



GREEN IMPACT PARTNERS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended September 30, 2021 and 2020

November 24, 2021



MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") for the three and nine month periods ended September 30, 2021 and 2020 is prepared as of November 24, 2021 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 unaudited condensed consolidated interim financial statements as at and for the three and nine month periods ended September 30, 2021 and 2020 and the audited carve-out financial statements of the Clean Energy Assets for the nine months ended December 31, 2020 and twelve months ended March 31, 2020, as presented in the Filing Statement for the Transaction dated May 17, 2021, together with the related notes thereto and the cautionary statement regarding forward looking information and statements below. The financial information presented in this MD&A is derived from the Company's unaudited condensed consolidated interim financial statements as at and for the three and nine month periods ended September 30, 2021 and 2020, all of which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Additional information on the Company, including the Filing Statement for the Transaction dated May 17, 2021, is available on SEDAR at www.sedar.com. The Company's shares are listed for trading on the Toronto 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 information, including the anticipated costs associated with the purchase of capital equipment, expectations concerning the nature and timing of growth, expectations respecting the competitive position, expectations concerning the financing of future business activities, statements as to future economic and operating conditions. Readers should review the cautionary statement respecting forward-looking information that appears below.

The information and statements contained in this MD&A that are not historical facts are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "seek", "plan", "continue", "estimate", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations, opinions, or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements.

These factors include, but are not limited to, such things as the COVID-19 pandemic, reliance on permits and authorizations, development and operating costs, general economic conditions, the Company's relatively limited history, the ability to develop and operate clean energy projects, competition, potential reduction in demand for clean energy, compliance with environmental legislation, regulatory risks, management of growth, dependence on



intellectual property, and other factors, which are set forth in Appendix "H" of the Information Circular for the Transaction under the heading "Risk Factors".

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, sources of historic growth opportunities and expectations relating to future economic and operating conditions. Forward-looking information 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, expectations relating to future economic and operating conditions, current and announced build programs, and other expansion plans of other organizations. Forward-looking information concerning the financing of future business activities is based upon the financing sources on which the Company and its predecessors have historically relied and expectations relating to future economic and operating conditions. Forward-looking information concerning future economic and operating conditions is based upon historical economic and operating conditions, opinions of third-party analysts respecting 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 information 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 information or statements, whether as a result of new information, future events or otherwise.

SUMMARY OF NON-IFRS MEASURES

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by International Financial Reporting Standards ("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.

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. EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other companies. Management believes EBITDA is an important performance metric that measures normalized 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 that may vary from company to company. Prior period Adjusted EBITDA has been calculated and presented in accordance with the current period calculation and presentation.



BUSINESS OVERVIEW

Our Business

GIP is a clean energy company publicly traded on the TSX Venture Exchange. GIP's purpose is to create a sustainable and inclusive world through development of the world's cleanest renewable energy. To realize on its purpose, the Company is largely focused on developing GIP's portfolio of renewable natural gas ("RNG") and clean energy assets throughout North America. In addition to its core focus, GIP has a current portfolio of seven water and solids treatment and recycling facilities in Canada and a solids recycling business in the United States ("Water & Solids Treatment & Recycling").

The Company reports operating results for the following reportable segments:

- **Water and Industrial** – The Water and Industrial segment is currently comprised of operational and cash flowing assets that include Water and Solids Treatment and Recycling facilities in Canada and the United States. These facilities provide services to safely recycle and/or dispose of water and solids waste from third party industrial operations.
- **Energy Production** – The Energy Production segment includes both under construction development and pre-development clean energy projects located in Canada and the United States. The current portfolio of projects within this operating segment includes renewable natural gas, biofuel and hydrogen distribution.

Operations

The Water and Solids Treatment and Recycling facilities operate under a fee-for-service basis. Each of these facilities provides water and waste treatment and recycling services to multiple customers, including a mix of municipalities, governments, utilities, infrastructure, industrial, mining and energy industries in North America, depending upon the activities within the geographic region. The services are provided through area dedication agreements and state contracts, rather than volume-based commitments.

