Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended December 31, 2023 and 2022

April 28, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the years ended December 31, 2023 and 2022 is prepared as of April 28, 2024 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, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These consolidated financial statements and additional information relating to GIP are available on SEDAR+ at www.sedarplus.ca. 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, including its relationships with current and potential future joint venture partners; 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 Joint Venture (the "Colorado JV"); anticipated timing to commence selling gas commercially in early May 2024 at the Colorado JV; the timing of and ability to secure various regulatory approvals from the Government of Alberta and municipal permits from the City of Calgary for the Future Energy Park project (the "Future Energy Park"); the expected capital structure and organization of the 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; investment by Amber Infrastructure Group ("Amber Infrastructure"); 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; timing (if at all) of funding of the Deferred Consideration (as defined below) by Amber Infrastructure; anticipated developments in respect of the Clean Fuel Regulations ("CFR"); potential benefits in respect to the Alberta Technology Innovation and Emissions Reduction Regulation ("AB TIER"); 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.

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.

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. Non-IFRS measures are further discussed in the *Non-IFRS Measures* section of this MD&A.

BUSINESS OVERVIEW

Our Business

GIP, publicly traded on the TSX Venture Exchange ("TSXV"), is focused on acquiring, developing, building, and operating renewable natural gas ("RNG") and clean bio-energy projects. The Company participates in a wide range of low-carbon opportunities during all stages of the project lifecycle – from idea generation through to operations ("Clean Energy Production"). Moreover, alongside its primary focus, GIP possesses a network of assets located throughout western Canada and the Unites States that comprises facilities for processing and disposing of wastewater and hydrocarbons, industrial landfill and recycling facilities, oil and water gathering pipelines, and oil terminals for blending and sales ("Water & Solids Recycling & Energy Product Optimization").

The Company reports operating results for the following reportable segments:

- **Water & Solids Recycling & Energy Product Optimization** – The Water & Solids Recycling & Energy Product Optimization 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, safely transporting, and marketing the associated oil products.

- **Clean Energy Production** – The Clean Energy Production segment includes clean energy projects under construction, development, and pre-development located in Canada, the United States and New Zealand. The current portfolio of clean energy projects within this operating segment includes RNG, biofuel and hydrogen distribution projects that as of December 31, 2023 are either not yet operational, or have not yet achieved material production, and, as such, have no associated revenue.

Operations

A portion of the revenue and gross margin from the water and solids treatment and recycling services at the Company's facilities is executed on 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, versus volume-based commitments. Revenue and gross margin are also derived through energy product optimization which involves blending, transporting and marketing oil that is primarily acquired from third-party producers or generated as a by-product of the waste products that are processed at the Company's facilities.

2023 Highlights

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

Executed a Strategic Partnering Agreement for up to $545 Million: Following a successful bidding process in 2022, in early 2023, GIP selected Amber Infrastructure as a strategic partner to advance certain of the Company's current and future projects including:

(i) Sale of 50% of GreenGas Colorado: In Q1 2023, Amber Infrastructure, through a wholly-owned subsidiary, purchased a 50% interest in GreenGas Colorado LLC (the "Colorado JV") for gross proceeds of $58.9 million (US $43.9 million). The purchase price is payable in two installments, with $38.5 million (US $28.5 million) paid upon close on February 23, 2023 and $20.4 million (US $15.5 million) to be paid upon the expected completion of a third-party sale of the Colorado JV ITCs (the "Deferred Consideration").

(ii) Exclusive Right on the Future Energy Park project ("Future Energy Park") and the Iowa RNG project ("Iowa RNG"): Under the strategic partnering agreement, Amber Infrastructure has exclusive rights, subject to mutual extension, to fund the required equity capital for both the Future Energy Park and the Iowa RNG project ("Iowa RNG") in exchange for an interest of 50% or more in each of these projects. Amber Infrastructure's investment in each project is anticipated to be completed upon the close of project level debt financing for each project and is subject to meeting certain conditions including, but not limited to, project economics at such time continuing to meet Amber Infrastructure's targeted investment returns, and Amber Infrastructure's satisfaction with the terms and conditions of the material contracts and project level debt financing.

(iii) Right of First Offer: The strategic partnering agreement provides Amber Infrastructure with a right of first offer until February 2025 to partner under similar terms on the Company's future development projects should GIP require external equity.

Closing of a $10 Million Private Placement: In June 2023, GIP closed a non-brokered 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 "2023 Private Placement"). The net proceeds of the private placement of $9.8 million have been used for continued project expenditures on the Future Energy Park and for general and administrative purposes.

Sales Agreement Reached for the Colorado JV ITCs: On December 28, 2023, the Colorado JV and the Company executed a sales agreement with a third-party to, subject to certain conditions being met, transfer any ITCs earned by the Colorado JV at a cash price of 92.5% of the ITCs value. Under Section 48 of the Internal Revenue Service's Inflation Reduction Act (the "Act"), the Company is eligible for ITCs equal to 30% of capital expenditures on eligible property. The Company and the Colorado JV continue to progress through the closing conditions with Amber Infrastructure.

Colorado JV Commenced Commercial Operations: The Colorado JV progressed through commissioning in 2023. While the project remained materially on budget, it experienced commercial operation delays. The Colorado JV is comprised of two sites. The first site is now producing near targeted production and selling gas commercially and the second site is anticipated to commence selling gas commercially in early May 2024.

Future Energy Park Advancing Towards Project-Level Debt Financing and Notice to Proceed: GIP achieved several key milestones advancing the Future Energy Park with a focus on regulatory, engineering, procurement, and construction contracts, commercial contracts, and financing. The Company is working through remaining activities including a regulatory process to finalize the Future Energy Park's carbon credits, and the finalization of material contracts, including its agreement for carbon sequestration. The Company intends to proceed to project-level debt financing once these activities are complete.

Allocation of Capital

As GIP enters its fourth year of operations, the following presents an overview of the Company's deployment of capital over the past three years.

At the Company's inception in May 2021, GIP closed a $100 million private placement, resulting in a net $91 million after fees and expenses. Of this total, $50 million was used to settle a promissory note issued in conjunction with a reverse takeover transaction in 2021 to facilitate the public listing of the Company and the acquisition of its initial operating assets. These assets now exclusively constitute the Water & Solids Recycling & Energy Product Optimization segment. This operating segment enabled the Company to secure a $30 million revolving credit facility. The free cash flow generated from these assets has also covered overhead costs for both of GIP's reportable segments and has thereby facilitated the maximum deployment of externally sourced capital towards advancing GIP's clean energy projects. Cumulative gross margin from May 26, 2021 to December 31, 2023 amounted to $18.4 million, compared to cumulative consolidated salaries, selling, general and administrative costs of $15.1 million, and cash interest costs of $3.4 million for the same period.

The remaining $41 million from the initial private placement, combined with a net $9.8 million from the 2023 Private Placement, and available capacity on the Company's revolving credit facility (in aggregate $81 million), was deployed to advance GIP's clean energy projects, including the Colorado JV and the Future Energy Park.

The Colorado JV began construction in the second half of 2021 and was fully commissioned near the end of 2023. GIP invested approximately $69.0 million (US $51.1 million) of capital during the construction phase, which also included acquiring the interest of the initial non-controlling partner. All debt utilized for construction is project-level and non-recourse to GIP. In February 2023, GIP sold a 50% interest in the project for initial net proceeds after transaction costs of $36.2 million (US $26.8 million) to Amber Infrastructure as described in more detail above. As part of this transaction and based on certain project milestones being satisfied, GIP received a $6.7 million (US $5.0 million) management fee. This sale reduced GIP's net capital investment to $22.3 million (US $17.6 million), while it retains a 50% interest in the project.

The transaction with Amber Infrastructure also included Deferred Consideration of an additional $20.4 million (US $15.5 million) payable upon sale of the Colorado JV ITCs. Subject to closing the sale of the Colorado JV ITCs, and following the required funding described below under 'Colorado Joint Venture', the Company expects net proceeds between $16.2 million (US $12.3 million) and $21.8 million (US $16.5 million), including the Deferred Consideration. Upon completion of this transaction, GIP's remaining net capital investment in the Colorado JV is anticipated to be between $6.1 million and $0.5 million while still retaining a 50% interest in the project.

The Future Energy Park, GIP's large-scale bio-fuels project located in Calgary, Alberta, is advancing towards project-level debt financing and preparing for construction start. A total capital investment of approximately $32 million has been made over the last three years in the project for planning, engineering and design, obtaining all material permits, commissioning third-party reports and negotiating and executing the majority of the material contracts. Of this $32 million amount, $3 million was funded through equity provided by a non-controlling interest. Until the close of its equity financing, GIP retains a 100% control and ownership of the project with the non-controlling equity providers entitled to a carried interest in the future distributions.

An additional approximately $10.3 million has been invested in advancing other clean projects and initiatives including Iowa RNG, a hydrogen distribution opportunity in New Zealand, and an RNG pipeline in North America.

Additional uses of the aggregate proceeds from these financing sources included approximately $8 million used to acquire the Company's shares to reserve for long-term incentive programs that have been implemented with the goal of aligning the employees' objectives with those of the GIP shareholders. Approximately $3.5 million has been spent on transaction related costs associated with achieving financial close of Future Energy Park, which have been deferred until close occurs. An additional $1 million was invested in settling certain asset retirement obligations. Net of the cumulative spend and capital raises outlined above and after adjusting for the short-term FNTP liabilities for the Future Energy Park, the Company has working capital surplus of $1.6 million and an undrawn balance on its revolving credit facility of $1.5 million at December 31, 2023.

The Company's Water & Solids Recycling & Energy Product Optimization assets and the Company's share of the Colorado JV, once operating at full capacity, are expected to generate over $20 million in annual

EBITDA[1]. If the Future Energy Park is constructed and operated as planned, assuming a net 50% interest to the Company, annual EBITDA[1] would increase to over $170 million. The basis for EBITDA estimates, along with key supporting assumptions, are outlined below.

Project Construction and Development Updates

Colorado Joint Venture

The Colorado JV advanced through commissioning throughout 2023 and is now injecting RNG into the local pipeline. The Colorado JV was materially on budget at $103.8 million (US $78.5 million), but experienced delays in achieving full commercial operations. As of the date of this MD&A, the first site is now producing near targeted production and selling gas commercially and the second site is anticipated to commence selling gas commercially in early May 2024.

During 2023, the Colorado JV encountered significant delays primarily caused by the local utility's technical issues with accepting gas production into the pipeline system, along with certain technical processes that required additional work by the Colorado JV's engineering, procurement and construction contractor. These challenges were resolved in early 2024. As the Colorado JV has ramped up production in early 2024, Colorado JV has been working through operational optimization activities, including strategies on finished gas clean-up and front-end organic waste management. GIP expects the Colorado JV to ramp up to targeted production over the next several months, subject to success in achieving the desired results of the operational optimization activities.

