Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2022 and 2021

April 18, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the years ended December 31, 2022 and 2021 is prepared as of April 18, 2023 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 audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021 and the Company's audited 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 TSX 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 statements, including: the Company's plans, prospects and opportunities expectations regarding future revenue, EBITDA and generation of free cash flow; the anticipated production, performance, capital expenditures and methods of operations in relation to the Company's projects; the expected timing of project construction, milestones and operations; the timing of regulatory approval in respect of Carbon Intensity ("CI") certifications of the GreenGas Colorado Project; the expected capital structure and organization of Future Energy Park; the costs associated with the Company's projects and funding of such costs, including the potential divestiture of a minority interest in one or more of the Company's projects, the anticipated costs associated with capital spending, expectations for the Company's future operations, including the generation of free cash flow and increases in share-based compensation; expectations in respect of Investment Tax Credits ("ITC"), Production Tax Credits ("PTC") and the potential benefits thereof to the Company; anticipated developments in respect of Clean Fuel Regulation ("CFR") and the potential benefits on the value of the Company's portfolio; expectations concerning the nature and timing of additional growth opportunities and the benefits thereof; additional partnership opportunities involving the Company's New Zealand-based energy company; expectations respecting competitive position; anticipated supply and demand for the Company's products and services; expectations concerning the financing of future business activities; the expected benefits of entering into financial hedging contracts; anticipated acquisitions and divestitures; the anticipated carbon impacts associated with the Company's projects and statements as to future economic and operating conditions. Readers should review the cautionary statement respecting forward-looking statements 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, including sources of historic growth opportunities, in addition to our ability to successfully complete our projects and negotiate contracts, expectations relating to future economic, regulatory and operating conditions and adequate access to funding for our projects and ongoing operations. Forward-looking statements 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, management expectations relating to future economic and operating conditions, current and announced build programs, and the expansion plans of other organizations. Forward-looking statements concerning the financing of future business activities is based upon the financing sources on which the Company and its predecessors have historically relied, prospects for obtaining potentially new financing sources, and expectations relating to future economic and operating conditions, including interest rates, supply chains, global supply and demand, energy and commodity prices. Forward-looking statements concerning future economic and operating conditions is based upon historical economic and operating conditions, as well as opinions of third-party analysts reflecting 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 statements 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 statements, whether as a result of new information, future events or otherwise.

2022 ACHEIVEMENTS

2022 and early 2023 has been a truly transformative time for GIP with significant advancements in 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:

Executed $545 Million Strategic Partnering Agreement: Following a successful financing process in 2022, in early 2023, GIP selected Amber Infrastructure Group ("Amber Infrastructure") as a strategic partner to advance the Company's current and future projects. The strategic partnering agreement has provided greater financing certainty to continue advancing GIP's pipeline of projects to execution as well as providing a clear view to the value being created by the Company through its development activities and investments.

GreenGas Colorado RNG facility achieved first natural gas production: Construction of the GreenGas Colorado renewable natural gas ("GreenGas Colorado") project was substantially completed in 2022 with commissioning activities continuing into the first-half of 2023 and the facility now producing first gas.

Future Energy Park ("FEP") advanced towards construction in 2023: FEP, North America's largest carbon negative RNG project, achieved significant project milestones in 2022 on its way to start construction in 2023. All required consultation periods for key permits have been cleared, the project received final Land Use Approval from the City of Calgary, engineering has advanced, and material agreements have been significantly advanced or signed. The required equity for FEP will be provided under the strategic partnering agreement with Amber Infrastructure, subject to customary closing conditions.

Iowa RNG project geared up for construction: GIP's next RNG project in the U.S., Iowa RNG ("Iowa RNG Project"), is targeting a summer 2023 construction start. The Company is currently finalizing the material project agreements, and advancing material permits and approvals, and non-recourse project debt financing. The required equity is being provided under the strategic partnering agreement, subject to customary closing conditions.

Project portfolio grew by $1 Billion to over $3 Billion: The market for new bioenergy projects remains competitive with GIP emerging as one of the leading developers of greenfield projects through our creative and flexible deal structures and relationships with industry-leading execution partners. This, together with our strategic partnering agreement, has provided the platform to grow and advance the Company's portfolio of new projects.

GIP expanded team to facilitate growth: To ensure we continue to execute our projects to GIP's high standard of safety, and efficiency, we have grown our team substantially since 2021, including the addition of a new Board member in early 2023 to further strengthen our corporate governance.

BUSINESS OVERVIEW

Our Business

GIP is a clean energy company publicly traded on the TSX Venture Exchange. GIP's purpose is to create a more sustainable and inclusive planet by developing clean energy. GIP acquires, develops, and builds renewable natural gas ("RNG") and clean bio-energy projects with the intention of building, owning and operating a portfolio of producing facilities, and participates in a wide range of zero-carbon opportunities during all stages of the project lifecycle – from idea generation through to operations. GIP has a growing portfolio of RNG and clean bio-energy projects under development, representing approximately $3 billion in anticipated capital expenditures. GIP is a leading developer of clean transition energy and is well positioned to be a leading producer of net zero carbon 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 and Solids Treatment and Recycling").

The Company reports operating results for the following reportable segments:

- **Water and Solids Treatment and Recycling** – The Water and Solids Treatment and Recycling segment is currently comprised of operational and cash flowing assets in Canada and the United States that provide services to safely recycle and/or dispose of water and solids waste from third party operations as well as optimizing and marketing the associated by-products.

- **Clean Energy Production** – The Clean 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 clean energy projects within this operating segment includes RNG, biofuel and hydrogen distribution. The clean energy projects within the Clean Energy Production segment are not yet operational and as such, have no associated revenue.

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.

Strategic Project Equity Investment

During 2022, GIP ran a process to raise equity capital for our near-term portfolio of projects, including GreenGas Colorado, Iowa RNG Project and Future Energy Park. Susbequent to year end, GIP successfully closed a $545 million strategic project equity investment with Amber Infrastructure. Amber Infrastructure is an infrastructure investor with over $8 billion in assets under management.

