

Management's Discussion and Analysis of

GREEN RISE FOODS INC.

(Previously known as Green Rise Capital Corporation)

For the three and nine-months ended September 30, 2020

(Canadian Dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Green Rise Foods Inc., ("Green Rise" or the "Company") and previously known as Green Rise Capital Corporation, provides a discussion and analysis of the financial condition and results of operations to enable a reader to assess the financial condition of the Company as at September 30, 2020, and results of operations for the three and nine-months ended September 30, 2020.

The MD&A should be read in conjunction with the interim condensed consolidated financial statements ("financial statements") of Green Rise Foods Inc. as at September 30, 2020. These financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and follow the same accounting policies and methods of application as the Company's audited annual consolidated financial statements and related notes for the year ended December 31, 2019 ("the 2019 financial statements").

All amounts in this discussion are expressed in millions of Canadian dollars (CAD), unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking information" and "forward-looking statements". All statements other than statements of historical fact contained in this MD&A. Such statements can, in some cases, be identified by the use of forward-looking terminology such as "expect," "likely", "may," "will," "should," "intend," or "anticipate," "potential," "proposed," "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. The forward-looking statements included in this MD&A are made only as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Forward-looking statements in this MD&A are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include:

- expansion of facilities;
- changes in laws, regulations and guidelines;
- legislative or regulatory reform and compliance;
- competition;
- environmental regulations and risks;
- limited operating history;
- risks inherent in an agricultural business;
- reliance on a single location;
- retention and acquisition of skilled personnel;
- negative consumer perception;
- product liability;

- insurance coverage;
- regulatory or agency proceedings, investigations and audits;
- litigation;
- constraints on marketing products;
- fraudulent or illegal activity by the Company's employees, contractors and consultants;
- information technology systems and cyber-attacks;
- breaches of security and risks related to breaches of applicable privacy laws;
- access to capital;
- estimates or judgments relating to critical accounting policies; and
- extended economic downturn caused by the COVID-19 pandemic.

In addition to the factors set out above and those identified in this MD&A under "Risks and Uncertainties", other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although the Company has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

OVERVIEW OF GREEN RISE FOODS INC.

Green Rise Foods Inc., ("Green Rise" or the "Company") was incorporated under the Business Corporations Act (Ontario) on June 9, 2017 and was classified as a Capital Pool Company ("CPC"), as that term is defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The principal business of the CPC was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT").

On September 30, 2019, the Company completed its previously announced QT with Bull Market Farms Inc. ("Bull Market Farms") (the "Transaction") under the policies of the Exchange. In 2018, Bull Market Farms acquired its farm with an existing 51-acre producing greenhouse and is a grower of greenhouse fresh produce located in Leamington, Ontario. Currently, the farm produces two types of tomatoes – beefsteak and a varietal of medley cherry tomatoes. With the Transaction, the Company expects to be a "best-in-class" contract grower of greenhouse-grown fresh produce.

The Transaction resulted in a reverse takeover (the "RTO Transaction") of Green Rise by Bull Market Farms. Accordingly, the current period and comparative figures are reflective of Bull Market's operating activities.

Highlights for 2020:

- The Company earned revenues of \$12.6 million (\$11.3 million for the nine-months ended September 30, 2019) and generated earnings from operations of \$3.4 million for the nine-months ended September 30, 2020 (\$1.6 million for the nine-months ended September 30, 2019).
- The Company generated \$6.0 million of EBITDA for the nine-months ended September 30, 2020 (\$4.0 million of EBITDA for the nine-months ended September 30, 2019) and \$4.4 million of cash flow from operations (\$3.5 million for the nine-months ended September 30, 2019)
- On August 27, 2020, the Company repurchased 14,974,133 of its common shares for the purposes of cancellation at a cost, including expenses of \$1.8 million. The Company used cash on hand to repurchase the common shares.
- Between August 31, 2020 and September 1, 2020, the Company announced its new CFO and management appointments that, along with the CEO form the core team to lead the Company to continue to manage its current

farm and future greenhouse operations. All members of this core team have purchased shares in the Company and along with the Company's directors received options as part of the 2,050,000 options granted on August 28, 2020. The option grant provides long term incentives for the Company's board, officers and management to further drive Company performance over the next 5 years.

Overall Performance

SELECT QUARTERLY INFORMATION

The summary is set out in the following table. The amounts are derived from the financial statements prepared under IFRS.

