Management's Discussion and Analysis of

GREEN RISE FOODS INC.

(Formerly Green Rise Capital Corporation)

For the years ended December 31, 2020 and December 31, 2019

(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. (formerly Green Rise Capital Corporation) operating as Green Rise Foods ("Green Rise" or "the Company") 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 December 31, 2020, and results of operations for the year ended December 31, 2020.

The MD&A should be read in conjunction with the audited consolidated financial statements ("financial statements") of Green Rise as at December 31, 2020. The accompanying financial statements have been prepared by and are the responsibility of Green Rise's management. The financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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. (formerly Green Rise Capital Corporation), operating as Green Rise Foods ("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") (the "Transaction") under the policies of the Exchange. In 2018, Bull Market 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 completed its first greenhouse range acquisition. The Company's plans to continue to grow its cultivation capacity with a core goal of being the "best-in-class" contract grower of greenhouse-grown fresh produce. To achieve the "best-in-class" status, the Company maintains a strict financial discipline, seeks out new technologies to help improve its processes and employs policies to maintain and attract the best human capital. These items have helped Green Rise achieve key milestones listed on page 4 & 5 of this MD&A under the heading "Highlights for 2020" and "Highlights Subsequent to 2020":

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

The Company's common shares are listed on the Toronto Venture Stock Exchange (the "TSX-V") under the trading symbol "GRF.V". The TSX-V approved the Transaction on October 4, 2019.

The address of the Company's registered office is 47 Colborne Street, Suite 301, Toronto, Ontario, M5E 1P8, Canada.

The seasonal operation consists of the growing, packaging and the sale of produce to one major customer.

Highlights for 2020

- The Company earned revenues of $15.4 million as compared to $13.7 million for the year ended December 31, 2019 (“2019”) and generated earnings from operations in the amount of $2.6 million as compared to $0.9 million for 2019;

- The Company generated $6.5 million of Adjusted EBITDA as compared to $4.2 million for 2019 and $6.0 million of cash flow from operations as compared to $3.3 million for 2019;

- Net income for the year amounted to $0.9 million as compared to a $2.2 million loss for 2019 which included a one-time listing expense of $2.3 million related to the closing of the Transaction;

- On July 9, 2020, the Company added several new Board members including Enrico Paolone (“Mr. Paolone”) and Stanley Thomas (“Mr. Thomas”) to its Board of Directors (“the Board”). In addition to being one of the co-founders of the Company, Mr. Paolone brings over 32 years of experience of identifying high-growth emerging companies in addition to holding the position of Executive Vice President and founding partner at the Haywood Capital Markets Division. Mr. Thomas has previously served as President and Chief Operating Officer of Shoppers Drug Mart Corp. Collectively the new Board members skill sets, and experiences further strengthens the Board’s oversight capabilities;

- 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;

- On December 23, 2020, the Company announced the acquisition of the net assets of Mor Gro Farms Inc. (“Mor Gro”), a 22 acre greenhouse range located on a 57 acre farm in Kingsville, Ontario for a purchase price of $15.5 million. The acquisition was funded using cash on hand and a first mortgage of $13 million on the property. The acquisition has increased the Company’s fresh produce cultivation capacity by 60%;

- As part of the Mor Gro acquisition, the Company assumed an automated packing line lease. It is the first of its kind in North America and once operational it will allow the Company to improve gross margins and product quality. The Company continues to explore new technologies that will help it improve operational efficiencies and provide greater financial returns to our shareholders;

- The Company was named to the 2021 Venture Top 50 list. The TSX Venture 50 is an annual ranking of the top 50 performing listed companies from five industry sectors: Clean Technology and Life Sciences, Diversified Industries, Energy, Mining and Technology. This selection is based on year over year performances across three equally weighted criteria being: (1) Market capitalization growth; (2) Share price appreciation and (3) trading volume for the year ended December 31, 2020.

Highlights Subsequent to 2020:

- On January 13, 2021, the Company entered into an amended credit facilities agreement with the Royal Bank of Canada. As a result, Bull Markets credit facility was increased from $3,500 to $5,000.