Sale of 50% of GreenGas Colorado

Amber Infrastructure, through a wholly-owned subsidiary, purchased a 50% interest in the GreenGas Colorado Project for gross proceeds of US$44.0 million. The purchase price is paid in two installments, with

US$28.5 million paid upon close on February 23, 2023 and US$15.5 million paid upon the anticipated completion of a third-party sale of GreenGas Colorado investment tax credits ("ITC").

Prior to this acquisition, GIP acquired its' minority partners' interest in the GreenGas Colorado project for US$11.2 million.

Subsequent to the acquisition, GIP will manage the operations, however, Amber Infrastructure and GIP will jointly control GreenGas Colorado and as a result, the financial results of GreenGas Colorado will no longer be consolidated and will be accounted as an equity investment on a proforma basis.

<u>Equity Investment in Future Energy Park and Iowa RNG Project</u>

Amber Infrastructure, under a strategic partnering agreement, has committed to invest up to $485 million of equity capital in the Iowa RNG and Future Energy Park projects in exchange for a 50% equity interest. The investment is subject to customary conditions of transactions of this nature. The equity injection for each project will occur once financial close of the non-recourse project debt financing has been achieved and represents over 100% of the equity capital required to build the facilities. Based on the anticipated debt to equity targets for each project, GIP anticipates receiving approximately $175 million in incremental cash proceeds to continue to invest in its growing portfolio of net-zero projects. The majority of this cash is expected to be received by GIP upon commercial operations of Future Energy Park.

<u>Strategic Funding Partner for Development Portfolio</u>

Under the strategic partnering agreement, GIP and Amber Infrastructure also have a framework to continue to partner on future projects over a two-year period under similar terms and conditions. Under this agreement, Amber Infrastructure has a right of first offer to provide equity if required by GIP. Both parties must mutually agree to investment terms.

Sale of Investment Tax Credits – GreenGas Colorado

The Company has engaged an independent third party to provide an initial assessment of the GreenGas ITCs available for sale, subject to the finalization of guidelines from the Internal Revenue Service ("IRS"). Based on this independent assessment, the Company expects net ITC proceeds of approximately US$30 million. The Company has entered into a letter of intent to sell the ITCs to a third party under the IRS transferability provisions and is currently negotiating definitive agreements for this transfer, which expected to occur shortly after the commencement of commercial operations of the GreenGas Colorado project.

Under GIP's agreement with Amber Infrastructure, the Company has the ability to retain all of US$30 million of ITC proceeds. Upon a potential sale, $15.5 million of the ITC proceeds will be segregated and available for potential release to GIP over a five-year period ending June 30, 2028 based on the project's ability to meet its distributable cash forecasts. The ITC sale proceeds in excess of $15.5 million will be immediately released to GIP.

Project Construction and Development Updates

GreenGas Colorado

The Company is currently commissioning its GreenGas Colorado project located in Weld County, Colorado in the United States with the facility currently producing RNG. Full commercial operations is anticipated by the end of Q2 2023. As the facility ramps up to full production in 2023, it is expected to generate approximately 180,000 million British thermal units ("MMBtu") in 2023 with a full year run rate of over

360,000 MMBtu of RNG. Based on the current Q1 2023 pricing, this is estimated to result in approximately $5.5 million of total EBITDA[1] per annum for GIP's 50% interest. In addition, post commissioning, the GreenGas Colorado Project will be required to meet certain CI certifications to monetize the environmental attributes both under the California Low Carbon Fuel Standard ("LCFS") as well as the federal Renewable Identification Number ("RIN") program. As a result of this certification process, cash from the environmental credits will not be received until certification is completed in late 2023.

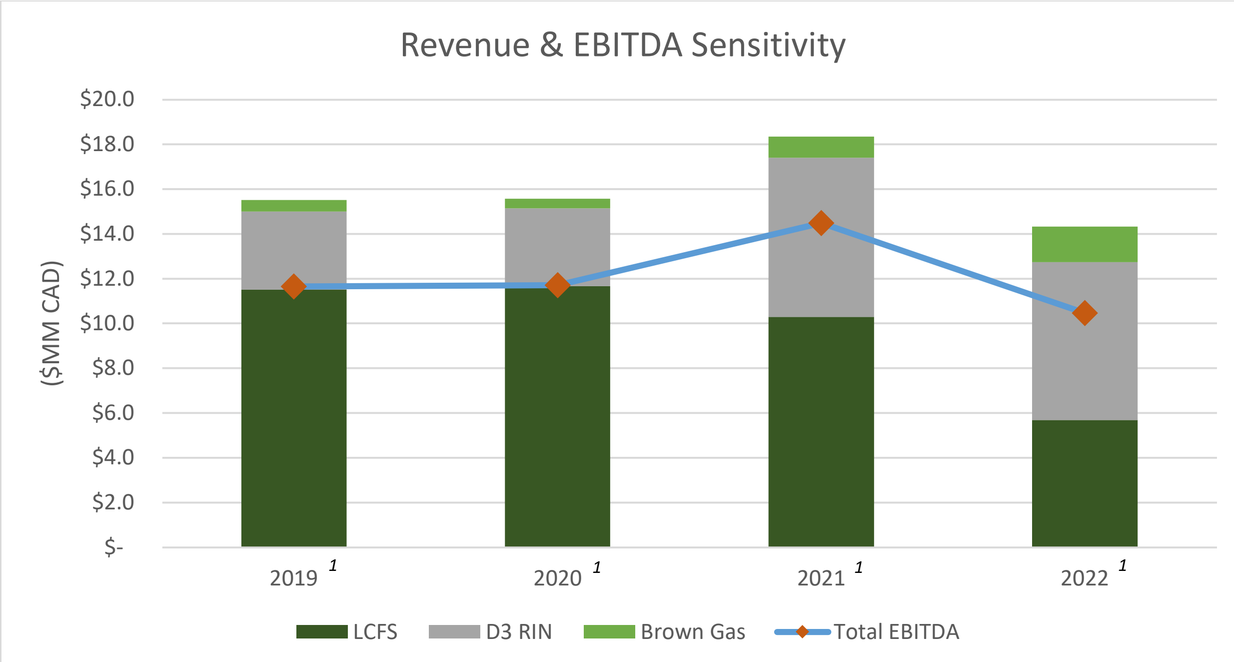
The GreenGas Colorado Project has been constructed under a fixed-price Engineering, Procurement and Construction ("EPC") contract. The total estimated capital cost, including soft costs, initial working capital reserve, fees associated with debt financing, and a US $5 million developer fee paid to GIP, is approximately $105.2 million (US $77.7 million). In December 2021, the GreenGas Colorado Project closed its non-recourse project debt financing for $51.3 million (US $37.9 million) (the "GreenGas Debt Facility"). The GreenGas Debt Facility includes a construction facility which converts to a traditional term loan facility after the completion of construction. The construction facility bears interest at prime + 2.75%. The term loan facility amortizes fully over six years. In 2022, the Company entered into a fixed-rate interest rate swap to fix the floating interest rate during the six-year term loan at 7.35%. As at December 31, 2022, $76.1 million (US $56.3 million) has been invested by GIP in the construction of this facility, leaving approximately $29.0 million (US $21.4 million) left to spend to complete the project. The remaining capital costs will be funded through the remaining availability under the GreenGas Debt Facility of $12.7 million (US $9.4 million) and cash on hand. The purchase price paid by Amber Infrastructure for the project was based on the facility being completed. GIP is responsible for the remaining equity funding to complete the facility.

