Unaudited Condensed Interim Consolidated Financial Statements of

GREEN RISE FOODS INC.

For the three and six-months ended June 30, 2026, and June 30, 2025

(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)

(thousands)	**June 30, 2026**	December 31, 2025
Assets		
Current Assets:		
Trade and other receivables	**4,135**	865
Inventory	**460**	381
Bearer plants (note 3)	**3,245**	2,178
Biological assets (note 3)	**3,832**	-
Prepaid expenses	**139**	407
	11,811	3,831
Non-current assets		
Due from related party (note 11)	**82**	82
Property, plant, and equipment (note 4)	**45,665**	46,543
Total Assets	**$ 57,558**	$ 50,456
Liabilities		
Current Liabilities		
Line of credit and revolver (note 6)	**$ 5,782**	$ 1,625
Trade payables	**6,221**	5,688
Payable to 2073834 Ontario Ltd. (note 11)	**453**	453
Current portion of lease obligation (note 5)	**43**	60
Promissory notes (note 8)	**2,567**	1,192
Current portion of long-term debt (note 6)	**36,951**	38,223
	52,017	47,241
Non-current liabilities		
Lease obligation (note 5)	**71**	-
Promissory note (note 8)	**-**	1,368
Total Liabilities	**52,088**	48,609
Shareholder's Equity		
Share Capital (note 9)	**5,267**	5,267
Contributed Surplus (note 10)	**2,202**	2,123
Deficit	**(1,999)**	(5,543)
Total Shareholder's Equity	**5,470**	1,847
Total Liabilities and Shareholder's Equity	**$ 57,558**	$ 50,456

Approved by the Board of Directors

(Signed) "Enrico (Rick) Paolone"
Director

(Signed) "Jerry Mancini
Director

Going concern Note 1

Commitments Note 15

Subsequent events Note 16

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 six-months ended June 30, 2026, and 2025

(thousands, except share and per share amounts)	**Three-months ended June 30, 2026**	Three-months ended June 30, 2025	**Six-months ended June 30, 2026**	Six-months ended June 30, 2025
Revenue (note 12)	**$ 12,754**	$ 12,208	**$ 13,714**	$ 12,719
Cost of sales (note 13)	**(9,237)**	(8,719)	**(7,619)**	(7,057)
Gross income	**3,517**	3,489	**6,095**	5,662
Selling, general and administrative expenses (note 13)	**(770)**	(990)	**(1,700)**	(2,199)
Income from operations	**2,747**	2,499	**4,395**	3,463
Other income -government assistance (note 14)	**221**	11	**221**	21
Interest expense	**(549)**	(531)	**(1,024)**	(1,237)
Income before income taxes	**2,419**	1,979	**3,592**	2,247
Income tax recovery (expense)	**2**	(24)	**(48)**	(29)
Net earnings and comprehensive earnings for the period	**2,421**	1,955	**3,544**	2,218
Basic and diluted income per share	**$ 0.05**	$ 0.04	**$ 0.07**	$ 0.05
Weighted average number of common shares outstanding				
Basic	**47,639,066**	47,589,066	**47,639,066**	47,589,066
Diluted	**47,639,066**	47,655,931	**47,639,066**	47,666,805

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 six-month periods ended June 30, 2026, and 2025

(thousands except share amounts)	Number of shares	Share Capital ($)	Contributed Surplus ($)	Deficit ($)	Total Equity ($)
Balance, December 31, 2025	**47,639,066**	**$ 5,267**	**$ 2,123**	**$ (5,543)**	**$ 1,847**
Stock based compensation (note 10)	-	-	**79**	**-**	**79**
Comprehensive income for the period	-	-	-	**3,544**	**3,544**
Balance, June 30, 2026	**47,639,066**	**$ 5,267**	**$ 2,202**	**$ (1,999)**	**$ 5,470**

	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 based compensation (note 10)	-	-	266	-	266
Comprehensive income for the period	-	-	-	2,218	2,218
Balance, June 30, 2025	47,589,066	$ 5,244	$ 2,120	$ (2,678)	$ 4,686

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 six-month periods ended June 30, 2026, and 2025

