Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Months Ended June 30, 2023 and 2022

August 24, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2023 and 2022 is prepared as of August 24, 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 condensed consolidated interim financial statements as at and for the three and six months ended June 30, 2023 and 2022 and the Company's audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021, 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, inputs, carbon capture, 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 timing of and ability to secure various municipal permits from the City of Calgary for the Future Energy Park; 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; the expected use of proceeds raised from the June 2023 private placement; 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 the annual MD&A for the year ended December 31, 2022, which can be found on the SEDAR website at www.sedar.com.

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.

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 through the development and production of clean, carbon neutral, 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 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.

Q2 2023 Highlights

Key highlights and accomplishments for Q2 2023 and as of the date of this MD&A include:

Commissioning Activities Approach Completion at GreenGas Colorado RNG Facility ("GreenGas Colorado"): Commissioning activities continue at GreenGas Colorado with commercial operations at full plant capacity anticipated in the coming weeks. While the commissioning process has taken longer than anticipated, design and component system testing results and early gas production are favorable with the facility expected to produce gas at or above the expected run-rate production of 360,000 MMBtu per year.

Close of $10 Million Private Placement: In June 2023, GIP closed a private placement of 1,000,000 common shares in the capital of the Company at a price of $10.00 per share for gross proceeds of $10.0 million. The net proceeds of the private placement are earmarked for continued project expenditures on Future Energy Park to allow GIP to commence earthwork activities in the coming weeks, and for general and administrative purposes and working capital requirements until financial close of Future Energy Park with Amber Infrastructure Group ("Amber Infrastructure") occurs, anticipated in late 2023.

Future Energy Park Achieves Key Regulatory Milestone: In July 2023, GIP received approval from the Alberta Utilities Commission ("AUC") to construct and operate a 30 mega-watt natural gas-fired cogeneration facility for the Future Energy Park. The cogeneration plant will provide high efficiency steam and electricity to the biofuels facility as part of its integrated operations philosophy. GIP is working with the City of Calgary to secure municipal permits and anticipates starting earthworks activities at the project site in the coming weeks.

Project Construction and Development Updates

GreenGas Colorado

Commissioning activities continue at GreenGas Colorado with commercial operations at full plant capacity anticipated late this summer. Although we have had normal course commissioning issues, they have not impacted our budget due to our contracting strategy. Design and component system testing results and early gas production are favorable with the facility expected to produce gas at or above the expected run-rate production of 360,000 MMBtu per year. With ramp up to full operations, GIP expects the facility to produce approximately 120,000 million British thermal units ("MMBtu") in 2023. 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, which may take up to a year.

GreenGas Colorado, located in Weld County, Colorado, 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 developer fees, is approximately $102.9 million (US $77.7 million). GreenGas Colorado is on budget and fully funded through cash on hand and remaining availability under its non-recourse project debt financing facility, which closed in December 2021 for $50.2 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 "Conversion Date"). The Conversion Date was deemed to have occurred on July 1, 2023, with customary conversion requirements required to be met by September 30, 2023. The term loan facility amortizes fully over six years, maturing on June 30, 2029. 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 previously disclosed, in February 2023, Amber Infrastructure, through a wholly-owned subsidiary, purchased a 50% interest in the GreenGas Colorado Project for gross proceeds of $58.3 million (US $44.0 million). The purchase price is paid in two installments, with $37.7 million (US $28.5 million) paid upon close on February 23, 2023 and $20.5 million (US $15.5 million) to be paid upon the anticipated completion of a third-party sale of GreenGas Colorado ITCs. In February 2023, GIP acquired its' minority partners' interest in GreenGas Colorado for $15.2 million (US $11.2 million).

The Company has engaged an independent third party to provide an initial assessment of the GreenGas Colorado ITCs available for sale. Based on this independent assessment, the Company expects net ITC proceeds of approximately $31.5 million (US $23.8 million). GIP is currently finalizing the definitive agreements for this transfer, with closing expected this fall.

Under GIP's agreement with Amber Infrastructure, the Company has the ability to retain all of the $31.5 million (US $23.8 million) of ITC proceeds. Upon closing, $20.5 million (US $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. In addition, pursuant to the terms of the GreenGas Debt Facility, $7.9 million (US $6.0 million) of the ITC sale proceeds will be used to increase the project's debt service reserve account. The net ITC proceeds of $3.0 million (US $2.3 million) will be released immediately to GIP, with the potential for release of the remaining proceeds to GIP on June 30, 2028 or on June 30, 2029 upon maturity of the GreenGas Debt Facility.