The delayed start-up impacted the timing of the Colorado JV's certification process with the California Air Resource Board ("CARB") which, in turn, delays both the Colorado JV's and the Company's ability to receive cash for the environmental credits associated with the RNG under both the California Low Carbon Fuel Standard ("LCFS") and the federal Renewable Fuel Standard ("RIN").

In December 2023, the Colorado JV and the Company executed a purchase and sale agreement with an unrelated third party to transfer and sell its ITCs. The Colorado JV continues to progress through the closing conditions. Upon sale of the ITCs, the Colorado JV is expected to receive between $26.9 million (US $20.4 million) and $33.9 million (US $25.6 million) in gross proceeds. Pursuant to the terms of the Colorado JV project debt facility ("Colorado JV Debt Facility"), $7.9 million (US $6.0 million) of the ITC proceeds will be used to fund the debt service reserve account. Upon maturity of the Colorado JV Debt Facility, these additional debt service reserve funds, if any, will be released to GIP. In addition, $20.4 million (US $15.5 million) will be segregated into a separate account ("ITC Segregated Account") to be disbursed to either Amber Infrastructure or GIP, depending on the performance and cash distributions of the Colorado JV to Amber Infrastructure. The sale of the ITCs will also trigger the Company's right to receive the Deferred Consideration from Amber Infrastructure. After giving effect to the above, including receipt of the Deferred Consideration, after transaction costs, the Company anticipates receiving net proceeds between $16.2 million (US $12.3 million) and $21.8 million (US $16.5 million) upon closing of the ITC sale.

As a result of the delayed start-up, the Company anticipates there is likely to be a requirement under the joint venture agreement to fund a working capital deficiency of the Colorado JV prior to June 30, 2024. In addition, in the event the ITC transaction does not close prior to June 30, 2024, the Colorado JV will likely require a capital contribution from both its members to fund the debt service reserve account pursuant to the Colorado JV Debt Facility. While the Company expects to close the ITC transaction in the coming weeks, if closing is delayed beyond June 30, 2024, then the Colorado JV members may be required to fund additional capital. Please refer to 'Risks and Uncertainties' below for further discussion on the potential impact.

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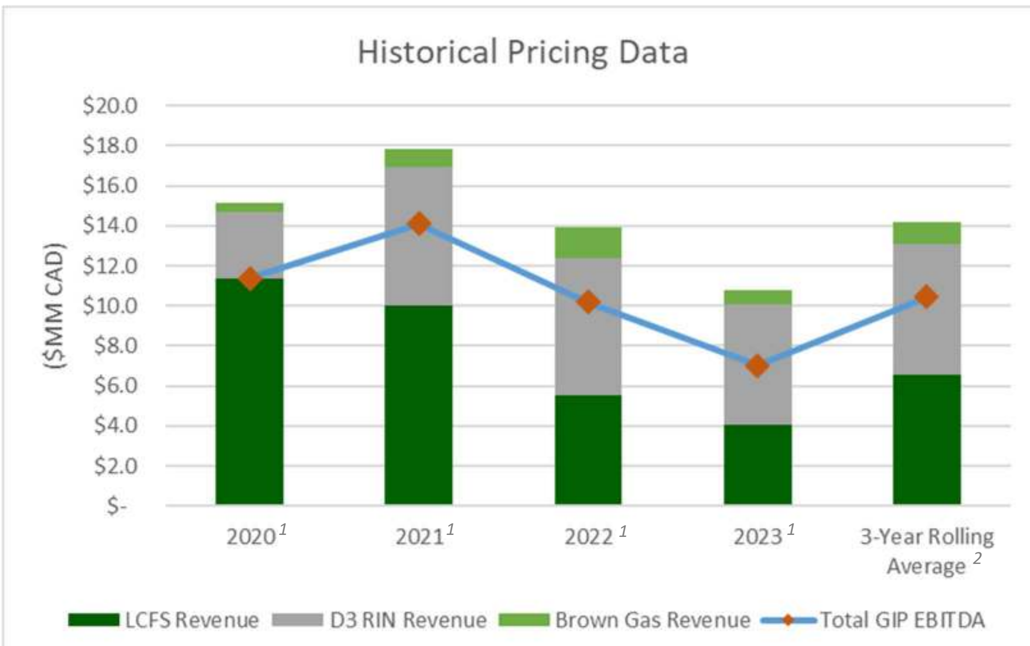
[1] This is a non-IFRS financial measure. See the "Summary of Non-IFRS Measures" section. EBITDA represents Income from Operations, before depreciation and amortization.

The Colorado JV anticipates pursuing a temporary Carbon Intensity ("CI") score under the CARB LCFS to commence monetizing its environmental credits in the second half of 2024 based on a program temporary CI score of -150, with the final certification approval expected in late 2025 or early 2026 with a projected CI score of -189.

Based on a temporary CI score of -150, the Company anticipates realizing approximately $4.6 million (US $3.5 million) in equivalent EBITDA[2] in 2024 for its 50% interest, based on current merchant prices, if the Colorado JV operates at targeted production levels for the remainder of the year.

For illustrative purposes, the graph below shows the historical revenue and equivalent EBITDA[2] that GIP would have realized for the Colorado JV 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 the Colorado JV's long-term run-rate equivalent EBITDA[2], management forecasts are based on the trailing three-year historical average pricing of $101/MMBtu, a CI score of -189, expected run-rate production of 360,000 MMBtu, and anticipated offtake, transportation charges and operating costs of $14.2 million. For the three years ended December 31, 2023, this would result in approximately net $10 million in total EBITDA[1] per annum for the Company's 50% interest.



Graph Footnotes:

[1] The 2020, 2021, 2022 and 2023 periods demonstrate the revenue and EBITDA that the Company would have received from the Colorado JV based on estimated RNG production of 360,000 MMBtu per annum, the annual historical average pricing for LCFS, RIN and brown gas of $104/MMBtu, $121/MMBtu, $93/MMBtu, and $73/MMBtu, respectively, and average offtake, transportation charges and operating costs of $14.3 million per annum. 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 Company would have received from the Colorado JV based on estimated RNG production of 360,000 MMBtu per annum, the historical average pricing for LCFS, RIN and brown gas

[2] This is a non-IFRS financial measure. See the "Summary of Non-IFRS Measures" section. Equivalent EBITDA represents Income from Operations, before depreciation and amortization that is recognized and presented as part of the Company's investment in joint ventures on the consolidated statement of income (loss) and comprehensive income (loss) given that the equity method is utilized.

from 2021 to 2023 of $96/MMBtu, and average offtake, transportation charges and operating costs of $14.1 million per annum. 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 is advancing the debt and equity financing for its large-scale bio-fuels facility in Calgary, Alberta. Based on updated design and cost inflation, the total capital cost is expected to be higher than the initial estimate of $1.2 billion. The Company intends to provide an updated capital cost estimate concurrent with financial close of the project-level debt. GIP expects to finance the Future Energy Park with 25% equity (to be provided by its strategic partner) and 75% in project-level debt financing. Based on the updated design of the facility, the Future Energy Park has an estimated annual production of four million gigajoules of RNG, over 300 million litres of cellulosic equivalent ethanol, approximately 350,000 tonnes of wet distillers' grain, up to 900,000 tonnes of carbon credits, and 325,000 tonnes of clean, biogenic CO_2.

The Company has made significant progress on advancing the Future Energy Park as detailed below. In order to progress to financial close of the project-level debt and equity financing, the Company must finalize all material contracts, including CO_2 sequestration, finalize its suite of carbon credits associated with the Future Energy Park, secure binding commitments for total required debt financing, and satisfy the closing conditions under the financing arrangements. Not all of these activities are within the Company's control. Subject to satisfactory completion of these remaining activities, the Future Energy Park is expected to proceed to construction. The Future Energy Park is anticipated to require approximately three years for construction and full commissioning.

The Future Energy Park will utilize non-food grade wheat that will be processed through a bio-fermentation process that generates ethanol. The by-product from the bio-fermentation process will then be converted into RNG through an anerobic digestion process. In addition, to support the facility's power, steam and hot water requirements, the project will also include a high efficiency combined heat and power facility with any excess power sold into the market. Carbon credits and emission offset credits are generated throughout the entire facility process, in addition to other by-products including wet distillers' grain, which is high in protein; and captured, pure and usable biogenic CO_2.

In 2023, the Company incurred approximately $17 million in costs (out of a total of approximately $32 million) to further advance the Future Energy Park, with approximately $6 million expected to be spent to advance the project to financial close and commencement of construction.

Feedstock

The Future Energy Park has entered into a long-term supply agreement (the "Feedstock Contract") with a large creditworthy counterparty for the Future Energy Park to purchase 750,000 tonnes annually of non-food grade wheat, which, depending on starch content, is expected to supply all the waste feedstock required for the Future Energy Park on an annual basis. The Company has the option to purchase any additional waste wheat supply if needed, dependent on starch content, from the same supplier or other sources. The Feedstock Contract secures supply at market rates determined by the quality of the wheat. Based on an independent third-party forecast of market rates, the Company estimates average wheat supply costs of $190 million to $210 million annually over the first ten years of operations.

Offtake Agreements

RNG

The Company has progressed through the term sheet phase of its commercial negotiations and is in the process of finalizing a definitive agreement for the sale of 100% of the Future Energy Park's RNG produced on a long-term basis to a highly creditworthy counterparty for a fixed price, with upside sharing on any environmental attributes expected to be generated by the Future Energy Park under any applicable federal carbon crediting programs. Based on anticipated run-rate production of approximately four million gigajoules per annum of RNG, the Company expects the Future Energy Park to receive approximately $120 million in annual revenue, with approximately 90% on a fixed-price basis, resulting in approximately $100 million in EBITDA annually[1] for the sale of its RNG after estimated transportation charges of approximately $5 million per annum, and the allocation of both direct and indirect operating expenses of approximately $15 million per annum.

Carbon Credits

The Company has been working though the regulatory process under the Alberta Technology Innovation and Emissions Reduction program ("AB TIER") to finalize the suite of carbon credits associated with the Future Energy Park. Subject to receiving final approvals (the "AB TIER Approvals"), the Future Energy Park expects to generate up to 900,000 tonnes annually of carbon credits. The Future Energy Park has entered into several agreements for the sale of these carbon credits as described below.

