Greenway Greenhouse Cannabis Corporation

GREENWAY GREENHOUSE CANNABIS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months
Ended December 31, 2023

(Unaudited - In Canadian Dollars)

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This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Greenway Greenhouse Cannabis Corporation (the "Company" or "Greenway"), is for the three and nine months ended December 31, 2023, and the comparable period in 2022. It is supplemental to, and should be read in conjunction with, the Company's condensed interim financial statements and the accompanying notes for the three and nine months ended December 31, 2023 (the "Financial Statements"), and the annual audited financial statements for the years ended March 31, 2023 and 2022. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102") of the Canadian Securities Administrators.

In this MD&A, reference is made to adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") which does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations.

The Company calculates Adjusted EBITDA as net income (loss) plus (minus) income tax expense (recovery), plus (minus) interest expense (income), net, minus rental income, plus (minus) non-cash fair value adjustment on sale of inventory, plus (minus) non-cash fair value adjustment on growth of biological assets, plus amortization, plus share-based compensation, plus impairment, plus transaction costs and certain one-time non-operating expenses, as determined by management.

All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities laws. Refer to "Cautionary Note Regarding Forward-Looking Statements" for cautionary statements regarding forward-looking statements.

This MD&A has been prepared as of February 26, 2024.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A are forward-looking statements, which reflect management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future and include statements with words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", or similar words suggesting future outcomes or statements regarding an outlook, or other expectations, beliefs, plans objectives, assumptions, intentions or statements about future events or performance. The forward-looking statements are included principally in the following sections of this MD&A: "Description of Business", "Highlights for the Period", "Results of Operations", and "Liquidity." Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this MD&A. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" in the Company's long form non-offering prospectus dated September 3, 2021 and filed under the Company's profile at www.sedar.com (the "Prospectus"). 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:

- impact of novel coronavirus “COVID-19”;
- ability to raise required additional capital;
- limited operating history;
- ability to achieve revenue growth and development;
- ability to realize growth targets;
- forward looking statements may prove to be inaccurate;
- costs related to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- inability to turn a profit or generate immediate revenues;
- operating in a novel industry;
- supply and demand fluctuations;
- inaccuracy of market data;
- regulatory risks and uncertainties;
- supply chain issues;
- reliance on a single facility;
- uncertainty of licensing and regulatory approvals;
- regulatory compliance risks;
- marketing limitations in regulated industry;
- effect of rapid growth and consolidation on key relationships;
- industry competition;
- effect of negative publicity;
- effect of end of product for consumer;
- product development and profitability;
- novel products and market competition;
- effect of clinical research on public perception and medical efficacy, safety and social acceptance;
- consumer preference and customer retention;
- impact of Canadian Free Trade Agreement;
- compliance with import and export laws;
- attraction and retention of key personnel;
- impact of entering into strategic alliances, contractual relationships, joint ventures or other relationships;
- impact of future acquisitions or dispositions;
- agricultural risks;
- disruption of key utilities and lack of skilled labour;
- rising energy costs;
- efficacy of quality control systems;
- product recalls;
- product liability;
- safety, health and environmental laws and regulations;
- fraudulent or illegal activity by employees, contractors and consultants;
- litigation;
- reliance on information technology systems and potential impact of cyber-attacks;
- liability or the threat of liability in relation to personal and confidential information;
- protection and enforcement of intellectual property rights, or intellectual property it licensed from others;
- breaches of security;
- incurring additional indebtedness;
- adequate internal controls over financial reporting;
- material weakness in its internal controls and loss of confidence;
- negative operating cash flow;
- credit risk;
- changes to tax and accounting requirements;

- securing adequate insurance;
- accuracy of forward looking statements;
- the price of the Common Shares in public markets may experience significant fluctuations;
- impact of published content and research from industry analysts;
- dilution of current shareholders through additional share issuances from treasury;
- no anticipated dividends; and
- ongoing reporting requirements under applicable securities laws and stock exchange policies.

