



Green Impact Partners

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2024 and 2023

November 27, 2024



MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2024 and 2023 is prepared as of November 27, 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 condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2024 and 2023 and 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") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements and additional information relating to GIP are available on SEDAR+ at www.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"); the timing of and ability to secure 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; refinancing of the Facility and converting term sheets into finalized agreements; anticipated developments in respect of the Clean Fuel Regulations; potential benefits in respect to the Alberta Technology Innovation and Emissions Reduction Regulation ("TIER Regulation"); 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 the Company's competitive position; anticipated supply and demand for the Company's products and services; reliance on third-party reports for project financing involves risks related to assumptions, timelines, and outcomes that may vary, potentially impacting the Company's financial position and project development; 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 other bioenergy 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 (“Bioenergy Production”). Moreover, alongside its primary focus, GIP possesses a network of assets located throughout western Canada and the United 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.
- **Bioenergy Production (formerly Clean Energy Production)**– The Bioenergy Production segment includes bioenergy projects under construction, development, and pre-development located in Canada, the United States and New Zealand. The current portfolio of bioenergy projects within this operating segment includes RNG, biofuel and hydrogen distribution projects.

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.

Project Construction and Development Updates

Colorado Joint Venture

During the third quarter of 2024, the local utility worked through their technical issues which allowed production to ramp up at both facilities. Through this ramp up period, warrantied mechanical issues were identified that are affecting gas production. These issues are being repaired expeditiously by the Engineering, Procurement & Construction (“EP&C”) contractor at their cost. There is the potential for equipment delivery delays and, therefore, GIP has not been provided with a guaranteed completion timeline. As a result, the Company is reducing its 2025 EBITDA target for the Colorado JV to approximately \$12.3 million, of which GIP would retain a 50% net interest. This EBITDA target is based on achieving annual production of approximately 265,000 million British thermal units (“MMBtu”) or 75% of long-term production targets, an expected price of \$68.40/MMBtu for the biogas production, approximately \$2.5 million in revenue related to production tax credits (“PTCs”) and anticipated operating costs of \$8.3 million for 2025.

The Company continues to wait for guidance on PTCs under Section 45Z of the U.S. Inflation Reduction Act. 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. The application to claim these credits has been submitted and is under review by the Internal Revenue Service. 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 considers 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 US\$8 per MMBtu of production and anticipates monetizing the credits for approximately 85% of their face value through a sale of the PTCs to an independent third party. This has an expected impact of \$2.5 million to project revenues, which has been assumed in the EBITDA targets discussed above. However, if project specific Carbon Intensity (“CI”) scores are used to base the GHG emissions rate associated with the PTCs, the Colorado JV may receive up to five times the base US\$8 per MMBtu based on the expected CI score of the Colorado JV, which could increase the Colorado JV’s 2025 target EBITDA by \$8.6 million to \$20.9 million of which the Company would retain a 50% interest.

The Colorado JV has filed its application for a temporary CI score under the California Air Resources Board Low Carbon Fuel Standard (“LCFS”) program for the first site to commence monetizing its environmental credits in the second half of 2024 based on a program temporary CI score of -150. The final certification approval is expected in late 2025 or early 2026 with a projected CI score of -189. Similarly, the Colorado JV anticipates filing for its temporary CI score for the second site in the coming weeks. The first site did receive its required approvals to monetize D3 RIN credits and began receiving cash in October for previously dispensed gas for the first half of 2024.

Future Energy Park

In July 2024, the Company finalized the pathways to solidify eligibility for carbon credits under the Alberta Technology Innovation and Emissions Reduction (“TIER”) program. In addition, as part of ongoing development activities and to facilitate the Future Energy Park’s (“FEP”) CI Score, GIP reached commercial agreement on key terms to sequester the biogenic CO₂ from the facility. These were both critical path items within the project schedule.

While delays related to the Alberta TIER program and sequestration agreements in 2024 impacted the timeline, GIP based its initial project schedule and guidance on stakeholder feedback. Given the innovative nature of this project and with this process now resolved, GIP has a clear path forward. GIP is focused on executing remaining commercial and debt processes, positioning the Company to make a final investment decision.

During the third quarter of 2024, GIP completed the EP&C contracts and schedule for FEP. Due to the project’s scale and inflationary pressures, updated EP&C costs for FEP are estimated to be approximately \$1.5 billion. To ensure management of project risks and costs, GIP made the strategic decision to create a consortium for the EP&C with two distinct contracts (one for Engineering & Procurement (“EP”) and another for Construction), continuing to fully wrap the construction, design and performance of the facility. This approach aligns with the Company’s commitment to maximize project efficiency and accountability.

GIP plans to finance FEP with a capital structure of 25% equity and 75% project-level senior and subordinated debt. The next key milestones to support the start of construction in 2025 include: finalizing definitive agreements for equity investments, the RNG supply agreement, a long-term Alberta TIER Credit contract, and the binding Carbon Capture, Utilization and Storage agreement. In addition, the Company has been working to complete various independent third-party reports and due diligence documentation required to proceed to debt syndication.

Subject to the successful completion of the definitive agreements referenced above, FEP is on track to continue to proceed to full construction start in 2025. The construction and commissioning of the facility are anticipated to take approximately three years.



