



Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years Ended December 31, 2021 and 2020

April 20, 2022



MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the years ended December 31, 2021 and 2020 is prepared as of April 20, 2022 and provides information concerning the financial condition and results of operations of Green Impact Partners Inc. ("GIP" or the "Company"). This MD&A should be read in conjunction with the Company's consolidated financial statements as at and for the years ended December 31, 2021 and 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements and additional information relating to GIP are available on SEDAR at www.sedar.com. The Company's shares are listed for trading on the Toronto Venture Exchange under the symbol "GIP".

Unless otherwise indicated, all dollar amounts presented herein are in thousands of Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" and "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Certain information and statements contained in this MD&A constitute forward-looking information, including the anticipated costs associated with the purchase of capital equipment, expectations concerning the nature and timing of growth, expectations respecting the competitive position, expectations concerning the financing of future business activities, and statements as to future economic and operating conditions. Readers should review the cautionary statement respecting forward-looking information that appears below.

The information and statements contained in this MD&A that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations, opinions, or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements.

These factors are set forth under "Risks and Uncertainties" in this MD&A.

Forward-looking information concerning the nature and timing of growth is based on the current budget of the Company (which is subject to change), factors that affected the historical growth of the Company, sources of historic growth opportunities and expectations relating to future economic and operating conditions. Forward-looking information concerning the current and future competitive position of the Company's business and partnership relationships is based upon the current competitive environment in which the Company operates, expectations relating to future economic and operating conditions, current and announced build programs, and other expansion plans of other organizations. Forward-looking information concerning the financing of future business activities is based upon the financing sources on which the Company and its predecessors have historically relied, obtaining potentially new financing sources, and expectations relating to future economic and operating conditions. Forward-looking information concerning future economic and operating conditions is based upon historical economic and operating conditions, as well as opinions of third-party analysts respecting anticipated economic and operating conditions. Although management of the Company believes that the expectations reflected in



such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Accordingly, readers should not place undue reliance upon any of the forward-looking information set out in this MD&A. All the forward-looking statements of the Company contained in this MD&A are expressly qualified, in their entirety, by this cautionary statement. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise.

SUMMARY OF NON-IFRS MEASURES

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”). Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net and comprehensive income or to cash from (used in) operating, investing, and financing activities determined in accordance with IFRS, as indicators of our performance. We use non-IFRS measures, including EBITDA and Adjusted EBITDA, to assist investors in determining our ability to generate income and cash provided by operating activities and to provide additional information on how these cash resources are used.

EBITDA is defined as earnings before interest, taxes, depreciation, and amortization. EBITDA is a non-IFRS measure, calculated by adding back the impacts of income tax, finance costs, depreciation and amortization to net income (loss) for the period. EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other companies. Management believes EBITDA is an important performance metric that measures normalized recurring cash flows before changes in non-cash working capital.

Adjusted EBITDA is defined as EBITDA adjusted for certain non-operating, non-recurring and non-cash items. Adjusted EBITDA is used by management to evaluate the earnings and performance of the Company before consideration of capital, financing and tax structures that may vary from company to company. Prior period Adjusted EBITDA has been calculated and presented in accordance with the current period calculation and presentation.



2021 HIGHLIGHTS

2021 was the first year of operations for the Company and, in that short time, much has been achieved in positioning GIP for significant near and long-term growth, which is consistent with the Company's mission of being a leader in the transition to a green and sustainable economy. Key highlights and accomplishments for the year and as of the date of this MD&A include:

Reverse Takeover Transaction: In May of 2021, the Company closed the planned Reverse Takeover Transaction ("RTO") with Blackheath Resources, successfully obtaining a public listing on the TSX Venture exchange.

\$100 million equity raise: Concurrent with the RTO Transaction, GIP raised \$100 million in gross equity proceeds through a private placement, which provided the capital to acquire an operating clean energy business and fund initial development costs for the Company's various renewable natural gas ("RNG") projects.

Existing clean operating assets providing an enabler for growth: The acquisition of the existing water and solids treatment and recycling business provides base cash flow for GIP to pursue RNG growth opportunities.

\$30 million corporate revolver: Available capital was further enhanced by establishing a new \$30 million corporate revolver that will be used to fund initial costs on new RNG projects until project-level financing is secured.

First RNG project fully funded and under construction: As of the date of this MD&A, the GreenGas Colorado Project is approximately 35% complete with gas production at full capacity anticipated for early 2023. The project is fully funded with project-level debt financing secured in 2021.

Currently developing North America's largest carbon negative RNG project: During the year a partnership was formed for the development of Future Energy Park, and when the project proceeds, GIP will control and operate. Engineering is well advanced, and GIP is in the process of obtaining permits, approvals, and financing.

Additional RNG projects ready for construction: Two other RNG projects in Iowa and Southern Alberta have been secured and are in the late stages of development.