Although the forward-looking statements contained in this MD&A are based upon what management currently believes to be reasonable assumptions, the Company cannot provide any assurance that actual results, performance or achievements will be consistent with these forward-looking statements. In particular, management of the Company have made assumptions regarding, among other things:

i. the availability of financing at all or on reasonable terms;
ii. the Company's ability to successfully execute its plans and intentions, including with respect to expansion of the Company's cultivation facilities;
iii. general business and economic conditions, particularly in the Canadian medicinal and adult-use cannabis markets;
iv. regulation of the markets in which we operate;
v. the Company's ability to attract and retain skilled staff;
vi. market competition, including the products and technology offered by the Company's competitors; and
vii. maintenance of our current positive relationships with our suppliers, service providers and other third parties.

Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. The above risks, uncertainties, assumptions and other factors could cause Greenway's actual results, performance, achievements and experience to differ materially from Greenway's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

In addition to the factors set out above and those identified under "Risk Factors" in this MD&A, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although Greenway 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.

DESCRIPTION OF BUSINESS

Greenway is licensed to cultivate, process and sell under the Cannabis Act (Canada), having obtained its nursery licence, standard cultivation licence, and standard processing licence (collectively, the "Licences") pursuant thereto. The Company's business model is to cultivate, bulk package, and wholesale high quality dry bud cannabis to other cannabis companies that are licensed pursuant to the Cannabis Act (Canada) and the Cannabis Regulations ("Licensees"). The Company was incorporated under the laws of the Business Corporations Act (Ontario) on July 9, 2018. The Company's registered office is 1478 Seacliff Drive, Kingsville, Ontario, N9Y 2M2.

The Company has a licensed indoor nursery as well as a separate licensed greenhouse for standard cultivation. The nursery is currently used to safely store and maintain mother plants and genetics, as well as to propagate clones and vegetative plants for the greenhouse. Due to the propagation services being conducted at the nursery, nearly the entire footprint of the greenhouse is used for flowering cannabis plants. Further to Health Canada approval on February 16, 2023, the licensed greenhouse facility was increased from 41,750 square feet to 167,000 square feet (excluding processing and office space) within a produce greenhouse facility that is currently operating an aggregate of approximately 1,800,000 square feet (inclusive of Greenway's cultivation facility). Greenway has the right to further expand within the facility. The estimated production capacity was increased from 6,000 to 24,000 kilograms per year.
The Company initially began with 1 acre of cultivation space and now has the capacity to increase production to meet customer demand.

The Company is a reporting issuer in the Province of Ontario and its common shares (the "Common Shares") are currently listed on the Canadian Securities Exchange ("CSE") under the symbol "GWAY" and on the OTCQB Venture Market ("OTCQB") under the symbol "GWAYF".

HIGHLIGHTS FOR THE PERIOD

The following highlights occurred during the first quarter ended June 30, 2023:

Further to the Company's announcement in January 2023 on obtaining a standard processing license from Health Canada to provide value-added processing services and bring its own products to market, the Company has begun the commercialization process, working with multiple provinces, to bring the Company's first consumer products to market. No timeline has been finalized, but the Company expects to have consumer products available in multiple Provinces within the fiscal year.

The Company has set a new milestone, having sold wholesale cannabis flower to its 30th Licensed Producer. The Company constantly works towards fostering new partnerships and relationships within the greater cannabis industry, with the understanding that the current environment is extremely challenging.

The following highlights occurred during the second quarter ended September 30, 2023:

The Company announced the culmination of the commercialization process by launching its first two brands and SKUs which have been accepted by the Ontario Cannabis Store ("OCS") through the Winter 2023-2024 product call. Greenway announced the EPIC Cannabis Co. brand and the MillRite brand.

EPIC Cannabis Co. is a craft whole flower brand which will bring new and exciting flower offerings from the vast Greenway Nursery catalogue. MillRite is a preroll and milled flower brand that targets the hard-working value driven consumer.