As discussed above, the Company has entered into a letter of intent to sell the ITCs to a third party under the IRS transferability provisions and is currently negotiating definitive agreements for this transfer, which is expected to occur shortly after the commencement of commercial operations of the GreenGas Colorado project.

GreenGas Colorado 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 GreenGas Colorado's RNG into the LCFS and 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 GreenGas Colorado.

The graph below illustrates the revenue and EBITDA that GIP would have realized for this project for its net ownership interest of 50% based on the expected generation capacity per annum using the actual market pricing over the historical period, adjusted for charges under the offtake agreement, including transportation.

[1] This is a non-IFRS financial measure. See the "Summary of Non-IFRS Measures" section.



[1] The 2019, 2020, 2021 and 2022 periods demonstrate the revenue and EBITDA that the GreenGas Colorado Project would have received based on the Company's estimated RNG production of 360,000 MMBtu per annum and the annual historical average pricing for LCFS, RIN and brown gas. The chart is the Canadian dollar ("CAD") equivalent based on an average United States dollar to CAD exchange rate of 1.36.

Iowa RNG Project

The Company continued to advance development of its Iowa RNG Project and construction start is anticipated within the next few months with completion planned for late 2024. The Iowa RNG Project is comprised of three dairies and is expected to generate approximately 350,000 MMBtu of RNG per annum. During the year, the Company advanced the permits, approvals, and stakeholder consultation necessary to begin construction of the project. Certain permits are currently in hand with the remaining expected early in the second quarter of 2023. In addition, the Company executed the interconnection agreement, materially advanced engineering and design to construction-ready and is in the process of negotiating the final terms of its commercial arrangements, including the EPC agreement. The Iowa RNG Project is expected to cost $100 million, including financing and soft costs. The Company is in the process of closing the non-recourse project debt financing and finalizing the definitive agreements for Amber Infrastructure's investment. The Company expects leverage of approximately 60%, including an anticipated bridge loan for the Iowa RNG Project's ITCs, which are estimated at approximately US $20 million. The Iowa RNG Project is similar in scope to the GreenGas Colorado Project and is anticipated to deliver its RNG into U.S. LCFS and RIN markets. Based on average market pricing for Q1 2023, the Iowa RNG Project would generate approximately $8.4 million in annual EBITDA on a gross basis. The Company expects to retain a 50% interest in the project with 50% held by Amber Infrastructure.

Future Energy Park

The Company continues to materially advance its large-scale bio-fuel facility in Calgary, Alberta. Future Energy Park, once operational, is expected to have a lower carbon impact than all traditional renewable energy projects (wind, solar or hydro energy) and will be the largest, negative carbon intensity RNG project in North America, with an estimated production of over 3.5 million MMBtu per annum of RNG. Additionally, it is expected to produce, annually, over 300 million litres of cellulosic equivalent ethanol, approximately 100,000 tonnes of high-quality protein distillers grain, 1.5 million tonnes of carbon offset credits, and capture 400,000 tonnes of clean CO_2.

Future Energy Park is projected to 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 anerobic 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 with any excess power sold into the market. Carbon credits are generated throughout the entire facility process, in addition to other by-products including high-quality protein distillers grain and CO_2.

The Company made significant advancements over the course of 2022 and early 2023 including:

- Secured equity financing for the project through the Company's strategic partnering agreement with Amber Infrastructure;
- Cleared all public consultation periods to support the regulatory permits and approvals required to commence construction and are now in the administrative phase;
- Executed a purchase and sale agreement for the land from the City of Calgary and received our final land use approval in early 2023;
- Advanced to near final its fixed price construction contracts;
- Recently executed a term sheet with a creditworthy counterparty for the sale of RNG on a fixed-price basis for a 20-year term;
- Executed a contract for the sale of the high-quality distillers grain indexed to food grade wheat; and
- Transferred all assets and liabilities from the development corporation, Future Energy Development Corp. ("FEP Dev Corp") to a newly formed Future Energy Park Limited Partnership ("FEP LP"). FEP LP Class A units are currently 100% held by GIP, with 50.1% expected to be held by Amber Infrastructure in accordance with the strategic partnering agreement. The Class B units are held by FEP Dev Corp. and entitle the holders to a carried interest in the net distributions of FEP LP and hold no other rights.

The Company is currently focused on finalizing the commercial contracts and closing the debt financing, with a target construction start this year. The build is expected to take approximately two years with commercial operations in late 2025 or early 2026. Once fully operational, based on anticipated generation, independent price forecasts and contract terms, the Company anticipates Future Energy Park to generate annual EBITDA to the Company of over $150 million for its expected 50% equity interest.

New Zealand Green Hydrogen

In 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, however NZCo has experienced certain supply chain challenges. Commercial operations are now anticipated by year end 2023. GIP currently holds a 12% interest, with an option to increase its interest to 18% by investing an additional $3.9 million in capital. This option is triggered once NZCo satisfies certain performance milestones. 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 identified multiple projects representing approximately $3 billion in clean energy initiatives 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.

Policy Developments

There have been recent developments in the renewable energy space that are expected to have a material impact on the Company's projects.