(thousands)	**June 30, 2026**	**June 30, 2025**
Cash provided by (used in):		
Operating activities:		
Net income for the period	**$ 3,544**	$ 2,218
Adjustments for:		
Depreciation and amortization of property, plant and equipment and amortization of bearer plants	**3,925**	3,543
Amortization of deferred financing fees	**7**	9
Biological asset gain (note 3)	**(3,832)**	(3,728)
Change in unrealized (gain) loss on mark to market adjustment on interest rate swaps (note 6)	**(109)**	43
Stock based compensation (note 10)	**79**	266
Current and deferred income tax expense	**48**	29
Net changes in non-cash working capital		
Trade receivables	**(3,270)**	(3,824)
Inventory	**(79)**	(228)
Prepaid expenses	**268**	(108)
Trade payable	**485**	1,630
Net cash inflow (outflow) from operating activities	**1,066**	(150)
Investing activities:		
Costs incurred on bearer plants (note 3)	**(3,545)**	(3,571)
Acquisition of property, plant and equipment (note 4)	**(467)**	(360)
Net cash outflow from investing activities	**(4,012)**	(3,931)
Financing activities:		
Drawn on operating line	**4,157**	5,265
Grower's advance (note 7)	**1,500**	-
Grower's repayment (note 7)	**(1,500)**	-
Repayment of long-term debts with Bank (note 6)	**(1,163)**	(1,113)
Payment of lease obligations (note 5)	**(48)**	(71)
Net cash inflow from financing activities	**2,946**	4,081
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.

For the three and six-month periods ended June 30, 2026, and June 30, 2025

(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 $40,206 as of June 30, 2026 (working capital deficit of $43,410 as of Dec 31, 2025) and generated net income of $3,544 during the 6-month period ended June 30, 2026 (Net income of $2,218 for the 6-month period ended June 30, 2025). 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, to remediate the 2025 fixed charge coverage ratio shortfall as described in note 6 and note 17 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. On July 31, 2026 (see note 17), the Company entered into an accommodation agreement with its lender the Royal Bank of Canada ("RBC"). This accommodation agreement required, amongst other things, an injection of $1.581 million into the Company which was made by way of a secured promissory note, subordinated to all RBC debt and postponement of repayment in favor of RBC. The $1.581 promissory note matures on the earlier of December 31, 2026, and upon the completion of a Transaction pursuant to the Company's Strategic Review (as announced on May 1, 2026). The accommodation agreement also scaled back the operating line credit availability and imposed certain restrictive covenants. The overall objective of this accommodation agreement is to permit the Company to operate in the ordinary course of business and to continue paying principal and interest on outstanding indebtedness, thus providing the Company with time to explore all available options in connection with its Strategic Review. These options include the sale of all or part of the assets of the Company, the sale of the Company, a merger or other business combination of the Company with another party, a going private transaction, a refinancing or recapitalization, a windup or other transaction, in all cases with a view to enhancing shareholder value and providing sufficient proceeds from one or more transactions to repay outstanding indebtedness owed by the Company to RBC and others and to provide a financial return to shareholders. December 4, 2026 (unless such date is extended) is the date the Company anticipates concluding its Strategic Review. While the Company has been successful in the past in remediating covenant breaches and believes that it will have sufficient funds to fund operations until December 4, 2026, and the following year's planting season, there is no assurance that it will be successful in this regard or in obtaining additional financing or 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.

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 IFRS Accounting Standard ("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, 2025, 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, 2025. These condensed interim consolidated financial statements were approved by the Audit Committee of the Company for issue on August 29, 2026.

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)	**June 30, 2026**	December 31, 2025
Bearer plants – beginning of the year	**2,178**	1,995
Reclassification from inventory	**-**	226
Additions	**3,545**	5,749
Depreciation of bearer plants	**(2,478)**	(5,792)
Bearer plants – end of the period	**3,245**	2,178

Bearer plant costs net of depreciation of $3,245 as at June 30, 2026, 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, 2025, pertaining to the 2026 crop.