The following highlights occurred during the third quarter ended December 31, 2023:

On October 12, 2023, the Company announced that it has signed an agreement with Green Hedge to act as an outside sales force, providing coverage to licensed cannabis retailers and provincial wholesalers across Canada.

On October 30, 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of $3,500,000 of 13% secured convertible debentures.

On October 30, 2023, certain officers, directors, and employees have agreed to cancel options to acquire up to 7,725,000 common shares at a weighted average exercise price of $0.60.

On December 5, 2023, the Company announced that 1,000,000 common shares held by the Company's largest shareholder have been returned to the Company for no consideration. The Company also announced that it has granted options to certain officers, directors, and employees to acquire up to 5,325,000 common shares at a weighted average exercise price of $0.46 being above the closing price of the common shares on the CSE on November 30, 2023.

The Company set a new milestone, having achieved its highest gram or gram equivalents sold in operating history this quarter.

The following highlights occurred subsequent to the third quarter ended December 31, 2023:

On January 8, 2024, the Company announced that Darren Peddle has resigned from his role as Chief Financial Officer and as a member of the Company's Board of Directors effective immediately for medical reasons.

On February 5, 2024, the Company announced that it has surpassed 20,000 KG of product sold since its inception.

On February 20, 2024, the Company announced that Kyle Appleby has been appointed as the Chief Financial Officer effective immediately.

The Company's performance, costs per gram included in cost of sales, and costs per gram included in finished goods inventory for the three month period ended December 31, 2023 and for the prior three quarters are summarized below:

Performance highlights	**Q3 -2024**	**Q2 -2024**	**Q1 -2024**	**Q4 -2023**
Cannabis revenue	$1,388,200	$1,185,611	$1,174,189	$1,355,603
Grams or gram equivalents sold	1,651,425	1,226,358	1,107,536	1,163,312
Cash cost per gram sold	$0.72	$0.67	$0.67	$0.70
Cash cost per gram in finished goods	$0.75	$0.66	$0.66	$0.58
Adjusted EBITDA	-$252,395	-$112,221	$16,408	$37,596
Cash	$2,353,096	$1,621,245	$2,275,158	$3,642,109
Working capital surplus (deficiency)	$69,751	-$2,446,013	-$1,973,492	-$419,683
Capital expenditures	$1,823,939	-	$513,949	$778,565

Cost per gram sold	**Q3 -2024**	**Q2 -2024**	**Q1 -2024**	**Q4 -2023**
Total cash costs	$1,192,135	$826,836	$747,170	$818,097
Total amortization costs	$386,909	$229,577	$214,361	$173,002
Total cost of sales before fair value adjustments	$1,579,044	$1,056,413	$961,531	$991,099
Grams or gram equivalents sold	1,651,425	1,226,358	1,107,536	1,163,312
Cash cost per gram sold	$0.72	$0.67	$0.67	$0.70

Cost per gram in finished goods	As at December 31, 2023	As at September 30, 2023	As at June 30, 2023	As at March 31, 2023
Inventory finished goods	$983,221	$1,512,187	$1,344,628	$1,226,867
Inventory-in-process	$1,069,784	$568,735	$432,977	$266,256
Total Inventory	$2,053,005	$2,080,922	$1,777,605	$1,493,123
Inventory finished goods	$983,221	$1,512,187	$1,344,628	$1,226,867
Less fair value portion	-	-	-	-
Total cash and amortization costs	$983,221	$1,512,187	$1,344,628	$1,226,867
Total cash costs	$735,516	$1,127,351	$1,017,228	$917,453
Total amortization costs	$247,705	$384,836	$327,400	$309,414
	$983,221	$1,512,187	$1,344,628	$1,226,867
Grams or gram equivalents in finished goods	986,155	1,716,634	1,548,772	1,583,483
Cash cost per gram	$0.75	$0.66	$0.66	$0.58

Cash costs per gram fluctuate due to seasonal, environmental and varietal factors that affect crop yields.