Investment Tax Credits:

In August 2022, the Inflation Reduction Act of 2022 was passed by the U.S. House of Representatives to spur the expanded production of clean energy facilities and put the U.S. on a path to 40% emissions reduction by 2030. The legislation extends and improves the existing ITC for investments in infrastructure to produce clean fuels.

The ITC has been expanded to include qualified biogas projects such as the Company's organic waste RNG projects and provides for a refundable, transferable, tax credit that could amount to 30% of certain eligible construction costs with a potential 10% bonus credit for projects that meet domestic content requirements. The ITC applies to projects placed into service on or after January 1, 2023 and that have begun construction by the end of 2024.

The ITC is expected to provide a direct benefit to GIP's portfolio of U.S. development and construction assets, including a benefit of approximately US $30 million for the GreenGas Colorado Project and approximately US $20 million for the Iowa RNG Project. Subject to the issuance of technical guidance from the Internal Revenue Service, the Company is anticipating monetizing this benefit through either transfers or other tax equity financing structures.

In Canada, both the 2022 Fall Economic Statement and the recently released 2023 Federal Budget, introduced a refundable ITC equal to 30% of the capital cost of eligible equipment related to clean technologies. Further information is required to fully assess the impact, however, based on initial analysis the Company expects to receive a minimum ITC for Future Energy Park of $20 million, with a potential benefit to future projects.

Production Tax Credits ("PTC"):

In addition, starting on January 1, 2025, the sustainable aviation fuel, biodiesel renewable fuels, and alternative fuels credits will transition to the clean fuel production credit under Section 45Z of the U.S. Inflation Reduction Act, which terminates on December 31, 2027. The credit applies to transportation fuel produced and sold from December 31, 2024 through December 31, 2027 and that meets a particular emissions reduction factor. GIP expects its RNG facilities to meet the criteria to qualify for these PTCs. The Inflation Reduction Act provides a base credit of 20 cents per gallon or $1.00 per gallon if prevailing wage and apprentices requirements are met. The actual credit amount is determined using a formula that takes into account the base credit amount and the GHG emissions factor. GIP estimates that the impact of these PTCs to be a minimum of approximately $8 per MMBtu of production to significantly higher than that depending on how the final legislation treats individual project CI Score. If project specific CI scores are used to base the emissions rate associated with the PTC's we could expect to see four to five times the base $8 per MMBtu based on the CI scores of our current RNG projects. Similar to the ITC, the Company may sell the PTC's to a third party for cash proceeds.

Clean Fuel Regulation:

In Canada, the federal government has developed Clean Fuel Regulations ("CFR") that aim to reduce the CI of liquid fuels nationwide by approximately 15% below 2016 levels by 2030. The CFR is a national level LCFS focused on driving investment and growth in Canada's transportation fuel sector. It will require liquid fossil fuel primary suppliers (domestic importers and/or producers) to lower the CI of their fuel starting July 1, 2023 and thereafter. Compliance can be accomplished through specific pathways or compliance categories, which generate credits or require the acquisition of credits. Compliance credits can be cleared through the carbon credit market for traded credits (maximum price set at $300/mt in 2022 dollars, CPI adjusted), and through non-tradeable credits within the compliance fund mechanism (price set at $350/tonne in 2022 dollars, adjusted annually based on CPI). This latter mechanism has a limited 10% use for meeting compliance obligations. The introduction of the CFR will allow GIP to incrementally monetize the value of its environmental credits associated with its Canadian portfolio, in particular, the bio-fuels produced by Future Energy Park, (ethanol and RNG) by selling these credits to fuel suppliers to enable them to meet their annual CI reduction obligations. The CFR program will provide incremental EBITDA beyond that which has been described in this MD&A for Future Energy Park, as the credits from the CFR can be stacked with other LCFS programs in Canada, such as the British Columbia LCFS program. This benefit will also extend to GIP's other Canadian projects.

SELECTED ANNUAL FINANCIAL INFORMATION

($000) *As at and for the years ended*	December 31, 2022	December 31, 2021	December 31, 2020
Revenue	213,738	128,972	95,818
Gross margin	5,401	7,365	5,764
Loss from operations	(5,463)	(1,780)	(1,107)
Net loss	(9,361)	(642)	(2,457)
Comprehensive loss	(7,558)	(349)	(2,457)
Funds from (used in) operations	(122)	3,605	3,377
Cash from (used in) operations	(2,519)	(416)	9,994
Purchase of property, plant and equipment	(52,927)	(37,181)	(513)
Total assets	226,977	176,070	82,790
Total liabilities	109,307	48,331	57,339

RESULTS OF OPERATIONS

Revenue & Gross Margin:

	For The Three Months Ended		
($000)	December 31, 2022	December 31, 2021	Change ($)
Revenue	44,719	38,723	5,996
Direct costs	(43,610)	(36,201)	(7,409)
Gross margin	**1,109**	**2,522**	**(1,413)**
%	2.5%	6.5%	4.0%

Gross margin for the three months ended December 31, 2022 decreased by $1.4 million, as compared to the three months ended December 31, 2021. While revenue increased by $6.0 million, direct costs increased by $7.4 million, resulting in the erosion of gross margin. Costs experienced upward pressure during the fourth quarter of 2022 including fuel, electricity, trucking, and labour due to inflation and a tight labour market in the areas in which the Company operates.

	For The Years Ended		
($000)	December 31, 2022	December 31, 2021	Change ($)
Revenue	213,738	128,972	84,766
Direct costs	208,337	121,607	(86,730)
Gross margin	**5,401**	**7,365**	**(1,964)**
%	2.5%	5.7%	(3.2%)

Gross margin decreased by $2.0 million, for the year ended December 31, 2022, as compared to the prior year. This decline was experienced despite an increase in revenue year over year of $85 million. The main reason for the increase in revenue was a result of higher average pricing of the underlying commodities being sold relative to the prior year. However, given that most of the revenue is derived from buy/sell arrangements, the associated cost of sales increased by an equal amount. Other costs experienced upward pressure during 2022 including fuel, electricity, trucking and labour. Also, as discussed in previous reports, during earlier quarters of 2022, inventory was oversold early in 2022 at a time when prices were lower than the overall 2022 average pricing, which resulted in covering the inventory short position as prices rose in later quarters. These factors all combined to a reduction in gross margin from 5.7% in 2021 to 2.5% in 2022. The inventory issue was rectified in a replacement of staff and additional management to oversee this aspect of the business. While we continue to experience a higher overall cost structure, we have been working to ensure these higher costs are being recovered though our fees charged to customers. As a result, we expect these results to improve through 2023 and have projected margins of approximately $7.0 million or 3.3% for fiscal 2023. We expect the improvements and the highest margins to be realized in the second half of 2023 as a result of new commercial arrangements that have recently been entered into.