- On February 1, 2021, the Company completed the acquisition, through its wholly owned subsidiary, Bull Market Farms Inc., of the net assets of Mor Gro Farms Inc., comprising a 22-acre greenhouse range on a 57-acre property in Kingsville, Ontario for a purchase price of $15.5 million. The acquisition was funded through a $13 million first mortgage on the property provided by the Royal Bank of Canada. As part of the asset purchase agreement, the Company also agreed to reimburse Mor Gro Farms Inc., for costs incurred, relating to the 2021 Crop and the installation of new irrigation equipment for the property. On closing a total of $360 thousand had been paid by Mor Gro Farms Inc. relating to such costs and an additional $700 thousand was to be paid directly to the vendors and suppliers of these items, by the Company, post closing date. The Company also assumed a contract relating to a fully automated packing line valued up to $1.7 million Euros or ~$2.6 million Canadian Dollars. Payment for this packing line is due over a 4 (four) year period and will begin once the site acceptance testing is completed and the line is commissioned. The purchase price allocation will be disclosed in the Company's first quarter 2021 report and is subject to refinement as the Company completes the valuation of the assets acquired and assumed.

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.

($ thousands)	**Three months ended Dec 31, 2020**	Three months ended Dec 31, 2019	**Year ended Dec 31, 2020**	Year ended Dec 31, 2019
Total revenue	**2,827**	2,432	**15,413**	13,697
Production costs[1]	**2,280**	1,862	**7,452**	7,731
Depreciation	**833**	656	**3,664**	3,331
SG&A, excluding depreciation	**552**	596	**1,695**	1,735
Earnings (loss) from operations	**(838)**	(456)	**2,602**	900
Net earnings (loss)	**(1,013)**	(1,082)	**865**	(2,235)
Adjusted EBITDA	**329**	200	**6,530**	4,231

1. Production costs include raw materials, labor and repairs and maintenance expenses

Results for the year ended December 31, 2020

Revenue

The Company generated revenue of ~$15.4 million during the year ended December 31, 2020 ("2020") compared to ~$13.7 million in the previous year ("2019"), an increase of ~$1.7 million. This increase is primarily due to a 23 cent per pound increase in the price of beef stake tomatoes sold as compared to the prior year period.

Earnings from Operations

The Company generated ~$2.6 million of earnings from operations compared to ~$0.9 million in the prior period, an increase of ~$1.7 million. This primarily related to the increase in price per pound for beef stake tomatoes. An increase in product cost allocations of ~$0.2 million to the bearer plants in 2020, as compared to 2019, was the primary factor for lower production costs of ~$0.3 million in 2020. The increased value in the bearer plants however was fully amortized as of December 31, 2020, resulting in higher depreciation costs of ~0.2 million for the year, as compared to 2019.

SG&A remained flat as compared to the prior year. A reduction in compensation of ~0.8 million to management was offset by the increase in fees of ~$0.6 million in professional services, relating primarily to fees incurred on to settle certain matters with three former directors of the Company. Depreciation and rent expense were also higher by ~$0.1 for cost incurred to rent a Corporate Office in Toronto and the related amortization on the Right of Use asset. The corporate office started on January 1, 2020 (no office space was leased in 2019).

Net Earnings (Loss)

Net earnings for the year amounted to ~$0.9 million compared to a loss of ~$2.2 million in the prior year. The prior period net loss was impacted by an ~$2.3 million listing expense to complete the Transaction. The listing expense was predominately made up of non-cash charges and reflected the value of the equity retained by the original shareholders of Green Rise. The remaining difference is the result of the change in income tax expense incurred in the current year of ~$0.8 million as compared to a ~$0.2 million income tax recovery in the prior year.

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. The operating results for the of prior year of Green Rise have been consolidated from October 1, 2019; the period subsequent to the close of the RTO Transaction.

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

1. The fair value of the common shares issued to former Green Rise shareholders was determined to be $2,278 based on the fair value of common shares issued through Concurrent Financing (see note 11 to the Green Rise 2020 Consolidated Financial Statements), which closed on September 30, 2019.
2. The estimated fair value of the previously issued 100,000 stock options, based on the Black-Scholes valuation model amounted to $15. The amount was based on the following assumptions – current stock price $0.20, expected dividend yield – 0%, expected volatility – 100%, risk free rate – 1.43% and an expected life of three years.
3. The estimated fair value of the previously issued 168,310 warrants, based on the Black-Scholes valuation model amounted to $25. The value was based on the following assumptions – current stock price $0.20, expected dividend yield – 0%, expected volatility – 100%, risk free rate – 1.43% and an expected life of three years.

The transaction costs relating to the RTO Transaction plus the aggregate of the fair value of the consideration paid has been recognized as listing expense in the consolidated statements of earnings (loss) and comprehensive earnings (loss).