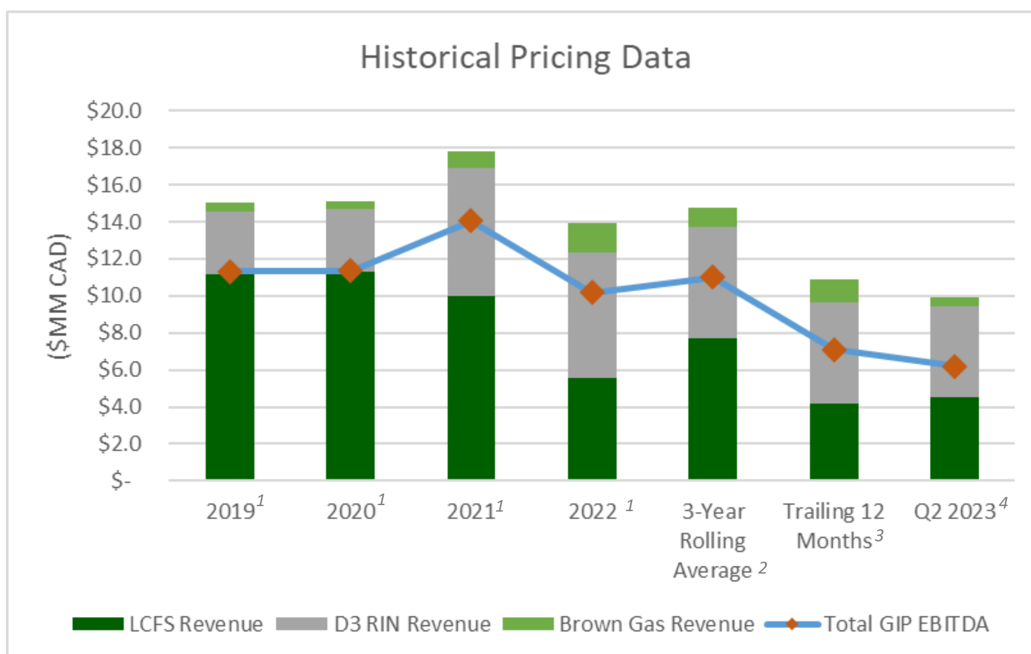
Amber Infrastructure and GIP now jointly control GreenGas Colorado and as a result, post-acquisition, the financial results of GreenGas Colorado are no longer consolidated and are accounted for as an equity investment.

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.

In determining our long-term run-rate EBITDA, management forecasts based on the trailing three-year historical average pricing of $82/MMBtu based on a projected CI score of -189, net of transportation charges, expected run-rate production and management's operating cost estimates. For the three years ended June 30, 2023, this would result in approximately $11 million in total EBITDA[1] per annum for GIP's 50% interest.

[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 1.32.

[2] The 3 Year Rolling Average period demonstrates 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 historical average pricing for LCFS, RIN and brown gas from July 1, 2020 to June 30, 2023. The chart is the Canadian dollar ("CAD") equivalent based on an average United States dollar to CAD exchange rate of 1.32.

[3] The trailing 12 Month period demonstrates 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 historical average pricing for LCFS, RIN and brown gas from July 1, 2022 to June 30, 2023. The chart is the Canadian dollar ("CAD") equivalent based on an average United States dollar to CAD exchange rate of 1.32.

[4] The Q2 2023 period demonstrates 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 historical average pricing for LCFS, RIN and brown gas for Q2 2023 extrapolated for a full year. The chart is the Canadian dollar ("CAD") equivalent based on an average United States dollar to CAD exchange rate of 1.32.

Future Energy Park

The Company continues to materially advance its large-scale bio-fuel facility in Calgary, Alberta. Future Energy Parkhas an estimated production of over 3.5 million MMBtu per annum of RNG, over 300 million litres of cellulosic equivalent ethanol, approximately 100,000 tonnes of high-quality protein distillers grain, up to 1.5 million tonnes of carbon 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 pure, usable captured CO_2.

In 2023, Future Energy Park received its final Land Use Approval from the City of Calgary, its Water Act Approval from Alberta Environment and Protected Areas and its AUC approval, with one remaining material

permit expected to be received within the next few weeks. The Company is working with the City of Calgary to secure municipal permits and anticipates starting earthworks activities at the project site in the coming weeks.