FEP is expected to have an estimated annual production of four million gigajoules of RNG, over 300 million litres of cellulosic equivalent ethanol, approximately 595,000 tonnes of wet distillers' grain, approximately 650,000 tonnes of carbon credits, and approximately 300,000 tonnes of clean, biogenic CO₂. Based on updated contract terms and independent third-party price forecasts for FEP's various revenue streams, the anticipated annual run-rate EBITDA is \$370 million to \$490 million based on current contractual arrangements and independent third-party pricing assumptions. The Company expects to retain a 50% equity interest in FEP.

FEP 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 anaerobic 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 a high in protein wet distillers' grain, and captured, pure and usable biogenic CO₂.

In third quarter of 2024, the Company incurred approximately \$1.7 million in costs (out of a total of approximately \$37 million) to further advance FEP. The Company expects to incur approximately \$2.1 million to advance the project to financial close and commencement of construction.

Feedstock

FEP has entered into a long-term supply agreement (the "Feedstock Contract") with a large creditworthy counterparty 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 facility 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 materially advanced the final definitive agreement for the sale of 100% of FEP'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 FEP under any applicable federal carbon crediting programs. Based on anticipated run-rate production of approximately four million gigajoules per annum of RNG and independent price forecasts for federal carbon credit programs, the Company expects FEP to receive between \$140 million to \$175 million in annual revenue with approximately \$120 million on a fixed-price basis, resulting in \$120 million to \$155 million in EBITDA annually 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 finalized the carbon credit pathways under the Alberta TIER and FEP is expected to generate approximately 650,000 tonnes annually of carbon credits. In an effort to maximize senior debt availability and economics of the project, the Company is currently pursuing a long-term fixed price contract for approximately 50% of the TIER credits, with the remaining 50% expected to be sold on a merchant basis at a discount to the TIER market price. The Company expects to generate between \$57.5 million and \$72.5



million in annual revenue for the TIER carbon credits, with approximately 50% of such revenue on a fixed price basis, resulting in annual run-rate EBITDA for the sale of carbon credits of \$50 million to \$65 million, after the allocation of both direct and indirect operating expenses of approximately \$7.5 million per annum.

Ethanol

FEP 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 Company 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 Company 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 definitive 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 it will generate between \$390 million to \$460 million in revenue annually over the initial decade of operation. This forecast is based on the facility'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. This is expected to result in approximately \$150 million to \$200 million in EBITDA per year for FEP, net of wheat supply costs disclosed above of \$190 million to \$210 million annually, as well as approximately \$50 million allocated for both direct and indirect operating expenses. Approximately 17% to 20% of revenue is anticipated to be generated on a fixed price basis for the first five years of operations.

Distillers Grain

FEP is expected to produce approximately 595,000 tonnes annually of wet distillers' grain ("WDG") which has been contracted for sale on a merchant price basis to a local marketer of agricultural commodities for an initial 10-year period. Based on independent price forecasts for WDG, the Company expects FEP to receive between \$57.5 million to \$77.5 million in annual revenue for the sale of its WDG, resulting in approximately \$50 million to \$70 million in annual EBITDA for the sale of this product, after the allocation of both direct and indirect operating expenses of approximately \$7.5 million per year.

Engineering & Procurement Contract & Construction Contract

The EP contract and the Construction contract for FEP are complete and will be executed prior to the close of project-level debt financing. EP will be completed under a fixed-price contract with a Canadian-based engineering company with a significant track record in sustainable energy projects globally. Construction will be completed under a fixed-price contract with a global, creditworthy engineering and construction firm.

Carbon Capture & Sequestration

To meet certain minimum CI requirements under various offtake agreements for FEP, the Company has finalized a long-term definitive agreement for the permanent sequestration of its captured CO₂ with execution expected in the coming weeks. The agreement is for a 15-year term and provides a base fee for sequestration plus a flow through for certain operational costs. Under the sequestration agreement, FEP is responsible for transportation of the CO₂ to the sequestration facility, which is located within 50 km of site.



All costs related to carbon capture and sequestration have been allocated to the various revenue streams above as indirect costs.

Material Permits & Approvals

The project has obtained all material permits and approvals required to move forward with construction and is actively working with the City of Calgary to secure various municipal permits in preparation for earthworks and all other construction activities. In early 2024, FEP received its stripping and grading permit, the first of its construction permits, from the City of Calgary. This permit will enable the initial site work to begin as construction gets underway.

Financing

The Company has been working to complete various independent third-party reports and due diligence documentation required to proceed to debt syndication. The remaining milestones include the finalization of FEP's equity investment agreements and the remaining definitive agreements discussed above. The Company has been working with a top-tier debt advisor on both senior debt and subordinated debt structuring.

Iowa RNG Project

Consistent with the project update provided in the Company's Annual MD&A, GIP remains in discussions on a strategic, fixed price, long term offtake agreement for the Iowa RNG project ("Iowa RNG"). To proceed to final investment decision, Iowa RNG requires a long-term offtake agreement with terms that support appropriate project-level returns. A previously accrued liability was determined to no longer be owing and therefore there was a spend recovery for the quarter of approximately \$0.3 million related to Iowa RNG. Subject to a final investment decision, Iowa RNG would require additional development funding of approximately \$1.8 million to advance the project to financial close and commencement of construction.

New Zealand Green Hydrogen

The description and status of the Company's green hydrogen opportunity in New Zealand as provided in its Annual MD&A remains materially consistent. There has been no additional spending in the third quarter of 2024 and Company continues to closely monitor its investment.