Industry activity throughout Canada in 2021 has remained lower than expected due to a number of factors including, but not limited to, the ongoing COVID-19 pandemic. GIP prudently capitalized on the slower ramp up in industry activity through expediting certain capital improvements at one of its most profitable and environmentally impactful facilities in order to expand existing capacity and extend its useful life. This facility was down from the end of March and returned to full operations in September 2021. In addition to this downtime, increased costs of certain inputs and services at all of our facilities have impacted the financial results. This is expected to continue throughout the remainder of 2021. As a result, and in line with the Company's strategy to maximize its environmental and financial impact, management has temporarily delayed previously planned capital expenditures to further expand capacity at the remainder of its current facilities until activity levels improve and support additional investment.

Moving into 2022, assuming industry activity levels return to pre-COVID-19 pandemic levels, the Canadian Water & Solid Treatment & Recycling facilities are anticipated to generate approximately \$10.7 million in gross margin, which is a reduction from prior expectations of \$16 to \$18 million per annum, due to these delayed capital expenditures and increased costs of certain inputs and services. Prior expectations were based on: (i) historical performance over the three-year average period prior to the COVID-19 pandemic, and (ii) additional capital expenditures driving increased capacity.



In the United States, our facilities are performing as expected with annual gross margin of approximately \$1.3 million. The Company had originally anticipated growing through acquisitions and further development, adding approximately \$3.3 million in annual gross margin. Growth plans for the United States facilities are currently postponed as the Company focuses on maximizing environmental and financial impact through developing a portfolio of RNG producing assets. As a result, for the remainder of 2021, and moving into 2022, the results are anticipated to track current performance.

Under Construction

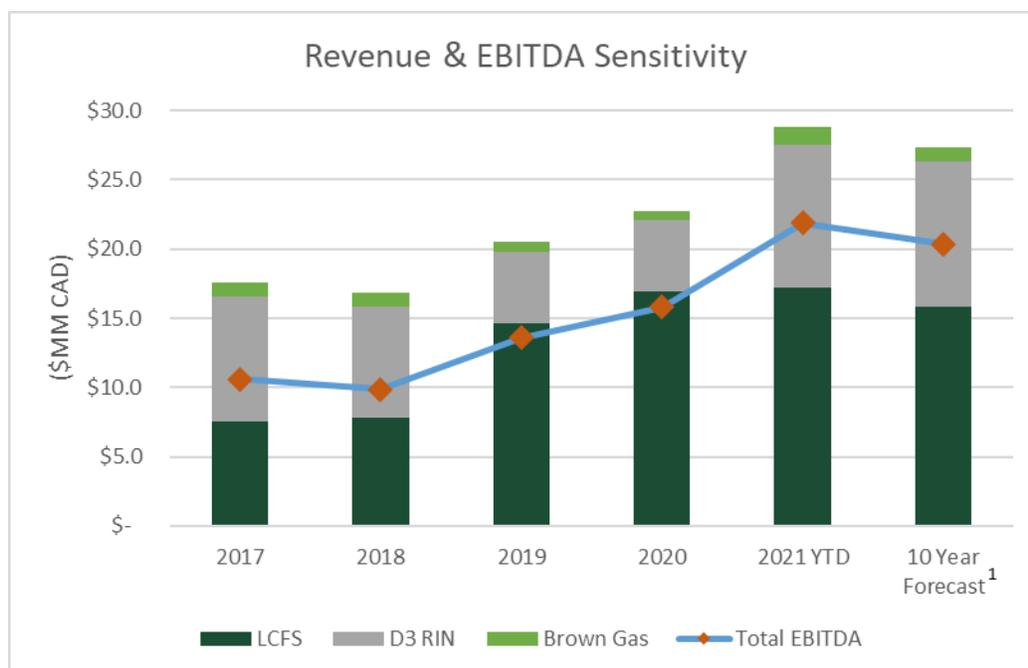
The Company's first RNG project located in Weld County, Colorado in the United States (the "GreenGas Colorado Project") commenced construction this summer and is progressing on schedule. The GreenGas Colorado Project is being constructed on two farms in close proximity. The Company has feedstock agreements in place securing the long-term supply of organic waste. The GreenGas Colorado Project is expected to generate approximately 0.3 million metric million British thermal units ("MMBtu") per annum of RNG.