The Company continues to focus on finalizing commercial contracts and closing construction debt financing, with a target financial close and full notice to proceed to construction late this year or early 2024. The build and commissioning process is expected to take approximately two and a half years with commercial operations expected in 2026. Once fully operational, based on anticipated generation, independent price forecasts, including the impact of the CFR, and contract terms, the Company anticipates Future Energy Park to generate annual EBITDA to the Company of over $150 million[2] for its expected 50% equity interest.

As previously disclosed, 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.

Iowa RNG Project

GIP continues to advance the development of its Iowa RNG project ("Iowa RNG"). Due to the impact of inflationary pressures on construction costs, the Company is currently in the process of revising the design and strategy for construction to develop the optimal approach given the cost environment. Preliminary construction costs based on the revised design are trending in line with GIP's estimates, with a final investment decision expected in late 2023. Iowa RNG is comprised of three dairies and is expected to generate approximately 350,000 MMBtu of RNG per annum. Based on a preliminary project cost of $100 million, including financing and soft costs, the Company expects leverage of approximately 60%, including an anticipated bridge loan for Iowa RNG's ITCs, which are estimated at approximately $27.0 million (US $20.0 million). Iowa RNG is similar in scope to GreenGas Colorado and is anticipated to deliver its RNG into U.S. LCFS and RIN markets. Based on the three-year historical rolling average price ended June 30, 2023 of $75/MMBtu based on a projected CI score of -145, net of transportation charges, expected run-rate production and management's operating cost estimates, this would result in approximately $18 million in total EBITDA[3] per annum on a gross basis. The Company expects to retain a 50% interest in the project with 50% held by Amber Infrastructure.

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. It is GIP's view that the hydrogen market will likely take many years to develop and will need substantial technological advancement to achieve both positive environmental impact and financial viability. Investing in the space early with partners and government

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[2] Management has estimated EBITDA based on the following material assumptions: (i) expected annual generation of RNG, ethanol, high quality distillers grain, and carbon credits as disclosed above; (ii) fixed prices based on current contract terms and independent third party estimates of merchant prices for the sale of any non-contracted products and the purchase of non-food grade wheat; (iii) the Company's estimates of operating expenditures on an annual basis; and (iv) the Company's anticipated ownership percentage.

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

support gives GIP the lens it needs to help push the changes to technology, policy and appropriate use for environmental and societal benefit. 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 due to industry supply chain backlogs, 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.

Apart from anticipated spend on Future Energy Park and Iowa RNG, as discussed below in 'Liquidity and Capital Resources', the Company continues to advance the remaining projects in its portfolio through its internal development team, without the requirement for significant capital outlays until such projects advance to final investment decision.

Project Portfolio	Total Capital ($/millions)	Status
Future Energy Park	1,200	Permitting/Site Preparation
Iowa RNG	100	Permitting/Final Engineering
Canadian Renewable Fuels Projects	1,407	Preliminary Engineering
US Renewable Fuels Projects	875	Preliminary Engineering/Early Development
Total	**3,582**	

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 and a 10% bonus for projects that are in energy communities as defined by the IRS. 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 $31.5 million (US $23.8 million)[4] for GreenGas Colorado and approximately $26.5 million (US $20 million)[5] for Iowa RNG. As discussed above, for GreenGas Colorado, the Company is finalizing the definitive agreement to monetize this benefit through a transfer to a third party and anticipates entering into a similar agreement for Iowa RNG.

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[6], with potential additional benefits for 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 greenhouse gas ("GHG") emissions factor. Based on a GHG emissions factor of zero, GIP estimates the impact of these PTCs to be approximately $8 per MMBtu of production. However, if project specific CI scores are used to base the GHG 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 of -145 for Iowa RNG and -189 for GreenGas Colorado. 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

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[4] Based on GreenGas Colorado's expected eligible cost tax basis multiplied by the ITC credit amount of 30% as estimated by an independent third party.

[5] Based on Iowa RNG's estimated eligible cost tax basis multiplied by the ITC credit amount of 30%.

[6] Based on the anticipated eligible costs related to carbon capture capital expenditures multiplied by the 30% ITC refund as proposed.

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.

