Management's Discussion and Analysis of

GREEN RISE FOODS INC.

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

(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 June 30, 2026, and the results of operations for the period ended June 30, 2026.

The MD&A is prepared as of August 29, 2026, and should be read in conjunction with the unaudited condensed interim consolidated financial statements ("financial statements") of Green Rise as at June 30, 2026. The accompanying financial statements have been prepared by and are the responsibility of Green Rise's management. The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All amounts in this discussion are expressed in thousands of Canadian dollars (CAD), unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking information" and "forward-looking statements". All statements other than statements of historical fact contained in this MD&A. Such statements can, in some cases, be identified by the use of forward-looking terminology such as "expect," "likely", "may," "will," "should," "intend," or "anticipate," "potential," "proposed," "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. The forward-looking statements included in this MD&A are made only as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Forward-looking statements in this MD&A are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

- expansion of facilities
- changes in laws, regulations and guidelines;
- legislative or regulatory reform and compliance;
- competition;
- environmental regulations and risks;
- 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 program;
- negative consumer perception;
- product liability;
- insurance coverage;

- regulatory or agency proceedings, investigations and audits;
- litigation;
- constraints on marketing products;
- fraudulent or illegal activity by the Company's employees, contractors and consultants;
- information technology systems and cyber-attacks;
- breaches of security and risks related to breaches of applicable privacy laws;
- access to capital;
- estimates or judgments relating to critical accounting policies;
- extended economic downturn caused by pandemics; and
- the impact of tariffs.

In addition to the factors set out above and those identified in this MD&A under "Risks and Uncertainties" and other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements of this MD&A. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

OVERVIEW OF GREEN RISE

Green Rise was incorporated under the Business Corporations Act (Ontario) on June 9, 2017 and on September 30, 2019, it merged with Bull Market Farms Inc. (now a wholly owned subsidiary of Green Rise). On June 15, 2018, Bull Market Farms Inc. acquired its first farm with an existing 51-acre producing greenhouse ("GR1") of fresh produce located in Leamington, Ontario. GR1 is currently growing medley, piccolo and beefsteak tomato varieties. The Company also leases 15-acres of its GR1 greenhouse to one-customer, who is currently growing organic peppers.

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

- On February 1, 2021, the Company acquired its second range, a 20.5-acre producing greenhouse ("GR2") located in Kingsville, Ontario. The GR2 farm currently produces 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 bell peppers.

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

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

Pursuing these goals have helped Green Rise achieve key milestones listed on page 4 of this MD&A under the headings "Highlights for Q2 Fiscal 2026" and "Highlights Subsequent to Q2 Fiscal 2026".

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 Q2 Fiscal 2026

- Adjusted EBITDA for the six-month period ended June 30, 2026, came in at $2.2 million as compared to $1.7 million for the comparative period ($3.4 million and $3.3 million for the three-month periods ended June 30, 2026, and 2025). Higher pricing at the start of the 2026 harvesting season, translated to strong beefsteak pricing. This was the primary driver for the increase in Adjusted EBITDA. This was offset by an increase in labor costs resulting from increased crop activities to address weather and environmental factors to ensure robust plant health continued for the entire 2026 harvesting season. A reconciliation of this non-gap measure to net income on an IFRS basis, is included on page 13 of this MD&A.

- Certain key non-gap ratios such as production and labor costs, as a percentage of total produce revenues, were positively impacted as a result of the robust beefsteak pricing. Production and labor costs, as a percent of total produce revenues, came in at 58.2% and 29.7% respectively for the six-months ended June 30, 2026 (June 30, 2025, - 60.8% and 31.4% respectively). For the three-months ended June 30, 2026, production and labor costs came in at 50.7% and 26.6% respectively of total produce revenues (June 30, 2025: 51.2% and 27.7% respectively). A reconciliation of this non-gap measure is included on page 14 of this MD&A.

- 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 May 1, 2026, Enrico ("Rick") Paolone, the Company's Board Chair and co-founder of Green Rise, was appointed Interim Chief Executive Officer and Secretary.

- On March 27, 2026, the Company received a $1.5 million Grower's Advance from its distribution partner, Mastronardi Produce Limited. The amount was non-interest bearing and was fully repaid in the second quarter. The Grower's Advance helped the Company meets its obligations while its 2026 harvesting ramped up. 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.