During the quarter, the Company executed a fixed-price Engineering, Procurement and Construction ("EPC") contract for the GreenGas Colorado Project. The Company is currently funding the expenditures under the EPC agreement as the costs are incurred, with full notice to proceed expected to be issued under the EPC agreement once non-recourse project debt financing for the GreenGas Colorado project has been secured. As at September 30, 2021, \$8.8 million has been invested by GIP in the construction of this facility. All ground works and piping are anticipated to be completed before the winter season, and above ground installations will commence shortly thereafter. The total capital cost, including soft costs and fees associated with debt financing, are approximately \$92 million. The GreenGas Colorado Project has executed a binding term sheet with a lender in the United States for \$47 million in non-recourse project debt financing. The debt facility is expected to close in the first quarter of 2022, subject to the completion of certain customary closing conditions. The debt facility includes both a construction and term loan facility. The construction facility bears interest at prime + 2.75%. The term loan facility amortizes fully over six years and bears interest at prime + 1.00%.

The GreenGas Colorado Project is anticipated to produce gas in early 2023. Once operating at full production, the GreenGas Colorado Project is anticipated to generate approximately \$20 million per annum in EBITDA.

The GreenGas Colorado Project has executed a 10-year offtake agreement with an A- rated counterparty to sell 100% of its RNG generation. The offtake agreement secures delivery of the GreenGas Colorado Project's RNG into the California Low Carbon Fuel Standard ("LCFS") and Renewable Identification Number ("RIN") markets. The Company's production and associated revenue is based on merchant pricing in these markets, less certain charges under the offtake agreement, including transportation. LCFS and RIN market pricing is a key risk for the GreenGas Colorado Project. GIP's estimates for LCFS, RIN and brown gas are based on an independent third-party price forecast.

The graph below illustrates the revenue and EBITDA that GIP would have realized for this project based on the expected generation capacity using the actual market pricing over the historical period, adjusted for charges under the offtake agreement, including transportation, as well as a comparison of this historical data to the Company's estimates for its first ten years of operations based on an independent third-party price forecast:



¹ The 10 Year Forecast represents the Company's average forecasted revenue and EBITDA for the GreenGas Colorado Project based on the Company's estimated RNG production and the estimated price anticipated to be received for the LCFS, RIN and brown gas per an independent third-party price forecast, net of transportation and other offtake charges. The chart is the Canadian dollar ("CAD") equivalent based on an average United States dollar to CAD exchange rate of 1.25.

Based on current average pricing for the month of October 2021 as published by EcoEngineers (<https://www.ecoengineers.us/>), adjusted for the GreenGas Colorado Project's carbon intensity factor, and net of transportation and other offtake charges, the GreenGas Colorado Project, if complete and fully operational, would have realized \$1.7 million in EBITDA for the month, which on an annualized basis equates to \$20.5 million.

Development Pipeline

Wheatland Development Project

During the quarter, the Company entered into a partnership with Carbon Clean Energy Inc. and PCL Construction Inc. ("PCL") to develop a large-scale bio-fuel facility in Calgary, Alberta (the "Wheatland Development Project"). The Wheatland Development Project, once operational, is expected to have a lower carbon impact than wind, solar or hydro energy source and will be the largest RNG project in North America, producing up to 2.5 million MMBtu per annum of RNG. Additionally, it will produce annually over 300 million litres of cellulosic equivalent ethanol and 2.3 million tonnes of carbon offset credits. GIP, with its partners, is currently advancing the Wheatland Development Project through permitting and final engineering and design, including the potential to increase the capital investment in this project to materially expand the RNG production and further enhance the project's environmental impact. Under the partnership agreement, the Company and PCL have committed \$6 million to continue to advance the project to final investment decision, of which \$5.0 million was spent during the quarter. GIP has control over the development of the project. Once the project has advanced to final investment decision, GIP holds the right to invest all project equity required to complete construction.



New Zealand Green Hydrogen

In September 2021, the Company closed on a \$2.7 million investment in a New Zealand-based energy company (“NZCo”) focused on developing a green hydrogen refuelling network across New Zealand servicing commercial and heavy transport customers. GIP’s investment, along with other partners, supports the construction of the first phase, which includes four hydrogen refuelling stations. The first phase is fully financed and expected to be operational in 2022. GIP currently holds a 12% interest, with an option to increase its interest to 18% on investment of an additional \$3.9 million in capital. The investment also includes an additional opportunity to increase the Company’s investment at a later date. As green hydrogen markets evolve in North America and globally, this initial investment is anticipated to result in additional opportunities to partner with NZCo on green hydrogen and other biofuel opportunities worldwide. Green hydrogen is produced from renewable energy sources, is carbon free, and aligns with GIP’s strategic purpose.