250,000 tonnes of equivalent carbon credits will be sold to a large North American energy infrastructure company for an initial five-year term at a fixed discount to the Climate Change and Emissions Management Fund price established under the Alberta Climate Change and Emissions Management Act (the "Index Price"). An additional 100,000 tonnes of equivalent carbon credits per annum have been contracted for an initial three-year term at a fixed discount to the Index Price to a Canadian-based commodity marketing company. This counterparty has also contracted any excess credits on an annual basis at the prevailing market price minus a marketing fee for such credits for a five-year term. The current Index Price is $80 per tonne and is set to increase annually by $15/tonne per year to a maximum of $170/tonne by 2030. Based on anticipated tonnes per annum, the terms disclosed above, and the initial expected Index Price, the Company expects the Future Energy Park to receive approximately $70 million in annual revenue, resulting in initial annual run-rate EBITDA[1] for the sale of carbon credits of approximately $60 million, after the allocation of both direct and indirect operating expenses of approximately $10 million per annum. Under AB TIER, the majority of the carbon credits, once the Future Energy Park is operational, have a 10-year life, with the potential to extend for an additional five years, subject to regulatory approval.

Ethanol

The Future Energy Park intends to sell 100% of its ethanol production, consisting of over 300 million litres annually of cellulosic equivalent ethanol, to two independent, creditworthy counterparties. The Future Energy Park has finalized a binding contract with a large, international, integrated energy company to sell 50% of its ethanol production, including the associated environmental attributes, for eight years at merchant prices, less a marketing fee. The project has executed a non-binding term sheet and is currently finalizing a definitive agreement for the sale of its remaining 50% of ethanol production to a multi-national commodity trading company for an initial five-year term, mutually extendable for additional one-year periods thereafter. Under the agreement, the ethanol produced will be sold at merchant prices with a combination of fixed and merchant pricing for the environmental attributes associated with the ethanol.

The ethanol is anticipated to be sold into North American markets and is expected to generate revenue through both the sale of the underlying fuel and the sale of associated environmental attributes under various low carbon and clean fuel standards across North America. The Company estimates that, based on the Future Energy Park's expected annual run-rate production of over 300 million litres of cellulosic equivalent ethanol, alongside independent third-party forecasts and average ethanol revenue incorporating attributable environmental attributes, it will generate between $340 million to $370 million in revenue annually over the initial decade of operation. This is expected to result in approximately $120 million to $130 million in EBITDA[1] per year for the Future Energy Park, net of wheat supply costs disclosed above of $190 million to $210 million annually, as well as approximately $30 million allocated for both direct and indirect operating expenses. Approximately 20% of revenue is anticipated to be generated on a fixed price basis for the first five years of operations.

Distillers Grain

The Future Energy Park is expected to produce approximately 350,000 tonnes annually of wet distillers' grain ("WDG") which has been contracted for sale to a local marketer of agricultural commodities for an initial 10-year period. Based on independent price forecasts for WDG, the Company expects the Future Energy Park to receive between $30 million to $40 million in annual revenue for the sale of its WDG, resulting in approximately $25 million to $35 million in annual EBITDA[1] for the sale of this product, after the allocation of both direct and indirect operating expenses of approximately $5 million per year.

Based on anticipated generation, independent price forecasts, actual and anticipated contract terms as described above, and anticipated operational expenses, the Company anticipates the Future Energy Park will generate annual EBITDA[1] of over $300 million once fully operational. The Company expects to retain a 50% interest in the project, with the remaining 50% held by Amber Infrastructure.

Engineering & Procurement Contract & Construction Contract

The terms for both the Engineering & Procurement contract and the Construction contract for the Future Energy Park are materially complete and will be executed prior to the close of project-level debt financing. Construction will be completed under a fixed-price contract with a global, creditworthy engineering and construction firm. The engineering and procurement will be completed under a fixed-price contract with a Canadian-based engineering company with a significant track record in sustainable energy projects globally.

Carbon Capture & Sequestration

To meet certain minimum CI requirements under various offtake agreements for the Future Energy Park, the Company intends that the Future Energy Park will enter into a long-term agreement for the permanent sequestration of its captured CO_2. The Company is progressing its commercial arrangements for sequestration of its captured CO_2, however, in order to finalize these arrangements and secure project-level debt financing for the Future Energy Park, the contract counterparties who will carry out the sequestration must complete their commercial arrangements with the Province of Alberta and progress to final investment decision.

Material Permits & Approvals

In 2023, the Future Energy Park received its final Land Use Approval from the City of Calgary, its Water Act Approval from Alberta Environment and Protected Areas, its Alberta Utilities Commission approval to construct and operate a cogeneration facility, and its Environmental Protection and Enhancement Act approval from the Government of Alberta's Ministry of Environment and Protected Areas for the construction and operation of the Future Energy Park.

With all material permits and approvals to proceed to construction in hand, the Company continues to actively engage with the City of Calgary to secure various municipal permits as the Company prepares for earthworks and all other construction activities. Subsequent to the year ended December 31, 2023, the Future Energy Park received its stripping and grading permit - the first of its construction permits – from the City of Calgary.

Financing

As previously disclosed and discussed above, under a strategic partnering agreement, Amber Infrastructure has committed to invest the equity required for the Future Energy Park in exchange for a 50% equity interest, subject to closing conditions including, but not limited to, project economics at such time continuing to meet Amber Infrastructure's targeted investment returns, and Amber Infrastructure's satisfaction with the terms and conditions of the material contracts and project level debt financing.. The equity injection is anticipated upon financial close of the non-recourse project debt financing. Under the terms of the strategic partnering agreement, financial close for the Future Energy Park must occur by June 30, 2024, unless extended by mutual agreement of the parties. As the Company does not expect financial close for the Future Energy Park to occur by June 30, 2024, as previously estimated, the parties may mutually agree to an extension.

As disclosed above, the Future Energy Park is expected to be financed with 25% equity and 75% project-level non-recourse debt.

Iowa RNG Project
GIP continues to advance the development of its Iowa RNG project (“Iowa RNG”). GIP has now finalized the design and strategy for construction to develop the optimal approach given the cost environment. GIP is currently in discussions on a strategic, fixed price, long term offtake agreement for the project, which, if agreed, will remove the exposure to merchant price risk on LCFS and RIN markets. To proceed to final investment decision, Iowa RNG requires a long-term offtake agreement with terms that support appropriate project-level returns. The current market conditions are such that the Company’s ability to secure a long-term offtake agreement may be delayed until such time that the demand for additional supply increases. Subject to a final investment decision, Iowa RNG is expected to require additional development funding of approximately $1.8 million to advance the project to financial close and commencement of construction.

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 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 with commercial operations expected to commence at NZCo’s first location in Q2 2024 followed by the remaining three locations expected throughout the remainder of 2024. 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.

Material 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 as further described below.

Canada

Clean Technology ITC

The Clean Technology ITC is a federal program providing an up to 30% refundable tax credit for eligible property acquired and available for use after March 28, 2023 in various categories of non-fossil fuel energy generation and storage. A waste biomass expansion was also announced in the 2023 Fall Economic Statement. Draft legislation is pending. The eligible property must be available for use prior to 2034. Certain labour requirements must be met for the 30% refundable rate, otherwise the rate reduces to 20%. Certain property of the Future Energy Park is expected to be eligible for this program. The Company currently estimates a potential refundable tax credit between $33.0 million and $50.0 million, subject to meeting the labour requirements and approval of the waste biomass expansion.

Carbon Capture Utilization and Storage (“CCUS”) ITC

The CCUS ITC is a federal program pending legislation providing an up to 60% refundable tax credit for direct air capture equipment (60%), other capture equipment (50%) and carbon transportation and pipeline infrastructure (37.5%). Certain labour requirements must be met to achieve the maximum refundable rate, with a 10% reduction if not met. The CCUS ITC will be reduced by half from 2031 to 2040. Certain property of the Future Energy Park is expected to the eligible for this program. The Company currently estimates a potential refundable tax credit between $25.0 million and $39.0 million, subject to finalization of this pending legislation.

Alberta Carbon Capture Incentive Program ("ACCIP")

The ACCIP offers a 12% grant on new eligible CCUS capital expenditures. The grant is expected to be payable in three installments over three years, following the first year of operations. This provincial funding will be available once the federal government legislates the CCUS ITC. The Company currently estimates an ACCIP grant between $7.7 million and $9.2 million for the Future Energy Park once operational, subject to finalization of the legislation.

Alberta Agri-Processing ITC ("APITC")

The APITC offers a 12% non-refundable tax credit on eligible capital expenditures related to the transformation of agricultural inputs, with a maximum tax credit amount of $175 million. A tax credit can be claimed against Alberta corporate taxes and may be carried forward up to 10 years. As the Future Energy Park transforms non-food grade wheat into ethanol, RNG and WDG, certain property of the Future Energy Park is expected to be eligible for this program, subject to receiving conditional approval and obtaining the tax credit certificate once the facility is operational. The Company is currently in the process of estimating the potential APITC for the Future Energy Park.

Clean Fuel Regulations ("CFR")

In Canada, the federal government has developed the 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 clean fuel 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/mt 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 the Future Energy Park (ethanol and RNG), by selling these credits to fuel suppliers to enable them to meet their annual CI reduction obligations.

United States

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 between $26.9 million (US $20.4 million) and $33.9 million (US $25.6 million)[3] for the Colorado JV and approximately $21.8 million (US $16.5 million)[4] for Iowa RNG, if Iowa RNG

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

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

proceeds to final investment decision and construction. As discussed above, for the Colorado JV, the Company has finalized the definitive agreement to monetize this benefit through a transfer to a third party.

Production Tax Credits (“PTC”)

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, the Company may receive up to five to six times the base $8 per MMBtu based on the CI scores of current RNG projects of -189 for the Colorado JV and -230 for Iowa RNG. Similar to the ITC, the Company may sell the PTCs to a third party for cash proceeds.