Operating Expenses:

	For The Three Months Ended		
($000)	December 31, 2022	December 31, 2021	Change ($)
Depreciation and amortization	1,271	1,346	(75)
Salaries and wages	452	448	4
Selling, general and administration	996	624	372
Total Operating Expenses	**2,719**	**2,418**	**301**

Operating expenses for the three months ended December 31, 2022 have increased by $0.3 million compared to the same period of 2021. Depreciation and amortization declined by a marginal amount due to certain legacy assets becoming fully depreciated coupled with limited additions to depreciable assets within property, plant and equipment quarter over quarter.

The majority of the increase in operating expenses quarter over quarter was selling, general and administrative expenses, which includes the following items: rental costs, vehicle costs, insurance expenses, office costs, advertising and promotion, and professional and consulting fees. Selling, general and administrative expenses for the three months ended December 31, 2022, increased by approximately $0.4 million compared to the three months ended December 31, 2021. This rise in costs was due to the overall growth of the Company in the past year. Additional legal, consulting, insurance, training, travel and other costs were incurred to support the overall organizational growth. Also, selling, general and administrative costs were abnormally low for the three months ended December 31, 2021, due to certain accrued costs during the year related to Board of Director fees and legal costs that were ultimately determined to not be payable and consequently were reversed during the fourth quarter.

Although average staffing levels were higher over the three months ended December 31, 2022 as compared to same period in 2021, the majority of salaries and wages related to new staff are being capitalized to property, plant and equipment as the Company is advancing more projects through development in the fourth quarter of 2022 relative to the fourth quarter of 2021.

($000)	For The Years Ended December 31, 2022	December 31, 2021	Change ($)
Depreciation and amortization	5,458	5,366	92
Salaries and wages	1,751	1,911	(160)
Selling, general and administration	3,655	1,868	1,787
Total Operating Expenses	**10,864**	**9,145**	**1,719**

Depreciation and amortization for the year ended December 31, 2022 was relatively consistent with the prior year, with a 2% decrease compared to 2021. Although not a significant change, the impact is a net effect of offsetting factors. Depreciation of the legacy operating assets that were acquired in 2021 has declined due to some of those assets being fully depreciated. This was offset by incremental depreciation related to the property, plant and equipment acquired as part of the acquisition of the U.S. portion of the Water and Solids Treatment and Recycling business in May 2021 and the amortization of intangible assets recognized as part of the same transaction. The Company's assets under construction are not yet in operation and therefore depreciation related to these assets has not yet been recognized.

Combined salaries and wages and selling, general and administrative expenses for year ended December 31, 2022, increased by approximately $1.6 million compared to 2021. This increase was a result of two key factors: 1) for the first 5 months of 2021 the company operated as a subsidiary of a larger entity while for the entirety of 2022, GIP operated as a stand-alone entity. This resulted in additional costs associated with the new GIP executive and management staff, information technology, legal, insurance and consulting fees; and 2) the GIP staff count has grown since 2021 by 15%. As described earlier, although staffing levels have increased, an increase in salaries and wages has not been realized given that a larger portion of salaries are being capitalized to property, plant and equipment due to the more advanced status of the Company's projects in the 2022 relative to 2021. As a result of planned growth to support execution on the Company's near-term projects, Salaries and Wages and Selling, General and Administrative expenses are expected to average approximately $1.6 million per quarter for fiscal 2023.

Non-Operating Expenses:

($000)	For The Three Months Ended December 31, 2022	December 31, 2021	Change ($)
Finance costs	474	54	420
Listing expense	-	(435)	435
Unrealized gain on risk management contracts	188	-	188
Impairment loss	3,001	-	3,001
Share-based compensation	692	36	656
Unrealized gain on foreign exchange	(869)	21	(890)
Realized gain on foreign exchange	(21)	(22)	1
Total Non-Operating Expenses	**3,465**	**(346)**	**3,811**

Finance Costs

Finance costs for the three months ended December 31, 2022, were comprised of a combination of interest on long-term debt, accretion expense on the asset retirement obligation liability and the amortization of deferred financing costs. The increase of $0.4 million was a direct result of the levels of interest-bearing debt in the associated reporting periods. For the three months ended December 31, 2021, the level of debt was limited to minor vehicle and equipment leases. For the three months ended December 31, 2022, the majority of finance costs was associated with the Company's corporate credit facility, which increased from a nil balance in the fourth quarter of 2021 to a drawn balance of $25.5 million for the fourth quarter of 2022. For the three months ended December 31, 2022, finance costs did not rise in direct correlation to consolidated long-term debt due to the fact that the interest costs incurred to date on the GreenGas Colorado construction facility have been capitalized to assets under construction.

Unrealized Loss on Risk Management Contracts

The unrealized loss on risk management contracts is a new item for 2022 and relates to a fixed-price interest rate swap that was entered into by the Company during the second quarter of 2022. The swap has a notional amount of US $37.9 million, a fixed interest rate of 7.35%, an effective date of June 30, 2023, and a termination date of June 30, 2029. The Company has not applied hedge accounting to account for this financial instrument and therefore the swap is marked to market each reporting period with any unrealized gains and losses being recognized in earnings or losses. The forward curve for interest rates increased since the inception of the contract in and consequently, the market-to-market resulted in an unrealized risk management contracts asset and an associated $0.2 million unrealized gain being recognized for the three months ended December 31, 2022.