FINANCIAL HIGHLIGHTS

($000) *As at and for the three months ended*	June 30, 2023	June 30, 2022	$ Change
Revenue	39,132	68,885	(29,753)
Gross margin	1,801	886	915
Income (Loss) from operations	(1,343)	(2,318)	975
Net income (loss)	3,853	(3,485)	7,338
Comprehensive income (loss)	3,393	(2,168)	5,561
Funds from (used in) operations	6,863	(735)	7,598
Cash from (used in) operations	6,687	3,440	3,247
Purchase of property, plant and equipment	(5,036)	(20,498)	15,462
Total assets	184,253	212,480	(28,227)
Total liabilities	62,941	89,518	(26,577)

($000) *As at and for the six months ended*	June 30, 2023	June 30, 2022	$ Change
Revenue	77,630	113,672	(36,042)
Gross margin	2,918	3,258	(340)
Income (Loss) from operations	(3,132)	(2,417)	(715)
Net income (loss)	8,343	(4,014)	12,357
Comprehensive income (loss)	8,117	(3,143)	11,260
Funds from (used in) operations	3,734	460	3,274
Cash from (used in) operations	7,319	1,535	5,784
Purchase of property, plant and equipment	(13,150)	(34,141)	20,991
Total assets	184,253	212,480	(28,227)
Total liabilities	62,941	89,518	(26,577)

RESULTS OF OPERATIONS

Revenue:

	For The Three Months Ended		
($000)	June 30, 2023	June 30, 2022	$ Change
Energy product optimization	33,841	63,844	(30,003)
Fee for service – water treatment and disposal	2,860	2,498	362
Fee for service – solids disposal and recycling	2,431	2,543	(112)
Total Revenue	**39,132**	**68,885**	**(29,753)**
Revenue Volumes			
Energy product optimization (m^3)	60,484	73,721	(13,237)
Fee for service – water treatment and disposal (m^3)	148,708	146,634	2,074
Fee for service – solids disposal and recycling (tonnes)	17,133	21,728	(4,595)

Direct Costs:

($000)	For The Three Months Ended June 30, 2023	June 30, 2022	$ Change
Energy product optimization	32,745	63,323	(30,578)
Fee for service	4,586	4,676	(90)
Total Direct Costs	**37,331**	**67,999**	**(30,668)**

Gross Profit:

($000)	For The Three Months Ended June 30, 2023	June 30, 2022	$ Change
Energy product optimization	1,096	521	575
	3.2%	*0.8%*	*2.4%*
Fee for service	705	366	339
	13.3%	*7.3%*	*6.0%*
Total Gross Profit	**1,801**	**887**	**914**
	4.6%	1.3%	3.3%

Revenue decreased by $29.8 million or 43% for the three months ended June 30, 2023, as compared to the same period in 2022. The majority of this decrease was due to the Company's energy product optimization services, where total volumes processed and sold dropped by approximately 18% quarter over quarter. The lower volumes resulted from shut-ins of local producer operations due to wildfires in Alberta throughout May, resulting in less volume being shipped to the Company's facilities. Volumes were also higher than average for the corresponding period of 2022 due to increased industry activity as a result of higher commodity prices. Volumes in Q2 2023 were more in line with average. Q2 2023 was also impacted by a 37% reduction in the underlying market prices for the energy products optimized and sold.

Revenue from fee for service was relatively consistent for the three months ended June 30, 2023, and the comparable period in 2022, increasing by less than 5%. Fee for service from water treatment and disposal accounted for the majority of the increase with both an uplift in volumes from attracting new customers in the first half of 2023 as well as additional fee increases to continue to manage inflationary cost pressure over the past two years. This positive impact was partially offset by lower market pricing for certain solids recycling products in the first three months of 2023 relative to the same period in 2022.

Direct costs decreased by $30.7 million for the three months ended June 30, 2023, as compared to the same period in 2022. The majority of this 45% reduction resulted from energy product optimization services for the same reasons discussed in the revenue commentary above with both the volume processed and the price to take custody of those volumes dropping 18% and 37%, respectively.

The majority of the $0.9 million or 3.3% improvement in gross profit for the three months ended June 30, 2023 as compared to the same period in 2022, was a result of the disproportionate decline in energy product optimization direct costs relative to the drop in revenue quarter over quarter as discussed above. The remainder of the improvement resulted from increased volumes and fees for the fee for service business on the water treatment and disposal services.