FINANCIAL HIGHLIGHTS

($000) *As at and for the year ended*	December 31, 2023	December 31, 2022	December 31, 2021
Revenue	161,162	213,738	128,972
Gross margin	7,650	5,401	7,365
Income (Loss) from operations	(4,732)	(5,463)	(1,780)
Net income (loss)	1,293	(9,361)	(642)
Comprehensive income (loss)	1,092	(7,558)	(349)
Funds from (used in) operations	6,904	(122)	3,605
Cash from (used in) operations	8,219	(2,519)	(416)
Purchase of property, plant and equipment	(23,966)	(52,927)	(37,181)
Total assets	188,512	226,977	176,070
Total liabilities	71,641	109,307	48,331

RESULTS OF OPERATIONS

Revenue

	For The Three Months Ended		
	December 31, 2023	December 31, 2022	Change
($000)			
Energy product optimization	31,593	40,211	(8,618)
Fee for Service- Water treatment and disposal	2,532	2,420	112
Fee for Service- Solids disposal and recycling	3,265	2,088	1,177
Total Revenue	**37,390**	**44,719**	**(7,329)**
Revenue Volumes			
Energy product optimization (m3)	52,673	63,808	(11,135)
Fee for Service- Water treatment and disposal (m3)	130,998	141,648	(10,650)
Fee for Service- Solids disposal and recycling (tonnes)	48,286	19,053	29,233

Direct Costs

($000)	For The Three Months Ended December 31, 2023	December 31, 2022	Change
Energy product optimization	30,847	39,305	(8,458)
Fee for service	4,337	4,305	32
Total Direct Costs	**35,184**	**43,610**	**(8,426)**

Gross Profit

($000)	For The Three Months Ended December 31, 2023	December 31, 2022	Change ($)
Energy product optimization	746	906	(160)
	2.4%	*2.3%*	*0.1%*
Fee for service	1,460	203	1,257
	25.2%	*4.5%*	*20.7%*
Total Gross Profit	**2,206**	**1,109**	**1,097**
	5.9%	*2.5%*	*3.4%*

Revenue decreased by $7.3 million or 16% for the three months ended December 31, 2023, 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 oil sold dropped by approximately 17% quarter over quarter. Volumes were higher than average for the corresponding period of 2022 due to increased industry activity as a result of higher commodity prices. Volumes in Q4 2023 were more in line with the historical average. Q4 2023 was also impacted by a 5% reduction in the underlying market prices for oil sold, quarter-over-quarter.

Revenue from Fee for Service for the three months ended December 31, 2023, increased by $1.3 million or 29%, as compared to the same period in 2022. Fee for Service solids disposal and recycling accounted for the majority of the increase with both an uplift in volumes from continuing to attract new customers, as well as additional fee increases to continue to manage inflationary cost pressure over the past two years. Further, Fee for Service solids disposal and recycling was higher in 2023 due to higher-than-normal activity at the Company's solid's disposal site. Since December 31, 2023, activity has resumed to normal levels, therefore, the Company anticipates 2024 gross margin to more align with previous averages.

Direct costs decreased by $8.4 million for the three months ended December 31, 2023, compared to the same period in 2022. The majority of this 19% reduction resulted from Energy Product Optimization Services for the same reasons discussed in the revenue commentary above, with the volume processed and the price to take custody of those volumes decreasing 18% and 5%, respectively.

The majority of the $1.1 million or 99% improvement in gross profit for the three months ended December 31, 2023 compared to the same period in 2022, was a result of the improvement from increased volumes and increased fees for the Fee for Service business on the water treatment and disposal services, in particular increased solids disposal and recycling volumes, which have higher relative margins as compared to water treatment and disposal services due to the lower overall cost structure of that business. Further, direct costs experienced upward inflationary pressure during 2022 including fuel, electricity, trucking and labour that has since tempered and as noted earlier, fees charged have been increased to offset some of these increased costs.

Revenue

	For The Year Ended December 31, 2023	December 31, 2022	Change
($000)			
Energy product optimization	140,392	194,234	(53,842)
Fee for Service- Water treatment and disposal	9,897	9,967	(70)
Fee for Service- Solids disposal and recycling	10,873	9,537	1,336
Total Revenue	**161,162**	**213,738**	**(52,576)**
Revenue Volumes			
Energy product optimization (m3)	234,270	266,022	(31,752)
Fee for Service- Water treatment and disposal (m3)	542,895	567,801	(24,906)
Fee for Service- Solids disposal and recycling (tonnes)	151,195	88,304	62,891

Direct Costs

	For The Year Ended December 31, 2023	December 31, 2022	Change
($000)			
Energy product optimization	136,235	191,050	(54,815)
Fee for service	17,277	17,287	(10)
Total Direct Costs	**153,512**	**208,337**	**(54,825)**

Gross Profit:

	For The Year Ended December 31, 2023	December 31, 2022	Change ($)
($000)			
Energy product optimization	4,157	3,184	973
	3.0%	1.6%	1.4%
Fee for service	3,493	2,217	1,276
	16.8%	11.4%	5.4%
Total Gross Profit	**7,650**	**5,401**	**2,249**
	4.7%	2.5%	2.2%

Energy Product Optimization Services revenue decreased $53.8 million or 28% for the year ended December 31, 2023. This was primarily due to a 18% reduction in the underlying market prices for the energy products optimized and sold, when compared to the prior year average. Further, volumes were down 12% for the year ended December 31, 2023. The majority of the volume decrease was due to extreme cold weather in January 2023 which impacted production and shut-ins caused by wildfires in May 2023.

Fee for service revenue increased by $1.3 million or 6% for the year ended December 31, 2023, compared to the same period in 2022, for the same reasons as discussed above in the three-month period ended December 31, 2023.

Energy Product Optimization Services direct costs decreased $54.8 million or 29% for the year ended December 31, 2023, for the same reasons as discussed above under revenue. As discussed in previous disclosure, 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 and therefore higher direct costs.

Fee for Service direct costs for the year ended December 31, 2023 were relatively consistent with the prior year. Despite a 4% reduction in water treatment and disposal volumes, this was more than offset by the 71% increase in solids disposal and recycling volumes processed in 2023 relative to 2022. This higher per unit cost for the year ended December 31, 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 became more in line with historical averages in the remainder of 2023.

Gross profit from the Energy Product Optimization Services for the year ended December 31, 2023, increased over the year ended December 31, 2022 both in absolute terms and in percentage terms due mostly to the lower direct costs as discussed above. Fee for Service gross profit was higher for the year ended December 31, 2023, compared to the year ended December 31, 2022, at 17% relative to 11% in 2022 for the reasons discussed above under revenue and direct costs.

Operating Expenses

($000)	For The Three Months Ended December 31, 2023	December 31, 2022	Change
Depreciation and amortization	1,284	1,271	13
Salaries and wages	709	452	257
Selling, general and administration	1,214	996	218
Total Operating Expenses	**3,207**	**2,719**	**488**

($000)	For The Year Ended December 31, 2023	December 31, 2022	Change
Depreciation and amortization	5,090	5,458	(368)
Salaries and wages	2,624	1,751	873
Selling, general and administration	4,668	3,655	1,013
Total Operating Expenses	**12,382**	**10,864**	**1,518**

Operating expenses for the three months and year ended December 31, 2023, increased by $0.5 million or 18% and $1.5 million or 14%, respectively.

Depreciation and amortization for the three months ended December 31, 2023 was consistent with the same period in the prior year. Depreciation and amortization for the year ended December 31, 2023, decreased by $0.4 million or 7% compared to the same period in the prior year. This decrease was a result of 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 December 31, 2023 increased by $0.3 million or 57% compared to the three months ended December 31, 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 year ended December 31, 2023, salaries and wages increased by $0.9 million or 50% 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 2022.

Selling, general and administrative expenses, including the following items: rental costs; vehicle costs; insurance expenses; office costs; advertising and promotion; and professional and consulting fees, increased by approximately 22% and 28%, respectively, for the three months and year ended December 31, 2023, compared to the same periods in 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 overall organizational growth.

Non-Operating Expenses (Income)

($000)	For The Three Months Ended December 31, 2023	December 31, 2022	$ Change
Finance costs	665	476	189
Share-based compensation	1,452	692	760
Impairment loss	-	3,001	(3,001)
Unrealized (gain) loss on risk management contracts	-	187	(187)
Unrealized (gain) loss on foreign exchange	447	(869)	1,316
Realized (gain) loss on foreign exchange	(33)	(20)	(13)
Equity (earnings) loss from joint venture	1,082	-	1,082
Gain on sale of interest in subsidiary	-	-	-
Management fee	-	-	-
Total Non-operating Expenses (Income)	**3,613**	**3,467**	**146**

($000)	For The Year Ended December 31, 2023	December 31, 2022	$ Change
Finance costs	2,485	1,086	1,399
Share-based compensation	5,258	2,446	2,812
Impairment loss	-	3,001	(3,001)
Unrealized (gain) loss on risk management contracts	(555)	(774)	219
Unrealized (gain) loss on foreign exchange	462	(878)	1,340
Realized (gain) loss on foreign exchange	13	(2)	15
Equity (earnings) loss from joint venture	784	-	784
Gain on sale of interest in subsidiary	(10,142)	-	(10,142)
Management fee	(6,745)	-	(6,745)
Total Non-operating Expenses (Income)	**(8,440)**	**4,879**	**(13,319)**

Finance Costs

Finance costs for the three months and year ended December 31, 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 $0.2 million and $1.4 million for the three months and year ended December 31, 2023, respectively, was a direct result of the levels of interest-bearing debt in the associated reporting periods. For the three months and year ended December 31, 2023, the majority of finance costs were associated with the Company's corporate credit facility which increased to a drawn balance of $28.5 million as at December 31, 2023 ($27.3 million – 2022) and an average balance for 2023 of approximately $25.3 million ($16.5 million – 2022).

Share-based Compensation

Share-based compensation increased by $0.8 million and $2.8 million for the three months and year ended December 31, 2023, respectively, compared to the three months and year ended December 31, 2022. This increase is directly correlated to the additional restricted share units, performance share units and stock options granted over the past year. At December 31, 2023, there were a total of 1,542,563 stock options, 275,326 restricted share units and 839,576 performance share units outstanding as compared to 925,820 stock options, 476,856 restricted share units and nil performance units outstanding at December 31, 2022.

Impairment Loss

Impairment loss for the three months and year ended December 31, 2023, was $nil, compared to the prior period of $3.0 million. Goodwill was initially recorded on the acquisition of the Water and Solids Treatment business in 2021. At December 31, 2022, the Company completed an impairment test of its one active

CGU, Water and Solids Treatment and Recycling, and 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 at $3.0 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%. As at December 31, 2023, there were no indicators of impairment on any of the Company's assets.

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 the previously mentioned updates on the Colorado JV, the Company disposed of 50% of the Colorado JV 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.

Equity (Earnings) Loss From Joint Venture

As previously discussed, effective on the close date of the sale of the 50% interest in the Colorado JV, 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 months and year ended December 31, 2023, the equity (earnings) loss from joint venture represents the Company's share of the net loss of the Colorado JV, the majority of which relates to the unrealized loss on the mark to market of the aforementioned interest rate swap. Further, the project was deemed commissioned as of December 8th, 2023, therefore the equity (earnings) loss from joint venture includes the Company's share of the net income (loss) generated by the operations of the Colorado JV.

Gain on Sale of Subsidiary

As previously discussed, the Company sold a 50% interest in the Colorado JV for gross proceeds of $59.3 million. A gain on sale of $10.1 million was recognized in the first quarter of 2023 associated with this disposition of interest, representing the difference between the net proceeds after transaction costs from the first purchase price instalment of $38.7 million and the carrying value of the net assets sold.

