



Green Impact Partners

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As At and For the Three and Nine Months Ended September 30, 2023 and 2022
(UNAUDITED)

November 27, 2023



GREEN IMPACT PARTNERS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Thousands of Canadian dollars)

	Note	September 30 2023	December 31, 2022
ASSETS			
Current Assets			
Cash and cash equivalents		1,295	2,692
Trade and other receivables	5	18,145	17,433
Inventory		1,460	2,065
Risk management contracts		-	429
Other current assets	5	5,608	3,123
Total Current Assets		26,508	25,742
Property, plant and equipment	6	132,574	194,267
Investment in joint venture	4,7	27,853	-
Long-term investments		2,903	2,803
Intangible assets		1,543	1,695
Risk management contracts		-	329
Deferred income tax assets		3,095	2,141
Total Assets		194,476	226,977
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	5	24,353	21,031
Current portion of long-term debt	8	279	348
Other current liabilities		8,593	8,477
Total Current Liabilities		33,225	29,856
Long-term debt	8	26,887	66,057
Other long-term liabilities		1,974	1,893
Asset retirement obligation		7,530	8,160
Deferred income tax liabilities		3,691	3,341
Total Liabilities		73,307	109,307
Shareholders' Equity			
Share capital	9	117,723	107,449
Contributed surplus	11	5,188	1,903
Accumulated other comprehensive income		985	2,097
Deficit		(16,394)	(7,582)
Total Shareholders' Equity		107,502	103,867
Non-controlling interests		13,667	13,803
Total Liabilities and Shareholders' Equity		194,476	226,977

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Approved by the Board of Directors of Green Impact Partners Inc.

(signed) "Geeta Sankappanavar"
GEETA SANKAPPANAVAR, DIRECTOR

(signed) "Jesse Douglas"
JESSE DOUGLAS, DIRECTOR & CEO



GREEN IMPACT PARTNERS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30,
(Unaudited)
(Thousands of Canadian dollars)

	Note	Three Months Ended		Nine Months Ended	
		2023	2022	2023	2022
Revenue	12	46,141	55,347	123,772	169,019
Direct costs	12	43,615	54,313	118,328	164,727
Gross Margin		2,526	1,034	5,444	4,292
Operating Expenses					
Depreciation and amortization	6	1,274	1,266	3,806	4,186
Salaries and wages	14	561	474	1,915	1,299
Selling, general and administration		1,288	729	3,454	2,659
		3,123	2,469	9,175	8,144
Loss from Operations		(597)	(1,435)	(3,731)	(3,852)
Non-Operating Expense (Income)					
Finance costs	13	590	261	1,820	610
Unrealized (gain) loss on risk management contracts		-	(1,758)	(555)	(961)
Share-based compensation	11	1,225	708	3,806	1,754
Equity (earnings) loss from joint venture		(266)	-	(298)	-
Gain on sale of interest in subsidiary	4	-	-	(10,142)	-
Management fee	4	-	-	(6,745)	-
Unrealized (gain) loss on foreign exchange		(212)	(10)	15	(9)
Realized (gain) loss on foreign exchange		9	10	46	18
		1,346	(789)	(12,053)	1,412
Income (loss) before income tax		(1,943)	(646)	8,322	(5,264)
Income Tax					
Current tax expense (recovery)		7	32	2,380	65
Deferred tax expense (recovery)		36	(455)	(414)	(1,092)
		43	(423)	1,966	(1,027)
Net Income (loss)		(1,986)	(223)	6,356	(4,237)
Net Income (loss) Attributable to:					
Shareholders of the Company		(1,918)	(233)	6,409	(4,272)
Non-controlling interest		(68)	10	(53)	35
		(1,986)	(223)	6,356	(4,237)
Currency translation adjustment		620	2,333	394	3,204
Comprehensive income (loss)		(1,366)	2,110	6,750	(1,033)
Comprehensive Income (Loss) Attributable to:					
Shareholders of the Company		(1,344)	2,052	6,773	(1,147)
Non-controlling interest		(22)	58	(23)	114
		(1,366)	2,110	6,750	(1,033)
Net Income (Loss) per Share					
Basic	10	(0.09)	(0.01)	0.31	(0.21)
Diluted	10	(0.09)	(0.01)	0.30	(0.21)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**GREEN IMPACT PARTNERS INC.**