Development pipeline expanded: Including the more advanced RNG opportunities above, the Company has assembled a portfolio of over \$2 billion in clean energy initiatives focused on RNG.



BUSINESS OVERVIEW

Our Business

GIP is a clean energy company publicly traded on the TSX Venture Exchange. GIP's purpose is to create a sustainable and inclusive planet by developing clean energy, with a near-term focus on RNG projects. GIP acquires, develops, and builds RNG projects with the intention of building, owning and operating a portfolio of RNG facilities, and participates in a wide range of zero-carbon opportunities during any stage of the project lifecycle – from idea generation through to operations. GIP has a growing portfolio of RNG projects under development, representing over \$2 billion in capital expenditures over the next three years. GIP is well positioned to be a leading producer of decarbonizing energy in North America. In addition to its core focus, GIP has a current portfolio of seven water and solids treatment and recycling facilities in Canada and a solids recycling business in the United States (“Water & Solids Treatment & Recycling”).

The Company reports operating results for the following reportable segments:

- **Water and Industrial** – The Water and Industrial segment is currently comprised of operational and cash flowing assets that include Water and Solids Treatment and Recycling facilities in Canada and the United States. These facilities provide services to safely recycle and/or dispose of water and solids waste from third party operations as well optimizing and marketing the associated by-products.
- **Energy Production** – The Energy Production segment includes both under construction development and pre-development clean energy projects located in Canada and the United States. The current portfolio of projects within this operating segment includes RNG, biofuel and hydrogen distribution.

Operations

The Water and Solids Treatment and Recycling facilities operate under a fee-for-service basis. Each of these facilities provides water and waste treatment and recycling services to multiple customers, including a mix of municipalities, governments, utilities, infrastructure, industrial, mining and energy companies in North America, depending upon the activities within the geographic region. The services are provided through area dedication agreements and state contracts, rather than volume-based commitments. Revenue and gross margin are also derived through optimizing and selling by-products associated with the waste products that are processed by the Company's facilities.

Industry activity throughout North America in 2021 has remained lower than expected due to a number of factors including, but not limited to, the ongoing COVID-19 pandemic. Industry activity around GIP's operating facilities continued to be lower in response to the depressed activity levels in 2020, which did not fully reach pre-pandemic levels during 2021. GIP prudently capitalized on the slower ramp up in industry activity through accelerating certain capital improvements at one of its most profitable and environmentally impactful facilities in order to expand capacity and extend its useful life. This facility was down from the end of March and returned to full operations in September 2021. In addition to this downtime, increased costs of certain inputs, in particular blending products used in by-product optimization, and services at all of our facilities have impacted the financial results. As a result, and in line with the Company's strategy to maximize its environmental and financial impact, management has temporarily delayed previously planned capital expenditures to further expand capacity at the remainder of its current facilities until activity levels improve and support additional investment.



Moving into 2022, the Water & Solid Treatment & Recycling facilities are anticipated to generate approximately \$12.0 million in gross margin.

Project Construction and Development Updates

GreenGas Colorado

The Company's first RNG project located in Weld County, Colorado in the United States (the "GreenGas Colorado Project") commenced construction in the summer of 2021 and is progressing on schedule. The GreenGas Colorado Project is being constructed on two farms in close proximity. The Company has feedstock agreements in place securing the long-term supply of organic waste. The GreenGas Colorado Project is expected to generate approximately 290,000 million British thermal units ("MMBtu") per annum of RNG.

The Company executed a fixed-price Engineering, Procurement and Construction ("EPC") contract for the GreenGas Colorado Project. As at December 31, 2021, \$28.3 million has been invested by GIP in the construction of this facility. All ground works and piping are complete, and above ground installations have commenced including treatment tanks and digesters. The total capital cost, including soft costs and fees associated with debt financing, are approximately \$92.0 million. In December 2021, the GreenGas Colorado Project closed its non-recourse project debt financing for \$48.2 million CAD (\$38 million USD). The debt facility includes both a construction and post-construction term loan facility. The construction facility bears interest at prime + 2.75%. The term loan facility amortizes fully over six years and bears interest at prime + 1.00%. The construction and term loan facility include customary covenants, terms and conditions with no recourse to GIP. As at December 31, 2021, \$0.9 million was drawn on the construction facility.