Material Policy Developments

There have been no additional developments with respect to the various tax credits and other incentive programs available to renewable energy projects from those described in the Annual MD&A. The Company continues to view the programs outlined as having the potential to make a material positive impact on the Company's projects in Canada and the United States.



FINANCIAL HIGHLIGHTS

(\$000) <i>As at and for the three months ended</i>	September 30 2024	September 30 2023
Revenue	33,591	46,141
Gross margin	2,621	2,526
Income (Loss) from operations	(1,130)	(597)
Net income (loss)	(5,834)	(1,986)
Comprehensive income (loss)	(6,067)	(1,366)
Funds from (used in) operations	130	660
Cash from (used in) operations	(3,328)	(1,639)
Purchase of property, plant and equipment	(1,638)	(7,096)
Total assets	168,729	194,476
Total liabilities	66,414	73,307

(\$000) <i>As at and for the nine months ended</i>	September 30 2024	September 30 2023
Revenue	108,052	123,772
Gross margin	6,851	5,444
Income (Loss) from operations	(4,013)	(3,731)
Net income (loss)	(16,703)	6,356
Comprehensive income (loss)	(15,978)	6,750
Funds from (used in) operations	(1,178)	4,394
Cash from (used in) operations	(2,502)	5,680
Purchase of property, plant and equipment	(5,353)	(20,246)
Total assets	168,729	194,476
Total liabilities	66,414	73,307

RESULTS OF OPERATIONS

Revenue

	For The Three Months Ended		
	September 30, 2024	September 30, 2023	Change
<u>(\$000)</u>			
Energy product optimization	28,308	40,660	(12,352)
Fee for service – Water treatment and disposal	2,745	2,522	223
Fee for service – Solids disposal and recycling	2,538	2,959	(421)
Total Revenue	33,591	46,141	(12,550)
<u>Revenue Volumes:</u>			
Energy product optimization (m ³)	47,675	61,556	(13,881)
Fee for service – Water treatment and disposal (m ³)	160,521	150,139	10,382
Fee for service – Solids disposal and recycling (tonnes)	38,787	73,791	(35,004)



Direct Costs

	For The Three Months Ended		Change (\$)
	September 30, 2024	September 30, 2023	
(\$000)			
Energy product optimization	26,926	39,499	(12,573)
Fee for service	4,044	4,116	(72)
Total Direct Costs	30,970	43,615	(12,645)

Gross Profit

	For The Three Months Ended		Change (\$)
	September 30, 2024	September 30, 2023	
(\$000)			
Energy product optimization	1,382	1,161	221
	4.9%	2.9%	2.0%
Fee for service	1,239	1,365	(126)
	23.5%	24.9%	-1.4%
Total Gross Profit	2,621	2,526	95
	7.8%	5.5%	2.3%

Revenue decreased by \$12.6 million or 27% for the three months ended September 30, 2024, compared to the same period in 2023.

- The Company's Energy Product Optimization Services revenue decreased \$12.4 million or 30% compared to the same period in 2023. This is due to an 10% decrease in benchmark oil prices realized period over period in conjunction with a 23% decrease in volumes sold. The weighted average price sold was \$611.07/m³ for the three months ended September 30, 2024, as compared to \$677.42/m³ for the same period in 2023. GIP expects volumes to stabilize or increase slightly over current levels.
- Fee for service revenue for the three months ended September 30, 2024, was consistent compared to the same period in 2023. This is due to an increase in water treatment and disposal revenue of 9% and volume processed of 7%, offset by a decrease in solids disposal and recycling revenue of 14% and volume processed of 47%.

Direct costs decreased by \$12.6 million or 29% for the three months ended September 30, 2024, compared to the same period in 2023.

- Energy Product Optimization Services direct costs decreased by 32% for the same reasons discussed in the revenue commentary above, with the volume processed decreasing 23% coupled with 12% lower prices for oil acquired from producers to be optimized, shipped and sold. The weighted average price purchased was \$586.71/m³ for the three months ended September 30, 2024, as compared to \$663.57/m³ for the same period in 2023.
- Fee for service direct costs, decreased by 2%. The main driver of this decrease was lower utility costs as compared to the same period in the prior year, which experienced abnormally high utility costs.

Gross profit for the three months ended September 30, 2024, increased by \$0.1 million, or 2.3% in absolute terms, compared to the same period in 2023.

- Energy Product Optimization Services gross profit percentage has improved by 2.0% in absolute terms compared to the prior period, despite a 30% reduction in revenue over the same period. This improved profitability is a result of a number of factors including:
 - Enhanced processes over managing crude oil positions in order to optimize trades and inventory volumes;



- Optimized blending to improve quality and pricing realized for energy products sold;
- Although overall volumes have declined, those volumes have been high graded by a focus on turning away volumes of a quality that, when combined with other volumes, impairs the overall quality of the stream that is eventually sold to the market and thereby impacting realized sales prices;
- Skim oil volumes (the byproduct of water processing and disposal) sold have increased over the prior period, which is a very high margin product.

Fee for service gross profit percentage was comparable to the prior period.