OVERALL PERFORMANCE

During the three month period ended December 31, 2023, the Company generated cannabis revenue of $1,388,200 (2022 - $1,038,402). Cost of sales comprised of $1,192,135 (2022 - $508,368) of cash expenses and $386,909 (2022 - $177,267) of amortization expense resulting in a negative gross margin before inventory impairment and fair value adjustments of -14% (2022 – gross margin of 34%).

The net assets of the Company changed from $14,947,374 as at March 31, 2023 to $13,248,399 at December 31, 2023, a decrease of $1,698,975. The assets at December 31, 2023 consist primarily of property, plant and equipment of $28,904,360 (March 31, 2023 - $28,933,780), cash and short-term deposits of $2,353,096 (March 31, 2023 – $3,642,109), accounts receivable of $834,209 (March 31, 2023 - $770,185), inventory of $2,053,005 (March 31, 2023 - $1,493,123), biological assets of $396,735 (March 31, 2023 - $269,310), and government remittances receivable and prepaid expenses and deposits of $243,665 (March 31, 2023 - $196,019).

Liabilities as at December 31, 2023 consist of accounts payable and accrued liabilities of $5,442,565 (March 31, 2023 - $6,400,778), lease liabilities of $8,385,001 (March 31, 2023 - $8,666,723), convertible debentures of $2,440,711 (March 31, 2023 - $nil), and long-term debt of $4,900,000 (March 31, 2023 - $4,900,000). The current portion of lease liabilities and long-term debt were $368,394 (March 31, 2023 - $349,651) and $nil (March 31, 2023 -$40,000) respectively.

Greenway Greenhouse Cannabis Corporation

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - in Canadian dollars)

	For the three months ended December 31,	
	2023	2022
	$	$
Revenue	**1,388,200**	1,038,402
Cost of sales		
Cost of goods sold	**1,192,135**	508,368
Amortization	**386,909**	177,267
Gross profit before fair value adjustments	**(190,844)**	352,767
Fair value adjustment on sale of inventory	**-**	(276,336)
Fair value adjustment on growth of biological assets	**83,837**	417,379
Gross profit	**(107,077)**	493,810
Operating Expenses		
General and administration	**323,092**	288,463
Amortization	**84,191**	126,243
Share-based compensation	**585,244**	231,850
Professional fees	**78,898**	104,199
Marketing and sales	**46,470**	56,097
Transaction costs	**-**	17,126
Investor relations	**120,000**	-
	1,237,895	823,978
Operating loss	**(1,344,902)**	(231,206)
Interest expense	**(272,417)**	(308,793)
Rental income	**-**	62,500
Loss and comprehensive loss	**(1,617,319)**	(576,461)
Weighted average number of common shares - basic	**131,584,092**	130,924,747
Weighted average number of common shares - diluted	**131,584,092**	130,924,747
Loss per share - basic	**(0.01)**	(0.00)
Loss per share - diluted	**(0.01)**	(0.00)

The following highlights the key operating results during the three month period ended December 31, 2023.

During the quarter ended December 31, 2023, the Company incurred a loss and comprehensive loss of $1,617,319 (2022 – loss of $576,461). The loss and comprehensive loss for the period consists primarily of the following:

- Revenue from the sale of cannabis products was $1,388,200 (2022 – $1,038,402). The Company achieved its highest gram or gram equivalents of flower sold in operating history this quarter, totalling 1,651,425 grams. Despite this milestone, wholesale cannabis prices steadily declined from the prior year as a result of consolidation within the industry.

- Cost of sales of $1,579,044 (2022 – $685,635) consists of $1,151,327 of cash inventory expenses (2022 – $466,285), $386,909 of amortization expenses (2022 – $177,267), $26,897 of shipping expenses (2022 – $15,189), and $13,911 of repairs and maintenance expenses (2022 - $26,894). For the three month period, the Company averaged $0.72 per gram of cash costs, within the range of management's $0.75 expected annual cash cost per gram.