Biological assets

The Company did not have any biological assets as at December 31, 2025; however, it did have biological assets as at June 30, 2026, consisting of tomatoes and bell peppers growing on the vines. Sales of tomatoes started at the end of the first quarter and the sale of bell peppers started in Q2 fiscal 2026. The growing cycle for each harvest ranges from six weeks for bell peppers to ten weeks for tomatoes.

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

($000s)	June 30, 2026
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	3,832
Biological assets – end of the period	3,832

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	Construction in Progress (“CIP”)	Total
Cost:								
Balance – December 31, 2025	6,470	44,689	2,950	7,884	47	817	547	**63,404**
Reclassified in the period	-	-	547	-	-	-	(547)	**-**
Additions	-	-	39	428	-	102	-	**569**
Balance – June 30, 2026	6,470	44,689	3,536	8,312	47	919	-	**63,973**
Accumulated depreciation:								
Balance – December 31, 2025	**-**	11,325	592	4,166	22	756	-	**16,861**
Additions	-	931	60	405	3	48	-	**1,447**
Balance – June 30, 2026	-	12,256	652	4,571	25	804	-	**18,308**
Net book value								
Balance – June 30, 2026	6,470	32,433	2,884	3,741	22	115	-	**45,665**
Net book value								
Balance – December 31, 2025	6,470	33,364	2,358	3,718	25	61	547	46,543

5. Lease obligations

Continuity schedule:

($000s)	June 30, 2026	December 31, 2025
Lease obligation – beginning of the year	**60**	89
Additions during the period	**102**	104
Lease payments, excluding interest	**(48)**	(133)
Less: Current potion	**(43)**	(60)
Long term lease obligation – end of the period	**71**	-

Balance sheet summary:

($000s)	June 30, 2026	December 31, 2025
Current lease obligation -end of period	**43**	60
Long term lease obligation -end of period	**71**	-
Total lease obligation – end of the period	**114**	60

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)	**June 30, 2026**	December 31, 2025
Loans and mortgages -beginning of the year	**38,223**	40,499
Repayments during the period	**(1,163)**	(2,253)
Change to mark to market valuation loss on interest rate swap	**(109)**	(23)
Less: Current portion	**(36,951)**	(38,223)
Long-term portion	**-**	-

Balance sheet summary:

($000s)	**June 30, 2026**	December 31, 2025
Current portion of long-term debt -end of period	**36,951**	38,223
Long term portion of long-term debt -end of period	**-**	-
Total long-term debt obligation – end of the period	**37,561**	38,223

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%. 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 in an unrealized gain of $29 for the six-month period ended June 30, 2026 ($3 unrealized loss for the six-month period ended June 30, 2025, and unrealized gain of $12 for the three-month period ended June 30, 2026 ($18 unrealized gain for the three-month period ended June 30, 2025)). The change resulting from the mark to market ("MTM") adjustment has been recorded in the statement of income and comprehensive income as a decrease to interest expense (increase in interest expense for the comparative six-month period and decrease in interest expense for the three-month period ended June 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 31, 2026 (see note 17) the Company entered into an accommodation agreement with RBC, which kept the monthly blended payments of this swap unchanged with full repayment scheduled on or before December 4, 2026 (unless such date is extended).

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. The new 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 July 31, 2026 (see note 17) the Company entered into an accommodation agreement with RBC, which kept the monthly blended payments of this mortgage unchanged with full repayment scheduled on or before December 4, 2026 (unless such date is extended).

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%. 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 in an unrealized gain of $80 for the six-month period ended June 30, 2026 ($40 unrealized loss for the six-month period ended June 30, 2025, and unrealized gain of $12 for the 3-month period ended June 30, 2026 (unrealized gain of $65 for the three-month period ended June 30, 2025)). The change in MTM has been recorded in the statement of income and comprehensive income as a reduction to interest expense (increase to interest expense for the comparative six-month period ended June 30, 2025, and decrease to interest expense for both the three-month periods ended on June 30, 2026, and 2025). On July 31, 2026 (see note 17) the Company entered into an accommodation agreement with RBC, which kept the monthly blended payments of this mortgage unchanged with full repayment scheduled on or before December 4, 2026 (unless such date is extended).