Revenue

	For The Nine Months Ended		Change
	September 30, 2024	September 30, 2023	
<i>(\$000)</i>			
Energy product optimization	92,475	108,799	(16,324)
Fee for service – Water treatment and disposal	8,228	7,365	863
Fee for service – Solids disposal and recycling	7,349	7,608	(259)
Total Revenue	108,052	123,772	(15,720)
<i>Revenue Volumes:</i>			
Energy product optimization (m3)	157,429	181,597	(24,168)
Fee for service – Water treatment and disposal (m3)	450,008	411,897	38,111
Fee for service – Solids disposal and recycling (tonnes)	81,537	102,909	(21,372)

Direct Costs

	For The Nine Months Ended		Change (\$)
	September 30, 2024	September 30, 2023	
<i>(\$000)</i>			
Energy product optimization	88,605	105,388	(16,783)
Fee for service	12,596	12,940	(344)
Total Direct Costs	101,201	118,328	(17,127)

Gross Profit

	For The Nine Months Ended		Change (\$)
	September 30, 2024	September 30, 2023	
<i>(\$000)</i>			
Energy product optimization	3,870	3,411	459
	4.2%	3.1%	1.1%
Fee for service	2,981	2,033	948
	19.1%	13.6%	5.5%
Total Gross Profit	6,851	5,444	1,407
	6.3%	4.4%	1.9%

Revenue decreased by \$15.7 million or 13% for the nine months ended September 30, 2024, compared to the same period in 2023.

- The Company's Energy Product Optimization Services revenue decreased \$16.3 million or 15% compared to the same period in 2023. This is due to a combination of a 13% decrease in volumes sold in conjunction with a 3% decrease in benchmark oil prices period over period. The weighted average price sold was \$613.78/m³ for the nine months ended September 30, 2024, as compared to \$629.76/m³ for the same period in 2023.



- Fee for service revenue increased \$0.6 million or 4% compared to the same period in 2023. This is due to an increase in water treatment and disposal revenue as a result of a 9% increase in volumes processed. Fee for service solids disposal and recycling revenue decreased 3% despite a 21% decrease in volumes handled. This is due to the composition of the differences between the Company's two solids disposal and recycling sites where one of the sites with the lower revenue per unit experienced a 21% decrease in volumes. However, 23% of solids revenue is attributable to this facility while it comprises 96% of the overall volume for the segment. Therefore, the impact of this volume decrease did not result in a corresponding decrease to revenue. Meanwhile, the other solids disposal and recycling site, which accounts for 77% of the solid's revenue with only 4% of the overall volume contribution, experienced a 1% decrease in volume and a 2% decrease in revenue over the same period due mainly to timing. Each site processes different materials and therefore have different underlying pricing for their services.

Direct costs decreased \$17.1 million or 14% for the nine months ended September 30, 2024, compared to the same period in 2023.

- Energy Product Optimization Services costs decreased by \$16.8 million or 16% for the same reasons discussed in the revenue commentary above, with the volume processed decreasing 13% coupled with 3% lower price for oil acquired from producers to be optimized, shipped and sold. The weighted average price purchased was \$589.93/m³ for the nine months ended September 30, 2024, as compared to \$607.02/m³ for the same period in 2023.
- Fee for service direct costs decreased by 3%. The main driver of this decrease was lower utility costs in line with historical averages as compared to the same period in the prior year, which experienced abnormally high utility costs. However, this positive trend was more than offset by a disposal well workover required during the first quarter of 2024 at the Company's Grande Cache facility. This workover amounted to approximately \$0.7 million and was all recorded within direct costs. The workover was completed, and the well was put back into full operation in January 2024.

Gross profit for the nine months ended September 30, 2024, increased \$1.4 million or 1.9% in absolute terms, as a percentage of revenue, compared to the same period in 2023.

- Energy Product Optimization Services gross profit percentage has improved by 1.1% in absolute terms compared to the prior period, despite a 15% reduction in revenue over the same period. This improved profitability is a result of the same reasons discussed above for the three-month period ended September 30, 2024.
- Fee for service gross margins have steadily improved with a 5.5% increase in gross profit percentage, in absolute terms, over the nine-month period ended September 30, 2024, as compared to the same period in the prior year. This is due to the same reasons discussed above for the increase in revenue and decrease in direct costs.

Operating Expenses

(\$000)	For The Three Months Ended		\$ Change
	September 30, 2024	September 30, 2023	
Depreciation and amortization	1,523	1,274	249
Salaries and wages	1,230	561	669
Selling, general and administration	998	1,288	(290)
Total Operating Expenses	3,751	3,123	628



(\$000)	For The Nine Months Ended		\$ Change
	September 30, 2024	September 30, 2023	
Depreciation and amortization	4,530	3,806	724
Salaries and wages	3,369	1,915	1,454
Selling, general and administration	2,965	3,454	(489)
Total Operating Expenses	10,864	9,175	1,689

Operating expenses for the three and nine months ended September 30, 2024, have increased by \$0.6 million or 20% and \$1.7 million or 18%, respectively, compared to the same periods in 2023.

Depreciation and amortization for the three and nine months ended September 30, 2024, have increased by \$0.2 million or 20% and \$0.7 million or 19%, respectively, compared to the same periods in 2023. This is due to additional right of use assets related to a new office lease and field truck leases added in the first quarter of 2024 and third quarter of 2024, which have increased the overall property, plant, and equipment base subject to depreciation.

Salaries and wages for the three and nine months ended September 30, 2024, have increased by \$0.7 million or 119% and \$1.5 million or 76%, respectively, compared to the same period of 2023. This increase is result of salary adjustments that became effective in July 2024 and increases in staffing levels over the past year as the Company continues to scale its team. In addition, the Company transitioned certain consultants to full time permanent employees, which increased salaries and wages over the comparable period, partially offset by lower selling, general and administrative expenses, as discussed below.

