (loss)	**$(3,098)**	$(3,517)	**$(647)**	$55

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

Results for the year ended December 31, 2025, and December 31, 2024

Income from operations

Revenue

The Company generated $30.8 million in fresh produce revenue as compared to $29.2 million in the prior year comparative period. Certain varietal programs and a hotter beefsteak market, translated to higher revenues per lbs on the Company's beefsteak production. Revenues were held back however as a result of excessive heat waves that occurred in late June, mid July and early to mid August, which adversely impacted expected production yields.

Production costs

Production costs came in at $18.3 million for the current year ended December 31, 2025, as compared to $17.3 million in the comparative prior year period. The increase was mainly attributable to a longer harvesting cycle in 2025, as compared to 2024, which resulted in higher labor, bearer plant and fuel costs. A colder winter in 2025 as compared to 2024, also translated to higher gas consumption resulting in higher fuel costs. Finally, a larger proportion of the Company's product was packed in small sized packaging which resulted in higher labor, packing and product overage costs. Despite these increases in costs, the increase in revenues kept production costs as a percent of production revenues relatively flat at 59.4% as compared to 59.3% for the prior year comparative 12-month period.

Depreciation and amortization

Depreciation costs were $8.6 million as compared to $8.2 million in the prior year period. The increase of $0.4 million was mainly attributable to higher propagation and fuel costs, resulting from a colder winter and longer harvesting season.

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 $3.5 million as compared to $2.8 million for the prior year. Increased costs relating to administrative wages of $0.3 million, legal fees of $0.1 million, stock-based compensation of $0.1 million and employee terminations of $0.1 million accounted for most of the increase.

Net income

Interest expense

Interest expense decreased by $0.4 million as compared to the prior year period. This was attributed to the following two items: (1) A decrease in the change in the unrealized loss on the Company's interest rate swaps $23 thousand for 2025 as compared to $276 thousand in 2024 and (2) a decrease in interest paid on the Company's operating and revolver lines which resulted in a decrease in interest expense of $133 thousand as compared to the prior year period.

Other income

Other income decreased by $0.6 million. In the prior year, the Company was successful in receiving a $619 thousand grant on its 2022 AgriStability program ("the program"). While the Company applied in 2024 on the 2023 AgriStability program, it was not successful in the receipt of any grant for this period. The program is administered by AgriCorp, an Ontario Government agency created in 1997.

Income tax (expense) recovery

Income tax expense remained relatively flat as compared to the prior year period, reflecting the current income tax owed by its wholly owned subsidiary Mor Gro Sales Inc.

TRANSACTIONS (*IN THOUSANDS UNLESS OTERHWISE STATED*)

Except as otherwise referred to herein, there were no significant transactions in 2025 or 2024.

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, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenues	7,678	11,544	12,208	511	5,561	11,784	12,620	308
Income (loss) from operations	(2,597)	700	2,499	964	(4,320)	1,765	3,477	1,085
Net income (loss)	(3,098)	233	1,955	263	(3,517)	601	2,227	744
Basic and diluted EPS	(0.06)	0.00	0.04	0.01	(0.07)	0.02	0.04	0.02
Total assets	50,456	53,828	59,290	57,830	51,014	55,197	60,729	59,216
Total liabilities	48,609	48,750	54,604	55,246	48,812	49,484	56,125	56,892
Equity	1,847	5,078	4,686	2,584	2,202	5,713	4,604	2,324

Results for the three-month period ended December 31, 2025

Loss from operations

Revenue

The Company generated $7.7 million in revenue as compared to $5.6 million in the prior year comparative period. Support from the Company's Distribution Partner Mastronardi Produce Ltd, on specific programs and additional reimbursements for packing a higher proportion of product in small sized packaging, as compared to historic norms, were accounting factors for the higher revenues. Normally, trials or extensive studies by the Company's grow team are completed before large acreage amounts of a new variety are planted. If no trials or extensive due diligence by the Company's grow team is completed, the Company will request specific supporting mechanisms from its Distribution Partner, as was the case in 2025 on certain varieties.

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 $9.7 million as compared to $9.0 million in the prior year comparative three-month period ended December 31, 2024. Higher bearer plant, bee pollination, fungicide and pesticide and packaging costs resulted in production costs being higher. Also, the extension of the harvesting season into mid December along with smaller sized packaging costs on the Company's piccolo varieties were all factors contributing to the higher 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 $0.6 million as compared to $0.8 million for the same period in the prior year. The reversal of stock-based compensation expense in Q4, as certain financial targets would not be met was the key driver lowering SG&A expenses as compared to the same three-month period ended December 31, 2024.