Summary of quarterly results

($ thousands)	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 30, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Revenues	2,827	6,633	5,812	141	2,432	5,893	5,231	141
Earnings (loss) from operations	(838)	1,949	2,256	(765)	(584)	559	1,737	(812)
Net earnings (loss)	(1,013)	1,219	1,262	(603)	(1,082)	(1,496)	1,474	(1,131)
Basic and diluted EPS	(0.02)	0.02	0.02	(0.01)	(0.02)	(0.05)	0.05	(0.04)
Total assets	32,153	33,189	33,684	32,524	31,904	34,048	32,387	30,720
Total liabilities	24,201	24,296	24,248	24,350	23,135	24,219	28,388	28,196
Shareholders' equity	7,952	8,893	9,436	8,174	8,769	9,829	3,999	2,524

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, Q2 and Q3 are expected to be the Company's strongest quarters. During Q4, operations begin to wind down through the month of December when management starts the process of cleaning out the greenhouse in preparation for the next growing season.

Results for the three-month period ended December 31, 2020

Fourth quarter revenue increased by ~17% to $2.8 million, compared to $2.4 million in the prior year. The increase in revenue is attributable to an increase in the price of beef steak tomatoes and improved warmer weather conditions. The increase in price resulted in an increase in revenue of ~$0.2 million while the improved weather allowed the Company to harvest higher yields in the 4th quarter for both its beef steak and medley variety tomatoes. This resulted in additional revenue of ~$0.3 million for the period.

Higher production costs of ~0.4 million were noted in the quarter of 2020 as compared to the same period in 2019. The primary reason for higher production costs related to increased labour costs as a result of the warmer weather conditions which lengthened the 2020 picking season and induced higher yields in both the beef steak and medley variety, resulting in increases in labor costs to pick and ship the fresh produce.

Depreciation was higher by ~26% at ~$0.8 million as compared to ~$0.7 million in the prior year quarter. The increase in depreciation of ~$0.2 million related to increased amortization on the bearer plant and equipment (equipment relating to a new boiler which was acquired and commissioned during the 4th quarter of 2020).

The Company's SG&A costs remained flat during the quarter at ~$0.6 million.

The net loss for the quarter remained flat and amounted to ~$1.0 million as compared to ~$1.1 million in the same period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition Review

($ thousands)	**December 31, 2020**	December 31, 2019
Cash	3,057	2,919
Working Capital[1]	1,485	1,877
Total Assets	32,153	31,904
Total Liabilities	24,201	23,135
Net Equity	7,952	8,769

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

As at December 31, 2020, the Company had cash of ~$3.1 million, current liabilities of ~$3.2 million and working capital of ~$1.5 million.

Cash remained relatively flat as compared to the prior year. While cash flow from operations generated ~$6.0 million of cash flow, cash outflows from investing and financing activities increased resulted in cash outflows of ~$3.0 million and ~$2.8 million respectively, mainly the result of the investment in the bearer plant and the repayments of mortgages and the shares repurchased for cancellation.

Trade and other receivables remained flat compared to the prior year and consisted entirely of HST receivables and other receivables due from government grants, all of which were subsequently collected.

The bearer plant and trade payables increased by ~$0.4 million as a result of raw materials received on or before December 2020 attributable to the 2021 crop. The bearer plant asset in the prior year had a $NIL balance.

Trade payables increased by a total of ~$1.0 million. In addition to the ~$0.4 million increase due to the receipt of raw materials for the 2021 bearer plant prior to year-end, an additional $0.2 million of the increase was attributed to the receipt of utility invoices which occurred late in the 4th quarter, as compared to the same quarter in the prior period. These invoices were paid after year-end. Finally, the remaining difference of ~$0.4 million is attributed to the Company choosing to prepay ~$0.3 million of its 2021 plant propagation costs on December 30, 2020 as opposed to paying down trade payables. In Fiscal 2019, no amounts were prepaid for the following fiscal year plant propagation costs.

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.

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

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at December 31, 2020 the payments due by period are set out in the following table:

($000s)	**Total**	**Less than 1 Year**	**1 – 5 Years**	**After 5 Years**
Trade Payables	1,831	1,831	-	-
Purchase obligations	528	528	-	-
Lease obligations	317	81	236	-
Long-term debt	20,198	1,248	6,950	12,000
Total	22,874	3,688	7,186	12,000

COMMITMENTS

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

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

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 year ended December 31, 2020 the Company paid $332 thousand in cash compensation (2019 – $1,118 thousand) and had $89 thousand (2019 – $6 thousand) of stock-based compensation attributed to key members of management.

In 2019, shareholder loans were extinguished as part of the RTO Transaction through a cash payment of $1.5 million and through a conversion of $1.5 million into equity.

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 these financial statements, 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

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.

NEW ACCOUNTING PRONOUNCEMENTS

IAS 1: Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. Management is currently assessing the impact of this amendment.