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, decreased for the three and nine months ended September 30, 2024, by \$0.3 million or 23% and by \$0.5 million or 14%, respectively, compared to the same periods in 2023. This decrease was mainly due to decreased consultant costs as discussed above, reduced legal expenses on development projects, and reduced training and development costs.

Non-Operating Expenses (Income)

(\$000)	For The Three Months Ended		\$ Change
	September 30, 2024	September 30, 2023	
Finance costs	600	590	10
Share-based compensation	964	1,225	(261)
Equity (earnings) loss from joint venture	2,654	(266)	2,920
Unrealized (gain) loss on foreign exchange	(92)	(212)	120
Realized (gain) loss on foreign exchange	247	9	238
Total Non-operating Expenses (Income)	4,373	1,346	3,027



(\$000)	For The Nine Months Ended		\$ Change
	September 30, 2024	September 30, 2023	
Finance costs	2,209	1,820	389
Unrealized (gain) loss on risk management contracts	-	(555)	555
Share-based compensation	2,831	3,806	(975)
Equity (earnings) loss from joint venture	5,496	(298)	5,794
Gain on sale of interest in subsidiary	-	(10,142)	10,142
Transaction costs	1,327	-	1,327
Management fee	-	(6,745)	6,745
Unrealized (gain) loss on foreign exchange	(548)	15	(563)
Realized (gain) loss on foreign exchange	344	46	298
Total Non-operating Expenses (Income)	11,659	(12,053)	23,712

Finance Costs

Finance costs were comprised of a combination of interest on long-term debt, interest on the option agreement entered into with various directors of the Company (the "Option Agreement"), accretion expense on the asset retirement obligation liability and the amortization of deferred financing costs. Finance costs for the three months ended September 30, 2024, have remained consistent and for the nine months ended September 30, 2024, increased \$0.4 million or 21%, respectively, compared to the same periods in 2023. Although consistent for the respective three-month periods, the composition has changed with a decrease to interest on long-term debt offset by an increase related to interest accrued on the Option Agreement which is new in 2024. The Company's corporate credit facility (the "Facility") changed from an average drawn balance of \$25.1 million and \$25.0 million, respectively, for the three and nine months ended September 30, 2023, to an average drawn balance of \$22.3 million and \$26.7 million, respectively, for the three and nine months ended September 30, 2024. Interest costs were slightly higher for the three-month period ended September 30, 2024, compared to the same period of 2023 despite the lower average drawn credit facility balance due to higher interest expenses relating to new leases in 2024 coupled with approximately \$0.3 million of interest accrued on the Option Agreement, when compared to the same period in 2023.

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, the realized and unrealized gains and losses associated with the swap are now recognized through the equity (earnings) loss from joint venture in the statement of operations. The unrealized gain for the nine months ended September 30, 2023, represents the gain for the period prior to the sale of the Colorado JV.

Share-based Compensation

Share-based compensation costs for the three and nine months ended September 30, 2024, have decreased by \$0.3 million or 21% and \$1.0 million or 26%, respectively, compared to the same periods in 2023. This decrease is directly correlated to the graded vesting method used for restricted share units and performance share units, offset by the impacts of a new grant of performance share units in Q3 2024.



Equity (Earnings) Loss From Joint Venture

As previously discussed, effective February 23, 2023, following 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. For the three and nine months ended September 30, 2024, equity loss from joint venture have increased by \$2.9 million and \$5.8 million, respectively, compared to the same periods in 2023. This is due to the fact that the Colorado JV was operational in 2024 as opposed to still under construction in 2023. The earnings in the prior periods in 2023 were reflective of mark to market gains on interest rate swaps. The Colorado JV incurred operating costs for the three and nine months ended September 30, 2024, and, as explained earlier in this MD&A, has recognized revenue to date to offset these operating costs, however, the facilities have experienced mechanical issues in the early start up phase and have therefore realized operating losses for the three and nine months ended September 30, 2024.

Transaction Costs

As part of the ITC transaction closed in June 2024, the Company incurred \$1.3 million of transaction costs that were not attributable to the Colorado JV and are therefore presented on the Statement of Income (Loss) and Comprehensive Income (Loss).

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		\$ Change
	September 30, 2024	September 30, 2023	
Net income (loss)	(5,834)	(1,986)	(3,848)
Income tax expense (recovery)	331	43	288
Depreciation and amortization	1,523	1,274	249
Finance costs	600	590	10
EBITDA	(3,380)	(79)	(3,301)
Share-based compensation	964	1,225	(261)
Adjusted loss (earnings) from joint venture ⁽¹⁾	1,324	(274)	1,598
Adjusted EBITDA⁽²⁾	(1,092)	872	(1,964)

Notes:

- (1) Adjusted loss (earnings) from joint venture reflects the Adjusted EBITDA at the joint venture level at the Company's 50% ownership. This includes adjustments for interest expense, interest rate swaps, depreciation, and other finance costs.
- (2) To ensure consistency, the prior period Adjusted EBITDA has been amended from previously presented Adjusted EBITDA to adjust for the Company's portion of the Colorado JV's interest expense, interest rate swaps, depreciation and other finance costs.