Net loss

Interest expense

Interest expense remained relatively flat as compared to the prior year-end quarter. Interest on the Company's operating and revolver lines is at the Canadian prime rate ("prime") plus 1%. In the fourth quarter of 2025, prime averaged 4.5% as compared to 5.9% for the same three-month period ended December 31, 2024, however the balances on the Company's operating and revolver lines are lowest in the 4th quarter, as funds from a successful harvesting season are used to pay down balances. The key factor accounting for the decrease in interest expense was the unrealized loss on the mark to market of the Company's swaps resulting in a gain of $58 thousand in Q4 of 2025 as compared to a gain of $9 in Q4 of 2024.

Other income

The other income line includes the Fuel Tax credit Program. This program was discontinued and is not available for the 2025 fiscal year-end. A total of $63 thousand was recorded in Q4 2024 on this program. Accordingly, other income decreased by the fact that the Fuel Tax credit Program was no longer available in the current period.

Income tax recovery

An income tax recovery of $12 thousand as compared to a recovery of $1.3 million was noted for the three-month period ended December 31, 2024. Effective Q4 of 2024, to the extent losses cannot be utilized in the current income tax filing period, they are treated as loss carry forwards and are recognized in the Statement of Financial Position, once utilized to offset income tax liabilities.

SELECT ANNUAL INFORMATION:

($ thousands)	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Total revenues	31,941	30,273	26,470
Earnings (loss) from operations	1,566	2,007	(659)
Net earnings (loss)	(647)	55	(2,053)
Total assets	50,456	51,014	54,082
Total long-term liabilities	1,368[1]	40,793	118[1]
Basic and diluted earnings (loss) per share	(0.01)	0.00	(0.04)
Weighted average number of common shares outstanding			
Basic	47,611,943	46,963,929	46,425,824
Diluted	47,611,943	47,126,244	46,425,824

1. All mortgage debt was classified as current, for the years ended December 31, 2025, and 2023.

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

Revenues, earnings (loss) from operations and net earnings (loss) have remained flat or generally improved over the three fiscal years. This was mainly attributed to seed selections, certain support programs, operational process improvements as well as the timing of receipt in respect of the AgriStability program ($618 thousand included in Earnings (loss) from operations and Net earnings (loss).

Assets and long-term liabilities

The decrease in total assets for the years ended December 31, 2025, 2024 and 2023 is mainly driven by depreciation on the Company's property, plant and equipment, net of new additions. The decrease was lower when comparing 2025 to 2024, mainly due to the large capital expenditures made in 2025 (new poly roofs, heating systems and large equipment purchases). We expect these CAPEX additions to improve product yields and operational efficiencies in 2026.

When adjusting for the mortgages and the related party promissory notes, which were classified as current in 2025, long-term liabilities remained relatively flat when comparing 2025 to 2024 and increased by $2.6 million when comparing these periods to the period ended December 31, 2023.

Basic and diluted loss) earnings per common share

This is a function of net earnings (loss) and the weighted average number of common shares outstanding. The basic and diluted loss per common shares was relatively flat in 2025 and 2024, reflecting the flat net earnings (loss).

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**December 31, 2025**	December 31, 2024
Cash	-	-
Working Capital (Deficit)[1]	(43,410)	(5,030)
Total Assets	50,456	51,014
Total Liabilities	48,609	48,812
Net Equity	1,847	2,202

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, 2025, the Company's operating line was $5,800 of which $842 had been drawn leaving an undrawn balance of $4,958 ($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 $43,410 as of December 31, 2025 ($5,030 deficit as of December 31, 2024). When the working capital deficit of $43,410 for the year ended December 31, 2025, is adjusted for mortgage debt and the $1.2 million related party notes due on June 30, 2026, the working capital deficit is $3,995 (December 31, 2024; $2,778 -when adjusting for mortgage debt). The long-term mortgage debt and related party promissory notes were classified as current for two key reasons being: (1) A total of $11.3 million of mortgage debt and $1.2 million in related party notes mature in 2026 and (2) the Company was not in compliance with its annual fixed charge coverage ratio covenant of 1.1:1 nor the Company's requirement to clear all of its operating line balances for at least 1 business day, during the fiscal year. The Company achieved an annual fixed charge coverage ratio of 0.77:1. An additional $1.6 million would be required to bring the Company on side with the 2025 annual fixed charge coverage ratio.