RBC has collateral mortgage in the amount of $36,000 constituting a first fixed charge on the land and improvements located at 2633 Albuna Townline Road, Leamington, Ontario, a collateral mortgage in the amount of $18,153 constituting a first fixed charge on the land and improvements located at 1921 Road 3 East, Kingsville, Ontario and a first collateral mortgage in the amount of $20,000 constituting a first fixed charge on the land and improvements located at 795 Road 4 East, Kingsville, Ontario.

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 ($5.8 million available for the year-ended December 31, 2024). 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. On July 31, 2026 (see note 17) the Company entered into an accommodation agreement which reduced the Company's operating lines.

The availability of the Company's operating and revolver lines is summarized in the table below:

(000s)

	As at June 30, 2026			As at December 31, 2025		
Line	**Availability**	**Drawn**	**Undrawn**	**Availability**	**Drawn**	**Undrawn**
Operating Lines	5,800	5,039	761	5,800	842	4,958
Revolver	800	743	57	800	783	17
Total	6,600	5,782	818	6,600	1,625	4,979

Financial Covenants

Borrowings under the RBC credit facilities are expected to resolve 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 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 $1.581 million in cash flows from operations. On July 31, 2026 (see note 17), the Company entered into an accommodation agreement with RBC and on the same date injected $1.581 million in a promissory note, through a Company "Opus Financial Inc" controlled by the Interim CEO and Board Chair.

7. Grower's Advance

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 was fully repaid as of Jund 30, 2026. The Grower's Advance provided financial support for the Company to meet its obligations while it ramped up its harvesting, given the seasonality of its business.

8. Promissory notes

Continuity schedule:

($000s)	**June 30, 2026**	December 31, 2025
Promissory notes -beginning of the year	**2,560**	2,538
- Add: Amortization of deferred financing fees during the period	**7**	22
Current portion of promissory notes	**(2,567)**	(1,192)
Promissory notes long term portion -end of period	-	1,368

Statement of Financial Position Summary:

($000s)	**June 30, 2026**	December 31, 2025
Current portion of promissory notes -end of period	**2,567**	1,192
Long term portion of promissory notes -end of period	**-**	1,368
Total promissory notes – end of the period	**2,567**	2,560

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 10). 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.

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.

9. Share capital

	Number of Shares	Amount *($000s)*
Common shares:		
Common Shares, June 30, 2026, and December 31, 2025	47,639,066	5,267

10. Contributed surplus

Stock Option Continuity

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2025	**2,255,001**	$0.56
Options forfeited during the period	**(20,000)**	$0.53
Balance at June 30, 2026	**2,235,001**	$0.57

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.

The stock option compensation expense and charge to contributed surplus relating to the stock options vested during the three-month period ended March 31, 2026, was $79 (March 31, 2025, $266 and $36 and $147 respectively for the three-month periods ended June 30, 2026, and 2025).

11. Related party transactions

Key management personnel are those people who have the authority for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors. For the six-month period ended June 30, 2026, the Company paid $255 in management salaries (June 30, 2025: $460) and had $67 in stock-based compensation (June 30, 2025: $243). For the three-month period ended June 30, 2026, the Company paid $126 in management salaries (June 30, 2025: $230) and has $30 in stock-based compensation (June 30, 2025: $177). The Company also paid $28 in mileage and gym membership reimbursements for the six-month period ended June 30, 2026 (June 30, 2025: $36) and $13 and $19 respectively for the three-month periods ended June 30, 2026, and 2025). The mileage reimbursement was in accordance with prescribed Canada Revenue Agency mileage rates. The Company also paid $54 for the utilization of the 2 Victoria Street, Toronto office, which is owned by an officer and a Director of the Company ((June 30, 2025: $Nil) and $27 for the three-month period ended June 30, 2026 ($Nil for the three-month period ended June 30, 2025). Finally, the Company paid $21 in legal services, to a corporation controlled by a Director of the Company (June 30, 2025: $Nil). These fees are in connection with the additional work needed to facilitate the strategic review, as announced on May 1, 2026.