(\$000)	For The Nine Months Ended		\$ Change
	September 30, 2024	September 30, 2023	
Net income (loss)	(16,703)	6,356	(23,059)
Income tax expense (recovery)	1,031	1,966	(935)
Depreciation and amortization	4,530	3,806	724
Finance costs	2,209	1,820	389
EBITDA	(8,933)	13,948	(22,881)
Share-based compensation	2,831	3,806	(975)
Adjusted loss (earnings) from joint venture ⁽¹⁾	3,208	(317)	3,525
Unrealized gain on risk management contracts	-	(555)	555
Gain on sale of interest in subsidiary	-	(10,142)	10,142
Transaction costs	1,327	-	1,327
Management fee	-	(6,745)	6,745
Adjusted EBITDA⁽²⁾	(1,567)	(5)	(1,562)

Notes:

- (1) Adjusted loss (earnings) from joint venture reflects the Adjusted EBITDA at the joint venture level at the Company's 50% ownership. This includes adjustments for interest expense, interest rate swaps, depreciation, and other finance costs.
- (2) To ensure consistency, the prior period Adjusted EBITDA has been amended from previously presented Adjusted EBITDA to adjust for the Company's portion of the Colorado JV's interest expense, interest rate swaps, depreciation and other finance costs.



SUMMARY OF QUARTERLY RESULTS

(\$000)	Sept 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Revenue	33,591	41,139	33,322	37,390
Adjusted EBITDA	(1,092)	944	(1,419)	(207)
Net income (loss)	(5,834)	(5,524)	(5,345)	(5,066)
<i>Net income (loss) per share-Basic</i>	(0.27)	(0.26)	(0.25)	(0.25)
<i>Net income (loss) per share-Diluted</i>	(0.27)	(0.26)	(0.25)	(0.24)
(\$000)	Sept 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Revenue	46,141	39,132	38,499	44,719
Adjusted EBITDA	872	(348)	(529)	550
Net income (loss)	(1,987)	3,852	4,491	(5,124)
<i>Net income (loss) per share-Basic</i>	(0.09)	0.19	0.21	(0.25)
<i>Net income (loss) per share-Diluted</i>	(0.09)	0.18	0.22	(0.25)

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 largely a fixed cost 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. An impairment loss resulted in an abnormally large net loss for the fourth quarter of 2022. Net income for the first quarter of 2023 was abnormally high due to the gain on sale of the Colorado JV. Net income 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 of 2023 net loss is abnormally high due to the derecognition of \$4.6 million in deferred tax assets. Net income for the first quarter of 2024 was lower than previous quarters due to a combination of the loss realized for the investment in the Colorado JV along with the previously discussed well workover in Grande Cache. Net income for the second quarter of 2024 was more in line with expectations. Net income for the third quarter of 2024 was lower than expectations due to the loss realized in the Colorado JV. Adjusted EBITDA for the first quarter of 2024 was again mostly impacted by the loss realized from the Colorado JV and the well workover as discussed above. Adjusted EBITDA for the second quarter of 2024 was more in line with expectations. Adjusted EBITDA for the third quarter of 2024 experienced strong results from the Water & Solids Recycling & Energy Product segment, however this was offset by realized losses from the Colorado JV. Energy Product Optimization 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.

To continue to advance the FEP, the Company anticipates spending an additional \$2.1 million from the end of the third quarter 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 current working capital, available funds from the Facility and other potential sources of capital including the \$10 million Option Agreement, outlined in the related party section of this MD&A. 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. The Company's cash needs are met with cash generated by operations and financing provided by short-term borrowings and long-term debt. The Company considers its current level of working capital, including undrawn available credit facilities, to be sufficient to meet its current needs, including advancing FEP to financial close. 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 FEP, 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 the 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 September 30, 2024, GIP was in compliance with all debt covenants. The Facility matures on July 31, 2025, and as a result, the full balance of the outstanding Facility as at September 30, 2024 has been reclassified from long-term to current liabilities. The Company is in active discussions with other lenders to put in place a new credit facility that will replace the current Facility. Notwithstanding the Company's ongoing discussions with lenders to put in place a new facility as referenced above, there can be no assurances that a replacement facility with a longer term can be secured.

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. Subject to the replacement of the Facility noted above, 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		\$ Change
	September 30, 2024	September 30, 2023	
Cash from (used in) operating activities	(3,328)	(1,639)	(1,689)
Cash from (used in) investing activities	(1,618)	(5,674)	4,056
Cash from (used in) financing activities	(6,498)	7,821	(14,319)
Impact of foreign currency translation on cash	19	(4)	23
Increase (decrease) in cash	(11,425)	504	(11,929)

(\$000)	For The Nine Months Ended		\$ Change
	September 30, 2024	September 30, 2023	
Cash from (used in) operating activities	(2,502)	5,680	(8,182)
Cash from (used in) investing activities	7,770	(14,654)	22,424
Cash from (used in) financing activities	(4,827)	7,477	(12,304)
Impact of foreign currency translation on cash	111	100	11
Increase (decrease) in cash	552	(1,397)	1,949

Operating Activities

Cash from operating activities for the three and nine months ended September 30, 2024 have decreased by \$1.7 million or 103% and \$8.2 million or 144%, respectively, compared to the same periods in 2023. For the three-month period ended September 30, 2024, the decrease is due to settlement of payables during the period. With the receipt of the ITC proceeds from the Colorado JV at the end of Q2 2024, there was a large settlement of outstanding payables in early Q3 2024. For the nine-month period ended September 30, 2024, in conjunction with the discussion for the three-month period above, this decline is mainly due to a management fee received by the Company from the Colorado JV in 2023, with no similar fee in 2024, combined with changes in non-cash working capital period over period. In addition, in Q2 2024, the Company incurred \$0.1 million in asset retirement expenditures.