Impairment Loss

Goodwill was initially recorded on the acquisition of the Water and Solids Treatment business in 2021 that resulted from the Transaction outlined in Note 1 of the annual consolidated financial statements. At December 31, 2022, the Company completed an impairment test of its one active CGU, Water and Solids Treatment and Recycling, which currently comprises the Water and Industrial operating segment. The results of that test indicated that as a result of the operating results for the year there was an impairment of the Water and Solids Treatment and Recycling CGU that existed at December 31, 2022. The Impairment expense was first allocated to reduce the total value of goodwill to nil from initially recorded $3 million. There was no remaining impairment expense therefore there was no impairment expense allocated to the property, plant and equipment. The impairment test was performed using internally generated future cash flow forecasts that are based on actual historical results adjusted for more recent results and budgets prepared by management. This cash flow stream was then discounted using an after-tax discount rate of 15%.

Share-based Compensation

Share-based compensation was a new expense item in late 2021 as the first share-based awards (Share Units and Stock Options) were granted to staff and directors in December 2021. While there was only a portion of a quarter of expense recognized in 2021, there was a full quarter of expense and an incremental grant recognized earlier in 2022, when the Company granted an additional 245,882 Share Units and 526,889 Stock Options. These additional grants, and the recognition of a portion of the associated fair value of outstanding share-based awards, resulted in higher share-based compensation for the three months ended December 31, 2022 relative to the same period in 2021.

	For The Years Ended		
($000)	December 31, 2022	December 31, 2021	Change ($)
Finance costs	1,086	970	116
Listing expense	-	2,087	(2,087)
Unrealized gain on risk management contracts	(744)	-	(744)
Impairment loss	3,001	-	3,001
(Gain)/loss on debt forgiveness	-	(257)	257
Share-based compensation	2,446	36	2,410
Total Non-Operating Expenses	**5,789**	**2,836**	**2,953**

Finance Costs

Finance costs for the year ended December 31, 2022, were comprised of a combination of interest on long-term debt, accretion expense on the asset retirement obligation liability and the amortization of deferred financing costs. The increase of $0.1 million was a direct result of the levels of interest-bearing debt in the associated reporting periods. In May 2021, there was a reduction in debt of $25.9 million reduction related to the Canadian Water and Solids Treatment and Recycling assets. This long-term debt was outstanding and accruing interest during the comparative period from January 1 to May 27, 2021. Interest-bearing debt levels were kept to a minimum for the remainder of 2021 and into early 2022, but as the year progressed, the amounts drawn under the debt facilities increased to finance development activities, resulting in increased interest costs. By the fourth quarter of 2022, interest expense on long-term debt was $0.4 million per quarter. For the year ended December 31, 2022, finance costs did not rise in direct correlation to consolidated long-term debt due to the fact that the interest costs incurred to date on the GreenGas Colorado construction facility have been capitalized to assets under construction. In fiscal 2023, management expects finance costs to increase as GreenGas Colorado becomes operational and the associated interest costs are expensed to finance costs on the statement of income.

Unrealized Loss on Risk Management Contracts

The unrealized loss on risk management contracts is a new item for 2022 and relates to a fixed-price interest rate swap that was entered into by the Company during the second quarter of 2022. The forward curve for interest rates increased since the inception of the contract and consequently, the market-to-market resulted in an unrealized risk management contracts asset and an associated $0.7 million unrealized gain being recognized for the year ended December 31, 2022.

Share-based Compensation

Share-based compensation was a new expense item in late 2021 as the first share-based awards (Share Units and Stock Options) were granted to staff and directors in December 2021. While there was only a portion of a quarter of expense recognized in 2021, there was a full year of expense and an incremental grant recognized in 2022. The additional grants, and the recognition of a portion of the associated fair value of outstanding share-based awards, resulted in higher share-based compensation in 2022 relative to 2021. Management expects share-based compensation to increase in future periods as additional compensation is granted to new and existing staff. Subsequent to December 31, 2022, an additional 628,880 Stock Options and 407,682 Performance Units were granted to staff. The remaining fair value to be recognized over the life of the combined instruments currently outstanding as at December 31, 2022 is $3.3 million and a total of $10.2 million as of the date of this MD&A.

SUMMARY OF NON-IFRS MEASURES

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by 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.

Below is a description and composition of each non-IFRS measure disclosed in this MD&A , together with: (i) the most directly comparable financial measure that is specified, defined and determined in accordance with IFRS to which each non-IFRS measure relates; (ii) an explanation of how each non-IFRS measure provides useful information to investors and the additional purposes for which management uses each non-IFRS measure; and (iii) a quantitative reconciliation of each non-IFRS measure to the most directly comparable IFRS financial measure.

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. Net income (loss) is the most directly comparable IFRS financial measure. EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other issuers. Management believes EBITDA is an important performance metric that measures 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. Net income (loss) is the most directly comparable IFRS financial measure. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other issuers. Prior period Adjusted EBITDA has been calculated and presented in accordance with the current period calculation and presentation.

Management believes that in addition to net income (loss), Adjusted EBITDA is a useful supplemental measure to enhance investors' understanding of the results generated by the Company's principal business activities prior to consideration of how those activities are financed, how the results are taxed, how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of the Company's core operations. Management calculates these adjustments consistently from period to period. Adjusted EBITDA is used by management to determine the Company's ability to service debt and finance capital expenditures. Management believes that Adjusted EBITDA as a measure is indicative of how the fundamental business is performing.

($000)	For The Three Months Ended December 31, 2022	December 31, 2021	$ Change
Net loss	(5,124)	2,963	(8,087)
Income tax recovery	48	(2,511)	2,559
Depreciation and amortization	1,271	1,346	(75)
Finance costs	474	54	420
EBITDA	**(3,331)**	**1,852**	**(5,183)**
Share-based compensation	**692**	**36**	656
Impairment loss	**3,001**	**-**	3,001
Unrealized gain on risk management contracts	**188**	**-**	188
Gain on debt forgiveness	**-**	**(257)**	257
Listing expense on RTO Transaction	**-**	**2,087**	(2,087)
Adjusted EBITDA	**550**	**3,718**	**(3,168)**