<i>(\$ thousands)</i>	Three-months ended September 30, 2020	Three-months ended September 30, 2019	Nine-months ended September 30, 2020	Nine-months ended September 30, 2019
Total revenue	\$ 6,663	\$ 5,893	\$ 12,586	\$ 11,265
Production costs	2,313	2,949	5,451	6,095
Depreciation	1,270	1,227	2,831	2,675
Net realized and unrealized (gains) losses due to change in biological asset transformation	418	207	(279)	(226)
SG&A	683	951	1,143	1,139
Listing expense	-	2,317	-	2,317
Net income (loss)	1,219	(1,496)	1,878	(1,153)

Certain amounts have been reclassified in the comparative period to conform to the current period presentation

Revenue

Bull Market Farms generated revenue of \$12.6 million during the nine-months ended September 30, 2020 compared to \$11.3 million in the previous year, an increase of approximately \$1.3 million. This increase is primarily due to an approximate 18-cent per pound increase in the price of beef stake tomatoes sold compared to the prior year period.

Earnings from Operations

The Company generated \$3.4 million of earnings from operations compared to \$1.6 million in the prior period, an increase of \$1.8 million. While the key driver of this increase was the increase in the price of beef stake tomatoes, management also undertook certain cost savings measures with regards to the reduction of sub contractors and the compensation of production management resulting in additional savings of approximately \$0.6 million. This was offset by higher depreciation of approximately \$0.2 million

Selling, general and administrative ("SG&A") expenses were consistent with the prior year at \$1.1 million. A reduction in compensation of approximately \$0.6 million of management was offset by an increase of approximately \$0.6 million in additional professional fees and office expenses associated with public company compliance costs compared to the same period in the prior year.

The Company was able to generate EBITDA of \$6.0 million compared to \$4.0 million in the prior year. The growth in EBITDA is mainly the result of the price increase in beef stake tomato pricing, a reduced reliance on subcontractors and lower management compensation.

Net income of approximately \$1.9 million was approximately \$3.1 million higher compared to the \$1.2 million loss generated in the same period last year. Net income in the prior year was impacted by the non-cash listing charge of \$2.3 million. The remaining increase of approximately \$0.8 million in net income is mainly attributed to approximately \$1.3 million generated from the beef steak tomato price increase, \$1.2 million in savings from the labor cost initiatives offset by increases of \$0.6 million in public company compliance costs, \$0.2 million in depreciation and \$1.2 million in deferred tax expenses as a result of the increase in earnings.

2019 Significant Transactions

Reverse Takeover

On September 30, 2019, the Company and Bull Market completed the RTO Transaction, whereby the shareholders of Bull Market held a majority of the outstanding common shares of the resulting issuer. The substance of the RTO Transaction is a reverse acquisition of a non-operating company. As a result, the RTO Transaction has been accounted for as a capital transaction with Bull Market being identified as the acquirer and the equity consideration being measured at fair value, using the acquisition method of accounting. The RTO Transaction has been accounted for in the consolidated financial statements as a continuation of the financial statements of Bull Market, together with a deemed issuance of shares equivalent to the shares held by the former shareholders of Green Rise.

Details of the RTO transaction are as follows:

Purchase Price Consideration Paid	(\$000s)
Fair value of common shares issued	2,278
Fair value of options	15
Fair value of warrants	25
Total	2,318
Net Identifiable Assets Acquired	
Cash	208
Sales tax receivable	40
Prepaid amounts	222
Accounts payable and accrued liabilities	(469)
Total net assets acquired	1
Consideration paid representing the cost of the RTO Transaction	2,317

The Company accounted for the RTO Transaction as an asset acquisition under the scope of IFRS 2 - Share Based Payments. Consideration consisted entirely of shares, options and warrants of the Company which were measured at the estimated fair value on the date of acquisition. As a result, the Company recognized \$2.3 million as a listing expense in the statement of earnings (loss) and comprehensive earnings (loss).

As part of the RTO Transaction, the outstanding Bull Market shares were exchanged for Green Rise shares on the basis of 315,789.47 Green Rise shares for each Bull Market share outstanding. Based on the definitive agreement, a total of 30.0 million Green Rise Shares were issued to existing Bull Market shareholders.