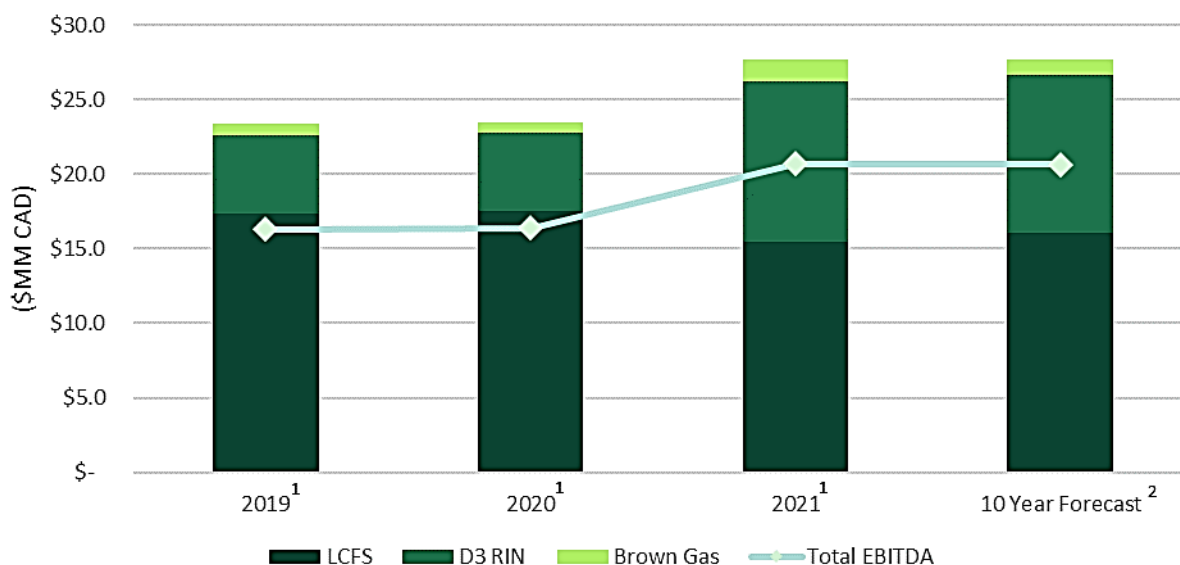
The GreenGas Colorado Project is anticipated to produce gas at full capacity in early 2023. Once operating at full production, the GreenGas Colorado Project is anticipated to generate approximately \$20 million per annum in EBITDA.

The GreenGas Colorado Project has executed a 10-year offtake agreement with an A- rated counterparty to sell 100% of its RNG generation. The offtake agreement secures delivery of the GreenGas Colorado Project's RNG into the California Low Carbon Fuel Standard ("LCFS") and Renewable Identification Number ("RIN") markets. The Company's production and associated revenue is based on merchant pricing in these markets, less certain charges under the offtake agreement, including transportation. LCFS and RIN market pricing is a key risk for the GreenGas Colorado Project. GIP's estimates for LCFS, RIN and brown gas pricing are partially based on an independent third-party price forecast, as well as recent historical prices.

The graph below illustrates the revenue and EBITDA that GIP would have realized for this project based on the expected generation capacity using the actual market pricing over the historical period, adjusted for charges under the offtake agreement, including transportation, as well as a comparison of this historical data to the Company's estimates for its first ten years of operations based on an independent third-party price forecast:



Revenue & EBITDA Sensitivity



¹ The 2019, 2020 and 2021 periods demonstrate the revenue and EBITDA that the GreenGas Colorado Project would have received based on the Company's estimated RNG production and the annual historical average pricing for LCFS, RIN and brown gas.

² The 10 Year Forecast represents the Company's average forecasted revenue and EBITDA for the GreenGas Colorado Project based on the Company's estimated RNG production and the estimated price anticipated to be received for the LCFS, RIN and brown gas per an independent third-party price forecast, net of transportation and other offtake charges. The chart is the Canadian dollar ("CAD") equivalent based on an average United States dollar to CAD exchange rate of 1.27.

Iowa RNG Project

Subsequent to year end, the Company executed definitive agreements for a partnership in a dairy RNG project located in Iowa (the "Iowa RNG Project"). The Iowa RNG Project has secured long-term feedstock agreements with two dairies located in close proximity and is expected to generate approximately 280,000 MMBtu per annum of RNG. GIP is working with its partners to advance the final engineering and design and capital budget, as well as securing material permits, approvals, and financing. The Iowa RNG Project is similar in scope to the GreenGas Colorado Project and is anticipated to deliver its RNG into the California LCFS and RIN markets.

Later this year GIP anticipates an expansion to the Iowa RNG Project to include two additional sites, which will nearly double the size of the project. The Company expects to provide a further project update in the second quarter of 2022, including final size, capital costs and construction timeline. Subject to the receipt of material permits and approvals, and securing the necessary financing to commence construction, construction is anticipated to start in the second half of 2022 with RNG production commencing in late 2023.

Southern Alberta Farm RNG

In 2021, the Company signed feedstock agreements for a farm based RNG project located in southern Alberta. The project build cost is expected to be approximately \$200 million with the project projected to produce up to 810,000 MMBtu per annum of RNG. Subject to the receipt of material permits and approvals, finalizing engineering and design, and securing the necessary financing to commence construction, construction is anticipated to commence in late 2022 with RNG production commencing in late 2023.