As of June 30, 2026, the Company also held a non-interest-bearing note receivable for $82 (December 31, 2025, $82) from its former Chief Growth Officer. The $82 is expected to be settled in Q4 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 outstanding. In addition, a total of $36 in finance related costs are also outstanding. 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 has obtained the Royal Bank of Canada's approval for the payment of this liability. The Company expects to pay this liability in Q4 of fiscal 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 $50 was paid in interest on the Notes in the six-month period ended June 30, 2026 (June 30, 2025: $50) and a total of $25 was paid for the three-month period ended June 30, 2026 (June 30, 2026: $25).

12. Revenue

($000s)	**For the three-month period ended June 30, 2026**	For the three-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**	For the six-month period ended June 30, 2025
Sales of fresh produce	**$12,612**	$11,936	**$13,276**	$12,169
Rent[1]	**142**	272	**438**	550
Total	**$12,754**	$12,208	**$13,714**	$12,719

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:

000s)	**For the three-month period ended June 30, 2026**	For the three-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**	For the six-month period ended June 30, 2025
Cost of sales				
Raw materials and consumables used	**$2,878**	$2,665	**$3,476**	$3,320
Labor	**3,357**	3,311	**3,939**	3,816
Depreciation (note 5)	**3,020**	2,744	**3,721**	3,391
Unrealized gain on change in fair value of biological assets (note 4)	**(172)**	(139)	**(3,832)**	(3,728)
Repairs and maintenance	**100**	94	**206**	178
Other	**55**	44	**109**	80
Total	**$9,238**	$8,719	$7,619	$7,057

(000s)	**For the three-month period ended June 30, 2026**	For the three-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**	For the six-month period ended June 30, 2025
Selling, general and administrative expenses[1]				
Salaries	**$299**	$263	**$504**	$534
Marketing board fees	**15**	15	**25**	26
Insurance	**120**	117	**239**	234
Depreciation[1]	**103**	79	**204**	161
Office rent	**25**	50	**50**	94
Professional services	**(24)**	147	**127**	393
Employee severances	**13**	-	**121**	118
Stock based compensation	**36**	147	**79**	266
Other	**183**	172	**351**	373
Total	**$770**	$990	**$1,700**	$2,199

14. Other income -government assistance

(000s)	**For the three-month period ended June 30, 2026**	For the three-month period ended June 30, 2025	**For the six-month period ended June 30, 2026**	For the six-month period ended June 30, 2025
Government Programs				
-SDRM	**$221**	$ 11	**$221**	$ 11
-Other Programs	**-**	-	**-**	10
Total	**$211**	$11	**$221**	$21

The SDRM program helps growers manage risks beyond their control to help mitigate risk associated with farm businesses. The program is administered by AgriCorp, an Ontario Government agency.

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**	**June 30, 2026**	**December 31, 2025**
Trade receivables	Financial asset	Amortized cost	3,765	473
Other receivables	Financial asset	Amortized cost	370	392
Other long-term receivables	Financial asset	Amortized cost	82	82
Operating and Revolver lines	Financial liabilities	Amortized cost	5,782	1,625
Trade payables	Financial liabilities	Amortized cost	6,221	5,688
Payable to 2073834 Ontario Ltd.	Financial liabilities	Amortized cost	453	453
Lease obligations	Financial liabilities	Amortized cost	114	60
Promissory notes	Financial liabilities	Amortized cost	2,567	2,560
Interest rate swaps	Financial liabilities[1]	Fair value	222	332
Long-term debt	Financial liabilities	Amortized cost	36,729	38,555

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 June 30, 2026, a total of $3,765 was owed by customers (December 31, 2025: $473), $370 related to HST (December 31, 2025: $392) and $82 related to amounts owed from the former Chief Growth Officer of the Company (December 31, 2025: $82). All amounts have been collected subsequent to June 30, 2026, with exception to the non-interest-bearing loan of $82 to the former Chief Growth Officer (refer to note 10). The non-interest-bearing note is expected to be settled by the end of Q4 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 has also agreed with certain large Vendors to extend credit terms to Q2 or Q3 of 2026, 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 June 30, 2026, the following obligations are due:

(\$000s)	**Total**	**Less than 1 year**	**1 to 5 years**	**Over 5 years**
Operating line	5,782	5,782	-	-
Trade payables	6,221	6,221	-	-
Payable to 2073834 Ontario Ltd.	453	453	-	-
Lease obligations	114	43	71	-
Promissory notes	2,567	2,567	-	-
Mortgage loans	36,951	36,951	-	-
Total	52,088	52,017	71	-

As at June 30, 2026, the Company's operating line is $5,800 of which $5,039 had been drawn leaving an undrawn balance of $761 ($5,800 of which $842 was drawn and $4,958 was undrawn as at December 31, 2025). 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 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 2026 and further improve its working capital 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 June 30, 2026, totaled $5,470 (December 31, 2025 -$1,847).