Investing Activities

Cash from (used in) investing activities for the three and nine months ended September 30, 2024 have increased by \$4.0 million or 71% and \$22.4 million or 153%, respectively, compared to the same periods in 2023. For the three-month period ended September 30, 2024, this increase is mainly due to lower capital additions in 2024, \$1.6 million, when compared to the same period in 2023 of \$7.1 million. For the nine-month period ended September 30, 2024, this increase is directly attributable to the distribution received from the Colorado JV in June 2024 for \$17.8 million related to the sale of the ITCs, combined with lower capital spend period over period. This is offset slightly by the preferred equity contribution made to the Colorado JV for \$2.1 million in June 2024, \$1.3 million in transaction costs directly related to the sale of the ITC's, and the net proceeds received from the sale of a 50% interest in the Colorado JV that occurred in the comparable period in the prior year.

Financing Activities

Cash from (used in) financing activities for the three and nine months ended September 30, 2024 have decreased by \$14.3 million or 183% and decreased by \$12.3 million or 165%, respectively, compared to the same periods in 2023. The decrease in the three months ended September 30, 2024 is due to the repayment of outstanding debt during the current period as compared to a draw on the debt in the comparable period, combined with acquisition of treasury shares in the current period. The decrease in the nine months ended September 30, 2024 as compared to the same period in the prior year, was primarily a result of the \$3.5 million in funding under the Option Agreement, offset by the previously mentioned repayments of outstanding debt and acquisition of treasury shares.

(\$000)	September 30, 2024	December 31, 2023	\$ Change
Current assets	20,469	21,059	(590)
Current liabilities	50,450	28,066	22,384
Working capital surplus (deficit)	(29,981)	(7,007)	(22,974)

Current liabilities include the entire outstanding balance of the Facility, which matures on July 31, 2025. While other options to replace this Facility with a longer-term credit facility are advancing, as of September 30, 2024, a binding commitment had not been executed and consequently, the full balance of the outstanding Facility as at September 30, 2024 has been reclassified from long-term to current liabilities. As previously noted, the Company is in active discussions with other lenders to put in place a new credit facility that will replace the current Facility.

Current liabilities also include \$8.6 million related to liabilities associated with FEP and Iowa RNG that only become due and payable upon Final Notice to Proceed ("FNTP"). FNTP will not occur until adequate financing is in place to fund construction of the project and settle these liabilities. These have been classified as current liabilities as the Company has assessed that financing will likely be secured and FNTP is expected to occur within the next year. In addition, current liabilities also include \$3.7 million related to drawn proceeds from the Option Agreement and associated interest. There are no required repurchases under the Option Agreement until certain events are met such as the financial close and FNTP on FEP or Iowa RNG or the sale of the Iowa project. Excluding these liabilities and the Facility, the Company has a working capital surplus of approximately \$6.3 million. As at September 30, 2024, there is an undrawn balance of approximately \$6.5 million from the Facility to cover obligations. This, combined with the adjusted working capital excluding the drawn portion of the Facility and the \$6.5 million in availability under the Option Agreement, provides approximately \$19.3 million available before future cash flow from operations.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest at September 30, 2024:



(\$000)	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	14,253	14,253	-	-	-
Other current liabilities	12,322	12,322	-	-	-
Long-term debt	24,333	23,875	458	-	-
Other long-term liabilities	2,088	-	2,088	-	-
Lease liabilities	916	434	376	106	-
Total financial liabilities	53,912	50,884	2,922	106	-

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 to meet financial commitments and maintain the confidence of shareholders, creditors and the market; (iv) optimize the use of capital to provide an appropriate return on investment to shareholders; and (v) the Facility has a maturity date of July 31, 2025. Notwithstanding the Company's ongoing discussions with lenders to put in place a new facility as referenced above, there can be no assurances that a replacement facility with a longer term can be secured.

The Company's overall capital management strategy remained unchanged in 2024 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)	September 30, 2024	December 31, 2023
Current assets	20,469	21,059
Current liabilities	(50,450)	(28,066)
Long-term debt	458	28,945
Other long-term liabilities	2,088	2,001
Shareholders' equity	88,756	103,182
	61,321	127,121

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

Option Agreement

On March 7, 2024, the Company entered into 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, available in tranches, at GIP's sole discretion, to provide additional liquidity to GIP.

On April 28, 2024 the Company entered into an amendment to the Option Agreement whereby one of the Optionees agreed to fund to the Company an additional \$4.0 million (the "Additional Option").

In exchange, the Company 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 and additional commitment fees on the Additional Option of 10% per annum. 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 FEP.

	At September 30, 2024
Proceeds from related party option agreement	3,450
Interest accrued	280
Total (included in other current liabilities)	3,730

The Option is classified as a financial liability that is measured at fair value through profit and loss upon issuance and at each subsequent reporting period. The fair value of the Option was determined to be nil on September 30, 2024, mainly given the probability of being exercised was determined to be nil.

Wolverine

Wolverine Energy and Infrastructure Inc. ("Wolverine") owned approximately 18% of the issued and outstanding shares of the Company and was considered to be a related party of the Company.