- Fair value adjustment on sale of inventory of $nil (2022 - $276,336) represents a relief from the prior quarter fair value adjustments on growth of biological assets.

- Fair value adjustment on growth of biological assets of $83,837 (2022 - $417,379) represents the fair value portion to adjust the asset to fair market value less costs to sell. Management noted that these values fluctuate each period based on the percentage of completion of plants at the reporting period.

- General and administration expenses consist of management and directors' fees of $103,750 (2022 - $119,552), office and general of $105,468 (2022 - $70,253), salaries and wages of $85,221 (2022 - $78,256), and insurance of $28,653 (2022 – $20,402). The net increase of $34,629 is not significant and overall, these expenses are consistent with the prior period.

- Amortization expense of $84,191 (2022 - $126,243) consists of the property, plant, and equipment amortization, as well as amortization of the right-of-use asset. The decrease of $42,052 from the prior period is primarily attributable to the disposal of a surplus greenhouse in January 2023.

- Share-based compensation of $585,244 (2022 - $231,850) consists of the non-cash fair value as measured by the Black-Scholes option pricing model. The current period expense is based on the cancellation of 7,725,000 options on October 30, 2023 at a weighted average exercise price of $0.60, and the issuance of 5,325,000 options on November 30, 2023 at a weighted average exercise price of $0.46.

- Professional fees of $78,898 (2022 - $104,199) consist primarily of annual audit fees from external auditors and other miscellaneous legal fees.

- Marketing and sales expense of $46,470 (2022 - $56,097) consists primarily of sales commissions, public relations services, and promotional materials with respect to the Company and to cannabis products.

- Interest expense of $272,417 (2022 - $308,793) consists primarily of interest from long-term debt, convertible debentures, and lease liabilities. The decrease in the expense is attributable to repayment of the Bank Credit Facility in the prior period arising from the disposal of a surplus greenhouse in January 2023.

- Rental income of $nil (2022 - $62,500) consisted of renting a separate greenhouse to Sunrite Greenhouses Ltd. for an annual amount of $250,000. The surplus greenhouse was sold during the prior period in January 2023 and no further rental income has been recognized.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and short-term deposits of $2,353,096 as at December 31, 2023 (March 31, 2023 - $3,642,109). The Company had a working capital surplus of $69,751 as at December 31, 2023 (March 31, 2023 – working capital deficiency of $419,683).

Operating Activities

The Company recognized a decrease in cash of $134,791 from operating activities during the three month period ended December 31, 2023 (2022 – increase of $750,464). The decrease of $885,255 was primarily due to changes in working capital balances, including increasing accounts receivable balances.

Investing Activities

The Company used cash of $1,823,939 (2022 – used $2,359,194) during the three month period ended December 31, 2023. Expenditures were for the recently completed facility expansion and the purchase of some production equipment.

Financing Activities

During the three month period ended December 31, 2023, the Company increased cash of $2,690,581 (2022 – used $415,833). The increase of $3,106,414 relates to the current period convertible debenture issuance for a principal value, net of issuance costs of $2,893,081.

The Company's objective when managing its liquidity and capital resources is to maintain sufficient liquidity to support financial obligations when they come due, while executing operating and strategic plans. The Company manages liquidity risk by monitoring its operating requirements and preparing budgets and cash flow forecasts to identify cash flow needs for general corporate and working capital purposes, as well as for expansion initiatives.

The Company's ability to continue as a going concern is dependent upon its ability to obtain sufficient additional funding and to generate sufficient revenues and positive cash flows from its operating activities to meet its obligations and fund its operations. To alleviate some of its liquidity concerns the Company raised $3,500,000 through a debenture offering in October 2023.