The most significant factor causing the Company to be offside on its covenants was the large amount of CAPEX on plant, property and equipment ("PP&E") which took place in 2025, and which was largely funded through the Company's operating lines and accounts payable. Normalized annual CAPEX on PP&E is typically in the range of $175 thousand to $225 thousand. For 2025, a total of $1.4 million in additions were made on the Company's PP&E ($175 thousand of PP&E additions in 2024). Adjusting for large CAPEX on PP&E, the Company needed to generate an additional $574 thousand to satisfy the 1.1:1 annual fixed charge coverage ratio. The Company has until May 31, 2026, to submit a remediation plan with the Royal Bank of Canada. It intends to leverage the upcoming mortgage renewal on its GR1 property, which has significant equity, to address the covenant shortfall.

On March 27, 2026, to further support the seasonality of the business, as cash flows are tightest in mid April to mid May, the Company received a $1.5 million Grower's Advance from its Distribution Partner, Mastronardi Produce Ltd. The Advance bears no interest and will be repaid in Q2 of 2026. With this funding and the successful planting at all three farms, the Company is in a position now to fully fund its operations for 2026 and its bearer plant investments for the 2027 harvesting season.

The Company's operating results, remained relatively flat in 2025 as compared to 2024. Special support programs on certain varieties and a hotter beefsteak market in 2025 helped support higher revenues, that were offset by lower shipped yields, higher gas costs from a colder winter, higher costs from an extended harvesting season and higher costs from a higher proportion of small sized packaging. Earnings from operations were down from $2,077 for the 12-month period ended December 31, 2024, to $1,566 for the 12-month period ended December 31, 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 2026 and the $1.5 million Growers Advance the Company received on March 27, 2026, 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 2026.

Total Assets decreased by $0.6 million. The decrease was mainly driven by four factors being: (1) A higher amount of receivables being held as at December 31, 2025 ($0.4 million increase), mainly due to the extended crop season and the reconciliation of the support programs which was finalized in late December (note all receivables have been collected subsequent to year-end); (2) A higher investment in the bearer plants (due to seed selection and an increase in days held by the plant propagator, as compared to the prior year period) ($0.2 million increase); (3) The requirement to issue deposits on certain consumables (these deposits were made subsequent to year-end in the prior year period) ($0.3 million increase) and (4) lastly these items were reduced by the depreciation taken ($2.8 million decrease) on the Company's property, plant and equipment, net of CAPEX ($1.4 million increase).

Total Liabilities were relatively flat (decrease of $0.2 million) as compared to the amount reported as of December 31, 2024. The overall decrease in mortgage debt and lease liabilities of $2.4 million, because of scheduled principal and lease payments was offset by the increase in the operating lines and trade payables and accruals, net of the full utilization of deferred rent equalling $2.1 million.

Equity decreased by $0.4 million mainly a result of stock-based compensation which was offset by the Loss generated in 2025.

CAPITAL MANAGEMENT

The Company considers its capital to be equity, which comprises share capital, contributed surplus and deficit, which at December 31, 2025, totaled $1,847 (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 $2.3 million in 2025 (2024: $2.1 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, 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	1,625	1,625	-	-
Trade, tax and other payables	5,688	5,688	-	-
Payable to 2073834 Ontario Ltd.	453	453	-	-
Lease obligations	60	60	-	-
Promissory notes	2,560	1,192	1,368	-
Mortgage loans	38,223	38,223	-	-
Total	48,609	47,241	1,368	-

COMMITMENTS

The Company has entered into an agreement with its principal customer through to December 31, 2032, to supply fresh produce from its GR1, GR2 and GR3 greenhouses. The pricing for these are set annually and can be a mix of fixed and market pricing, with floors.

As of December 31, 2025, the Company had $1 million relating to purchase commitments. These commitments relate to input costs for the 2026 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 people who have 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, 2025, the Company paid $1,004 in management salaries (December 31, 2024: $642) and had $235 in stock-based compensation (December 31, 2024: $111). The Company also paid, for the year-ended December 31, 2025, $64 in mileage reimbursements for personal vehicle use for business purposes and $8 in gym memberships to certain officers ($67 and $7 for the year ended December 31, 2024, respectively). The mileage reimbursement was in accordance with prescribed Canada Revenue Agency mileage rates.

For the year ended December 31, 2025, the Company paid $79 for the utilization of the 2 Victoria Street, Toronto office, which is owned by two officers of the Company (December 31, 2024; $Nil).