CONDENSED INTERIM CONSOLIDATED STATEMENTS CASH FLOW

FOR THE NINE MONTHS ENDED SEPTEMBER 30,

*(Unaudited)**(Thousands of Canadian dollars)*

	Note	2023	2022
OPERATING ACTIVITIES			
Net income (loss) including non-controlling interest		6,356	(4,237)
Items not affecting cash:			
Depreciation and amortization		3,806	4,186
Deferred income tax recovery		(414)	(1,092)
Share-based compensation		3,806	1,754
Unrealized (gain) loss on risk management contracts		(555)	(961)
Equity (earnings) loss from joint venture		(298)	-
Gain on sale of interest in subsidiary		(10,142)	-
Unrealized (gain) loss on foreign exchange		15	(9)
Finance costs		1,820	619
Funds from (used in) operations		4,394	260
Asset retirement expenditures		-	(352)
Changes in non-cash operating working capital		1,286	(2,013)
Cash from (used in) operations		5,680	(2,105)
INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	(20,246)	(46,029)
Acquisition of non-controlling interest	4	(15,222)	-
Additions to long-term investments		(100)	(418)
Proceeds from disposal of interest in subsidiary	4	21,471	-
Changes in non-cash investing working capital		(557)	(2,082)
Cash used in (from) investing activities		(14,654)	(48,529)
FINANCING ACTIVITIES			
Proceeds (repayment) of long-term debt		(575)	52,733
Interest on long-term debt		(1,511)	(324)
Shares acquired from treasury	9	-	(5,545)
Proceeds from the issuance of equity, net of issuance costs		9,770	-
Cash costs associated with share-based compensation		(124)	-
Dividends paid to non-controlling interest		(83)	-
Funds received from non-controlling interest		-	1,029
Cash from (used in) financing activities		7,477	47,893
Impact of foreign currency translation on cash		100	476
Increase (decrease) in cash and equivalents		(1,397)	(2,265)
Cash and cash equivalents, beginning of period		2,692	4,498
Cash and cash equivalents, end of period		1,295	2,233



GREEN IMPACT PARTNERS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS EQUITY
 FOR THE NINE MONTHS ENDED SEPTEMBER 30,
(Unaudited)
(Thousands of Canadian dollars)

	Note	2023	2022
SHARE CAPITAL			
Balance, beginning of period		107,449	112,856
Treasury shares acquired	9	-	(5,545)
Vesting of share units		520	-
Issuance of shares		10,000	-
Share issue costs, net of tax		(122)	-
Settlement of restricted share units tax remittances		(124)	-
Balance, end of period		117,723	107,311
CONTRIBUTED SURPLUS			
Balance, beginning of period		1,903	36
Share-based compensation	11	3,806	1,754
Vesting of share units		(521)	-
Balance, end of period		5,188	1,790
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Balance, beginning of period		2,097	293
Reclassification on sale of interest in subsidiary	4	(1,506)	-
Currency translation adjustment		394	3,204
Balance, end of period		985	3,497
RETAINED EARNINGS			
Balance, beginning of period		(7,582)	1,759
Purchase of non-controlling interest	4	(15,222)	-
Net loss attributable to shareholders' of the Company		6,410	(4,272)
Balance, end of period		(16,394)	(2,513)
Total Shareholders' Equity		107,502	110,085



GREEN IMPACT PARTNERS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2023 and 2022

(Unaudited)

(All tabular amounts presented in thousands of Canadian dollars except share amounts)

1. DESCRIPTION OF THE BUSINESS

Green Impact Partners Inc. (“GIP” or the “Company”) was incorporated on May 2, 2011, under the British Columbia Business Corporations Act. The Company’s common shares are traded on the TSX Venture Exchange under the symbol “GIP”. The Company’s registered address is 666 Burrard St. #2500, Vancouver, British Columbia, V6C 2X8.

The Company is a clean energy company with an operating portfolio of water and solids treatment and recycling facilities in North America. The Company also has a portfolio of renewable natural gas (“RNG”) and clean energy development projects.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements (the “financial statements”) have been prepared by management using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. The financial statements do not include all the information required for full annual statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2022 and 2021.

These financial statements were approved by the Company’s Board of Directors on November 27, 2023.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, which have been measured at fair value. All values are rounded to the nearest thousand dollar, except where otherwise indicated.

These financial statements are presented in Canadian dollars which is the presentation currency of the Company and its subsidiaries. The functional currency of the Company and its subsidiaries is Canadian dollars except for three subsidiaries which have a functional currency of US dollars.

The accounting policies and significant accounting judgments, estimates, and assumptions used in these unaudited financial statements are consistent with those described in Notes 3, 4 and 5 of the Company’s audited consolidated financial statements for the years ended December 31, 2022 and 2021.