- The Company's adjusted working capital deficit, improved by $3.3 million. This was primarily driven by the increase in trade receivables, the investment in the bearer plants and fair value adjustment on the biological assets, offset by the raw inputs and costs to set-up and fund these assets.

	June 30, 2026	**December 31, 2025**
Working capital deficit	$40,206	$43,410
Current portion of mortgages and promissory notes	(39,518)	(39,415)
Adjusted working capital deficit	$688	$3,995

- 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 May 11, 2026, the Ontario Court of Appeal ("Court of Appeal") allowed Green Rise's appeal from the November 27, 2024, decision of the Ontario Superior Court of Justice ("Superior Court"). In that decision, the Superior Court had dismissed the Company's claim for insurance coverage for the March 2021 tomato crop loss at the GR2 greenhouse. The Court of Appeal set aside that dismissal and remitted the action for trial. As a result, the Company reversed in Q2 of 2026, the $0.2 million legal reserve recorded for the costs award made by the Superior Court and recorded $70 thousand awarded by the Court of Appeal in appeal costs. The Company is reviewing its options and next steps.

Highlights Subsequent to Q2 Fiscal 2026

- 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 or prior to July 29, 2026, the Company received Non-Binding Proposals from Various Participants. 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.

- As part of its ongoing discussions with the Royal Bank of Canada (the "RBC"), on July 22/23, 2026, the Company received appraisals of the Company's three (3) Farms prepared by an independent professional appraiser. Those appraisals show an aggregate fair market value for the Company's Farms of approximately $90 million, which is well in excess of the Company's obligations for borrowed money.

- 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

SIGNIFICANT TRANSACTIONS

Except as otherwise disclosed in this MD&A, there were no significant transactions during the quarter.

Seasonality

The nature of the food production business is predictably seasonal. Currently, the Company's growing season allows for saleable product between the months of April and December. Accordingly, Q2 and Q3 are expected to be the Company's strongest quarters. During Q4, operations begin to wind down through the month of December when management starts the process of cleaning out the greenhouse in preparation for the next growing season.

Overall Performance

SELECT QUARTERLY INFORMATION

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

($ thousands)	**Three-months ended June 30, 2026**	Three-months ended June 30, 2025	**Six-months ended June 30, 2026**	Six-months ended June 30, 2025
Total revenue	**$12,754**	$12,208	**$13,714**	$12,719
-Production costs[1]	**6,389**	6,114	**7,730**	7,394
-Depreciation	**3,123**	2,823	**3,925**	3,552
-SG&A, excluding depreciation	**667**	911	**1,496**	2,038
-Net change in unrealized (gain) on biological asset	**(172)**	(139)	**(3,832)**	(3,728)
Earnings from operations	**$2,747**	$2,499	**$4,395**	$3,463
-Interest expense	**(549)**	(531)	**(1,024)**	(1,237)
-Other income -government assistance	**221**	11	**221**	21
-Income tax recovery (expense)	**2**	(24)	**(48)**	(29)
Net earnings	**$2,421**	$1,955	**$3,544**	$2,218

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

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

Earnings from Operations

Revenue

For the six-month period ended June 30, 2026, the Company generated fresh produce revenues of $13.7 million as compared to $12.7 million for the same prior year period ($12.8 million and $12.2 million for the three-month periods ended June 30, 2026, and 2025). Higher beefsteak pricing, noted in March, April and May 2026, was the main driver for higher revenues during the period. This was offset by lower shipped production numbers. Light levels were lower by 17% and 8% respectively in March and April of 2026, as compared to the same period in 2025, causing shipped yields to be lower. Brighter days in May and June helped close the production gap however overall shipped yields, for the three and six-month periods ended June 30, 2026, were slightly lower as compared to their respective prior year periods.

Production costs and depreciation

Production costs were higher by $0.3 million for both the three and six-month periods ended June 30, 2026, as compared to their respective periods in 2025. The increase was the result of weather and environmental factors (excessive heat in June) that resulted in increased greenhouse activities which increased labor and resulted in higher biological and fertilizer expenses. These additional costs were necessary to maintain and ensure crop health remained strong through the 2026 harvesting season.