The Company also incurred $23 in professional fees to one of its directors, for the year-ended December 31, 2024. These fees related to professional legal services completed on the $300 equity raise and $1.2 million notes issued in Q3 of 2024. The Company also incurred $22 in biological purchases for the year ended December 31, 2024, from a Company controlled by one of its officers. The transactions were all at fair value.

As of December 31, 2025, the Company also held one non-interest-bearing note receivable for $82 (December 31, 2024, $95) from one of its officers. The amount is 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 former 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. A total of $100 was paid in interest on the Notes for the year-ended December 31, 2025 ($42 for the year-ended December 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 the December 31, 2025, 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 2025 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 $43,410 as of December 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 crop health, operational processes and costs (and particularly labor efficiencies) and the ability to participate and retain employees through the temporary foreign worker programs 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 and to fund its CAPEX needed to sustain its greenhouse infrastructure.

  The Company was in breach to comply with its annual fixed charge coverage ratio ("the financial covenant") as well as the requirement to zero out its operating lines for at least 1 business day, for the year ended December 31, 2025. The financial covenant requires the Company to maintain a ratio of 1.1:1. For the year-end December 31, 2025, the Company's financial covenant was 0.77:1. In order to have met the financial covenant, the Company would have needed to generate an additional $1.571 million. On April 17, 2026, the Company received a letter from RBC requesting it provide a proposal on how it plans to remediate the shortfall by May 31, 2026. The Company intends to leverage its upcoming mortgage maturity on June 30, 2026, on its GR1 property, to secure additional funding to address the shortfall. The maturing mortgage had a principal balance of $11.3 million as of December 31, 2025, and was locked in at an interest rate of 5.75%. With lower interest rates and significant equity in the property, management expects the shortfall to be addressed which will yield monthly payments lower than the current maturing mortgage. While the Company has been successful in the past in refinancing its mortgages, there is no assurance that it will be successful in closing the refinancing or obtaining additional waivers of covenant breaches if required 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 IFRS amendments effective January 1, 2025. These changes were made in accordance with the applicable transitional provisions and had no impact on the financial statements of the Company.

Amendments to IAS 21 — The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)
The amendments clarify how an entity assesses whether a currency is exchangeable and how to determine the spot exchange rate when exchangeability is lacking, including related disclosure requirements. The adoption of this amendment 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 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, 47,639,066 total shares and 2,255,001 stock options were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on April 30, 2026.

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, 2025**	December 31, 2024	**December 31, 2025**	December 31, 2024
Net earnings (loss)	**$(3,098)**	$(3,517)	**$(647)**	$55
Additions (Deductions)				
Depreciation	**2,387**	1,994	**8,578**	8,188
Interest expense	**523**	555	**2,355**	2,744
Deferred income tax expense (recovery)	**(12)**	(1,295)	**64**	48
EBITDA	**$(200)**	$(2,263)	**$10,350**	$11,035
Additions (Deductions)				
Bearer plant amortization	**(1,693)**	(1,294)	**(5,792)**	(5,379)
Unfunded CAPEX	**(195)**	40	**(195)**	-
Stock based compensation	**(133)**	13	**280**	155
Non-reoccurring legal expenses	**144**	193	**298**	243
Employee Terminations	**-**	-	**137**	-
Net change in unrealized (gain) loss on biological assets	**2,594**	2,637	**-**	-
Adjusted EBITDA	**$517**	$(674)	**$5,078**	$6,054

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, 2025**	December 31, 2024	**December 31, 2025**	December 31, 2024
Net earnings (loss)	**$(3,098)**	$(3,517)	**$(647)**	$55
Additions (Deductions)				
Non-reoccurring legals expenses	**144**	243	**298**	243
Mark to market adjustment on interest rate swap	**(55)**	(9)	**(23)**	276
Employee Terminations	**-**	-	**137**	-
Net change in unrealized (gain) loss on biological assets	**2,594**	2,637	**-**	-
Adjusted earnings (loss)	**$(415)**	$(646)	**$(235)**	$574

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, 2025**	**Three-months ended December 31, 2024**	**Year ended December 31, 2025**	**Year ended December 31, 2024**
Production costs	$4,670	$4,404	$18,320	$17,299
Produce sales	$7,387	$5,280	$30,826	29,156
Production costs as % of produce sales	63.2%	83.4%	59.4%	59.3%
Production labor	2,320	2,425	9,668	9,347
Production labor as a % of produce sales	31.4%	45.9%	31.4%	32.1%