3. SIGNIFICANT ESTIMATES AND JUDGMENTS

The timely preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses, gains, losses, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis, with any adjustments recognized in the period in which the estimate is revised.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of



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assets and liabilities include those related to the determination of cash generating units, depreciation and amortization, recoverability of assets, asset retirement obligations and accretion, other provisions and contingent liabilities, inventories, deferred income taxes, provision for expected credit losses, fair value of financial instruments, purchase price equations, and net investments in foreign subsidiaries. Readers are cautioned that the preceding list is not exhaustive and other items may also be affected by estimates and judgments.

4. FINANCING AND SALE TRANSACTION

On February 21, 2023, the Company announced it had selected Amber Infrastructure Group (“Amber”) as a strategic partner on its GreenGas Colorado RNG project (“GreenGas”), its RNG project located in Iowa (“Iowa RNG”) and its large-scale bio-fuel facility in Calgary, Alberta (“Future Energy Park”), representing up to \$545 million in total investment for a 50% project-level equity interest in each facility (the “Transaction”).

As part of the Transaction, the Company executed a strategic partnering agreement with Amber whereby Amber has agreed to purchase 50% of the equity in Future Energy Park and Iowa RNG for aggregate consideration of up to \$485 million, subject to certain conditions including, but not limited to, the completion of material project and partnership documents, the close of non-recourse project debt financing, minimum economic returns, and other customary conditions of transactions of this nature. The strategic partnering agreement also outlines a framework for GIP and Amber to continue to partner on future opportunities over the next two years under similar terms and conditions by giving Amber a first right to provide equity if the parties mutually agree to investment terms.

Prior to the Transaction, on February 21, 2023, the Company, through its wholly owned subsidiary Green Impact Partners U.S. Inc. (“GIP US”), purchased all units held by its minority partner in GreenGas for \$15.2 million (US \$11.2 million). As GreenGas was controlled by the Company prior to the acquisition of this non-controlling interest, \$15.2 million was recorded in retained earnings, representing the difference between the cash consideration and the carrying value of the non-controlling interest at the date of purchase, which was \$nil.

Subsequently, on February 23, 2023 (the “Closing Date”), the Company sold 50% of its interest held by GIP US in GreenGas to Amber for proceeds of \$59.4 million (US \$43.9 million). The first instalment of \$38.5 million (US \$28.5 million) was paid upon the Closing Date, with \$20.9 million (US \$15.5 million) to be paid upon the potential future completion of a third-party sale of GreenGas investment tax credits (the “Contingent Consideration”). As a result of this transaction, Amber and GIP US entered into an amended and restated operating agreement and exercise joint control over GreenGas. The Contingent Consideration was not included within the proceeds on sale used to determine the gain on sale of GreenGas for the current period.

The net assets that were sold to Amber as part of the Transaction as well as the calculation of the gain on sale is summarized below:



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Gross Net Assets:	
Cash	16,330
Other current assets	8
Risk management contracts	1,323
Assets under construction	77,982
Current liabilities	(1,354)
Long-term debt, net of deferred financing costs	(38,650)
Total Gross Net Assets	55,639
Ownership interest disposed of	50%
Net Assets Disposed of	27,819
Gross Proceeds	38,743
Transaction costs	(2,288)
Reclassification of prior cumulative translation adjustments	1,506
Gain on Sale of Interest in Subsidiary	10,142

Effective on the Closing Date, the Company no longer controls GreenGas and is now a 50% partner in a joint venture with Amber. In prior periods, given the control relationship, GreenGas was consolidated for financial statement purposes. The results of operations from the period of January 1, 2023 to the Closing Date are presented within the consolidated statements of operating income and statements of cash flows for the three and nine months ended September 30, 2023. As at the Closing Date and for all future periods, the Company's 50% portion of the net assets of GreenGas are presented as an investment in joint venture on the statement of financial position. The Company's portion of the results of operations from the Closing Date to September 30, 2023 have been reflected as a change in the carrying value of the investment in joint venture. Upon closing of the Transaction, \$6.7 million (US \$5.0 million) of the first instalment proceeds was invested into GreenGas for the purpose of being paid to the Company as a Management Fee upon the achievement of certain project performance milestones. All of those milestones were achieved during the nine months ended September 30, 2023, and as a result, the management fee was paid to the Company.

5. FINANCIAL RISK MANAGEMENT

a) Accounts receivable

The composition of trade and other receivables is as follows:

	September 30, 2023	December 31, 2022
Trade receivables	4,589	3,254
Other receivables	13,556	14,179
Total accounts receivable	18,145	17,433
Aged trade receivables		
Current (<30 days)	3,343	2,119
31-60 days	438	525
61-90 days	76	100
>90 days	732	510
Total trade receivables	4,589	3,254



GREEN IMPACT PARTNERS INC.