Management Fee

Subsequent to the completion of the sale of a 50% interest in the Colorado JV, 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 in Q2 2023 from the partnership as compensation for the services rendered to date in development of the Colorado JV. The payment of this management fee was subject to certain project performance milestones, all of which were met during 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. Income (loss) from Operations before amortization and depreciation 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, 2023	December 31, 2022	Change
Net income (loss)	(5,066)	(5,124)	58
Income tax expense (recovery)	449	46	403
Depreciation and amortization	1,284	1,272	12
Finance costs	665	476	189
EBITDA	**(2,668)**	**(3,330)**	**662**
Share-based compensation	1,452	692	760
Impairment loss	-	3,001	(3,001)
Adjusted earnings from joint venture (1)	1,009	-	1,009
Unrealized gain on risk management contracts	-	187	(187)
Management fee	-	-	-
Gain on sale of interest in subsidiary	-	-	-
Adjusted EBITDA	**(207)**	**550**	**(757)**

($000)	For The Year Ended December 31, 2023	December 31, 2022	Change
Net income (loss)	1,293	(9,361)	10,654
Income tax expense (recovery)	2,415	(981)	3,396
Depreciation and amortization	5,090	5,458	(368)
Finance costs	2,485	1,086	1,399
EBITDA	**11,283**	**(3,798)**	**15,081**
Share-based compensation	5,258	2,446	2,812
Impairment loss	-	3,001	(3,001)
Adjusted earnings from joint venture (1)	692	-	692
Unrealized gain on risk management contracts	(555)	(774)	219
Management fee	(6,745)	-	(6,745)
Gain on sale of interest in subsidiary	(10,142)	-	(10,142)
Adjusted EBITDA	**(209)**	**875**	**(1,084)**

(1) Adjusted earnings from joint venture, reflects the adjusted EBITDA at the joint venture level at the Company's 50% ownership. This includes adjustments for interest-on-interest rate swaps, depreciation, and other finance costs.

SUMMARY OF QUARTERLY RESULTS

($000)	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Revenue	37,390	46,141	39,132	38,499
Adjusted EBITDA	(207)	875	(348)	(529)
Net income (loss)	(5,066)	(1,986)	3,853	4,492
Net income (loss) per share-Basic	(0.25)	(0.09)	0.19	0.21
Net income (loss) per share-Diluted	(0.24)	(0.09)	0.18	0.21
($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)*

The variation of Adjusted EBITDA over the trailing eight quarters is highly dependent on commodity pricing volatility. The Company's energy product optimization services revenue is generated through the sale of hydrocarbon products which have been blended with an additive that improves the quality of the finished product that is sold to third parties for a profit. The input cost of the additive is in large part a fixed costs and therefore any fluctuations in the price of the blended product sold impacts gross profit realized. As such, this purchase and sale arrangement is subject to commodity pricing volatility. Net income and Adjusted EBITDA for the first quarter of 2023 were abnormally high due to the gain on sale of the Colorado

JV. Net income and Adjusted EBITDA for the second quarter of 2023 was abnormally high due to the one-time management fee earned in the quarter. The third quarter 2023 results were more in line with expectations. The fourth quarter net loss is abnormally high due to the derecognition of $4.6 million in deferred tax assets. 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 maintenance capital expenditures in connection with the Water and Solids Treatment and Recycling facilities. Due to the Company's focus on maintaining efficient operations, the Company expects to generate free cash flow from operations, net of maintenance capital expenditures, on an annual basis.

The Company sourced various forms of capital during 2023 to improve its liquidity position and to help fund the development of its clean energy projects. As outlined in the previously mentioned updates on the Colorado JV, the Company has entered into a strategic partnering agreement with Amber Infrastructure. As part of this agreement, Amber Infrastructure acquired 50% of the Colorado JV (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, which occurred in Q4 of 2023. A portion of the remaining proceeds were also used to reduce the amount outstanding on the Company's corporate credit facility. During Q2 2023, the Company also closed the 2023 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 the available room from the facility used to advance the Future Energy Park.

In order to continue to advance the Future Energy Park, the Company anticipates spending an additional $6.0 million from the beginning of 2024 to progress to financial close and construction start. The pace of this discretionary spend will depend on both accomplishment of key project milestones and available capital. To the extent executed, these activities are anticipated to be funded through a combination of available funds from the Company's corporate credit facility and other potential sources of capital including an option agreement entered into subsequent to year end and net proceeds from the expected sale of the Colorado JV ITCs, including the Deferred Consideration. As discussed below under the subsequent events, in March 2024, the Company entered into an agreement (the "Option Agreement") with various directors of the Company (the "Optionees"), wherein the Optionees agreed to fund an amount of up to $6.0 million to GIP. On April 28, 2024, the Company amended the Option Agreement to increase the amount of available funding from $6.0 million to $10.0 million. The Option Agreement provides the Company with additional liquidity to continue to progress the Future Energy Park to financial close. As at the date of this MD&A, $3.5 million of the Option Agreement has been drawn with $6.5 million available.

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. As a result of a delay in the sale of the Colorado JV ITCs, the Company's current level of working capital, including undrawn available credit facilities, and cash flow from operations may not be sufficient to advance all of its current objectives within the contemplated timeframes. The Company has control over additional capital spending to advance projects and monitors its liquidity position to determine available funds.

Prior to incurring material construction costs for the Future Energy Park, GIP will need to secure adequate sources of financing that enables the Company to achieve its internal economic hurdles.

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 the Colorado JV. As at December 31, 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, excluding discretionary spend, and the contractual maturities of the Company's financial liabilities.

($000)	For The Three Months Ended December 31, 2023	December 31, 2022	$ Change
Cash from (used in) operating activities	2,539	(414)	2,953
Cash (used in) investing activities	(3,118)	(7,032)	3,914
Cash from (used in) financing activities	886	7,915	(7,029)
Impact of foreign currency translation on cash	13	(10)	23
Increase (decrease) in cash	**320**	**459**	**(139)**

($000)	For The Year Ended December 31, 2023	December 31, 2022	$ Change
Cash from (used in) operating activities	8,219	(2,519)	10,738
Cash (used in) investing activities	(17,772)	(55,561)	37,789
Cash from (used in) financing activities	8,363	55,808	(47,445)
Impact of foreign currency translation on cash	113	466	(353)
Increase (decrease) in cash	**(1,077)**	**(1,806)**	**729**

Operating Activities

Cash from operating activities for the three months and year ended December 31, 2023 increased by $3.0 million and $10.7 million, respectively. The significant increase for the year ended December 31, 2023, was primarily a result of the one-time management fee received by the Company from the Colorado JV of $6.7 million in Q2 2023, combined with changes in non-cash working capital period over period, and an overall stronger cash margin from operations in 2023. The increase for the three months ended December 31, 2023 compared to the three months ended December 31, 2022 is due to the stronger cash margins from operations in 2023 and an impairment loss of $3.0 million recognized in 2022, compared to $nil in 2023.

Investing Activities

Cash used in investing activities for the three months and year ended December 31, 2023, decreased by $3.9 million and $37.8 million, respectively, over the three months and year ended December 31, 2022. The large reduction in the use of cash compared to the same period in 2022 stemmed from the Colorado JV being fully under construction that year and, as a subsidiary at the time, the project entity was consolidated in the Company's financial statements. Project construction was materially complete in early 2023. In addition, as outlined in the previously mentioned disclosure on the Colorado JV, in February 2023, the Company entered into a strategic partnering agreement whereby Amber Infrastructure acquired 50% of the Colorado JV. As a result of this transaction, the Colorado JV was no longer consolidated within the Company financial statements and is instead accounted for as an equity investment. In addition, the $21.5 million in proceeds received from the sale of a 50% interest in the Colorado JV in Q1 2023 was offset by the $15.2 million required to acquire the non-controlling interest in the project prior to the sale transaction. This decrease was partially offset by additional spending of $3.0 million and $17.0 million on the Future Energy Park for the three months and year ended December 31, 2023.

Financing Activities

Cash from financing activities for the three months and year ended December 31, 2023, decreased by $7.0 million and $47.4 million, respectively, over the three months and year ended December 31, 2022. This decrease was primarily a result of the net drawings of funds from the Company's corporate credit facility and the Colorado JV Debt Facility. For the three months and year ended December 31, 2023, the corporate credit facility had net draws of $2.0 million and $1.0 million, respectively, compared to the same period for 2022 of $5.6 million and $27.5 million. The decrease in net draws in 2023 was due to the 2023 Private Placement, which was used to repay the Company's corporate credit facility, and the sale of an interest in the Colorado JV, the proceeds of which funded the remaining equity for the Colorado JV resulting in no additional draw on the corporate credit facility. For the three months and year ended December 31, 2023, the Colorado JV's construction facility was $nil, compared to the same period for 2022 of $3.1 million and $33.5 million, respectively. This decrease is due to the construction facility now being accounted for within the Investment in Joint Venture. Furthermore, these decreases were offset by $0.4 million and $6.0 million in share repurchases for the three month and year ended December 31, 2022, respectively, as compared to $nil for the same periods of 2023.

($000)	December 31, 2023	December 31, 2022	Change
Current assets	21,059	25,742	(4,683)
Current liabilities	28,066	29,856	(1,790)
Working capital surplus (deficit) (1)	(7,007)	(4,114)	(2,893)

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

Current liabilities include $8.6 million related to liabilities associated with the 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 projects and settle these liabilities. These have been classified as current liabilities as the Company has assessed that financing will likely be secured and FNTP is expected to occur within the next year. Excluding these liabilities, the Company has a working capital surplus of $1.6 million. As at December 31, 2023, there is an undrawn balance of approximately $1.5 million from the corporate credit facility as well as cash flow from operations to cover obligations. This combined with the adjusted working capital surplus provides $3.1 million available before cash flow from operations.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at December 31, 2023:

As at December 31, 2023 ($000)	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	**19,214**	19,214	-	-	-
Other current liabilities	**8,583**	8,583	-	-	-
Long-term debt	**28,528**	47	28,481	-	-
Other long-term liabilities	**2,001**	-	2,001	-	-
Lease liabilities	**658**	228	430	-	-
Total financial liabilities	**58,984**	**28,072**	**30,912**	-	-

As at December 31, 2022 ($000)	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**

Capital Management and Resources

The Company's objectives when managing capital are to: (i) monitor forecasted and actual cash flows from operating, financing and investing activities; (ii) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (iii) maintain financial flexibility in order to meet its financial commitments and maintain the confidence of shareholders, creditors and the market; and (iv) 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)	December 31, 2023	December 31, 2022
Current assets	21,059	25,742
Current liabilities	(28,066)	(29,856)
Long-term debt	28,945	66,057
Other long-term liabilities	2,001	1,893
Shareholders' equity	103,182	103,867
	127,121	**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.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The Chief Executive Officer of the Company was, until December 8, 2023, the Executive Chairman of Wolverine Energy and Infrastructure Inc. (“Wolverine”) and owned approximately 49% of the issued and outstanding shares of Wolverine. Wolverine owns approximately 18% of the issued and outstanding shares of the Company and is therefore, until December 8, 2023, considered to be a related party of the Company.