Southern Alberta Farm RNG

Subsequent to quarter end, the Company signed feedstock agreements on a farm based RNG project located in southern Alberta. The project build cost is expected to be approximately CAD\$200 million, and the project is projected to produce up to 2 million MMBtu per annum. GIP expects to start construction in 2022.

Additional Growth Opportunities

Including the opportunities identified above, the Company has over \$2 billion in clean energy initiatives in the development pipeline at various stages of development. In accordance with its strategy, management is focused in the near term on the advancement of these projects, the growth and advancement to final investment decision on a number of other projects in its RNG pipeline and securing capital to accelerate its environmental and financial impact. As projects advance to construction-ready, the implied equity value of its projects increases. The Company may enter into strategic partnerships or divest of minority interests of certain assets in its portfolio to provide additional liquidity to accelerate the advancement of its portfolio as an alternative to issuing additional equity.

GLOBAL PANDEMIC

The COVID-19 pandemic and measures taken in response by governments and health authorities around the world have resulted in a significant slow-down in global economic activity, reducing the demand for general services throughout North America, including the demand for wastewater management and recycling services offered by GIP’s current operating assets. While these services are critical to multiple industries, the COVID-19 pandemic has affected the Company, resulting in a decline in revenue commencing in March 2020. While the demand for such services and associated revenue has been gradually increasing since March 2020, it has not yet fully returned to pre-pandemic demand or revenue levels as the industry has only just begun to deploy additional capital in response to the improved market conditions.



FINANCIAL HIGHLIGHTS

(\$000)	Sept 30, 2021 Three Months	Sept 30, 2020 Three Months	\$ Change
Revenue	35,395	23,720	11,675
Gross margin	1,689	1,391	298
Loss from operations	(1,230)	(296)	(934)
Net Loss	(602)	(593)	(9)
Comprehensive loss	(257)	(593)	336
Funds from (used in) operations	628	826	198
Cash from (used in) operations	4,172	735	3,437
Purchase of property, plant and equipment	(11,625)	(31)	11,594
Total assets	162,200	85,381	76,819
Total liabilities	38,176	57,671	(19,495)
	Sept 30, 2021 Nine Months	Sept 30, 2020 Nine Months	\$ Change
Revenue	90,249	71,906	18,343
Gross margin	4,843	4,038	805
Loss from operations	(1,887)	(1,402)	(485)
Net loss	(3,607)	(2,355)	(1,252)
Comprehensive loss	(3,171)	(2,355)	(816)
Funds flow from (used in) operations	1,955	1,842	113
Cash from (used in) operations	5,830	8,688	(2,858)
Purchase of property, plant and equipment	(15,134)	(587)	14,547
Total assets	162,200	85,381	76,819
Total liabilities	38,176	57,671	(19,495)

NON-IFRS MEASURES

(\$000)	Sept 30, 2021 Three Months	Sept 30, 2020 Three Months	\$ Change
Net loss	(602)	(593)	(9)
Income tax recovery	(675)	(198)	(477)
Depreciation and amortization	1,860	1,122	738
Finance costs	45	495	(450)
EBITDA	628	826	(198)
Gain on debt forgiveness	-	-	-
Listing expense on RTO Transaction	-	-	-
Loss on disposal of property, plant and equipment	-	-	-
Adjusted EBITDA	628	826	(198)



	Sept 30, 2021 Nine Months	Sept 30, 2020 Nine Months	\$ Change
Net loss	(3,607)	(2,355)	(1,252)
Income tax recovery	(1,463)	(587)	(876)
Depreciation and amortization	4,021	3,133	888
Finance costs	915	1,488	(573)
EBITDA	(134)	1,679	(1,813)
Gain on debt forgiveness	(257)	-	(257)
Listing expense on RTO Transaction	2,523	-	2,523
Loss on disposal of property, plant and equipment	-	52	(52)
Adjusted EBITDA	2,132	1,731	(401)

RESULTS OF OPERATIONS

(\$000)	Sept 30, 2021 Three Months	Sept 30, 2020 Three Months	\$ Change
Revenue	35,395	23,720	11,675
Gross margin	1,689	1,391	298
Depreciation and amortization	1,860	1,122	738
Salaries and wages	525	94	431
Selling, general and administration	534	471	63
Finance costs	45	495	(450)
Unrealized (gain)/loss on foreign exchange	(21)	-	21
Realized (gain)/loss on foreign exchange	23	-	23
Deferred income tax (recovery)/expense	(675)	(198)	477
Net loss	(602)	(593)	(9)
Comprehensive income loss	(257)	(593)	336