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Other receivables represent amounts accrued on energy product optimization services, which is collected in the month following the associated sale of energy products and is therefore all current. The entire balance was collected subsequent to September 30, 2023.

b) Other current assets

The composition of other current assets is as follows:

	September 30, 2023	December 31, 2022
Prepaid expenses	4,627	2,171
Short-term promissory note	981	952
Total other current assets	5,608	3,123

There were two short-term promissory notes outstanding at September 30, 2023 representing payments made in relation to pre-development RNG projects. The payments were made by way of promissory notes that are to remain outstanding while definitive agreement negotiations between the Company and the developers proceed. The intent of the definitive agreements is to provide the Company the opportunity to invest future equity into the project.

Of the \$4.6 million in prepaid expenses, approximately \$3.0 million of those expenses relate to costs associated with the Transaction outlined in note 4. These costs are being deferred until the close of the sale to Amber of an equity interest in Future Energy Park.

a) Liquidity risk and capital management

The following are undiscounted contractual maturities of financial liabilities, including estimated interest as at September 30, 2023:

	Total	< 1 Year	1-3 Years	4-5 Years	After 5 Years
AP and accrued liabilities	24,353	24,353	-	-	-
Other current liabilities	8,593	8,593	-	-	-
Long-term debt	26,498	56	26,442	-	-
Other long-term liabilities	1,974	-	1,974	-	-
Lease liabilities	761	264	497	-	-
Total financial liabilities	62,179	33,266	28,913	-	-

The Company's objectives when managing capital are to: (i) monitor forecasted and actual cash flows from operating, financing and investing activities; (ii) ensure the Company has the financial capacity to execute on its strategy to increase market share through organic growth or strategic acquisitions; (iii) maintain financial flexibility to meet financial commitments and maintain the confidence of shareholders, creditors and the market; and (iv) optimize the use of capital to provide an appropriate return on investment to shareholders.

The Company's overall capital management strategy remained unchanged from prior periods. The Company has established criteria for sound financial management and manages the capital structure based on current economic conditions, risk characteristics of underlying assets and planned capital and liquidity requirements. Total capitalization is maintained or adjusted by drawing on existing credit facilities, issuing new debt and through the disposal of underperforming assets, when required. Management considers the



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Company's current assets less current liabilities, long-term debt and shareholders' equity as the components of capital to be managed.

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. The Company is exposed to interest rate risk primarily through short-term and long-term borrowings with floating interest rates, as described in more detail in note 9. Other borrowings have fixed interest rates and would only be subject to interest rate fluctuations as refinancing is required.

6. PROPERTY, PLANT AND EQUIPMENT

Net Book Value	General Plant & Processing Equipment	Land	Assets Under Construction	Total Property, Plant & Equipment
Balance, December 31, 2022	39,838	21,601	132,828	194,267
Additions	845	-	19,401	20,246
Changes in asset retirement obligation asset	(842)	-	-	(842)
Depreciation	(3,658)	-	-	(3,658)
Capitalization of borrowing costs	-	-	142	142
Disposal of assets of subsidiary	-	-	(77,982)	(77,982)
Impact of foreign currency translation	(8)	-	409	401
Balance, September 30, 2023	36,175	21,601	74,798	132,574

Capitalization of G&A, Share-based payments and borrowing costs

A total of \$0.3 million and \$0.8 million in G&A expenditures have been capitalized and included in property, plant, and equipment ("PP&E") additions for the three and nine months ended September 30, 2023 (2022 - \$0.2 million and \$0.7 million), respectively. No amounts related to share-based compensation expense have been capitalized to PP&E to date.

At September 30, 2023 there were no indicators of impairment of PP&E.

Assets under construction

Assets under construction consist of PP&E for projects that are in the development phase and/or under construction. None of these projects were in operation as at September 30, 2023 and therefore no depreciation has been recorded to date.

The Company's two major and advanced RNG projects within assets under construction include GreenGas and Future Energy Park. The Company has also made investments in other earlier stage RNG projects, including Iowa RNG and other similar projects throughout North America. The following is a summary of amounts recorded in assets under construction by major project for the nine months ended September 30, 2023:



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(Unaudited)

(All tabular amounts presented in thousands of Canadian dollars except share amounts)

	GreenGas Colorado	Future Energy Park	Other RNG Projects	Total Assets under Construction
Balance, December 31, 2022	76,072	45,576	11,180	132,828
Additions	1,347	14,049	4,005	19,401
Capitalization of borrowing costs	-	142	-	142
Disposal of assets of subsidiary	(77,982)	-	-	(77,982)
Foreign currency translation	563	-	(154)	409
Balance, September 30, 2023	-	59,767	15,031	74,798

At September 30, 2023, there were no indicators of impairment of assets under construction.