Revenue:

($000)	For The Six Months Ended June 30, 2023	June 30, 2022	$ Change
Energy product optimization	68,139	103,631	(35,492)
Fee for service – water treatment and disposal	4,843	5,109	(266)
Fee for service – solids disposal and recycling	4,648	4,932	(284)
Total Revenue	**77,630**	**113,672**	**(36,042)**
Revenue Volumes			
Energy product optimization (m^3)	120,041	129,138	(9,097)
Fee for service – water treatment and disposal (m^3)	261,757	284,502	(22,745)
Fee for service – solids disposal and recycling (tonnes)	29,118	39,614	(10,496)

Direct Costs:

($000)	For The Six Months Ended June 30, 2023	June 30, 2022	$ Change
Energy product optimization	65,889	101,497	(35,608)
Fee for service	8,823	8,917	(94)
Total Direct Costs	**74,712**	**110,414**	**(35,702)**

Gross Profit:

($000)	For The Six Months Ended June 30, 2023	June 30, 2022	$ Change
Energy product optimization	2,250	2,134	116
	3.3%	*2.1%*	*1.2%*
Fee for service	668	1,124	(456)
	7.0%	*11.2%*	*(4.2%)*
Total Gross Profit	**2,918**	**3,258**	**(340)**
	3.8%	*2.9%*	*0.9%*

Revenue decreased by $36.0 million or 32% for the six months ended June 30, 2023, as compared to the same period in 2022 for the same reasons discussed above, however, to a lesser degree for both volumes and pricing in the first three months of 2023.

The decrease in revenue and direct costs for the energy product optimization services for the six months ended June 30, 2023 was consistent with the three months ended June 30, 2023.

Fee for service direct costs for the six months ended June 30, 2023, were relatively consistent with the six months ended June 30, 2022, despite an 8% reduction in volumes processed in 2023 relative to 2022. This higher per unit cost for the six months ended June 30, 2023, relative to the same period in 2022 was mostly attributable to the first three months of the year when cost inflation was higher than average, particularly electricity and regulatory costs. These costs came more in line with historical averages in the second quarter of 2023.

The changes in gross profit from the energy product optimization services for the six months ended June 30, 2023, were for the same reasons as the changes for the three months ended June 30, 2023, as evidenced by consistent gross profit %. Fee for service gross profit was lower for the six months ended

June 30, 2023, as compared to the six months ended June 30, 2022, at 7.0% relative to 11.2% in 2022. Despite the improvement in gross profit for the three months ended June 30, 2023, the first quarter of 2023 was impacted by higher cost inflation as noted above and lower commodity pricing for solids recycling prices in the first six months of 2023 compared to the same period of 2022.

Operating Expenses:

($000)	For The Three Months Ended June 30, 2023	 June 30, 2022	$ Change
Depreciation and amortization	1,267	1,616	(349)
Salaries and wages	547	409	138
Selling, general and administration	1,330	1,179	151
Total Operating Expenses	**3,144**	**3,204**	**(60)**

($000)	For The Six Months Ended June 30, 2023	 June 30, 2022	$ Change
Depreciation and amortization	2,532	2,921	(389)
Salaries and wages	1,353	825	528
Selling, general and administration	2,165	1,929	236
Total Operating Expenses	**6,050**	**5,675**	**375**

Operating expenses for the three and six months ended June 30, 2023 have decreased by $0.1 million or 2% and increased by $0.4 million or 7%, respectively, compared to the same period of 2022 for the reasons discussed above with respect to gross margin.

Depreciation and amortization declined by a similar amount in both the three and six month periods ended June 30, 2023 as compared to the corresponding periods of 2022. This $0.3 million decline was a result of a higher than normal depreciation expense in Q1 2022 related to asset retirement expenditures and the associated abandonment asset that was fully depreciated in that quarter of the comparative period.

Salaries and wages for the three months ended June 30, 2023 increased by $0.1 million or 34% compared to the three months ended June 30, 2022. This increase is a direct result of increases in staffing levels over the past year as the Company continues to scale its team. For the six months ended June 30, 2023, salaries and wages increased by $0.5 million or 64% of the same period in 2022 for the same reasons in addition to bonuses paid in the first quarter of 2023. There was no similar bonus payment in the first quarter of 2022.

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, increased by approximately 12% as compared to the three and six month periods ended June 30, 2022. This increase 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.