	Sept 30, 2021 Nine Months	Sept 30, 2020 Nine Months	\$ Change
Revenue	90,249	71,906	18,343
Gross margin	4,843	4,038	805
Depreciation and amortization	4,021	3,133	888
Salaries and wages	1,464	418	1,046
Selling, general and administration	1,245	1,889	(644)
Finance costs	915	1,488	(573)
Unrealized (gain)/loss on foreign exchange	(21)	-	21
Realized (gain)/loss on foreign exchange	23	-	23
Listing expense	2,523	-	2,523
Loss on disposal of equipment	-	52	(52)
Gain on debt forgiveness	(257)	-	257
Deferred income tax (recovery)/expense	(1,463)	(587)	876
Net loss	(3,607)	(2,355)	(1,252)
Comprehensive loss	(3,171)	(2,355)	(816)



Revenue

Revenue for the three and nine months ended September 30, 2021 increased by \$11.7 million and \$18.3 million from the three and nine months ended September 30, 2020, respectively. The increase is primarily a result of abnormally low realized volumes through the Company's facilities starting in March 2020 due to the impact of the global pandemic on industry activity levels. Revenue for the three months ended September 30, 2020 was disproportionately impacted by the downturn in industry and society activity. The nine month period ended September 30, 2020, had two months (January and February) of more typical activity and revenue. The new U.S. facility acquired in May 2021 has contributed approximately \$2.2 million and \$3.3 million of additional revenue for the three month and nine month periods ended September 30, 2021, respectively. In addition, revenue for both the three and nine month periods ended September 30, 2021 were impacted by the shutdown of one of the Company's facilities from late March to mid-September. The facility was down for minor repairs, however, given the reduced activity in various sectors, the Company took the opportunity to make certain capital improvements at this facility to expand capacity and extend its useful life. The capital improvements totalled approximately \$2.6 million, with \$1.0 million invested during the quarter. The facility was back to full operations in mid-September and therefore the current quarter only saw the benefit of two weeks of operations from this facility. Revenue for this facility for the corresponding six month period in 2020 (April to September) was approximately \$2.7 million.

Gross Margin

Gross margins for the three and nine months ended September 30, 2021 increased by \$0.3 million and \$0.8 million from the three and nine months ended September 30, 2020, respectively. The increase for the nine month period is consistent with the increase in activity and corresponding revenue for the same period as a result of the recovery from COVID-19 lows in 2020. As noted, the results for the three month period and a portion of the nine month period ended September 30, 2021 (April to September) were impacted by the shut down of a facility in late March. Gross margins for the corresponding six month period in 2020 for this facility totalled approximately \$2.2 million. The negative impacts of the facility downtime was partially offset by an additional \$0.8 of gross margin derived from the newly acquired U.S. facility since it was acquired in May 2021.

Depreciation and Amortization

Depreciation and amortization for the three and nine months ended September 30, 2021 was up by \$0.7 million and \$0.9 million from the three and nine months ended September 30, 2020, respectively. The increase is primarily due to an increase in the Company's asset retirement obligation ("ARO") asset estimates associated with a new liability incurred during the period. This liability was settled during the quarter and therefore the ARO asset was reduced through full recognition of this settlement through depreciation expense.

Salaries and Wages and Selling, General and Administration

Salaries and wages and selling, general and administrative expenses include the following items: salaries and wages, rental costs, vehicle costs, insurance expenses, office costs, advertising and promotion, and professional and consulting fees.

Combined salaries and wages and selling, general and administrative expenses for the three and nine months ended September 30, 2021 were up by \$0.5 million and \$0.4 million from the three and nine months ended September 30, 2020, respectively. The increase in the most recent three months compared to the same period in 2020 was a result of GIP increasing its development team and running as a new stand-alone Company, which compares to being a



subsidiary of the divesting company. Consequently, the three month period ended September 30, 2021 included additional costs associated with new GIP executive and management staff along with various one-time set up costs for the Company including information technology, legal, insurance and consulting. The nine month period increase is similar to the three month period increase. In 2022, Salaries and Wages and Selling, General and Administrative costs are expected to be approximately \$6.0 million as the Company continues to build out its team.

Finance Costs

Finance costs for the three and nine months ended September 30, 2021 were down by \$0.5 million and \$0.6 million from the three and nine months ended September 30, 2020, respectively. The reduction was a direct result of the fact that the divesting company assumed \$25.9 million of debt upon close on May 27, 2021 which was outstanding and accruing interest for the entirety of the corresponding periods of 2020.