On December 8, 2023, FTI Consulting Canada Inc. (“FTI”) was appointed receiver and manager of the assets, undertakings and property of Wolverine and its subsidiary companies, pursuant to an Order of the Court of King's Bench of Alberta. Please refer to ‘Risks and Uncertainties’ below for further discussion.

Key Management Personnel Compensation

($000)	Three Months Ended December 2023	2022	Year Ended December 2023	2022
Short-term compensation [1]	454	269	2,534	1,076
Share-based compensation [2]	1,198	-	4,288	1,425
	1,652	**269**	**6,822**	**2,501**

(1) Short-term compensation includes annual salaries, management bonuses and employee benefits provided to key management personnel as well as directors’ fees. Approximately $0.5 million is recorded in salaries and wages, $0.9 million in selling, general, and administrative, $0.1 million in gain on sale of subsidiary, and $1.0 million in prepaid related to a future project.

(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 short-term compensation and share-based compensation were higher for the year ended December 31, 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.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the Company’s annual consolidated 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 annual consolidated financial statements have been set out in Note 5 of the annual consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted amendments to IAS 1 Presentation of Financial Statements regarding the disclosure of material accounting policies, effective January 1, 2023. This amendment was disclosure related and did not impact the Company's accounting policies. There have been no changes in accounting policies during the year ended December 31, 2023.

Future Accounting Pronouncements

Effective January 1, 2024, the Company plans to adopt amendments to IAS 1 Presentation of Financial Statements which was issued by the IASB in January 2021. The amendments further clarify the requirements for the presentation of liabilities as current or non-current in the consolidated statements of financial position.

In October 2022, the IASB issued Non-current Liabilities with Covenants which amended IAS 1 Presentation of Financial Statements. The amendments specify the classification and disclosure of a liability with covenants and is effective January 1, 2024.

These amendments are not expected to have a material impact on the Company's consolidated financial statements.

OUTSTANDING SHARE DATA

On April 28, 2024, the Company had the following common shares, stock options and share units outstanding:

Common shares	21,400,018
Stock options (vested and unvested)	1,456,969
Share units	272,916
Performance units	677,952
	23,807,855

RISKS AND UNCERTAINTIES

Due to the nature of the Company's business, the legal and economic climate in which it operates and its present stage of development, the Company's business segments are subject to significant risks. The following information describes certain significant risks and uncertainties inherent in the Company's business. This section does not describe all risks applicable to the Company, our industry or our business, and is intended only as a summary of certain material risks. If any of such risks or uncertainties actually materializes, the Company's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A.

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

The Company has a Limited History and has a History of Losses
The Company lacks a significant operating history, especially as it relates to the development of clean energy projects. Prospective investors have a limited basis upon which to evaluate the Company's ability to achieve a principle business objective of developing clean energy projects.

The Company experienced a loss from operations of $5.5 million for the year ended December 31, 2022, and a $4.7 million loss for the year ending December 31, 2023. While the Water & Solids Treatment & Recycling segment generated revenues of $161.2 million ($213.7 million – 2022) and a gross margin of $7.7 million ($5.4 million – 2022), the Company incurred significant losses in connection with the development of its clean energy projects within the Clean Energy Production segment. The Colorado JV commenced operations in late Q4 2023. Given the early stage of operations, the Company expects its operating losses to continue. The Company's capital position may be adversely affected by low liquidity, which could impact its ability to meet financial obligations and pursue growth opportunities. Operating losses and its corresponding effect on liquidity may have an impact on construction timelines. The Company cannot provide assurance when the Clean Energy Production segment will reach profitability or that the clean energy projects will ever become profitable.

Failure to Secure Additional Financing
There can be no assurance the Company will be able to raise the additional funding necessary to carry out its business objectives and to complete the planned development of clean energy projects. The development of the clean energy business depends upon the Company's ability to generate cash flow from operations, prevailing market conditions for clean energy projects and pricing for the environmental attributes associated with RNG and other bio-fuels, its business performance and its ability to obtain

financing through debt financing, equity financing, investment by Amber Infrastructure pursuant to the strategic partnering agreement, or other means. Amber Infrastructure's exclusive rights to provide equity financing to Future Energy Park and Iowa RNG expire on June 30, 2024, unless both Amber Infrastructure and the Company mutually agree to extend. There is no assurance that the Company will be successful in obtaining the financing it requires and when needed or at all in order to complete the planned expansion of its business. If additional financing is raised by the issuance of Common Shares from treasury, Shareholders may suffer additional dilution.

Relationships with Counterparties

The Company's success may be substantially impacted by its ability to negotiate feedstock supply agreements with organic material suppliers (i.e., dairy manure and forestry products), arrange engineering, procurement and construction contracts to develop the Company's projects, negotiate sale agreements for ITCs, PTC and other environmental attributes, and enter into offtake agreements with utilities, clean energy traders and customers to support clean energy projects under development, as the clean energy business is dependent on these suppliers, contractors, purchasers and offtake counterparties. For a number of reasons, a supplier may fail to supply materials or components that meet the clean energy business' requirements or to supply any at all. If the Company's clean energy business is not able to resolve these issues or obtain substitute sources for these materials in a timely manner or on terms acceptable to it, the clean energy business' ability to produce clean energy from such affected projects may be harmed, which could have a material adverse effect on its business and financial results.

Risks Arising from Co-Ownership

Certain projects and assets are currently, or may be in the future, jointly owned. Co-ownership and joint ventures agreements contain, as do those with Amber Infrastructure, a range of matters which may not be progressed without the approval of all parties, which may influence the strategy which the Company pursues in respect of certain projects or assets. There is no guarantee that the Company will be able to execute its preferred business or operational strategy at facilities which are jointly owned. In addition, agreements for the ownership and operation of the projects contain, as do those with Amber Infrastructure, mutual rights of first refusal which require a transferor who is proposing to transfer an ownership interest to offer such interest on the same commercial terms to the co-owner of the assets prior to completing the transfer. Such provisions restrict the Company's ability to transfer its interests in the assets and may limit the Company's ability to maximize the value of a sale of its interest. In addition, in the event the Company defaults under its joint venture agreement with Amber Infrastructure, then Amber Infrastructure may have the right to purchase GIP's 50% ownership in Colorado JV for 80% of the fair market value, as determined by an independent third party.

Development and Operating Costs

The Company's financial outlook and performance is significantly affected by the cost of developing, sustaining, and operating clean energy projects. The development, design and construction process for clean energy projects is expected to range from approximately 24 to 48 months**.** This process includes identifying and assessing whether prospective feedstock sources and sites will satisfy the Company's investment criteria, including the net zero requirements and commercial viability. This extended development process requires the dedication of significant time and resources from management, with no certainty of success or recovery of expenses. Development and operating costs are affected by a number of factors including, but not limited to: development, adoption and success of new technologies; inflationary price pressure; changes in regulatory compliance costs; failure to maintain quality construction and manufacturing standards; access to feedstock; and supply chain disruptions, including access to skilled labour.

The Ability to Develop and Operate Clean Energy Projects

The Company's focus on the clean energy sector exposes the Company to risks related to the supply of and demand for clean energy, government incentives, the cost of capital expenditures, government regulation, international and regional events and economic conditions, and the acceptance of clean energy sources. The expectations of the operating performance of the Company's projects are based on assumptions and estimates made without the benefit of operating history. A number of other factors related to the development and operation of individual clean energy projects could adversely affect the Company's business, including: regulatory changes and government policy shifts by existing administrations or following changes in government that affect the demand for or supply of clean energy and the prices thereof, which could have a significant effect on the financial performance of clean energy projects and the number of potential projects with attractive economics; restrictions on fossil fuel-based energy use, cross-border economic activity, and development of new infrastructure can impact the Company's opportunities for continued growth; changes in energy commodity prices, such as natural gas and wholesale electricity prices, which could have a significant effect on revenues; changes in pipeline gas quality standards or other regulatory changes that may limit the ability to transport RNG and other bio-fuels on pipelines for delivery to third parties or increase the costs of processing RNG and other bio-fuels to allow for such deliveries; changes in the broader biogas (i.e., dairy and other feedstock) industry; substantial construction risks, including the risk of delay; operating risks and the effect of disruptions on the clean energy business, including the effects of the COVID-19 pandemic on the Company, the clean energy business' customers, suppliers, distributors and subcontractors; the need for substantially capital to complete projects, including more capital than initially budgeted, and exposure to liabilities as a result of unforeseen environmental, construction, technological or other complications; failures or delays in obtaining desired or necessary land rights, including ownership, leases or easements; a decrease in the availability, pricing and timeliness of delivery of feedstock and other raw materials and components, necessary for the projects to function; obtaining and keeping in good standing permits, authorizations and consents from local, provincial, state and federal governments; and the consent and authorization of local utilities or other energy development off-takers to ensure successful interconnection to end-users. Any of these factors could prevent the Company from completing or operating clean energy projects, or otherwise adversely affect the business, financial condition, and results of operations of the Company.

Fluctuations in Operating Results and Cash Flow

The Company's operating results and cash flow will fluctuate substantially from quarter to quarter and as a result in the fluctuation in demand for water treatment, recycling and waste services and also clean energy and the development of clean energy. Timing of new contract awards varies due to customer-related factors such as finalizing technical specifications and securing project funding, permits, feedstock agreements and offtake agreements. The Clean Energy Business will recognize revenue, costs and profits over the period of the contract by reference to the stage of completion of the contract. The stage of completion of a contract is determined by internal estimates, with reference to the proportion of costs incurred and the proportion of work performed. Revenue is recognized in proportion to the total revenue expected on the contract. Such estimates may differ from actual results. Accordingly, the inherent uncertainty in these estimates could cause the Company's Investment in Joint Venture to fluctuate and such fluctuations may be material.

Projects May Not Generate Expected Outputs

The Company’s capital projects remain subject to various operating risks that may cause them to generate lower output levels than currently projected. Various factors, including equipment malfunctions, technical issues, labor shortages, or supply chain disruptions may contribute to production levels or quality being lower than expected. Such variations from projections could result in decreased revenues, increased operating costs, impairment of assets, and diminished competitiveness in the market. Consequently, the Company’s profitability, financial condition, and ability to meet contractual obligations may be materially affected if its production facility projects do not perform as anticipated.

Inflation

If the Company's development, operation or labor costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through corresponding increases in the costs of our products and services to our customers. The inability or failure to do so could harm the Company's business, financial condition and results of operations.