On August 16, 2024, the Court of King's Bench of Alberta approved the transfer of Wolverine's shareholdings in the Company to an arm's length third party.



Key Management Personnel Compensation

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Short-term compensation ⁽¹⁾	466	289	1,333	2,079
Share-based compensation ⁽²⁾	982	-	982	3,090
	1,448	289	2,315	5,169

Notes:

- (1) Short-term compensation includes annual salaries, management bonuses and employee benefits provided to key management personnel as well as directors' fees. There were no bonuses during the three or nine months ended September 30, 2024.
- (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 PSU's issued in July 2024 is based on a fair value of \$3.25 and \$3.41.

Key management personnel short-term compensation and share-based compensation were abnormally high for the nine months ended September 30, 2023, relative to the current quarter as a result of short-term bonus payments and the granting of new performance share units and stock options in Q1 2023.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the Company's interim 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

There have been no changes to the accounting policies during the three months ended September 30, 2024.

OUTSTANDING SHARE DATA

On November 27, 2024, the Company had the following common shares, stock options and share units outstanding:

Common shares	21,463,894
Stock options (vested and unvested)	1,230,771
Share units	184,223
	22,878,888

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 that are the most material and relevant to the Company's current operating and financial condition as at the date of this MD&A. For a discussion on additional risk factors please refer to the "Risks and Uncertainties" section of the Company's annual MD&A for the years ended December 31, 2023 and 2022, which describes certain additional significant risks and uncertainties inherent in the Company's business. This section and the Risks and Uncertainties section of the annual MD&A do 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 and the annual 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 bioenergy projects. Prospective investors have a limited basis upon which to evaluate the Company's ability to achieve a principal business objective of developing bioenergy projects.

The Company experienced a loss from operations of \$4.0 million (\$3.7 million – 2023) for the nine months ended September 30, 2024, and a \$4.7 million loss for the year ending December 31, 2023 (\$5.5 million – 2022). The Company incurred significant losses in connection with the development of its bioenergy projects within the Bioenergy 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 their corresponding effect on liquidity may have an impact on construction timelines. The Company cannot provide assurance when the Bioenergy Production segment will reach profitability or that the bioenergy 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 bioenergy projects. The development of the bioenergy business depends upon the Company's ability to generate cash flow from operations, prevailing market conditions for bioenergy 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 or equity financing. 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.

Risks Arising from Co-Ownership

Certain projects and assets are currently, or may, in the future, be jointly owned. Co-ownership and joint ventures agreements, such as those with Amber Infrastructure, contain 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 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, if certain events of default occur and are continuing under its joint venture agreement for the Colorado JV, 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.

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. 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.

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.

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 may be, to a certain extent, subject 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 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. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service.

Fluctuations in Operating Results and Cash Flow

The Company's operating results and cash flow will fluctuate substantially from quarter to quarter as a result in the fluctuation in demand for water treatment, recycling and waste services and also bioenergy and the development of bioenergy. 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 Bioenergy Production segment 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.

Significant Shareholders

The Company has several substantial holders of its common shares. Each of the substantial holders of common shares could have a significant influence on the Company and their interests may not be aligned with other shareholders' interests. If any substantial holder of common shares were to dispose of a substantial number of its common shares, or if it were perceived that such sales have occurred or might occur, this could have a negative impact on the price of the common shares. Further, the failure of the substantial holders of common shares to dispose of common shares may result in a limited level of liquidity in daily trading of the Company's common shares. Significant shareholders may also be able to exercise considerable influence over any matter requiring shareholder approval in the future.

Reliance on Third-Party Reports for Project Financing

As the Company is pursuing the development of renewable natural gas (RNG) facilities, it utilizes and anticipates utilizing third-party reports in connection with securing project financing and into construction. These reports, which may include engineering studies, environmental assessments, feasibility analysis, market forecasts, and other technical or economic evaluations, are prepared for the benefit of the Company and its financing and construction efforts. However, there are inherent risks associated with reliance on such reports.

Third-party reports are often based on assumptions, models, and projections that reflect certain conditions, timelines, and market factors. Actual results may differ materially from these projections due to unforeseen changes in economic conditions, project timelines, regulatory requirements, construction costs, market demand, or other variables. These reports are typically prepared at a specific point in time and may not account for subsequent developments or changes in project circumstances. As the project progresses, updated reports or assessments may be required, and any discrepancies between earlier and later evaluations could impact financing terms or lender confidence.

While the Company strives to engage reputable third-party experts, there is no assurance that the reports will be free from errors, omissions, or misinterpretations. Any inaccuracies could lead to delays or difficulties in securing financing or proceeding with construction. Additionally, the Company's reliance on third-party consultants and advisors introduces a degree of dependency. Any failure by these parties to deliver accurate or timely reports, or to update them as needed, could adversely affect the Company's ability to secure financing or meet project milestones. The assumptions in these reports are inherently uncertain and subject to external factors such as changes in government policy, environmental regulations, commodity prices, or technological advancements. Any deviation from the anticipated outcomes could materially impact the financial viability of the project and the Company's ability to achieve its objectives.

Given these risks, investors should be aware that reliance on third-party reports adds an element of uncertainty to the Company's project financing and construction timeline. Any material variance from the assumptions or timelines set out in such reports could have a significant adverse effect on the Company's financial condition, results of operations, and future prospects.