7. INVESTMENT IN JOINT VENTURE

At September 30, 2023, the Company has a 50% joint venture interest in GreenGas Colorado LLC.

The following is a summary of changes in investment in joint venture for the nine months ended September 30, 2023:

Balance, December 31, 2022	-
Initial recognition of investment in joint venture (note 4)	27,820
Company's portion of earnings from operations from February 23 to September 30	298
Currency translation adjustment	(265)
Balance, September 30, 2023	27,853

The tables below provide summarized financial information (presented at 100%) for the joint venture:

Statement of Financial Position	September 30, 2023
Current assets ⁽¹⁾	1,773
Non-current assets	99,207
Current liabilities	3,943
Non-current liabilities	41,332

(1) At September 30, 2023, the Company had accounts receivable of \$0.3 million due from GreenGas.

	Three months ended September 30, 2023	Nine months ended September 30, 2023
Net Income (loss) and Comprehensive Income (loss)		
Revenue	-	-
Non-operating expenses (income)	(533)	(596)
Net Income (loss)	(533)	(596)
GIP's ownership %	50%	50%
Equity (earnings) loss from joint venture	(266)	(298)



GREEN IMPACT PARTNERS INC.

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8. LONG-TERM DEBT

	US\$ Denominated		Canadian \$ Amount	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Corporate credit facility	n/a	n/a	26,505	27,488
Construction and term loan	-	30,335	-	41,089
Other term debt	46	127	62	172
Lease liabilities	51	88	668	254
	97	30,550	27,235	69,003
Deferred financing costs	-	(1,787)	(69)	(2,598)
Total long-term debt	97	28,763	27,166	66,405
Current portion	46		279	348
Long-term portion	51		26,887	66,057
Total long-term debt	97		27,166	66,404

Corporate credit facility

On January 11, 2022, the Company entered into a \$30 million two-year committed, revolving credit facility (the "Facility") with a Canadian Schedule 1 bank to be used for general corporate purposes. The Facility is secured by a fixed and floating charge on all the assets of the Company with specific exclusions for GreenGas Colorado, Future Energy Park and its solid recycling business, Aloha Glass Recycling. Borrowings under the Facility bear interest at Canadian bank prime or US base rate, plus an applicable margin. The margins range from 75 basis points ("bps") to 175 bps depending on the Company's debt to tangible net worth as calculated on an annual basis. The undrawn portion of the Facility is subject to a standby fee in the range of 15 bps to 45 bps. The Facility also provides for the issuances of letters of credit with an interest rate ranging from 225 bps to 325 bps.

In December 2022, the \$30 million credit facility was renewed for another two-year committed period with a due date of July 31, 2025. The pricing grid remains unchanged from that described above, however, the financial covenants were amended to the following (all capitalized terms are as described in the Credit Agreement governing the Facility):

- i. The Debt to Tangible Net Worth Ratio shall at all times be less than 3.00:1.00;
- ii. The Tangible Net Worth Shall at the end of each fiscal year be not less than \$81.8 million; and
- iii. Cash Flow Coverage Ratio shall, as at the end of each fiscal year, be greater than 1.25:1.00, as determined pursuant to the internally prepared consolidated financial statements of the Company's main operating subsidiary.

At September 30, 2023 and December 31, 2022, the Company was in compliance with all debt covenants associated with the Facility.

Construction and term loan

The Company, through a previously wholly owned subsidiary, was party to a USD denominated construction and term loan agreement ("the Project Facility") with a major US bank for the purposes of project financing GreenGas. The Project Facility allows for maximum borrowings up to \$50.0 million (US\$37.0 million). The Project Facility is secured against the assets of GreenGas and is non-recourse to other GIP subsidiaries and the parent entity. Borrowings under the Project Facility are provided by way of construction advances based on the progression of construction and spending. Once construction is complete, subject to certain conditions, the construction portion of the Project Facility converts to a term



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loan (“Conversion Date”). In 2023, the Project Facility was amended to deem the Conversion Date to have occurred on July 1, 2023. Subject to meeting certain customary conditions by March 31, 2024 and June 30, 2024 related to final project completion, the term loan then matures and expires (“Maturity Date”) on July 1, 2029.