Reliance on Permits and Authorizations

The development and operation of water treatment and recycling and waste management facilities and clean energy projects requires the Company and/or its customers to obtain regulatory permits, authorizations, or other approvals. There is no assurance that regulatory authorities will provide such approvals, which could adversely affect the business, financial condition, and results of the Company's operations.

There can be no guarantee that the applicable authorities will issue these permits or authorizations. Should the authorities fail to issue the necessary permits or authorizations to the Company or its customers, the Company may be limited or prohibited from proceeding with its business plans as proposed and the business, financial condition and results operations of the Company may be materially adversely affected.

Operating Risks and Insurance

The Company and its businesses, partnerships, joint ventures, and projects are subject to risks associated with ownership and operation of facilities, such as, equipment defects, malfunctions, failures, explosions, fires, damage or loss from inclement weather, accidents, spills, the handling, blending and transportation of dangerous goods, and natural disasters. These risks and hazards could expose the Company to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution, and other environmental damages. Although the Company will obtain insurance against certain of these risks, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company incurs substantial liability and such damages are not covered by insurance or are in excess of policy limits, or if the Company incurs such liability at a time when it is not able to obtain liability insurance, the Company's business, results of operations and financial condition could be materially adversely affected.

Regulatory Risks

Clean energy and clean energy projects are subject to evolving regulatory requirements. Changes in regulatory requirements may require the clean energy business to incur substantial costs associated with compliance or alter certain aspects of its business plan or may adversely affect government incentives associated with using clean energy and developing clean energy projects. We cannot predict the nature of any future laws, regulations, interpretations or applications towards renewable energy policies, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the clean energy business. Compliance with any such legislation may have a material adverse effect on the Company's business, financial condition, and results of operations.
Management expects that the legislative and regulatory environment in the renewable energy industry globally will continue to positively develop but still be dynamic for the foreseeable future.

In addition, if current laws and regulations in jurisdictions internationally are not kept in force or if further environmental laws and regulations are not adopted in these jurisdictions as well as in other jurisdictions, demand for clean energy and clean energy projects may diminish. Public opinion can also exert a significant influence over the regulation of the renewable energy industry. A negative shift in the public's perception of the feasibility of clean energy projects or clean energy, could affect future legislation or regulations in jurisdictions around the world.

Price of Environmental Credits

The Company cannot predict with any certainty the future market pricing of LCFS, RIN, and other environmental attributes associated with RNG and other bio-fuels. The profitability of the Company's operations will be seriously affected by changes in prices of such environmental attributes. The price of such environmental attributes may be subject to volatility or, while unexpected, may decrease. If such future trading prices are insufficient, the Company's business and financial condition will suffer.

The Company earns LCFS, RIN, and other environmental attributes associated with RNG and other bio-fuels by both (i) supplying a fuel with a CI below the prescribed CI limit and (ii) taking actions that would have a reasonable possibility of reducing GHG emissions. Upon earning such environmental credits, the

Company may monetize the environmental credits and sell validated credits to purchasers who wish to achieve compliance with the low carbon fuel requirements.

Environmental credit market prices are determined primarily by the supply and demand of such credits as well as any future expectations thereof. Such prices are affected by numerous factors beyond the Company's control, including number of pathways that can generate LCFS and RIN credits, supply of renewable products entering the market, number of competing projects currently operational or planned to enter service that will supply the market with renewable products, and the demand for such credits by others. Volatility or decrease in price may have a significant and negative impact on the value of the Company's assets, its financial condition and its ability to execute on its capital projects.

Overall Level of Indebtedness

From time to time, the Company may have a significant amount of indebtedness and the Company's level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

- make it more difficult for the Corporation to conduct its operations;
- increase the Corporation’s vulnerability to general adverse economic and industry conditions;
- require the Corporation to dedicate a portion of its cash flow from operations to service payments on its indebtedness, thereby reducing the availability of the Corporation’s cash flow to fund working capital, capital expenditures and other general corporate purposes including impacting the ability of the Corporation to pay dividends to shareholders;
- limit the Corporation’s flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Corporation’s ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

An increase in interest rates could result in a significant increase in the amount the Company pays to service debt, resulting in a reduced amount available to fund its activities and could negatively impact the market price of the Common Shares.

Debt Service

The Company requires sufficient cash flow in order to service and repay its indebtedness. The Company's ability to generate sufficient cash flow to meet these obligations depends on its financial condition which is, to a certain extent, subject to global economic, financial, competitive and other factors that may be beyond its control. If the Company is unable to obtain future borrowings or generate cash flow from operations in an amount sufficient to service and repay its indebtedness, the Company could default under the agreements governing its indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. The Company may from time to time have restricted access to capital and increased borrowing costs. The inability to service, repay and/or refinance its indebtedness could have a material adverse effect on the Company’s business, financial condition, results of operations and cash flows. Furthermore, amounts paid in respect of interest on long-term debt will reduce the Company's net income. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service.

Debt Matters

The Company relies now and in the future on debt financing for some of its business activities, including capital and operating expenditures. There are no assurances that the Company will be able to refinance any or all of its borrowings at their maturity. In addition, there are no assurances that the Company will be able to comply at all times with the covenants applicable under its current credit facilities. Any failure of the Company to secure financing or to comply with applicable covenants under its credit facilities could have a material adverse effect on the Company's financial results, including its ability to pay dividends to

Shareholders and to support future growth.

The Company's credit facilities may limit, among other things, its ability to incur additional debt, issue certain equity securities or enter into sale transactions. The Company is also required to maintain specified financial ratios and satisfy specified financial tests. The Company's ability to meet these financial ratios and tests can be affected by events beyond its control. As a result of these covenants, the Company's ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be restricted, and the Company may be prevented from engaging in transactions that might otherwise be considered beneficial.

A failure to comply with the obligations in the credit facility, including financial ratios and specified financial tests, could result in a default. If not cured or waived, such default would permit acceleration of the repayment of the relevant indebtedness as the respective lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If such lenders were to accelerate the repayment of outstanding borrowings, the Company may not have sufficient cash to repay balances owing which may permit the Company's creditors to realize upon collateral granted to secure the indebtedness. Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to the Company.

Volatility of Market Price of the Company's Shares

The market price of the Company's Common Shares may be volatile, which may affect the ability of holders to sell the Company's Common Shares at an advantageous price. Market price fluctuations in the Company's Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "Cautionary Note Regarding Forward-Looking Information". In addition, the market price for securities on stock exchanges, including the TSXV, may experience significant price and trading fluctuations, which are often unrelated or disproportionate to changes in operating performance or financial outlook.

Wolverine Energy & Infrastructure Inc. Receivership

Investors should be aware of the risk associated with Wolverine Energy & Infrastructure Inc. ("Wolverine") being placed into receivership on December 8, 2023. FTI Consulting Canada Inc. was appointed receiver and manager (the "Receiver") of the assets, undertakings and property of Wolverine and its subsidiary companies, pursuant to an Order of the Court of King's Bench of Alberta. Wolverine was a shareholder of the Company at the time it was placed into receivership and may continue to hold an undisclosed number of Common Shares in the Company. On January 4, 2024, the Receiver launched a sale and investment solicitation process (the "SISP") to solicit interest in, and opportunities for, a sale of all or part of the business, property, assets and undertakings of the Wolverine and its affiliates and was intended to result in binding offers being submitted by March 7, 2024. As a result of the receivership and SISP, Wolverine may liquidate some or all remaining Common Shares in the Company to address its financial obligations or to comply with receivership proceedings. A share liquidation by the Receiver could result in an abrupt and potentially substantial influx of the Company's Common Shares into the market, affecting stock price, liquidity, and market sentiment. While the Company has no direct influence over Wolverine's actions in receivership, investors should be aware of the potential consequences of such a liquidation on their investments, including the possibility of price volatility and changes in market dynamics driven by changes in Wolverine's financial challenges and market position.

Force Majeure Events

The Company's operations, information systems and infrastructure may be vulnerable to substantial loss or damage, including the curtailment or suspension of our operations, as a result of certain disruptions, including natural disasters, forest fires, national emergencies, acts of war, acts of terrorism, technological attacks, domestic and global trade disruptions, infrastructure disruptions, civil disobedience or unrest, the outbreak of disease or similar events, any of which may have a material adverse effect on our reputation, our business, financial conditions or operating results.

Legal Proceedings

The Company may be subject to legal and regulatory proceedings arising in the ordinary course of business. The Company evaluates its exposure to such proceedings and may establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. The outcomes of these legal matters cannot be predicted with certainty. Even in cases lacking merit, legal defense and settlement expenses can be substantial. If the Company is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Internal Controls over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. While management of the Company intends to put in place certain plans and procedures to mitigate the risk of a material misstatement in the Company's financial reporting, a system of internal controls can provide only reasonable, not absolute, assurance that the objectives of the control system are met, no matter how well conceived or operated.

Forward-Looking Statements may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly.

On October 7, 2023, Hamas infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on military targets and civilians. Following the attack, Israel's security cabinet declared war against Hamas and the military campaign has launched a series of responding attacks. The outcome of the conflict has the potential to have wide-ranging consequences on the world economy. The long-term impacts of the conflict remain uncertain.

Volatility in commodity prices may adversely affect the business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, services.

The extent and duration of the current Russian-Ukrainian and Israel-Palestine conflicts and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on the Company, our stakeholders and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Global Financial Conditions
Global financial conditions, including changes in commodity and equity markets, remain volatile as investors react to changes in the global economy. Challenging market conditions and the health of the economy as a whole may have a material adverse effect on the Company's results of operations, financial condition and prospects. There can be no assurance that any risk management steps taken by the Company with the objective of mitigating the foregoing risks will avoid future loss due to the occurrence of such risks. As a result of global market conditions, the Company is subject to increased counterparty risk and liquidity risk.

The Company is exposed to various counterparty risks including, but not limited to: financial institutions that hold the cash of the Company or provide available funding to the Company; the insurance providers of the Company; suppliers, contractors, purchasers and offtake counterparties; and counterparties to hedge transactions. As a result, the cash of the Company may become exposed to credit-related losses in the event of non-performance by counterparties to these financial instruments. In the event that a counterparty fails to complete its obligations or in the event of the default or bankruptcy of a counterparty, the Company would bear the risk of loss of the amount expected to be received under these financial instruments.

The Company is also exposed to liquidity risk in the event our cash positions decline or become inaccessible for any reason, or additional financing is required to advance our projects or growth strategy and appropriate financing is unavailable, or changes in general economic conditions decrease demand. Any of these factors may impact the ability of the Company to obtain further equity-based funding, loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. If additional volatility and market turmoil occur, the Company’s results of operations and planned growth could be adversely impacted.

Availability of Qualified Employees
The Company's ability to operate its business segments is dependent upon attracting and retaining skilled workers.