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 $1.2 million in the first two quarters of 2026 ($2.3 million for Fiscal 2025) 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 June 30, 2026, the payments due by period are set out in the following table:

($000s)	**Total**	**Less than 1 Year**	**1 – 5 Years**	**After 5 Years**
Purchase commitments	1,498	699	799	-

Purchase commitments consist of commitments to acquire gas through to October 2029.

On March 27, 2026, the Company extended its Marketing Agreement with Mastronardi Produce Limited so that it applies to all farms, GR1, GR2 and GR3 and the end of the initial term was amended from June 14, 2028, to December 31, 2032. The Company is currently in discussions with Mastronardi Produce Limited in connection with certain clarifying amendments to that agreement as extended.

Contingencies

The Company is party to agreements that include contractual obligations related to the severance of land and the construction and management of associated infrastructure. The Company is currently engaged in a dispute with regulatory authorities regarding the compliance of certain of these works. Management maintains that all activities have been performed in accordance with applicable municipal and regulatory requirements and is contesting the requirement to comply. The Company anticipates a resolution to this matter and expects that all associated permits will continue to be maintained. Under the terms of the agreements, the counterparty responsible for the original construction of the infrastructure has assumed responsibility for the costs of all required remediation. Due to the ongoing nature of this dispute, the final scope and associated costs of remediation cannot be reasonably estimated at this time; however, the Company does not believe the resolution of this matter will have a material adverse effect on its financial position.

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending, threatened or potential proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations other than certain employment contract claims that are ongoing. The Company has not disclosed the information pertaining to certain employment contract claims so as not to prejudice the Company's position in defending such claims.

17. Subsequent Events

On May 1, 2026, the Company announced the initiation of a strategic review process to identify, evaluate, and pursue potential strategic alternatives with the goal of maximizing shareholder value and liquidity (the “Strategic Review”). As part of the Strategic Review, the potential strategic alternatives could include, amongst other things, either individually or in combination, the sale of part, or all, of the assets of the Company, the sale of the Company, a merger or other business combination with another party, a going private transaction, a refinancing or recapitalization, a wind-up, or any other strategic transaction.

The Company established a special committee of the Board comprised of three independent directors, Messrs. Thomas McKee, Jerry Mancini and Stan Thomas (the “Special Committee”). The Special Committee will work in co-operation with the Company’s Board Chair, Enrico (Rick) Paolone, in connection with the Strategic Review and have been authorized to identify, evaluate and pursue potential strategic alternatives and make determinations and directions as to the conduct of the Strategic Review process and the implementation and completion of potential outcomes.

On May 30, 2026, the Company distributed to prospective purchasers who had expressed an interest in Green Rise or its assets a process letter (the “Process Letter”) and a confidentiality agreement (the “Confidentiality Agreement”) which the Company had asked such persons to sign in order to participate in the Strategic Review process. The Process Letter sets out the procedures for indicating an interest in Green Rise, including a potential acquisition of all of the outstanding common shares of the Company or the acquisition of some or all of the assets of the Company (the “Transaction”).

To facilitate the evaluation of a prospective purchaser's interest in Green Rise, the Company has undertaken a two-stage process for the review of proposals (the "Process"). As an initial phase of the Process ("Phase I"), the Company requested the submission of written, non-binding proposals (each a "Non-Binding Proposal") based upon a review of publicly available information, and other information provided by the Company. It provided that for Non-Binding Proposals received from interested parties ("Interested Parties "or "Participants") the Company would evaluate such Non-Binding Proposals to determine which Interested Parties, if any, would be invited to continue to participate in the next phase ("Phase II") of the Process. Those invited to participate in Phase II would be encouraged to submit Binding Offers possibly leading to the execution and delivery of a definitive agreement and ultimately closing.