The Company's common shares are listed on the CSE and OTCQB to gain access to the capital markets for further equity financing. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are the officers and directors of the Company. Management and directors' fees and share-based compensation for the three and nine month periods ended December 31, 2023 are summarized as follows:

	For the three months ended December 31,		For the nine months ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Management and directors' fees	**103,750**	119,552	**311,250**	351,537
Share-based compensation	**312,500**	134,750	**414,500**	361,950
	416,250	254,302	**725,750**	713,487

As at December 31, 2023, $nil (March 31, 2023- $nil) is owed to officers and directors of the Company.

The Company identifies the following as related parties:

Company	Description	Relationship
Sunrite Greenhouses Ltd.	Hydroponic Cultivation	Majority Shareholder of the Company
Via Verde Hydroponics Ltd.	Hydroponic Cultivation	Common Ownership with Majority Shareholder
Del Fresco Produce Ltd.	Produce Marketer	Common Ownership with Majority Shareholder
Delfresco Express Ltd.	Produce Distribution	Common Ownership with Majority Shareholder

The Company shares certain economic resources with the above-noted related parties resulting in the following expenses billed in the three and nine months ended December 31, 2023, from related parties:

Description	**Related Party**			**For the three months ended December 31,**		**For the nine months ended December 31,**	
				2023	2022	**2023**	2022
				$	$	**$**	$
General Labour	Via Verde Hydroponics	Ltd.	Cost of sales	**110,468**	36,575	**394,976**	242,830
General Labour	Sunrite Greenhouses	Ltd.	Cost of sales	**49,291**	38,515	**128,577**	109,285
Utilities	Via Verde Hydroponics	Ltd.	Cost of sales	**79,742**	53,816	**226,900**	204,803
Administrative Wages	Del Fresco Produce	Ltd.	General and admin	**18,600**	13,611	**56,480**	65,636
Insurance	Via Verde Hydroponics	Ltd.	General and admin	**4,600**	-	**6,440**	12,437
Executive Wages	Del Fresco Produce	Ltd.	General and admin	**15,000**	27,500	**44,231**	82,500
Interest	Sunrite Greenhouses	Ltd.	Interest expense	**67,375**	67,375	**202,125**	202,125

The Company has entered into a lease for approximately 57,000 square feet of greenhouse and warehouse space with Via Verde Hydroponics Ltd. The lease agreement commenced May 1, 2019 and the annual rent is $250,000. As of April 1, 2022, the Company exercised its right to expand the leased greenhouse space for an additional 125,000 square feet for an incremental annual rent of $300,000. The Company has also entered into a lease for approximately

10,000 square feet of warehouse space with Sunrite Greenhouses Ltd. for an indoor nursery. The lease agreement commenced May 1, 2021 and the annual rent is $300,000. The corresponding leased assets have been recorded as right-of-use assets as described in Note 6 to the financial statements.

Related party transactions were made in the normal course of business and have been recorded at the exchange amounts.

During the three months ended December 31, 2023, the Company recorded:

Equity incentives granted and fees paid to the following for services rendered:	Options	Fair Value	Fees paid
		$	$
Carl Mastronardi, Co-Chair and President	-	-	18,750
Jamie D’Alimonte, Co-Chair and CEO	-	-	18,750
Darren Peddle, former CFO and Director	500,000	92,600	15,000
Dennis Staudt, a Director	900,000	149,400	12,500
Martin Komsa, a Director	1,100,000	182,600	12,500
Jacob de Jong, CAO and Corporate Secretary	350,000	58,100	26,250
	2,850,000	482,700	103,750

PROPOSED TRANSACTIONS

There are no proposed transactions to disclose.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The following is the Company’s accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets and liabilities	Classification and measurement under IFRS 9
Cash	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost
Convertible debentures	Amortized cost
Long-term debt	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes thismeasure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations.