Foreign Exchange Gains and Losses

The Company has operations and development projects located in foreign jurisdictions, which may result in both realized and unrealized foreign exchange gains and losses being recognized through either net income or other comprehensive income depending on the nature of the transactions.

Deferred Income Tax Expense and Recovery

Deferred tax recoveries for the three and nine months ended September 30, 2021 have increased \$0.5 million and \$0.9 million from the three and nine months ended September 30, 2020, respectively. The increase is primarily due to new tax assets associated with increases to non-capital losses created from the additional corporate costs previously discussed together with the tax impacts of share issue costs from the equity financing in May 2021.

SUMMARY OF QUARTERLY RESULTS

(\$000)	Sept 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Revenue	35,395	27,066	27,788	23,911
Adjusted EBITDA	628	198	1,306	1,380
Net loss	(602)	(2,824)	(181)	(102)
Net loss per share	(0.03)	(0.20)	(0.01)	(0.01)
	Sept 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Revenue	23,720	11,542	36,644	65,549
Adjusted EBITDA	826	562	291	7,855
Net loss	(593)	(777)	(985)	5,727
Net loss per share	(0.06)	(0.08)	(0.10)	0.56



LIQUIDITY AND CAPITAL RESOURCES

The Company expects to generate sufficient cash flows from operations to meet all organic growth initiatives and maintenance capital expenditures in connection with the Water and Solids Treatment and Recycling facilities. Due to the Company's focus on maintaining efficient operations, the Company expects to generate free cash flow from operations, net of maintenance capital expenditures, on an annual basis.

The Company has over \$2 billion in clean energy initiatives in the development pipeline. The Company intends to fund its near-term projects, including the GreenGas Colorado Project, with existing cash on hand, free cash generated by existing operations and additional capital in the form of non-recourse project level debt financing. At this time the Company does not anticipate the need to raise additional equity proceeds to fund any of the near-term projects. However, to accelerate the development of its portfolio, the Company may enter into strategic partnerships or divest of minority interests of certain assets in its portfolio.

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 manages its liquidity risk through the management of its capital structure and working capital, monitoring, and reviewing actual and forecasted cash flows to ensure available cash resources to meet the Company's liquidity needs. The Company's cash and cash equivalents, cash flow from operating activities are expected to be greater than anticipated near-term capital expenditures and the contractual maturities of the Company's financial liabilities.

(\$000)	Sept 30, 2021 Three Months	Sept 30, 2020 Three Months	\$ Change
Cash from (used in) operating activities	4,172	735	3,437
Cash (used in) investing activities	(17,304)	(31)	(17,273)
Cash from (used in) financing activities	287	928	(641)
Impact of foreign currency translation on cash	256	-	256
Increase (decrease) in cash	(12,589)	1,632	14,221

(\$000)	Sept 30, 2021 Nine Months	Sept 30, 2020 Nine Months	\$ Change
Cash from (used in) operating activities	5,830	8,688	(2,858)
Cash (used in) investing activities	(20,813)	(535)	(20,278)
Cash from (used in) financing activities	41,877	(6,766)	48,643
Impact of foreign currency translation on cash	266	-	266
Increase (decrease) in cash	27,160	1,387	25,773

Operating Activities

Cash from operations for the three and nine months ended September 30, 2021 was up \$3.4 million and down \$2.8 million from the three and nine months ended September 30, 2020, respectively. The increase for the three month



period ended September 30 2021 was driven by the recovery in Q3 2021 relative to the depressed results in Q3 2020 from lower realized volumes through the Company's facilities due to the impact of the global pandemic on industry activity levels together with the incremental cash flows from the newly acquired U.S. facility, offset by reduced costs in Q3 2020 as a result of the global pandemic. The decline in cash from operating activities for the nine month period is due to the same factors with a more significant impact from the lower operating costs throughout 2020.

Investing Activities

Cash used in investing activities for the three and nine months ended September 30, 2021 increased by \$17.3 million and \$20.3 million from the three and nine months ended September 30, 2020, respectively. The additional use of cash resulted mainly from spending on the GreenGas Colorado Project, the Wheatland Development Project, the investment in NZCo, the capital improvements on the existing facilities and equipment during the period. Capital spending was kept to a minimum during the comparative period in 2020 in response to the ongoing global pandemic and the impact of industry activity levels. Also, there were no new development projects under construction in the corresponding periods.