Depreciation costs came in $0.4 and $0.3 million higher as compared to the six-month and three-month periods ended June 30, 2025. This was mainly due to higher bearer plant amortization. Total bearer plant costs invested for the 2026 and 2025 harvest was $5.7 and $5.8 million respectively. Bearer plant costs are amortized over revenues. The higher revenues resulted in the higher amortization amounts booked in Q1 and Q2.

SG&A

SG&A, excluding depreciation, decreased by $0.5 million and $0.2 million respectively as compared to the comparative six and three-month periods ended June 30, 2025. This decrease was attributed to the following: (1) Lower legal expenses which resulted from the reversal of a legal reserve booked in 2024, relating to the Company's ongoing pursuit of insurance recoveries on a crop loss it suffered in 2021. On May 11, 2026, the Ontario Court of Appeal ("Court of Appeal") allowed Green Rise's appeal from the November 27, 2024, decision of the Ontario Superior Court of Justice ("Superior Court"). In that decision, the Superior Court had dismissed the Company's claim for insurance coverage for the March 2021 tomato crop loss at the GR2 greenhouse. The Court of Appeal set aside that dismissal and remitted the action for trial. As a result, the Company reversed in Q2 of 2026, the $157 thousand legal reserve recorded for the costs award made by the Superior Court and recorded $70 thousand awarded by the Court of Appeal in appeal costs. (2) Lower stock-based compensation of $0.2 million and $0.1 million as compared to the six and three-month comparative periods ended June 30, 2025. There were several grants awarded in January 2025, which resulted in higher stock-based compensation in the prior year comparative periods. These grants did not vest and accordingly there was no resulting amortization in 2026. Finally higher audit fees and fees incurred relating to the Strategic Review process in Q2 of 2026 offset the lower legal and stock-based compensation fees.

Net change in unrealized gains on biological assets

The net change in unrealized gain on biological assets remained relatively flat as compared to the prior year period.

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

Interest expense

Interest expense decreased by $0.2 million as compared to the prior year six-month period ended June 30, 2025. The decrease was mainly attributed to the change in the unrealized loss on the mark to market adjustment on the Company's interest rate swaps. The change resulted in a gain of $109 thousand for the six-month period ended June 30, 2026, as compared to a loss of $43 thousand for the same period in the prior year. For the three-month period ended June 30, 2026, the change resulted in a gain of $24 thousand as compared to a gain of $83 thousand for the same period in 2025.

Other income -government assistance

The SDRM was awarded in Q2 of 2026 as compared to Q3 of 2025. The SDRM is an annual program that 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.

Current and Deferred income tax expense

Current and deferred income tax was relatively flat for both the six and three-month periods ended June 30, 2025.

SUMMARY OF QUARTERLY RESULTS

($ thousands)	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Revenues	12,754	960	7,678	11,544	12,208	511	5,561	11,784
Income (loss) from operations	2,747	1,648	(2,597)	700	2,499	964	(4,320)	1,765
Net income (loss)	2,421	1,123	(3,098)	233	1,955	263	(3,517)	601
Basic and diluted EPS	0.05	0.02	(0.06)	0.00	0.04	0.01	(0.07)	0.02
Total assets	57,558	56,629	50,456	53,828	59,290	57,830	51,014	55,197
Total liabilities	52,088	53,616	48,609	48,750	54,604	55,246	48,812	49,484
Equity	5,470	3,013	1,847	5,078	4,686	2,584	2,202	5,713

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**June 30, 2026**	December 31, 2025
Cash	-	-
Working Capital Deficit[1]	(40,206)	(43,410)
Total Assets	57,558	50,456
Total Liabilities	52,977	48,609
Net Equity	5,470	1,847

1) The working capital deficit is the net of all current assets and liabilities.

The Company has in place a planning and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company is exposed to risks related to seasonality as there is limited revenue from January through to mid April. If the current resources and cash generated from operations is insufficient to satisfy its obligations, the Company can draw on its credit facility.

As of June 30, 2026, the Company's operating line was $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).

The Company had a working capital deficit of $40,206 as of June 30, 2026 ($43,410 deficit as of December 31, 2025). When the working capital deficit of $40,206 as at June 30, 2026, is adjusted for mortgage debt and the promissory notes, the working capital deficit is $688 (December 31, 2025; $3,995). The improvement in the working capital deficit is consistent with the seasonality of the Company's business.