As a result of the Transaction outlined in note 4, the Company no longer consolidates the subsidiary that is party to the Project Facility and this is now reflected on the statement of financial position within investment in joint venture.

Deferred financing costs

The following is a summary of changes in deferred financing costs for the nine months ended September 30, 2023:

	Corporate Credit Facility	GreenGas Construction Facility	Total Deferred Financing Costs
Balance, December 31, 2022	177	2,421	2,598
New costs incurred	-	-	-
Amortization	-	-	-
Disposal of interest in subsidiary (note 4)	(108)	(2,421)	(2,529)
Balance, September 30, 2023	69	-	69

9. SHAREHOLDERS EQUITY

Authorized Share Capital

Unlimited Class A Voting Common Shares

	Number of Shares (#)	\$ Amount (000's)
Balance, December 31, 2022	20,300,005	107,449
Issuance of common share - private placement	1,000,000	9,878
Settlement of restricted share units, net of tax	-	396
Balance, September 30, 2023	21,300,005	117,723

Acquisition of Shares

The Company purchases and reserves its shares for the purpose of, inter alia, issuing shares to officers, directors and employees under the Company’s Performance Share Unit Plan. During the three and nine months ended September 30, 2023, the Company acquired no common shares on reserve for this plan. At September 30, 2023, the Company is holding on reserve, 807,961 treasury shares (December 31, 2022 – 876,485) for future transfer to Performance Share Unit Holders.

Private Placement

On June 26, 2023, the Company closed a non-brokered private placement of 1,000,000 common shares in the capital of the company at a price of \$10.00 per share for gross proceeds of \$10.0 million less share issue costs of \$0.1 million, net of tax effect.



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10. NET INCOME (LOSS) PER SHARE

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net income (loss) attributable to shareholders of the Company ('000s)	(1,986)	(223)	6,356	(4,237)
Weighted average number of shares Outstanding:				
Basic	21,300,005	20,300,005	20,655,316	20,300,005
Diluted	21,300,005	20,300,005	21,418,541	20,300,005
Net income (loss) per share:				
Basic	(0.09)	(0.01)	0.31	(0.21)
Diluted	(0.09)	(0.01)	0.30	(0.21)

Basic earnings per share is calculated by dividing the net earnings for the period by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive common shares related to the Company's share-based compensation plans. The number of shares included is computed using the treasury stock method. As these awards can be exchanged for common shares of the company, they are considered potentially dilutive and are included in the calculation of the company's diluted net earnings per share if they have a dilutive impact in the period. In the case of a net loss, the dilutive effect of share-based options and warrants is excluded from the calculation of diluted per-share amounts because they are anti-dilutive for the periods presented.

11. SHARE-BASED COMPENSATION

Share Unit Plans

The Company has two Share Unit Plans that it utilizes to provide long-term incentive compensation to employees:

Restricted Share Units ("RSU")
Performance Share Units ("PSU")

In both plans, the unit awards represent a fixed number of share awards that vest evenly over a period of three years. Upon vesting of the RSUs, at the option of the Company, the plan participant receives either a cash payment based on the fair value of the underlying share awards plus all dividends accrued since the grant date or an equivalent number of GIP common shares less applicable tax withholdings. The Company currently intends to settle all RSU awards with GIP common shares. Upon vesting of the PSUs, the plan participant receives an equivalent number of GIP common shares less applicable tax withholdings. Share units are settled and retired upon vesting on each of the three-year anniversaries from grant date.

The changes in both outstanding RSUs and PSUs for the nine months ended September 30, 2023 are summarized in the table below:



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Restricted Share Units	Share Unit (#)
Balance, December 31, 2022	476,856
Granted	-
Vested and settled	(77,886)
Forfeited	(2,650)
Balance, September 30, 2023	396,320

Performance Share Units	Share Unit (#)
Balance, December 31, 2022	-
Granted	413,396
Vested and settled	-
Forfeited	(3,060)
Balance, September 30, 2023	410,336

The grant date fair value of each RSU and PSU granted for the period was based on the closing trading price on the date preceding the date of grant. This fair value will be recognized as share-based compensation expense on the condensed consolidated interim statement of income (loss) and comprehensive income (loss) on a straight-line basis over the three-year vesting period. The Company recognized share-based compensation expense of \$0.8 million and \$2.4 million in aggregate for both Share Unit Plans for the three and nine months ended September 30, 2023, respectively (September 30, 2022 - \$0.5 million and \$1.3 million). The total remaining fair value of all outstanding RSUs and PSUs to be recognized as share-based compensation expense in future periods is \$2.6 million.