The Company was to receive various Non-Binding Proposals on or prior to June 30, 2026, but due to certain unexpected delays in obtaining for delivery to Participants appraisals of the Company's three farms (GR1, GR2 and GR3), the deadline for submission of such proposals was extended until July 29, 2026. On July23, 2026, copies of the appraisals for the three farms (GR1, GR2 and GR3) prepared by an independent professional appraiser were delivered to interested Participants. Various Non-Binding Proposals were received on or prior to July 29, 2026, certain Participants were then invited to participate in Phase II of the Process and were asked to submit Binding Offers with definitive agreements on or prior to August 31, 2026.

No decisions have been reached at this time. As such, the Process is subject to unknown variables including the costs, structure, terms, timing, and outcome. There can be no assurance that the Strategic Review will result in any Transaction or initiative or, if a Transaction or initiative is undertaken, as to the terms or timing of such a Transaction or initiative and its impact on the financial condition, liquidity, and results of operations of the Company.

On July 1, 2026, the governments of the United States, Mexico and Canada conducted the first joint review of the United States-Mexico-Canada Agreement ("USMCA") as required under that agreement. The United States declined to extend the USMCA at that time and, as a result, the parties have entered an annual joint review process which will continue until the parties agree to an extension or until the USMCA expires on July 1, 2036, unless a party withdraws from the agreement upon the provision of six months' notice to the other parties (in which case the agreement will remain in force for the remaining parties). While the USMCA currently remains in full force and effect, the annual joint review process and the ability of a party to withdraw upon six months' notice introduces additional uncertainty regarding the future terms of North American free trade. Further uncertainty has been introduced in light of the imposition by the United States administration of further tariffs under other U.S. federal legislation. Such uncertainty may adversely affect Green Rise and our customer's sourcing production and capital allocation decisions, as well as increase costs and volatility within the North American fresh vegetable markets.

On July 31, 2026, the Company entered into an accommodation agreement with the Royal Bank of Canada ("RBC"). The overall objective of this accommodation agreement is to permit the Company to operate in the ordinary course of business and to continue paying principal and interest on outstanding indebtedness, thus providing the Company with time to explore all available options in connection with its Strategic Review. While RBC continued to provide support to Green Rise while it completes its Strategic Review of its business, the agreement contains several restrictive covenants including: (1) The requirement to repay all of the RBC debts on or before December 4, 2026 (unless such date is extended); (2) A reduction on the Company's operating lines from $5.8 million availability to $3.5 million as at July 31, 2026; $3.0 million as at August 31, 2026; $2 million as at September 30, 2026; $1 million as at October 31, 2026 and $500 thousand commencing on November 30, 2026 until it is repaid in full, on or before December 4, 2026 (unless such date is extended); and (3) A requirement to achieve certain levels of monthly cumulative EBITDA targets over the periods June 2026 to December 2026. The accommodation agreement requires biweekly cash flow reporting to RBC and updated income and balance sheet information to be provided showing the extent to which the specified monthly cumulative EBITDA targets have been achieved. The agreement did not change any of the interest rates or monthly payment terms of any of the Company's debt, with exception to that all debt must be paid on or before December 4, 2026 (unless such date is extended). The Company was also required to arrange for the injection into the Company of $1.581 million (which injection was completed effective July 31, 2026), via a secured promissory note. The promissory note, which matures on the earlier of December 31, 2026, and the completion of a Transaction, is held by Opus Financial Inc., a company owned and controlled by the Company's Board Chair, Interim Chief Executive Officer and Secretary, with interest paid monthly at an annual rate of 6.57%. Repayment of principal on this note is postponed and in favor of RBC.

For the month ended July 31, 2026, the Company missed achievement of the monthly cumulative EBITDA target for such period, but RBC has continued to accommodate the Company in its efforts to complete its Strategic Review, subject to a reservation of RBC's rights in future. While there can be no guarantees of future performance, the Company believes that projected cash flows and operating results for the balance of the year, as well as the underlying value of the Company's assets, will be sufficient to accomplish the objectives of the Strategic Review.