Future Energy Park

In 2021, the Company entered into a partnership to develop a large-scale bio-fuel facility in Calgary, Alberta (“Future Energy Park”, formerly known as the “Wheatland Development Project”). Future Energy Park, once operational, is expected to have a lower carbon impact than all traditional renewable energy projects (wind, solar or hydro energy source) and will be the largest, negative carbon intensity RNG project in North America, producing approximately 3.5 million MMBtu per annum of RNG. Additionally, it will produce annually over 300 million litres of cellulosic equivalent ethanol and 1.5 million tonnes of carbon offset credits.

Future Energy Park will utilize approximately 800,000 tonnes of non-food grade wheat per annum that will be processed through a bioethanol fermentation process to generate ethanol. The by-product from the fermentation process will then be converted to RNG through an anaerobic digestion process. In addition, to support the facility’s power, steam and hot water requirements, Future Energy Park will also include a high efficiency combined heat and power facility that will be fuelled by a portion of Future Energy Park’s RNG. The excess power will be sold into the market. Carbon offset credits are generated throughout the entire facility process, in addition to other by-products including fertilizer, nitrogen and CO₂.

The Company is currently working on finalizing commercial agreements, including a fixed-price EPC contract, feedstock arrangements, and offtake agreements. The Company intends to enter into long-term fixed-price offtake agreements for the majority of the RNG and carbon offset credits produced. The ethanol will be sold on a merchant basis under guaranteed delivery offtake agreements. The Company anticipates entering into rolling financial hedges to mitigate market risk on both feedstock input costs and ethanol sales.

The preliminary estimated capital costs are approximately \$900 million. The Company intends to finance the project through a combination of equity and non-recourse project debt financing. GIP is currently exploring strategic options to raise the equity for Future Energy Park, which may include divestiture of a minority interest in the project. As at December 31, 2021, GIP has invested \$15.6 million in the development of Future Energy Park (including liabilities assumed from a project partner).

The Company is currently progressing the commercial agreements, financing, and permits and approvals required to proceed to construction. Construction is anticipated to commence in early 2023, subject to receipt of material permits and approvals, and securing the necessary financing to commence construction. With a construction period of approximately two years, commercial operations are anticipated in 2025. Once built, Future Energy Park is expected to generate approximately \$230 million in annual EBITDA.

New Zealand Green Hydrogen

In September 2021, the Company closed on a \$2.8 million investment in a New Zealand-based energy company (“NZCo”) focused on developing a green hydrogen refuelling network across New Zealand servicing commercial and heavy transport customers. GIP’s investment, along with other partners, supports the construction of the first phase, which includes four hydrogen refuelling stations. The first phase is fully financed and expected to be operational in 2022. GIP currently holds a 12% interest, with an option to increase its interest to 18% by investing an additional \$3.9 million CAD in capital. The investment also includes an additional opportunity to increase the Company’s investment at a later date. As green hydrogen markets evolve in North America and globally, this initial investment is anticipated to result in additional opportunities to partner with NZCo on green hydrogen and other biofuel opportunities worldwide. Green hydrogen is produced from renewable energy sources, is carbon free, and aligns with GIP’s strategic purpose.

Additional Growth Opportunities

Including the opportunities identified above, the Company has over \$2 billion in clean energy initiatives in the development pipeline at various stages of development. In accordance with its strategy, management is focused in the near-term on the advancement of these projects and the growth and advancement to final



investment decision on a number of other projects in its RNG pipeline. In order to accelerate the completion of its near-term RNG portfolio, including the Iowa RNG Project and Future Energy Park, GIP's Board of Directors has authorized the Company to explore funding alternatives, including strategic joint ventures. Partnership opportunities may include a strategic investment in any or all of the GreenGas Colorado Project, the Iowa RNG Project and Future Energy Park. A potential transaction is expected to provide the capital to complete these projects and advance the Company's remaining portfolio, while still maintaining significant long-term cash flows for the benefit of GIP's shareholders.

FINANCIAL HIGHLIGHTS

<i>(\$000)</i> <i>As at and for the years ended</i>	December 31, 2021	December 31, 2020	\$ Change
Revenue	128,972	95,818	33,154
Gross margin	7,365	5,764	1,601
Loss from operations	(1,780)	(1,107)	673
Net loss	(642)	(2,457)	1,815
Comprehensive loss	(349)	(2,457)	2,108
Funds from (used in) operations	3,605	3,377	228
Cash from (used in) operations	5,810	9,994	(4,184)
Purchase of property, plant and equipment	(37,181)	(513)	(36,668)
Total assets	176,070	82,790	93,280
Total liabilities	48,331	57,339	(9,008)