($000)	For The Years Ended December 31, 2022	December 31, 2021	$ Change
Net loss	(9,361)	(642)	(8,719)
Income tax recovery	(981)	(3,974)	2,993
Depreciation and amortization	5,458	5,366	92
Finance costs	1,086	970	116
EBITDA	**(3,798)**	**1,720**	**(5,518)**
Share-based compensation	**2,446**	**-**	**2,446**
Impairment loss	**3,001**	**-**	**3,001**
Unrealized gain on risk management contracts	**(774)**	**-**	**(774)**
Gain on debt forgiveness	**-**	**(257)**	**257**
Listing expense on RTO Transaction	**-**	**2,087**	**(2,087)**
Adjusted EBITDA	**875**	**3,550**	**(2,675)**

SUMMARY OF QUARTERLY RESULTS

($000)	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Revenue	44,719	55,347	68,885	44,787
Adjusted EBITDA	550	(169)	(712)	1,206
Net income (loss)	(5,124)	(223)	(3,485)	(529)
Net income (loss) per share-Basic	*(0.25)*	*(0.01)*	*(0.17)*	*(0.03)*
Net income (loss) per share-Diluted	*(0.25)*	*(0.01)*	*(0.17)*	*(0.03)*

	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)
Net income (loss) per share-Basic	*0.15*	*(0.03)*	*(0.20)*	*(0.01)*
Net income (loss) per share-Diluted	*0.15*	*(0.03)*	*(0.20)*	*(0.01)*

The variation of Adjusted EBITDA over the trailing eight quarters partially results from the seasonality of the business. The Canadian Water and Solids Treatment and Recycling business is reliant on the industry activity that peaks, due to location and weather, in the fall and winter. Summer break-up which begins in early spring and lasts until late summer results in decreased activity due to road bans and poor operating conditions. Therefore, results in the second and third quarters of the fiscal year are generally lower than those realized in the first and fourth quarters. Net income and Adjusted EBITDA for the second and third quarters of 2022 were abnormally low due to the factors as discussed above in the Results of Operations section of this MD&A. In addition, the impairment loss discussed above also resulted in an abnormally large net loss for the fourth quarter of 2022.

LIQUIDITY AND CAPITAL RESOURCES

The Company expects to generate sufficient cash flows from operations, in the short term and long term, 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.

As described in the subsequent events note in the consolidated financial statements as at and for the year ended December 31, 2022, the Company has entered into a strategic partnering agreement with Amber Infrastructure. As part of this agreement, Amber Infrastructure acquired 50% of GreenGas Colorado. The proceeds from this transaction were used to fund the remaining equity commitment required to complete construction and bring the project into commercial operation. A portion of these proceeds were also used to reduce the amount outstanding on the Company's corporate credit facility. All other remaining capital commitments associated with the Company's pre-development projects such as Future Energy Park and Iowa RNG Project are fully funded through the combination of the remaining transaction proceeds, cash flow from operations and available capacity on the Company's corporate credit facility. Prior to incurring material construction costs for the Company's near-term projects, GIP will secure adequate sources of financing to supplement the equity contribution to be made by Amber in accordance with the strategic partnering agreement, including non-recourse project level debt.

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 considers its current level of working capital, including undrawn available credit facilities, to be sufficient to meet its needs, including to satisfy payments on debt. An amendment to GIP's existing corporate credit facility was executed in the fourth quarter of 2022 and in accordance with the amendments, GIP is required to maintain certain financial covenants associated with its corporate credit facility, which includes maintaining a debt to tangible net worth of less than 3.00:1.00 and cash flow coverage ratio for GIP's main operating subsidiary ("GIP Opco") of greater than 1.25:1:00. GIP Opco represents the consolidated results of GIP's main operating subsidiaries that hold ownership in the Water and Solids Treatment business and GreenGas Colorado. As at December 31, 2022, GIP was in compliance with all debt covenants.

The Company will also be subject to a financial covenant on the GreenGas Colorado Debt Facility after term conversion from the construction facility to the term loan facility, which is expected to occur on June 30, 2023. GreenGas Colorado must maintain a minimum debt service coverage ratio of 1.25:1.00 on a rolling four-quarter basis commencing on June 30, 2024.

The Company manages its liquidity risk through the management of its capital structure and working capital, and monitoring and reviewing actual and forecasted cash flows to ensure there are available cash resources to meet the Company's liquidity needs. The Company's cash, cash equivalents and 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.

	For The Three Months Ended		
($000)	**December 31, 2022**	**December 31, 2021**	**$ Change**
Cash from (used in) operating activities	(414)	(2,213)	1,799
Cash (used in) investing activities	(7,032)	(19,957)	12,925
Cash from (used in) financing activities	7,915	(269)	8,184
Impact of foreign currency translation on cash	(10)	(225)	215
Increase (decrease) in cash	**459**	**(22,664)**	**23,123**

Operating Activities

Cash from operating activities for the three months ended December 31, 2022, increased by $1.8 million over the three months ended December 31, 2021. The increase in cash from operating activities resulted primarily due to the fact that in the fourth quarter of 2021, the Company issued a promissory note to a developer to obtain exclusivity for a pre-development RNG project, which was recorded as a short-term asset within operating working capital.

Investing Activities

Cash used in investing activities for the three months ended December 31, 2022, decreased by $12.9 million compared to the same period ended 2021. This decrease was primarily a result of the timing of capital expenditures on GreenGas Colorado, which in the fourth quarter of 2021 was in full construction, while in the fourth quarter of 2022, construction was nearing completion and start-up and commissioning activities had commenced. Some of this decline in capital spend was offset by an increase in spend for Future Energy Park, which amounted to $2.0 million for the three months ended December 31, 2022.

Financing Activities

Cash from financing activities for the three months ended December 31, 2022, increased by $8 million from the three months ended December 31, 2021. The majority of this increase corresponds to the spend on GreenGas Colorado, which was mostly funded using either the project-level construction credit facility or using the Company's corporate credit facility. This compares to 2021, when the GreenGas capital expenditures were primarily funded using equity raised in the first nine months of 2021. The corporate credit facility and GreenGas construction credit facility were not available for use until early 2022.