Stock Option Plan

The changes in Stock Options outstanding at September 30, 2023, including new grants and forfeitures, are summarized below:

Stock Options	Options Granted (#)	Weighted Average Exercise Price (\$)	Remaining Term (years)
Balance, December 31, 2022	925,820	6.12	7.20
Granted	628,880	9.15	7.70
Exercised	-	-	-
Forfeited	(11,159)	8.59	7.10
Balance, September 30, 2023	1,543,541	7.34	6.80
Exercisable, September 30, 2023	-	-	-



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The fair value of the stock options granted during the period was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions and resulting values:

Fair value of stock options granted (weighted average)	\$5.11
Risk-free interest rate	3.37%
Estimated hold period prior to exercise	8.0 years
Expected volatility	47%
Weighted average forfeiture rate	6.1%
Dividend per share	\$nil

The grant date fair value will be recognized as share-based compensation expense on the condensed consolidated interim statement of income (loss) and comprehensive income (loss) on a straight-line basis over the three-year period leading up to the cliff vesting date. The Company recognized share-based compensation expense of \$0.4 million and \$1.4 million relating to the Stock Option Plan for the three and nine months ended September 30, 2023, respectively (September 30, 2022 - \$0.2 million and \$0.5 million). The total remaining fair value of all outstanding stocks options to be recognized in future periods is \$3.4 million.

12. REVENUE AND DIRECT COSTS

As described in note 3 to the Company's annual financial statements, GIP's services that generate revenue include water and solids recycling management, disposal services and energy product optimization services.

The Company's revenue generated from the water and solids recycling management and disposal services division includes waste water processing and disposal, custom treating, as well as domestic and industrial solids waste handling, recycling and disposal.

All of these services are provided on a fee for service basis and normally on a per unit basis but in some cases at a flat rate or hourly basis. Method of charge and rates vary based on type of product, type of service and location. The Company operates nine facilities throughout western Canada and one in the United States that provide these services.

Revenue and gross profit from the Company's energy product optimization services is generated through the sale of hydrocarbon products, which have been blended with an additive that improves the quality of the finished product that is sold to third parties for a profit.

The blending process is performed at two Company-operated and pipeline connected facilities in western Canada. Third parties transport raw hydrocarbon volumes into the Company's facilities for transportation to market. Once accepted at the facilities, the Company temporarily takes custody of these third-party volumes while they are processed and blended. As a result, the Company is required to record these third-party volumes received as direct costs. Therefore, energy product optimization direct costs represent the cost of the raw hydrocarbons that the Company takes custody of, transportation tariffs and the costs of the blending product.



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Revenue, Direct Costs and Gross Profit	Energy Product Optimization	Fee for Service	Total
For the three months ended September 30, 2023			
Revenue	40,660	5,481	46,141
Direct Costs	39,500	4,115	43,615
Gross Profit	1,160	1,366	2,526
For the Nine months ended September 30, 2023			
Revenue	108,799	14,973	123,772
Direct Costs	105,388	12,940	118,328
Gross Profit	3,411	2,033	5,444

Revenue, Direct Costs and Gross Profit	Energy Product Optimization	Fee for Service	Total
For the three months ended September 30, 2022			
Revenue	50,391	4,956	55,347
Direct Costs	50,248	4,065	54,313
Gross Profit	143	891	1,034
For the Nine months ended September 30, 2022			
Revenue	154,023	14,996	169,019
Direct Costs	151,745	12,982	164,727
Gross Profit	2,278	2,014	4,292

The Company had three customers that comprised greater than 10% of revenue which were 37%, 21% and 16%, respectively (2022 – 35%, 18%, 17%, respectively). These revenues related to the energy product optimization segment. The entire balance of any accounts receivable owing from these customers was collected subsequent to September 30, 2023.

Direct Costs	Three Months Ended September		Nine Months Ended September	
	2023	2022	2023	2022
Energy product optimization	39,499	50,248	105,388	151,745
Fuel, Chemicals, Supplies, Materials	1,116	1,292	3,741	4,126
Utilities	442	370	1,535	1,225
Repairs & Maintenance	311	216	753	627
Operational Personnel Costs	1,371	1,305	4,025	3,937
Treatment & Disposal Costs	217	392	1,172	1,540
Other Direct Costs	659	490	1,714	1,527
Total Direct Costs	43,615	54,313	118,328	164,727



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13. FINANCE COSTS

	Three Months Ended September		Nine Months Ended September	
	2023	2022	2023	2022
Interest on long-term debt	482	172	1,500	324
Amortization of debt issue costs	36	19	108	79
Accretion on asset retirement obligations	72	70	212	207
	590	261	1,820	610

14. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are persons who have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes all directors and executive officers of the Company. The table below summarizes all key management personnel compensation included in the consolidated financial statements for the three and nine months ended September 30, 2023 and 2022.