Non-Operating Expenses (Income):

($000)	For the three Months Ended June 30, 2023	June 30, 2022	Change ($)
Unrealized (gain)/loss on risk management contracts	-	796	(796)
Equity (earnings) loss from joint venture	(585)	-	(585)
Finance cost	620	229	391
Intercompany interest expense/(income)	-	-	-
Share-based compensation	1,230	661	569
Impairment expense	-	-	-
Gain on sale of interest in subsidiary	-	-	-
Dividend income	-	-	-
Management Fee	(6,745)	-	(6,745)
Unrealized (gain)/loss on foreign exchange	226	-	226
Realized (gain)/loss on foreign exchange	35	10	25
Total Non-Operating Expenses	**(5,219)**	**1,696**	**(6,915)**

($000)	For the six Months Ended June 30, 2023	June 30, 2022	Change ($)
Unrealized (gain)/loss on risk management contracts	(555)	796	(1,351)
Equity (earnings) loss from joint venture	(10,142)	-	(10,142)
Finance cost	(31)	-	(31)
Intercompany interest expense/(income)	1,230	350	880
Share-based compensation	-	-	-
Impairment expense	2,581	1,046	1,535
Gain on sale of interest in subsidiary	-	-	-
Dividend income	-	-	-
Management Fee	(6,745)	-	(6,745)
Unrealized (gain)/loss on foreign exchange	226	-	226
Realized (gain)/loss on foreign exchange	38	10	28
Total Non-Operating Expenses	**(13,398)**	**2,202**	**(15,600)**

Unrealized Loss on Risk Management Contracts

The unrealized loss on risk management contracts relates to a fixed-price interest rate swap that was entered into in 2022 by a previously consolidated subsidiary of the Company, GreenGas Colorado LLC. 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. As outlined in note 4 to the condensed consolidated interim financial statements, the Company disposed of 50% of GreenGas Colorado in the first quarter of 2023 and now jointly controls the entity with another partner and no longer exercises control. Consequently, the entity is no longer consolidated within the Company's consolidated financial statements. As a result, in future reporting periods, the realized and unrealized gains and losses associated with the swap will be recognized through the equity (earnings) loss from joint venture in the statement of operations.

Gain on Sale of Subsidiary

As outlined in note 4 to the condensed consolidated interim financial statements, the Company sold a 50% interest in GreenGas Colorado LLC for gross proceeds of $59.3 million. The purchase price includes an initial gross installment of $38.7 million and an additional $20.9 million in consideration that is contingent on the future sale of investment tax credits (the “Contingent Consideration”). A gain on sale of $10.1 million was recognized in the first quarter associated with this disposition of interest, representing the difference between the net proceeds after transaction costs and the carrying value of the net assets sold.

The Contingent Consideration was not included within the proceeds on sale used to determine the gain on sale of GreenGas for the current period.

Equity (Earnings) Loss From Joint Venture

As previously discussed, effective on the close date of the sale of the 50% interest in GreenGas Colorado, the Company no longer controlled the entity but is rather in a joint control arrangement with another partner. Consequently, the assets, liabilities and results of operations are no longer presented within the consolidated results of the Company. The Company’s share of net assets and net income or loss is presented on the statement of operations as equity (earnings) loss from joint venture. For the three and six months ended June 30, 2023, the equity (earnings) loss from joint venture represents the company’s share of the net loss of GreenGas Colorado, the majority of which relates to the unrealized loss on the mark to market of the aforementioned interest rate swap.

Finance Costs

Finance costs for the three and six months ended June 30, 2023 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 and $0.9 million, for the three and six months respectively, was a direct result of the levels of interest-bearing debt in the associated reporting periods. For the three and six months ended June 30, 2022, the level of debt was limited to minor vehicle and equipment leases. For the three and six months ended June 30, 2023, the majority of finance costs were associated with the Company’s corporate credit facility, which increased from a nil balance in the first six months of 2022 to a drawn balance of $18.6 million at June 30, 2023 and an average balance for Q2 2023 of approximately $26 million.

Share-based Compensation

Share-based compensation increased by $0.6 million and $1.5 million in the three and six months ended June 30, 2023, respectively as compared to the three and six months ended June 30, 2022. This increase is directly correlated to the additional restricted share units, performance share units and stock options granted over the past year. At June 30, 2023, there were a total of 1,550,701 stock options, 397,756 restricted share units and 411,757 performance share units outstanding as compared to 925,820 stock options, 597,132 restricted share units and nil performance units outstanding at June 30, 2022.

Management Fee

Subsequent to the completion of the sale of GreenGas Colorado, GIP, through is wholly owned subsidiary GIP U.S., Inc. as partner, received a $6.7 million (US $5.0 million) one-time management fee from the partnership as compensation for the services rendered to date in development of the GreenGas Colorado Project. The payment of this management fee was subject to certain project performance milestones, all of which were met during Q2 2023.