Summary of quarterly results

(\$ thousands)	September 30, 2020	June 30, 2020	March 30, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenues	6,633	5,812	141	2,432	5,893	5,231	141	2,097
Earnings (loss) from operations	1,949	2,256	(765)	(584)	559	1,835	(812)	329
Listing expense	-	-	-	-	2,317	-	-	-
Net earnings (loss)	1,219	1,262	(603)	(1,082)	(1,496)	1,064	(1,131)	(1,041)
Basic and diluted EPS	0.02	0.02	(0.01)	(0.02)	(0.05)	0.09	(0.04)	(0.03)
Total assets	33,189	33,684	32,524	31,904	34,048	32,387	30,720	30,456
Total liabilities	24,296	24,248	24,350	23,135	24,219	28,388	28,196	26,801
Shareholders' equity	8,893	9,436	8,174	8,769	9,829	3,999	2,524	3,655

Seasonality

The nature of the food production business is predictably seasonal. Currently the Company's growing season allows for saleable product between the months of April and November. Accordingly, it is expected and has historically been that Q2 and Q3 are the Company's strongest quarters.

Results for the three-months ended September 30, 2020:

Sales in the third quarter increased by approximately 12.6% and amounted to \$6.6 million, compared to \$5.9 million in the prior year quarter. The increase in revenue was a result of an increase in the price per pound realized in the sale of beef steak tomatoes.

Cost of sales excluding the net realized and unrealized gain on the change in fair value of biological asset and depreciation, decreased by approximately 22% to \$2.3 million compared to \$2.9 million in the prior year quarter. During the quarter, the Company realized approximately \$0.3 million in lower costs resulting from labor cost savings measures relating to a reduced utilization of sub contractors and compensation paid to key production management. The Company also incurred lower energy costs and repairs and maintenance resulting in cost savings of approximately \$0.2 million.

The Company's SG&A costs decreased by approximately \$0.3 million to \$0.7 million from approximately \$1.0 million noted in the prior year three-months ended. The decrease is attributable to lower compensation paid to key management resulting in savings of approximately \$0.6 million which was offset by higher costs of approximately \$0.4 million relating to costs associated with public company compliance costs.

Overall net income improved by approximately \$2.7 million compared to the prior year, which included a non-cash listing expense of \$2.3 million. The remaining increase of approximately \$0.4 million in net income is a result of an increase in beef price tomatoes of approximately \$0.7 million, \$0.9 million in savings from labor cost initiatives and \$0.2 million in savings from utility and energy costs. These increases were however offset by an increase of approximately \$0.4 million in public company compliance costs, a net charge of \$0.2 million noted for the realized and unrealized change in the biological asset and a \$1.0 million increase in deferred tax expenses as a result of the increase in earnings.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

<i>(\$ thousands)</i>	September 30, 2020	December 31, 2019
Cash	2,666	2,919
Working Capital ¹	2,995	1,877
Total Assets	33,189	31,904
Total Liabilities	24,296	23,135
Net Equity	8,893	8,769

1) Working capital is the net of all current assets and liabilities.

As of September 30, 2020, the Company had cash of \$2.7 million, current liabilities of \$2.5 million and working capital of \$3.0 million.

Over the nine-months since December 31, 2019, the Company generated approximate cash inflows from operations of \$4.4 million. This was offset by approximately \$2.1 million, primarily from the investment the Company made in its crop for the 2020 grow season (and incurred and paid in the first four months of the year). The remaining \$2.6 million was primarily used for the repurchase of 14,974,133 common shares of the Company for cancellation and for the repayment of principal balance on the Company's mortgage with RBC. Respectively these two items translated to cash outflows of approximately \$1.8 million and \$0.7 million, respectively.

Trade receivables increased during the period to \$1.4 million from \$0.1 million at the end of 2019. This increase was expected since the operations were in peak growing season. This compares to year-end, when the greenhouse was in care and maintenance mode while being prepared for the next growing season. The amount receivable was from the Company's sole customer and was collected subsequent to quarter-end.

Trade payables were \$1.5 million at the end of the quarter compared to \$0.8 million at the end of 2019. This increase was expected since the operations were in peak growing season, compared to year-end when the greenhouse was in care and maintenance mode while being prepared for the next growing season.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available to support the development of management's planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but instead relies on the expertise of management to sustain future development of the business.

Management expects to generate sufficient cash flows from operations to meet its debt servicing, principal payment, and working capital requirements over both the short and long-term through increased profitability and strong management of working capital and capital expenditures. The Company regularly reviews all of its assets to ensure appropriate returns on investment are being achieved and fit with the Company's long-term strategic objectives. Given the seasonality of the Company's business it has established a credit facility of up to \$2 million that it has historically drawn upon during the first half of the calendar year. As at September 30, 2020 there were no amounts drawn on this facility. The facility must be repaid by the end of a fiscal year, is repayable on demand and carries an interest rate of bank prime plus 1% per annum.