RESULTS OF OPERATIONS

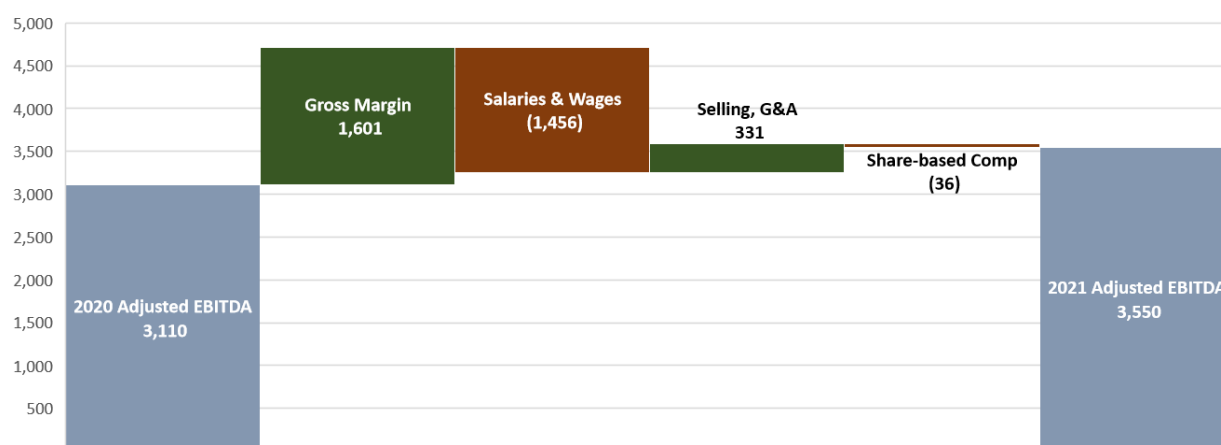
<i>(\$000)</i> <i>For the years ended</i>	December 31, 2021	December 31, 2020	\$ Change
Revenue	128,972	95,818	33,154
Gross margin	7,365	5,764	1,601
Depreciation and amortization	5,366	4,217	(1,149)
Salaries and wages	1,911	455	(1,456)
Selling, general and administration	1,868	2,199	331
Finance costs	970	2,066	1,096
Listing expense	2,087	-	(2,087)
(Gain)/loss on debt forgiveness	(257)	-	257
Loss on disposal of PP&E	-	(104)	104
Share-based compensation	36	-	(36)
Current income tax recovery	240	(163)	403
Deferred income tax (recovery)/expense	(4,214)	(449)	(3,765)
Net loss	(642)	(2,457)	1,815
Comprehensive loss	(349)	(2,457)	2,108



NON-IFRS MEASURES

(\$000) For the years ended	December 31, 2021	December 31, 2020	\$ Change
Net loss	(642)	(2,457)	1,815
Income tax recovery	(3,974)	(612)	(3,362)
Depreciation and amortization	5,366	4,217	1,149
Finance costs	970	2,066	(1,096)
EBITDA	1,720	3,214	(1,494)
Gain on debt forgiveness	(257)	-	(257)
Listing expense on RTO Transaction	2,087	-	2,087
Loss on disposal of PP&E	-	(104)	104
Adjusted EBITDA	3,550	3,110	440

CHANGES IN ADJUSTED EBITDA



Gross Margin

Gross margin increased by \$1.6 million for the year ended December 31, 2021 over the same period in 2020. Gross margin increased in absolute terms but was consistent on a percentage basis at approximately 6%. The increase in gross margin was a result of a combination of offsetting factors:

- Despite a \$27.7 million increase in revenue realized in the existing Canadian water and solids treatment and recycling business, the actual realized margins dropped from 6.0% in 2020 to 4.8% in 2021. This increase in revenue corresponded with an increase in commodity prices for the optimized by-products sold but that positive increase was more than offset by an increase of the input costs for the products used to blend with the final sales product, which negatively impacted gross margins.
- An incremental \$5.4 million of revenue was added with the acquisition of the US portion of the water and solids treatment and recycling business, which contributed \$1.3 million in gross margin or 24.1%.

Gross margin realized in the fourth quarter was \$2.5 million or 6.5%. All facilities were fully operational in the fourth quarter and therefore, while there may be fluctuations quarter by quarter, management expects 2022 to trend slightly above this range as industry activity continues to improve in both Canada and the US. The first nine months of 2021 were impacted by the shutdown of one of the Company's facilities from late



March to mid-September. The facility was down for minor repairs, however, given the reduced activity in various sectors, the Company took the opportunity to make certain capital improvements at this facility to expand capacity and extend its useful life. Capital improvements totalled approximately \$2.7 million during the year. The facility was back to full operations in September.

Salaries and Wages and Selling, General and Administration

Salaries and wages and selling, general and administrative expenses include the following items: salaries and wages, rental costs, vehicle costs, insurance expenses, office costs, advertising and promotion, and professional and consulting fees.

Combined salaries and wages and selling, general and administrative expenses for year ended December 31, 2021, were up by \$1.1 million from the year ended December 31, 2020. The increase in 2021 was a direct result of GIP increasing its development team and running as a new stand-alone Company, which compares to being a subsidiary of the divesting company for the same period in 2020. Consequently, the year ended December 31, 2021 included additional costs associated with the new GIP executive and management staff along with various one-time set up costs for the Company including information technology, legal, insurance and consulting. In 2022, Salaries and Wages and Selling, General and Administrative costs are expected to be approximately \$6.0 million as the Company continues to build out its team.