IAS 16: Amendments to IAS 16, Property, Plant and Equipment

On May 14, 2020, the IASB published an amendment to IAS 16 Property, Plant and Equipment. The amendment clarifies the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use. The provisions of this amendment will apply retrospectively to financial statements beginning on or after January 1, 2022. Early adoption is permitted. The Company is currently evaluating the impact of this amendment on its financial statements.

IAS 41: Amendments to IAS 41, Agriculture

In May 2020, the IASB published Annual Improvements to IFRS Standards 2018–2020 Cycle, containing the following amendments to IFRS. These amendments are effective for annual periods beginning on or after January 1, 2022. IAS 41 Agriculture–The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IFRS 3: Amendment to IFRS 3, Business Combinations

On May 14, 2020, the IASB issued amendments to IFRS 3 Business Combinations that added an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for annual periods beginning on or after January 1, 2022. The Company did not have a business combination in the year and management is currently assessing the impact of this assessment.

Critical accounting judgments 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:

ESTIMATES:

Leases:

The Company uses judgement to determine the incremental borrowing rate used to calculate the initial liability and corresponding asset. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment.

Estimated fair value of biological asset

The estimates and underlying assumptions are reviewed on an ongoing basis. The most significant estimates include those related to the valuation of biological assets (See note 5 to the Green Rise 2020 consolidated financial statements). Biological assets are measured at the fair value less costs to sell, which is calculated as expected sales of harvested biological produce, less costs to sell and costs to complete. Management estimates the sales price of the produce on the vine by utilizing actual sales prices in the following period, estimates the expected yield based on historical production, and estimates the costs to sell and costs to complete, which includes packaging and transportation costs. Stage of growth and remaining costs to complete for in-progress produce are estimated by management based on historical production. The estimated inputs are subject to fluctuations based on the timing and prevailing growing conditions and market conditions.

JUDGMENTS:

Bearer assets
The classification of bearer assets is a significant judgment. Expenditures for bearer assets are recorded in investing activities on the statement of cash flows. Bearer assets are depreciated based on the estimated yield profile of the plants over their life. The amounts and 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. The key judgments and considerations made by management are more fully described in Note 4 of the December 31, 2020 Green Rise Foods Inc. Consolidated Financial Statements – Reverse takeover transaction.

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 April 23, 2021.

NON-IFRS MEASURES

EBITDA and Adjusted EBITDA

The Company utilizes EBITDA and adjusted EBITDA to measure its financial performance. EBITDA is (defined as earnings before interest, depreciation, amortization, net unrealized gains and losses on biological assets, income taxes and non-recurring expenses such as listing expenses and non-reoccurring legal fees) to measure its financial performance. EBITDA and Adjusted EBITDA are not recognized measures, however management believes that EBITDA and Adjusted EBITDA are useful supplemental measures to net earnings as these measures provide 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 and adjusted EBITDA as follows:

	Three Months Ended		Year Ended	
($ thousands)	**December 31, 2020**	December 31, 2019	**December 31, 2020**	December 31, 2019
Net earnings (loss)	**$(1,013)**	$(1,082)	**$865**	$(2,235)
Additions (Deductions)				
Depreciation	**833**	656	**3,664**	3,331
Interest expense	**202**	236	**898**	999
Deferred income tax expense (recovery)	**(27)**	164	**839**	(181)
EBITDA	**$(5)**	$(26)	**$6,266**	**$1,914**
Net change in unrealized loss on biological assets	**279**	226	**-**	-
Listing expense	**-**	-	**-**	2,317
Non-reoccurring legal fees	**55**	-	**264**	-
Adjusted EBITDA	**$329**	$200	**$6,530**	$4,231

Adjusted Earnings

The Company utilizes adjusted earnings (defined as net earnings before non-recurring expenses such as listing expenses and non-reoccurring legal fees) to measure its financial performance. Adjusted earnings are not recognized measures under IFRS; however, management believes that adjusted earnings is a useful supplemental measure to net earnings as these measures provide readers with an indication of recurring earnings compared to prior periods. The Company calculates adjusted earnings as follows:

	Three Months Ended		Year Ended	
($ thousands)	**December 31, 2020**	December 31, 2019	**December 31, 2020**	December 31, 2019
Net earnings (loss)	**$(1,013)**	$(1,082)	**$865**	$(2,235)
Net change in unrealized Loss on biological assets	**279**	226	**-**	-
Listing expense	**-**	-	**-**	2,317
Non-reoccurring legal fees	**55**	-	**264**	-
Adjusted net earnings (loss)	**$(679)**	$(856)	**$1,129**	$82