In the definition of capital, the Company includes equity which is comprised of share capital, contributed surplus and retained earnings.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

<i>(\$000s)</i>	Total	Less than 1 Year	1 – 5 Years	After 5 Years
Trade payables	1,500	1,500	-	-
Promissory note	5,000	-	5,000	-
Lease obligations	500	81	419	-
Mortgage payable	15,488	953	5,190	9,345
Total	22,488	2,534	10,609	9,345

COMMITMENTS

The Company has entered into an agreement with a customer for a 10-year period to supply all production at prevailing market prices.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

SUBSEQUENT EVENTS

On October 16, 2020 the Company announced the completion of its name change to Green Rise Foods Inc. from Green Rise Capital Corporation. The Company received shareholder approval for this name change at its annual general and special meeting of shareholders held on July 8, 2020 and received approval from the TSX Venture Exchange on October 15, 2020.

TRANSACTIONS BETWEEN RELATED PARTIES AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors. For the three and nine-months ended September 30, 2020, the Company paid \$0.1 million and \$0.2 million in compensation to key members of management respectively (2019 – \$1.0 million and \$1.1 million respectively for the three and nine-months ended September 30, 2019).

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely affect the Company's business and results of operations.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak ("COVID-19") a "Public Health emergency of International Concern", and on March 11, 2020 declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Company's operations, suppliers or other vendors and customer base. The operations for the Company's services could be negatively impacted by the regional and global outbreak of COVID-19, including stop-work orders for an unknown period of time. Any quarantines, labor shortages or other disruptions to the Company's operations, or those of its customers, may adversely impact the Company's revenues, ability to provide its services and operating results. In addition, a significant outbreak of epidemic, pandemic or contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, including the geographical area in which the Company operates, resulting in an economic downturn that could affect demand for its services.

As of the date of this MD&A, the Company's operations have been classified as an essential service and there has been no disruption to the current operating activities. The extent to which COVID-19 impacts the Company's future results will depend on further developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain COVID-19 or its impact, among others.

CRITICAL ACCOUNTING JUDGMENT AND ESTIMATION UNCERTAINTIES

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ materially from the amount included in the financial statements.

Areas where critical accounting estimates and judgments have the most significant effect on the amounts recognized in the financial statements include:

- Estimated useful lives of property, plant and equipment

Management estimates the useful lives of property, plant and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recording expenses for depreciation of property, plant and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property, plant, and equipment in the future.

- Estimated fair value of biological asset

The fair value of the biological asset is derived using a discounted cash flow model. Management estimates the sales price of the produce on the vine by utilizing expected production and sales prices in the following period and estimates the costs to sell and complete by projecting yields, crop, packaging and transportation costs. The estimated costs are subject to fluctuations based on the timing and prevailing growing conditions and market conditions.

- Bearer plants

The classification of bearer plants is a significant judgment. Expenditures for bearer plants are recorded in investing activities on the cash flow statements. Bearer plant depreciation is based on the estimated yield profile of the plants over their life. The amounts of timing of recorded expense for depreciation of bearer plants for any period are affected by the estimate of useful lives.

- Reverse takeover transaction

The classification of the reverse takeover as a capital transaction was a significant judgment by management.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the consolidated Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated Financial Statements; and (ii) the consolidated Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the corresponding certificate for venture issuers does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company do not make any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the corresponding certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OUTSTANDING SHARE DATA

As at the date of this MD&A, 44,922,402 total shares were outstanding.

APPROVAL

The Board of Directors of the Company approved the disclosure in this MD&A on Tuesday, November 3, 2020.

NON-IFRS MEASURES

EBITDA

The Company utilizes EBITDA (defined as earnings before interest, depreciation, amortization, net unrealized gains and losses on biological assets, income taxes and non-recurring expenses) to measure its financial performance. EBITDA is not a recognized measure under IFRS; however, management believes that EBITDA is a useful supplemental measure to net earnings as this measure provides readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes, as well as provide an indication of recurring earnings compared to prior periods. The Company calculates EBITDA as follows:

(\$ thousands)	Three-Months Ended		Nine-Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net earnings (loss)	\$ 1,219	\$(1,496)	\$1,878	\$(1,153)
Additions (Deductions)				
Depreciation	1,270	1,227	2,831	2,675
Net realized and unrealized (gains) losses due to change in biological asset transformation	418	207	(279)	(226)
Interest expense	229	238	696	763
Deferred income tax expense (recovery)	501	(500)	866	(345)
Listing expense	-	2,317	-	2,317
EBITDA	\$3,637	\$1,993	\$5,992	\$4,031