Shortages of experienced and skilled workers could have a material adverse effect on the Company by increasing labor costs, constraining growth, or the level of activity as a result of the inability to expand human resources of the Company or through the loss of existing employees to competitive businesses.

Competition
There are several other companies operating in each of the water and solids treatment and recycling and clean energy markets. The Company may not have the resources to compete with existing competitors or with any new competitors. Many of the Company's competitors have significantly larger personnel, financial and managerial resources than the Company. Moreover, as demand for clean energy increases, new companies may continue to enter the markets, and the influx of added competition will pose an increased risk to the clean energy business.

The Company faces competition both on the prices for the rights to develop clean energy projects and the sale of clean energy products, including RNG and ethanol. The Company faces competition from both conventional and clean energy companies in connection with the prices that the Company can obtain for the RNG and ethanol and sell into energy markets at market prices. The prices that these energy companies can offer are dependent on a variety of factors, including their fuel sources, transmission costs, capacity factor, technological advances and their operations and management. If these companies are able to offer their energy at lower prices, this will reduce the prices we are able to obtain in these markets, which could have a material adverse effect on our results of operations. Our competitors may also offer energy solutions at prices below cost, devote significant resources to competing with us or attempt to recruit our key personnel, any of which could improve their competitive positions. In addition, the technologies that we use may be rendered obsolete or uneconomic by technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of our competitors or others.

Potential Reduction in Demand for Clean Energy
The success of the Company's clean energy business, specifically developing clean energy projects, largely

depends upon the increased use and widespread adoption and demand of clean energy, including, in particular, RNG. Many factors will influence the widespread adoption of renewable energy and demand for renewable energy projects, including: cost-effectiveness of clean energy technologies as compared with conventional and competitive technologies; performance and reliability of clean energy products as compared with conventional and non-renewable products; fluctuations in economic and market conditions that impact the viability of conventional and competitive alternative energy sources; increases or decreases in the prices of feedstock and energy products, such as natural gas; and availability or effectiveness of government subsidies and incentives.

Compliance with Environmental Legislation
Environmental legislation imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances and gases to the environment. In addition, certain types of operations, including biogas installation projects, the potential construction related to FEP, and significant changes to certain existing projects, may require the submission and approval of environmental impact assessments. Compliance with environmental legislation can require significant expenditures and failure to comply with environmental legislation may result in the imposition of fines and penalties and liability for cleanup costs and damages. Changes in environmental legislation may require, among other things, reductions in emissions to the air from the Company's business' existing and target customers' operations and result in increased capital expenditures. Future changes in environmental legislation could occur and result in stricter standards and enforcement, fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the ability of the Company and its business partners to enter into clean energy projects. The Company's clean energy business may suffer if environmental policies change and no longer encourage the development and growth of renewable based technologies.

Dependence on Intellectual Property
Failure to protect the Company's business's existing and future intellectual property rights could seriously harm its business and prospects and may result in the loss of its ability to exclude others from utilizing the Company's technology or the Company's own right to utilize its own technologies. If the Company does not adequately ensure its freedom to use certain technology, it may have to pay others for rights to use its own intellectual property, pay damages for infringement or misappropriation and/or be enjoined from using such intellectual property. As is the case in many other industries, the web of intellectual property ownership in the clean energy industry is complicated and, in some cases, it is difficult to define with precision where one property begins and another ends.

The Company seeks to protect its proprietary intellectual property, including intellectual property that may not be patented or patentable, and third-party intellectual property used by the Company in connection with its operations, in part by confidentiality agreements with its strategic partners and employees. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach or that such persons or institutions will not assert rights to intellectual property arising out of these relationships.

Certain intellectual property has been licensed to the Company from third parties who may also license such intellectual property to others, including the Company's competitors. If necessary or desirable, the Company may seek further licenses under the patents or other intellectual property rights of others. However, there can be no assurances that it will obtain such licenses or that the terms of any offered licenses will be acceptable to it. The failure to obtain or renew a license from a third party for intellectual property the Company uses at present could cause it to incur substantial costs and to suspend the manufacture, shipment of products or its use of processes requiring such intellectual property.

Trade Relations
The Canada, U.S., Mexico Trade Agreement ("CUSMA") came into effect on July 1, 2020. CUSMA supersedes the North American Free Trade Agreement and provide protection against tariffs, duties and or

fees. The Company is focused on developing clean energy projects and has operating assets throughout Canada and the United States. Any disruption to the Company's ability to operate seamlessly throughout North America could have a material adverse effect on the Company's reportable segments and the financial results of the Company.

Information Security

The Clean Energy Business has become increasingly dependent upon the development and maintenance of information technology systems that support the general operation of the business. Exposure of the Company's information technology infrastructure to external threats poses a risk to the security of these systems. Such cyber security threats include unauthorized access to information technology systems due to hacking, viruses and other deliberate or inadvertent causes that can result in service disruptions, system failures and the disclosure of confidential business information.

The Company applies risk management controls in line with industry accepted standards to protect the Company's information assets and systems; however, these controls may not adequately protect against cyber security breaches. There is no assurance that the Company will not suffer losses associated with cyber security breaches in the future, including with respect to negative effects on the Company's operational performance and earnings, the incurrence of regulatory penalties, reputational damage and costs required to investigate, mitigate and remediate any potential vulnerabilities.

Foreign Currency Risk

Some of the Company's current operations and related assets are located in the U.S. Risks of foreign operations include, but are not necessarily limited to, changes of laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, inflation, repatriation of earnings, social unrest or civil war, acts of terrorism, extortion or armed conflict and uncertain political and economic conditions resulting in unfavorable government actions such as unfavorable legislation or regulation. While the impact of these factors cannot be accurately predicted, if any of these risks materialize, they could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Occupational Health and Safety and Accident Risks

The Company's business is subject to hazards of producing, gathering and processing hydrocarbon products which may give rise to personal injury, loss of life, disruption to service and economic loss. Some of the tasks undertaken by employees and contractors are inherently dangerous and have the potential to result in serious injury or death.

The Company is subject to laws and regulations governing health and safety matters, protecting both members of the public and their employees and contractors. Occupational health and safety legislation and regulations differ in each jurisdiction. Any breach of these obligations, or serious accidents involving the Company's employees, contractors or members of the public could expose the Company to adverse regulatory consequences, including the forfeit or suspension of operating licenses, potential litigation, claims for material financial compensation, reputational damage, fines or other legislative sanction, all of which have the potential to impact the Company's financial results.

The Company generally maintains insurance to mitigate costs associated with such events, but there can be no assurance that its insurance would be sufficient to cover liabilities it may suffer upon the occurrence of such events. Any such event not covered by the Company's insurance could have a material adverse effect on the Company's business, financial condition, and results of operations. No assurances can be given that the occurrence of any of such events or workers' health and safety issues relating thereto will not require unanticipated expenditures, or result in fines, penalties or other consequences material to the Company's business and operations.

Spread Between Renewable Fuel Prices and Feedstock Costs

The Company's gross margins are dependent on the spread between renewable fuel prices and feedstock costs, each of which may fluctuate to impact the Company’s margins. If there is a decrease in the spread between renewable fuel prices and feedstock costs, whether as a result of an increase in feedstock prices or as a result of a reduction in renewable fuel and credit prices, gross margins, cash flow and operations would be adversely affected. A decrease in the availability or an increase in the price of feedstocks may have a material adverse effect on the Company's financial condition and operating results. The price and availability of feedstocks and other raw materials may be influenced by general economic, market, environmental and regulatory factors.

Decommissioning, Abandonment and Reclamation Costs
The Company and its joint ventures is responsible for the expenses associated with decommissioning, abandonment and reclamation of certain assets at the end of their economic life, the costs of which may be substantial. Failure to comply with all laws and regulations regarding such obligations may result in the imposition of fines or penalties, including an order for the cessation of operations. It is not possible to predict these costs with certainty since they are a function of regulatory requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates.

Non-Governmental Organization Activism and Eco-Terrorism
Activist groups or individuals may target the Company due to its industry, business practices, or perceived environmental impact and the Company may be subject to public opposition that could expose the Company to the risk of higher project costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups. The Company could also face protests, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of federal, provincial or municipal governments and delays obtaining or challenges to regulatory permits. There is no guarantee that the Company will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require the Company to incur significant and unanticipated capital and operating expenditures.

The energy industry has become a politically contested industry in Canada which can result in civil disobedience surrounding related developments and infrastructure projects. In addition, the Company's and its counterparties' properties, projects and facilities could be the subject of a terrorist attack. Eco-terrorist groups may target critical infrastructure or supply chains to protest against perceived environmental harm or to advocate for specific environmental causes. These attacks could lead to production delays, supply shortages, or increased costs and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Global Climate Change
Shifting weather patterns and climate fluctuations have increased the unpredictability and occurrence of natural disasters in certain parts of the world, including the markets in which the Company operates and intends to operate. This trend has introduced further uncertainty regarding future developments. Moreover, there is growing concern that such climate changes may increase the frequency and severity of extreme weather events. The Company cannot predict whether or to what extent damage caused by natural events will affect the Company's operations or the economies in its current or future market areas. The heightened occurrence and severity of such weather events could adversely affect economic conditions in these areas and potentially diminish the value or even destroy the Company's assets.

SUBSEQUENT EVENTS

On March 7, 2024, the Company entered into an agreement (the “Option Agreement”) with various directors of the Company (the “Optionees”), wherein the Optionees have agreed to fund an amount of up to $6.0 million to GIP, available in tranches, at GIP’s sole discretion, to provide additional liquidity to GIP until closing of the Colorado JV ITC sale. In exchange, GIP has granted the Optionees an option to purchase certain ITCs that the Company may receive from future renewable natural gas projects (excluding the Colorado JV) (the “Option”). Pursuant to the Option Agreement, the Optionees shall have the right, for a period of five years, to purchase the ITCs from the Company. During the term of the Option Agreement, the

Company may, at its sole option, repurchase the Option from the Optionees by paying all amounts previously funded to the Company by the Optionees along with interest accrued at a rate of 1.25% per month. There are certain circumstances that oblige the Company to repurchase the Option from the Optionees including change in control or financial close on either Iowa RNG or the Future Energy Park. On April 28, 2024, the Company entered into an amendment to the Option Agreement whereby one of the Optionees has agreed to fund an additional $4.0 million to GIP, available at GIP's sole discretion (the "Additional Option"). The Additional Option has similar terms to the Option except for additional commitment fees. During the term of the Option Agreement, the Company may, at its sole option, repurchase the option from the Optionee by paying all amounts previously funded to the Company for both the Option and the Additional Option including accrued interest at a rate of 1.25% per month plus commitment fees on the Additional Option. As at the date of this MD&A, $3.5 million of the Option Agreement has been drawn with $6.5 million available.