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 June 30, 2023	June 30, 2022	$ Change
Net income (loss)	3,853	(3,485)	7,338
Income tax expense (recovery)	23	(529)	552
Depreciation and amortization	1,267	1,616	(349)
Finance costs	620	229	391
EBITDA	**5,763**	**(2,169)**	**7,932**
Share-based compensation	1,230	661	569
Unrealized gain on risk management contracts	-	796	(796)
Management fee	(6,745)	-	(6,745)
Adjusted EBITDA	**248**	**(712)**	**960**

($000)	For the six months ended June 30, 2023	June 30, 2022	$ Change
Net income (loss)	8,343	(4,014)	12,357
Income tax expense (recovery)	1,923	(606)	2,529
Depreciation and amortization	2,532	2,921	(389)
Finance costs	1,230	350	880
EBITDA	**14,028**	**(1,349)**	**15,377**
Share-based compensation	2,581	1,046	1,535
Unrealized gain on risk management contracts	(555)	796	(1,351)
Management fee	(6,745)	-	(6,745)
Gain on sale of interest in subsidiary	(10,142)	-	(10,142)
Adjusted EBITDA	**(833)**	**493**	**(1,326)**

SUMMARY OF QUARTERLY RESULTS

($000)	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Revenue	39,132	38,498	44,719	55,347
Adjusted EBITDA	248	(1,080)	550	(169)
Net income (loss)	3,853	4,492	(5,124)	(223)
Net income (loss) per share-Basic	*0.19*	*0.22*	*(0.25)*	*(0.01)*
Net income (loss) per share-Diluted	*0.18*	*0.22*	*(0.25)*	*(0.01)*
	Jun 30, 2022	**Mar 31, 2022**	**Dec 31, 2021**	**Sep 30, 2021**
Revenue	68,885	44,787	38,723	35,395
Adjusted EBITDA	(712)	1,206	1,418	628
Net income (loss)	(3,485)	(529)	2,965	(602)
Net income (loss) per share-Basic	(0.17)	*(0.03)*	*0.15*	*(0.03)*
Net income (loss) per share-Diluted	(0.17)	*(0.03)*	*0.15*	*(0.03)*

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 first quarter of 2023 were abnormally low due to the factors as discussed above in the Results of Operations section of this MD&A while second quarter results have been more in line with expectations. In addition, an impairment

loss resulted in an abnormally large net loss for the fourth quarter of 2022. General economic and industry conditions have not substantially changed from the prior quarter.

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 note 4 to the condensed consolidated interim financial statements, 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 "Transaction"). The proceeds from the 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. During Q2 of 2023, the Company closed an equity private placement for net proceeds of approximately $9.8 million. These funds were used to further pay down the Company's corporate credit facility with the main use of proceeds earmarked to advance Future Energy Park. For the remainder of 2023 and until financial close of Future Energy Park and Iowa RNG, the Company anticipates spending approximately $10 million on these projects and the additional growth opportunities previously discussed. This capital spend is fully funded through the combination of the Contingent Consideration from the Transaction with Amber discussed in note 4 to the condensed consolidated interim financial statements, cash flow from operations and available capacity on the Company's corporate credit facility. Prior to incurring material construction costs for Future Energy Park, Iowa RNG, and remaining development projects in its $3 billion portfolio, GIP will need to secure adequate sources of financing that enables the Company to achieve its internal economic hurdles.

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. 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 June 30, 2023, GIP was in compliance with all debt covenants.

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.

($000)	For the three months ended June 30, 2023	June 30, 2022	$ Change
Cash from (used in) operating activities	6,686	(3,410)	10,096
Cash (used in) investing activities	(6,904)	(20,915)	14,011
Cash from (used in) financing activities	(76)	26,848	(26,924)
Impact of foreign currency translation on cash	90	199	(109)
Increase (decrease) in cash	**(204)**	**2,722**	**(2,926)**

($000)	For the six months ended June 30, 2023	June 30, 2022	$ Change
Cash from (used in) operating activities	7,319	1,535	5,784
Cash (used in) investing activities	(8,980)	(34,559)	25,579
Cash from (used in) financing activities	(344)	32,468	(32,812)
Impact of foreign currency translation on cash	104	216	(112)
Increase (decrease) in cash	**(1,901)**	**(340)**	**(1,561)**

Operating Activities

Cash from operating activities for the three and six months ended June 30, 2023, increased by $10.1 million and $5.8 million, respectively. The increase was primarily a result of the management fee received by the Company from GreenGas Colorado of $6.7 million, combined with changes in non-cash working capital period over period.