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 continues 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. During the accommodation period, the monthly payment obligations and interest rate charges on all the Company's RBC debt and operating lines did not change and remained the same as prior to the accommodation agreement, with exception that all debt must be paid on or before December 4, 2026 (unless such date is extended). Finally, 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

Interest rate risk

With the availability in its operating lines, a grower's advance of $1.5 million provided by the Company's distribution partner and agreements with certain large vendors to extend credit terms to Q2 or Q3 of 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 is over halfway through its 2026 harvesting season. It is anticipated that the Company will have sufficient cash flow to carry out operations throughout 2026.

Total Assets increased by $7.1 million as compared to the amount reported as at December 31, 2025. The increase was primarily driven by the increase in sales and trade receivables, investments made in the bearer plants and resulting unrealized gain in the fair value in biological assets across all three of the Company's greenhouses, as at June 30, 2026.

Total Liabilities increased by $3.5 million as compared to the amount reported as at December 31, 2025. $4.7 million of this increase was driven by increases in amounts drawn on the Company's operating lines and accounts payable as a result of investments made in the bearer plants and costs associated with operating 71.5 acres of fresh produce cultivation capacity. There was also a decrease of $1.2 million resulting from the principal payments made on the Company's mortgage debt. The remaining difference related primarily to the reclassification of approximately $1.4 million in promissory notes due in March 2027.

Equity increased by $3.6 million mainly as a result of the net income generated and the increase in contributed surplus resulting from stock option expense.

CAPITAL MANAGEMENT

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 half of 2026 ($1.1 million in the first two quarters of 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.

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

CONTRACTUAL OBLIGATIONS

As at June 30, 2026, the payments due by period are set out in the following table:

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

COMMITMENTS

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.

OFF BALANCE SHEET ARRANGEMENTS

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

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.

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT COMPENSATION (IN THOUSANDS UNLESS OTHERWISE STATED)

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. 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).

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 elsewhere in this MD&A including on page 2, 3, 13 and 14 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 $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 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, 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.

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 2,235,001 stock options were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on August 29, 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 normalized 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		Six-months ended	
($ thousands)	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Net earnings	**$2,421**	$1,955	**$3,544**	$2,218
Additions (Deductions)				
Depreciation	**3,123**	2,823	**3,925**	3,552
Interest expense	**549**	531	**1,024**	1,237
Deferred income tax expense (recovery)	**(2)**	24	**48**	29
EBITDA	**$6,091**	$5,333	**$8,541**	$7,036
Additions (Deductions)				
Bearer plant amortization	**(2,391)**	(2,140)	**(2,478)**	(2,179)
Unfunded normalized CAPEX	**(73)**	9	**(125)**	-
Stock-based compensation	**36**	147	**79**	266
Non-reoccurring legal fees	**(145)**	45	**(145)**	154
Employee severance/terminations	**12**	-	**120**	118
Net change in unrealized gain on biological assets	**(172)**	(139)	**(3,832)**	(3,728)
Adjusted EBITDA	**$3,358**	$3,255	**$2,160**	$1,667

Adjusted Loss

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

	Three-months ended		Six-months ended	
($ thousands)	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Net earnings	**$2,421**	$1,955	**$3,544**	$2,218
Additions (Deductions)				
Mark to market adjustment on interest rate swap	**(24)**	(83)	**(109)**	43
Nonrecurring legal fees	**(145)**	45	**(145)**	154
Employee severance/terminations	**12**	-	**120**	118
Net change in unrealized gain on biological assets	**(172)**	(139)	**(3,832)**	(3,728)
Adjusted earnings (loss)	**$2,092**	$1,778	**$(422)**	$(1,195)

Selected 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 (Production costs include raw materials and consumables, labor and repairs and maintenance):

(In 000s)	**Three-months ended June 30, 2026**	**Three-months ended June 30, 2025**	**Six-months ended June 30, 2026**	**Six-months ended June 30, 2025**
Production costs	$6,390	$6,114	$7,730	$7,394
Additions / (Deductions)	-	-	-	-
Adjusted production costs	$6,390	$6,114	$7,730	$7,394
Produce sales	$12,612	$11,936	$13,276	$12,169
Adjusted production costs as % of produce sales	50.7%	51.2%	58.2%	60.8%
Production labor	$3,357	$3,311	$3,940	$3,816
Production labor as a % of Adjusted produce sales	26.6%	27.7%	29.7%	31.4%