The Company calculates Adjusted EBITDA as net income (loss) plus (minus) income tax expense (recovery), plus (minus) interest expense (income), net, minus rental income, plus (minus) non-cash fair value adjustment on sale of inventory, plus (minus) non-cash fair value adjustment on growth of biological assets, plus amortization, plus share-based compensation, plus impairment, plus transaction costs and certain one-time non-operating expenses, as determined by management.

For the three months ended	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**Year to Date**
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ (1,617,319)	$ (662,213)	$ (1,109,781)	$ (3,389,313)
Amortization - Cost of sales	386,909	229,577	214,361	830,847
Fair value adjustment on sale of inventory	-	48,226	-	48,226
Fair value adjustment on growth of biological assets	(83,837)	-	(48,226)	(132,063)
Amortization – Operating expenses	84,191	84,542	75,482	244,215
Share-based compensation	585,244	-	166,350	751,594
Shares issued for investor relations services rendered	-	-	270,000	270,000
Convertible debentures issued for investor relations services rendered	120,000	-	-	120,000
Bad debt	-	-	268,237	268,237
Interest expense	272,417	187,647	179,985	640,049
Adjusted EBITDA	**(252,395)**	**(112,221)**	**16,408**	**(348,208)**

For the three months ended	**December 31, 2022**	**September 30, 2022**	**June 30, 2022**	**Year to Date**
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ (576,461)	$ (452,935)	$ (52,876)	$ (1,082,272)
Amortization - Cost of sales	177,267	244,314	258,750	680,331
Fair value adjustment on sale of inventory	276,336	293,944	253,930	824,210
Fair value adjustment on growth of biological assets	(417,379)	(586,650)	(506,269)	(1,510,298)
Amortization – Operating expenses	126,243	126,243	126,243	378,729
Share-based compensation	231,850	213,050	94,400	539,300
Transaction costs	17,126	34,528	-	51,654
Interest expense	308,793	284,229	278,416	871,438
Rental income	(62,500)	(62,500)	(62,500)	(187,500)
Adjusted EBITDA	**81,275**	**94,223**	**390,094**	**565,592**

DISCLOSURE OF OUTSTANDING SHARE DATA

Common shares

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at December 31, 2023, the Company had 131,314,524 (March 31, 2023 – 130,924,747) common shares issued and outstanding.

Stock options

As at the date hereof, options to purchase up to 7,893,000 common shares were outstanding as follows:

Expiry Date	Options outstanding	Options exercisable	Exercise Price $
Options			
September 22, 2024	1,775,000	1,775,000	0.25
September 22, 2024	743,000	743,000	0.50
April 14, 2025	50,000	50,000	1.65
November 30, 2028	775,000	775,000	0.26
November 30, 2028	4,550,000	4,550,000	0.50
Balance, December 31, 2023	**7,893,000**	**7,893,000**	**0.43**

Warrants

As at the date hereof, the Company has the following finders' warrants:

	Number of Finders' Warrants	Exercise Price $
March 31, 2023	502,090	1.65
Issued during the period	1,183,000	0.20
Exercised during the period	-	-
Expired during the period	(502,090)	1.65
Outstanding at December 31, 2023	**1,183,000**	**0.20**

ADDITIONAL INFORMATION

Additional information regarding the Company is contained in the Prospectus which may be viewed under Greenway's SEDAR profile at www.sedarplus.ca

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined in the Prospectus. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. The risks and uncertainties below are not the only ones Greenway faces. Additional risks and uncertainties not presently known to us or that we believe to be immaterial may also adversely affect our business.

SUBSEQUENT EVENTS

On January 8, 2024, the Company announced that Darren Peddle has resigned from his role as Chief Financial Officer and as a member of the Company's Board of Directors effective immediately for medical reasons.

On February 5, 2024, the Company announced that it has surpassed 20,000 KG of product sold since its inception.

On February 20, 2024, the Company announced that Kyle Appleby has been appointed as the Chief Financial Officer effective immediately.

BOARD APPROVAL

The Board of Directors of the Company has approved this MD&A.