Share-based Compensation

Share-based compensation is a new expense item in 2021 as the first share-based awards were granted to staff and directors in December 2021. During 2021, GIP also implemented a Share Unit Plan as part of a long-term incentive program. This share-based, long-term incentive plan, along with the existing stock option plan, results in employees, officers, directors and consultants receiving compensation in the form of common shares of GIP in relation to the value of a specified number of underlying awards. The fair value of these instruments was determined on the grant date with the fair value being recognized on a straight-line basis over the vesting period of the instruments. The share-based compensation expense recognized for the year ended December 31, 2021 was only for the short period that the instruments were outstanding for the year and therefore share-based compensation is expected to increase in future periods. The remaining fair value to be recognized over the life of the instruments granted for the year ended December 31, 2021 is \$2.3 million.

Depreciation and Amortization

Depreciation and amortization for the year ended December 31, 2021, was up \$1.1 million from the year ended December 31, 2020. The increase is primarily due to an increase in the Company's asset retirement obligation ("ARO") asset estimates associated with a new liability incurred during the year, which totalled \$0.6 million. This liability was settled during the quarter and therefore the ARO asset was reduced through full recognition of this settlement through depreciation expense. The remainder of the increase in depreciation for the year ended December 31, 2021 was incremental depreciation related to the property, plant and equipment acquired as part of the acquisition of the US portion of the water and solids treatment and recycling business in May 2021 and the amortization of intangible assets recognized during the year.

Finance Costs

Finance costs for the year ended December 31, 2021, were comprised of \$0.7 million in interest on long-term debt and \$0.3 million of accretion expense on the asset retirement obligation liability. The reduction of \$1.1 million in finance costs from the year ended December 31, 2020 was a result of the divesting company



of the water and solids treatment and recycling assets assuming \$25.9 million of debt upon close of the RTO on May 27, 2021. This long-term debt was outstanding and accruing interest for the entirety of the year ended December 31, 2020. The interest on long-term debt recorded for the year ended December 31, 2021, except for immaterial interest on lease obligations, represents the interest from the outstanding long-term debt up to the close date of May 27, 2021 and interest on the long-term debt associated with the US solids operation.

Listing Expense

The listing expense recognized for the year ended December 31, 2021, represents the costs incurred to list the Company's shares on the TSX Venture exchange. Due to the fact that the listing was obtained by way of an RTO, the listing expense is a combination of deemed value of the shares issued to effect the RTO plus the working capital assumed in relation to the transaction.

Deferred Income Tax Expense and Recovery

Deferred tax recoveries for year ended December 31, 2021, increased by \$3.7 million as compared to the year ended December 31, 2020. The increase is primarily due to the tax basis elected on the purchase of the water and solids treatment and recycling assets combined with (i) new tax assets associated with increases to non-capital losses created from the additional corporate costs previously discussed; and (ii) the tax impacts of share issue costs from the equity financing in May 2021. These tax assets were recognized as management believes there is a likelihood that sufficient future taxable income will be realized in order to utilize these tax assets.

SUMMARY OF QUARTERLY RESULTS

(\$000)	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Revenue	38,723	35,395	27,066	27,788
Adjusted EBITDA	1,418	628	198	1,306
Net income (loss)	2,965	(602)	(2,824)	(181)
<i>Net income (loss) per share-Basic</i>	<i>0.15</i>	<i>(0.03)</i>	<i>(0.20)</i>	<i>(0.01)</i>
<i>Net income (loss) per share-Diluted</i>	<i>0.15</i>	<i>(0.03)</i>	<i>(0.20)</i>	<i>(0.01)</i>

	Dec 31, 2020	Sept 30, 2020	Jun 30, 2020	Mar 31, 2020
Revenue	23,912	23,720	11,542	36,644
Adjusted EBITDA	1,379	826	614	291
Net (loss) income	(102)	(593)	(777)	(985)
<i>Net income (loss) per share-Basic</i>	<i>(0.01)</i>	<i>(0.06)</i>	<i>(0.08)</i>	<i>(0.10)</i>
<i>Net income (loss) per share-Diluted</i>	<i>(0.01)</i>	<i>(0.06)</i>	<i>(0.08)</i>	<i>(0.10)</i>

LIQUIDITY AND CAPITAL RESOURCES

The Company expects to generate sufficient cash flows from operations to meet all organic growth initiatives and maintenance capital expenditures in connection with the Water and Solids Treatment and Recycling facilities. Due to the Company's focus on maintaining efficient operations, the Company expects to generate free cash flow from operations, net of maintenance capital expenditures, on an annual basis.