	Three Months Ended September		Nine Months Ended September	
	2023	2022	2023	2022
Short-term compensation ⁽¹⁾	289	269	2,079	807
Share-based compensation ⁽²⁾	-	-	3,090	1,425
	289	269	5,169	2,232

(1) Short-term compensation includes annual salaries, management bonuses and employee benefits provided to key management personnel as well as directors' fees.

(2) Based on the grant date fair value of the applicable awards. The fair value of options granted is estimated at the date of grant using a Black-Scholes Option- Pricing Model. The total share-based payment of options issued in 2023 and 2022 is based on a fair value of \$5.11 and \$3.30 per option, respectively and \$9.15 and \$7.05 per share unit, respectively.

15. SEGMENT REPORTING

The Company currently operates as a water and industrial service provider and a clean energy producer, which forms its two reporting segments – Water and Solids Treatment and Recycling and Clean Energy Production. The Water and Solids Treatment and Recycling segment consists of water, waste and solids disposal and recycling services as well as other marketing operations. The Water and Solids Treatment and Recycling segment spans a range of industries including agriculture, forestry, government, midstream companies, public infrastructure, oil and gas production companies, potash and utilities. The Clean Energy Production segment is currently comprised of multiple pre-production renewable energy projects. Given that all energy projects are pre-production, no revenue and operating expenses have been realized or incurred. Only construction and initial development investments have been made to date and as such the segment is reported below for the Clean Energy Production Segment. The renewable energy projects range from various forms of RNG to biofuel production.

Below is information for the Company's operating segments for the three and nine months ended September 30, 2023 and 2022.



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Assets and Liabilities

September 30, 2023	Water & Solids Treatment & Recycling	Clean Energy Production	Corporate	Total
Property, plant and equipment	68,168	64,406	-	132,574
Total assets	112,709	70,760	11,007	194,476
Total liabilities	23,354	20,929	29,024	73,307

September 30, 2022	Water & Solids Treatment & Recycling	Clean Energy Production	Corporate	Total
Property, plant and equipment	72,662	116,181	-	188,843
Total assets	99,419	119,155	5,501	224,075
Total liabilities	28,796	49,078	22,257	100,131

Operating Results Three Months 2023

Three Months Ended September 30, 2023	Water & Solids Treatment & Recycling	Clean Energy Production	Corporate	Total
Revenue	46,141	-	-	46,141
Depreciation and amortization	(1,263)	-	(11)	(1,274)
Other operating (expense) income	(43,887)	(4)	(1,573)	(45,464)
Non-operating (expense) income	480	(360)	(1,466)	(1,346)
Earnings (Loss) before tax	1,471	(364)	(3,050)	(1,943)

Operating Results Nine Months 2023

Nine Months Ended September 30, 2023	Water & Solids Treatment & Recycling	Clean Energy Production	Corporate	Total
Revenue	123,772	-	-	123,772
Depreciation and amortization	(3,782)	-	(24)	(3,806)
Other operating (expense) income	(119,116)	(77)	(4,504)	(123,697)
Non-operating (expense) income	954	16,092	(4,993)	12,053
Earnings (Loss) before tax	1,828	16,015	(9,521)	8,322

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*(Unaudited)**(All tabular amounts presented in thousands of Canadian dollars except share amounts)***Operating Results Three Months 2022**

Three Months Ended September 30, 2022	Water & Solids Treatment & Recycling	Clean Energy Production	Corporate	Total
Revenue	55,347	-	-	55,347
Depreciation and amortization	(1,266)	-	-	(1,266)
Other operating (expense) income	(54,622)	18	(912)	(55,516)
Non-operating (expense) income	(76)	1,738	(873)	789
Earnings (Loss) before tax	(617)	1,756	(1,785)	(646)

Operating Results Nine Months 2022

Nine Months Ended September 30, 2022	Water & Solids Treatment & Recycling	Clean Energy Production	Corporate	Total
Revenue	169,019	-	-	169,019
Depreciation and amortization	(4,186)	-	-	(4,186)
Other operating (expense) income	(165,595)	5	(3,094)	(168,684)
Non-operating (expense) income	(224)	938	(2,127)	(1,413)
Earnings (Loss) before tax	(986)	943	(5,221)	(5,264)