	For The Years Ended		
($000)	**December 31, 2022**	**December 31, 2021**	**$ Change**
Cash from (used in) operating activities	(2,519)	(416)	(2,103)
Cash (used in) investing activities	(55,561)	(36,734)	(18,827)
Cash from (used in) financing activities	55,808	41,606	14,202
Impact of foreign currency translation on cash	466	40	426
Increase (decrease) in cash	**(1,806)**	**4,496**	**(6,302)**

Operating Activities

Cash from operating activities for the year ended December 31, 2022 decreased by $2.0 million. The decrease in cash from operating activities resulted from a decrease in Adjusted EBITDA of $2.7 million for the year ended December 31, 2022 relative to 2021, primarily due to the factors discussed above in "Business Overview – Market Trends".

Investing Activities

Cash used in investing activities for the year ended December 31, 2022 increased by $18.8 million compared to the same period ended 2021. The additional use of cash primarily resulted from spending on GreenGas Colorado which totalled $42.5 million compared to $28.3 million in 2021, and Future Energy Park with $8.5 million of spend in 2022 relative to $3.6 million in 2021. Management expects the pace of capital spend to slow in the first half of 2023 as construction on GreenGas Colorado wraps up and construction on Future Energy Park and the Iowa RNG Project is yet to begin.

Financing Activities

Cash from financing activities for the year ended December 31, 2022 increased by $14.2 million from 2021. This increase was primarily a result of the drawing of funds from the Company's corporate credit facility and GreenGas Colorado's construction facility to fund construction expenditures on GreenGas Colorado and pre-construction costs for Future Energy Park and other RNG projects. The Company also completed share purchases to support its long-term compensation plans in the aggregate amount of $6.0 million for the year ended December 31, 2022. For the year ended December 31, 2021, the majority of the cash flow from financing activities was sourced from the net proceeds of the equity private placement completed in May 2021.

($000)	December 31, 2022	December 31, 2021	$ Change
Current assets	25,742	23,560	2,182
Current liabilities[1]	29,856	21,252	8,604
Working capital surplus (deficit)	**(4,114)**	**2,308**	**(6,422)**

[1]The working capital above includes the current and demand portions of long-term debt of approximately $0.3 million at December 31, 2022 ($0.2 million as at December 31, 2021).

Despite the working capital deficit as at December 31, 2022, the Company has the ability to meet its obligations as they become due. $8.0 million of current liabilities relate to liabilities associated with Future Energy Park that only become due and payable upon Final Notice to Proceed ("FNTP"). FNTP will not occur until adequate financing is in place to fund construction of the project and settle these liabilities. These have been classified as current liabilities as the Company has assessed that that financing will likely be secured and FNTP will occur within the next year. Excluding these liabilities, the Company is in a positive working capital position of $3.8 million. As at December 31, 2022, there is an undrawn balance of $2.6 million from the corporate credit facility as well as cash flow from operations to cover obligations.

Also, as discussed above, subsequent to December 31, 2022, the Company has entered into a strategic partnering agreement with Amber Infrastructure. As part of this agreement, Amber acquired 50% of GreenGas Colorado. The proceeds from this transaction were used to fund the remaining equity commitment required to complete construction and bring the project into commercial operation. A portion of these proceeds were also used to reduce the amount outstanding on the Company's corporate credit facility. All other remaining capital commitments associated with the Company's pre-development projects such as Future Energy Park and the Iowa RNG Project are fully funded through the combination of the remaining transaction proceeds, cash flow from operations and available capacity on the Company's corporate credit facility. Prior to incurring material construction costs for the Company's near-term projects, GIP will secure adequate sources of financing to supplement the equity contribution to be made by Amber Infrastructure in accordance with the strategic partnering agreement, including non-recourse project level debt.

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

As at December 31, 2022	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**21,031**	21,031	-	-	**-**
Other current liabilities	**8,593**	8,593	-	-	**-**
Long-term debt	**87,709**	2,781	57,456	21,978	5,494
Other long-term liabilities	**2,148**	-	2,148	-	-
Lease obligations	**271**	163	108	-	**-**
Total financial liabilities	**119,752**	**32,568**	**59,712**	**21,978**	**5,494**

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 in 2022 compared to the prior year. 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, entering into strategic partnerships, 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, 2022	December 31, 2021
Current assets	25,742	23,560
Current liabilities	(29,856)	(21,252)
Long-term debt	66,057	136
Other long-term liabilities	1,893	9,288
Shareholders' equity	103,867	114,944
	167,703	**126,676**

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 notes 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.

TRANSACTIONS BETWEEN RELATED PARTIES

The Chief Executive Officer of the Company is the Executive Chairman 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, 2022, the Company paid $nil (2021 - $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 had been collecting certain revenue and settling certain expenses on behalf of the Company but this arrangement ceased in 2022. The total net amount owed to GIP from Wolverine amounted to $nil at December 31, 2022 (December 31, 2021 - $0.5). The transition services agreement's term ended on 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.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year ended December 31, 2022.

GIP plans to adopt the following amendments to accounting standards, issued by the IASB, that are effective for annual periods beginning on or after January 1, 2023. The pronouncements will be adopted on their respective effective dates; however, each is not expected to have a material impact on the financial statements.

Amendments to IAS 1 Presentation of Financial Statements

Amendments to IAS 1 (effective January 1, 2023) require entities to disclose their material accounting policy information rather than significant accounting policy information. The amendments provide guidance on how an entity can identify material accounting policy information and clarify that information may be material because of its nature, even if the related amounts are immaterial. Management does not believe any changes to the disclosure of accounting policy information will be required for the December 31, 2023 annual financial statements.

Additional amendments to IAS 1 (effective January 1, 2024):

- Clarify the classification of liabilities as current or non-current based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer or accelerate settlement. Management is currently assessing the impact of these amendments.

- Clarify whether covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. In addition, the amendments require a company to disclose information about these covenants in the notes to the financial statements. Management is currently assessing the impact of these amendments.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to IAS 8 (effective January 1, 2023) introduce the definition of "accounting estimates" and clarify the difference between changes in accounting policies and changes in accounting estimates. These amendments will impact changes in accounting policies and changes in accounting estimates made after these amendments are adopted by the Company.

OUTSTANDING SHARE DATA

On April 18, 2023, the Company had the following common shares, stock options and share units outstanding:

Common shares	20,300,005
Stock options (vested and unvested)	1,554,700
Share units	476,856
Performance units	407,682
	22,739,243

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 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, including the impacts of inflation
- 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.