The Company intends to fund the remaining capital required for the GreenGas Colorado Project with existing cash on hand, free cash generated by existing operations, its corporate revolver, and additional capital in the form of non-recourse project level debt financing. At this time the Company does not anticipate the need to raise additional public equity proceeds to fund any of the near-term projects. However, to accelerate the development of its portfolio of over \$2 billion in clean energy initiatives, the Company is



exploring funding alternatives and may enter into strategic partnerships or divest of minority interests of certain assets in its portfolio.

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company's cash needs are met with cash generated by operations and financing provided by short-term borrowings and long-term debt.

The Company manages its liquidity risk through the management of its capital structure and working capital, monitoring, and reviewing actual and forecasted cash flows to ensure available cash resources to meet the Company's liquidity needs. The Company's cash and cash equivalents, cash flow from operating activities are expected to be greater than anticipated near-term capital expenditures and the contractual maturities of the Company's financial liabilities.

<i>(\$000)</i> <i>For the years ended</i>	December 31, 2021	December 31, 2020	\$ Change
Cash from (used in) operating activities	5,810	9,994	(4,184)
Cash (used in) investing activities	(42,960)	(617)	(42,343)
Cash from (used in) financing activities	41,606	(9,331)	50,937
Impact of foreign currency translation on cash	40	-	40
Increase (decrease) in cash	4,496	46	4,450

Operating Activities

Cash from operations for the year ended December 31, 2021 was down \$4.2 million from the year ended December 31, 2020. Much of the decline in cash from operating activities resulted from positive changes in working capital in 2020 that stemmed from the management of working capital through the pandemic.

Investing Activities

Cash used in investing activities for year ended December 31, 2021 increased by \$42.3 million over the corresponding period in 2020. The additional use of cash resulted mainly from spending on the GreenGas Colorado Project (\$28.3 million), Future Energy Park (\$6.2 million), other early stage RNG projects (\$2.3 million), the investment in NZCo (\$2.8 million), and the capital improvements on the existing facilities and equipment during the year (\$2.7 million). Capital spending was kept to a minimum during the comparative year in 2020 in response to the ongoing global pandemic and the impact of industry activity levels. Also, there were no new development projects under construction in the corresponding year.

Financing Activities

Cash from financing activities for the year ended December 31, 2021 increased by \$50.9 million from the year ended December 31, 2020. This increase was primarily a result of the equity financing that closed on May 27, 2021 for net proceeds of \$91.3 million, which was partially offset by the settlement of the promissory notes of \$50.0 million owing to the divesting company. The remainder of the increase came from funding of \$2.0 million provided by the minority interests of Future Energy Park.



(\$000)	December 31, 2021	December 31, 2020	\$ Change
Current assets	23,560	11,139	12,421
Current liabilities ¹	21,252	12,076	9,176
Working capital surplus (deficit)	2,308	(937)	3,245

¹The working capital above includes the current and demand portions of long-term debt of approximately \$0.2 million at December 31, 2021 (\$1.8 million at December 31, 2020).

The following are undiscounted contractual maturities of financial liabilities, including estimated interest:

As at December 31, 2021	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	21,020	21,020	-	-	-
Long-term debt	1,217	140	1,077	-	-
Other long-term liabilities	10,218	-	10,218	-	-
Lease obligations	232	110	122	-	-
Total financial liabilities	32,687	21,270	11,417	-	-

Capital Management and Resources

The Company's objectives when managing capital are to: (i) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (ii) maintain financial flexibility in order to meet its financial commitments and maintain the confidence of shareholders, creditors and the market; and (iii) optimize the use of capital to provide an appropriate return on investment to shareholders.

The Company's overall capital management strategy remained unchanged from prior periods. The Company has established criteria for sound financial management and manages the capital structure based on current economic conditions, risk characteristics of underlying assets and planned capital and liquidity requirements. Total capitalization is maintained or adjusted by drawing on existing credit facilities, issuing new debt and through the disposal of underperforming assets, when required. Management considers the Company's current assets less current liabilities, long-term debt and shareholders' equity as the components of capital to be managed.

	December 31, 2021	December 31, 2020
Current assets	23,560	11,139
Current liabilities	(21,252)	(12,076)
Long-term debt	136	24,484
Other long-term liabilities	9,288	-
Shareholders' equity	114,944	25,451
	126,676	48,998

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's revenues come from a diverse customer base, which includes municipalities, governments, utilities, infrastructure, industrial, energy and mining industries in North America. The Company believes there is no unusual exposure associated with the collection of accounts receivable outside of the normal risk associated with contract audits and normal trade terms. The Company performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.