Financing Activities

Cash from financing activities for the three and nine months ended September 30, 2021 decreased by \$0.6 million and increased by \$48.6 million from the comparative periods, respectively. The decrease for the three month period was a result of cash distributed to the divesting company from its parent in the corresponding period compared to limited financing activities for the three months ended September 30, 2021. The financing activities for the three month period were a result of funds received from a non-controlling interest in the Wheatland Development Project, which was partially offset by additional share issue costs and the acquisition of shares for treasury for the purposes of future grants under the Company's Restricted Share Unit Plan as described in note 12 of the Condensed Consolidated Interim Financial Statements. The increase for the nine month period was primarily a result of the equity financing closed in May 27, 2021 for net proceeds of \$91.3 million, which was partially offset by the settlement of the promissory notes owing to the divesting company.

(\$000)	September 30, 2021	December 31, 2020	\$ Change
Current assets	42,767	11,139	31,628
Current liabilities ¹	19,400	12,076	7,324
Working capital surplus (deficit)	23,367	(937)	24,304

¹The working capital above includes the current and demand portions of long-term debt of approximately \$0.2 million at September 30, 2021 (\$1.8 million at December 31, 2020).

The following are undiscounted contractual maturities of financial liabilities, including estimated interest:

	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
Accounts payable and accrued liabilities	19,180	19,180	-	-	-
Long-term debt, excluding lease liabilities	380	141	218	21	-
Lease liabilities	166	94	72	-	-
Total	19,726	19,415	290	21	-



Capital Management and Resources

	September 30, 2021	December 31, 2020
Current assets	42,767	11,139
Current liabilities	(19,400)	(12,076)
Long-term debt	266	24,484
Shareholders' equity	112,265	25,451
	135,898	48,998

The Company's objectives when managing capital are to: (i) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (ii) maintain financial flexibility in order to meet financial commitments and maintain the confidence of shareholders, creditors, and the market; and (iii) optimize the use of capital to provide an appropriate return on investment to shareholders. Management considers the Company's current assets less current liabilities, long-term debt, and shareholder's equity as the components of capital to be managed. The Company manages the capital structure based on current economic conditions, risk characteristics of underlying assets and planned capital and liquidity requirements.

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 note receivable. The Company's trade receivables are with customers in the industrial sector and are subject to industry credit risk. To reduce credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

Additionally, the Company continuously reviews individual customer trade receivables taking into consideration payment history and aging of the trade receivables to monitor collectability. In accordance with IFRS 9 - Financial Instruments, the Company reviews impairment of its trade and accrued receivables at each reporting period and its allowance for expected future credit losses. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends, and other information. Monitoring procedures are in place to ensure that follow up action is taken to recover overdue amounts. The Company reviews receivables on a regular basis to ensure that an adequate loss allowance is made. Provisions recorded by the Company are reviewed regularly to determine if any balances should be written off. The allowance for doubtful accounts could materially change as a result of fluctuations in the financial position of the Company's customers. The Company completes a detailed review of its historical credit losses as part of its impairment assessment.



OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The Chief Executive Officer of the Company is the Executive Chairman of Wolverine and owns approximately 49% of the issued and outstanding shares of Wolverine. Wolverine, at the time and as a result of the Transaction, owned approximately 25% of the issued and outstanding shares of GIP and is therefore considered to be a related party of the Company. Consequently, the Transaction with Wolverine, as described in Note 1 to the condensed consolidated interim financial statements, was a related party Transaction. In addition to the Transaction, Wolverine provided certain transitional services to GIP including personnel, systems and software. During the three and nine months ended September 30, 2021, the Company paid \$0.9 million and \$2.7 million, respectively, to Wolverine for reimbursement of certain expenses at no mark-up incurred by Wolverine on GIP's behalf, including share issue costs and salaries and wages. In addition, as part of the transition services, Wolverine has been collecting certain revenue and settling certain expenses on behalf of the Company. The total net amount owed to GIP from Wolverine amounted to \$0.6 million at September 30, 2021.

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the Company's interim 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 financial statements have been set out in Note 3 of the annual financial statements.

OUTSTANDING SHARE DATA

Refer to Note 12 of the Company's interim financial statements and Note 11 of the annual financial statements for a summary of the authorized, issued and outstanding share capital of the Company.