Investing Activities

Cash used in investing activities for the three and six months ended June 30, 2023, decreased by $14.0 million and $25.6 million, respectively, over the three and six months ended June 30, 2022. The large reduction in the use of cash as compared to the same period in 2022 was due to the fact that in the first six months of 2022, GreenGas Colorado was fully under construction and, as a subsidiary at the time, the project entity was consolidated in the Company's financial statements. The project was substantially complete in early 2023 and in addition, as described in note 4 to the condensed consolidated interim financial statements, in February 2023, the Company has entered into a strategic partnering agreement with Amber Infrastructure whereby Amber acquired 50% of GreenGas Colorado. As a result of this transaction, GreenGas Colorado was no longer consolidated within the Company financial statements and is instead accounted for as an equity investment. In addition, the proceeds received from the sale of a 50% interest in GreenGas Colorado in Q1 was mostly offset by the funds required to acquire the non-controlling interest in the project prior to the sale transaction. This decrease was partially offset by additional spending on Future Energy Park for the three and six months ended June 30, 2023, which did not occur for the same periods of the prior year.

Financing Activities

Cash from financing activities for the three and six months ended June 30, 2023, decreased by $26.9 million and $32.8 million, respectively, over the three and six months ended June 30, 2022. This is due to drawing funds from the Company's corporate credit facility and the GreenGas Colorado Project's construction facility of an aggregate $29 million and $36 million for the three and six months ended June 30, 2022, respectively, as compared to $nil for 2023 as the construction facility is now accounted for within the Investment in Joint

Venture. While the $10 million equity raise brought in cash from financing activities for the six months ended June 30, 2023, these funds were used to pay down the Company's corporate credit facility.

($000)	June 30, 2023	December 31, 2022	$ Change
Current assets	22,163	25,742	(3,579)
Current liabilities	30,173	29,856	317
Working capital surplus (deficit)	**(8,010)**	**(4,114)**	**(3,896)**

[1]The working capital above includes the current and demand portions of long-term debt of approximately $0.2 million at June 30, 2023 ($0.3 million as at December 31, 2022).

Despite the working capital deficit as at June 30, 2023, the Company has the ability to meet its obligations as they become due. $8.6 million of current liabilities relate to liabilities associated with Future Energy Park and Iowa RNG 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 has a working capital deficit of $0.8 million. As at June 30, 2023, with the completion of the $10 million equity financing, there is an undrawn balance of approximately $11 million from the corporate credit facility as well as cash flow from operations to cover obligations.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at June 30, 2023:

	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**21,388**	21,388	-	-	-
Other current liabilities	**8,583**	8,583	-	-	-
Long-term debt	**18,687**	79	18,608	-	-
Other long-term liabilities	**2,147**	-	2,147	-	-
Lease obligations	**181**	131	50	-	-
Total financial liabilities	**50,986**	**30,181**	**20,805**	-	-

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 2023 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.

($000)	June 30, 2023	December 31, 2022
Current assets	22,163	25,742
Current liabilities	(30,173)	(29,856)
Long-term debt	18,653	66,057
Other long-term liabilities	1,945	1,893
Shareholders' equity	107,577	103,867
	120,165	**167,703**

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.

RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

	Three Months Ended June		Six Months Ended June	
($000)	2023	2022	2023	2022
Short-term compensation	289	269	1,790	538
Share-based compensation	50	1,425	3,090	1,425
	339	**1,694**	**4,880**	**1,963**

(1) Short-term compensation includes annual salaries, management bonuses and employee benefits provided to key management personnel as well as directors' fees.

(2) Based on the grant date fair value of the applicable awards. The fair value of options granted is estimated at the date of grant using a Black-Scholes Option- Pricing Model. The total share-based payment of options issued in 2023 and 2022 is based on a fair value of $5.11 and $3.30 per option, respectively and $9.15 and $7.05 per share unit, respectively.

Key management personnel compensation was lower for the three months ended June 30, 2023, as compared to the three months ended June 30, 2022, due to a company-wide grant of RSUs and stock options in the first quarter of 2022. Both short-term compensation and share-based compensation were

higher for the six months ended June 30, 2023, relative to the same period in 2022 as a result of short-term bonus payments and the granting of new PSUs and stock options that both occurred in Q1 2023.

OFF-BALANCE SHEET ARRANGEMENTS

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

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 three and six months ended June 30, 2023.

OUTSTANDING SHARE DATA

On August 24, 2023, the Company had the following common shares, stock options and share units outstanding:

Common shares	21,300,005
Stock options (vested and unvested)	1,550,701
Share units	397,755
Performance units	411,757
	23,660,218