The Company is primarily exposed to credit risk from customers. The maximum exposure to credit risk is equal to the carrying value of the accounts receivable and note receivable. The Company's trade receivables are with customers in the industrial sector and are subject to industry credit risk. To reduce credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

Additionally, the Company continuously reviews individual customer trade receivables taking into consideration payment history and aging of the trade receivables to monitor collectability. In accordance with IFRS 9 - Financial Instruments, the Company reviews impairment of its trade and accrued receivables at each reporting period and its allowance for expected future credit losses. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends, and other information. Monitoring procedures are in place to ensure that follow up action is taken to recover overdue amounts. The Company reviews receivables on a regular basis to ensure that an adequate loss allowance is made. Provisions recorded by the Company are reviewed regularly to determine if any balances should be written off. The allowance for doubtful accounts could materially change as a result of fluctuations in the financial position of the Company's customers. The Company completes a detailed review of its historical credit losses as part of its impairment assessment.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements in the current or prior periods.

RELATED PARTY TRANSACTIONS

The Chief Executive Officer of the Company is the Executive Chairperson of Wolverine and owns approximately 49% of the issued and outstanding shares of Wolverine. Wolverine, as a result of the Transaction, owns approximately 25% of the issued and outstanding shares of GIP and is therefore considered to be a related party of the Company. Consequently, the Transaction with Wolverine, as described in Note 1 to the consolidated financial statements, was a related party Transaction. In addition to the Transaction, Wolverine provided certain transitional services to GIP including personnel, systems and software. During year ended December 31, 2021, the Company paid \$3.5 million to Wolverine for reimbursement of certain expenses at no mark-up incurred by Wolverine on GIP's behalf, including share issue costs and salaries and wages. In addition, as part of the transition services, Wolverine has been collecting certain revenue and settling certain expenses on behalf of the Company. The total net amount owed to GIP from Wolverine amounted to \$0.5 million at December 31, 2021 (December 31, 2020 - \$nil). The transition services agreement's term ended December 31, 2021.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the Company's annual financial statements, management has made judgments, estimates and assumptions that affect the recorded amounts of revenues, expenses, assets, liabilities and the disclosure of commitments, contingencies and guarantees. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the financial statements are prepared. Actual results could differ from these estimates. The most significant estimates and judgments used in the preparation of the Company's consolidated financial statements have been set out in Note 5 of the annual consolidated financial statements.



OUTSTANDING SHARE DATA

On April 19, 2022, the Company had the following common shares, stock options and share units outstanding:

Common shares	20,300,005
Stock options (vested and unvested)	431,698
Share units	371,237
	21,102,940

Refer to Note 15 and 17 of the Company's annual consolidated financial statements for additional detail on the authorized, issued and outstanding share capital of the Company.

RISKS AND UNCERTAINTIES

GIP's business is exposed to risks and uncertainties that affect its outlook, results of operations and financial position. The risks and uncertainties described below are not all inclusive and there could be other risks facing the Company that are not outlined below. Additional risks and uncertainties, including those that management is not currently aware of or that management currently deems immaterial, may also adversely affect the Company's business.

Macroeconomic and geopolitical risks and uncertainties that impact GIP's business include: the uncertain and unpredictable condition of the global economy; the effects of the ongoing conflict in Ukraine and related economic and political sanctions on Russia that are impacting global fuel sources and supply chains, the evolving COVID-19 pandemic that continues to impact supply chain and inflation, significant markets for RNG may develop more slowly than expected; changes in government policies and regulations could negatively impact the market for the Company's products; competition from other developers of RNG and other clean energy alternatives could reduce GIP's market share or reduce its gross margins; and technological advances or the adoption of new codes and standards could impair the Company's ability to deliver its products and fluctuations in foreign exchange rates could impact revenues and costs.

The Company also faces many operating risks and uncertainties, including but not limited to:

- The Company's limited operating history
- The potential for the Company's RNG projects failing to meet performance expectations
- Political and market risk impacting the pricing the Company realizes for the sale of its production, including LCFS, RIN and carbon credit offset markets
- Unexpected disruptions affecting project development and operations
- Potential reduction in the demand for clean energy alternatives
- Inability to obtain required permits and authorizations for the construction and operation of GIP's water treatment and disposal business and RNG projects
- Uncertainty of construction and operating costs
- The Company's ability to develop and operate clean energy projects
- Competition for securing access to RNG and other clean energy projects
- Competition for skilled personnel to construct and operate the Company's facilities
- Failure to comply with environmental regulations
- Exposure to regulatory risks
- GIP's ability to manage planned growth
- Dependence on intellectual property



- Relationships with third-party suppliers, feedstock providers and off-takers of the Company's clean energy products
- Failure to secure additional financing
- Fluctuations in operating results and cash flow required to fund operations and future growth
- Cyber security risks
- The Company's ability to negotiate contracts with new customers and renew contracts with existing customers on acceptable terms
- The Company's ability to obtain insurance or the insurance placed may not be sufficient to cover potential losses

For more detail on risks affecting the Company and additional details on the risks and uncertainties above, please refer to the heading "Risk Factors" which are set forth in Appendix "H" of the Information Circular for the Transaction under the heading "Risk Factors" on the SEDAR website at www.sedar.com.