GOOD NATURED PRODUCTS INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2023

April 29, 2024

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PRELIMINARY NOTES

Introduction

In this annual information form (the "**Annual Information Form**" or "**AIF**") references to the "**Corporation**" "***good natured®***" "we", "our", or similar refer to good natured Products Inc. All information in this Annual Information Form is as of December 31, 2023, unless otherwise indicated. Unless otherwise indicated herein, references to "$" or "CAD$" are to Canadian dollars and references to "US$" are to United States ("**U.S.**") dollars, respectively.

Financial Statements and MD&A

The Corporation's audited financial statements and management's discussion and analysis ("**MD&A**") have been filed with Canadian securities regulatory authorities. The Corporation's financial statements and all financial information in this Annual Information Form are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Corporation's fiscal year end is December 31.

Forward-Looking Statements

This AIF contains or incorporates by reference "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Corporation's operating environment. All statements, other than statements of historical fact, are forward-looking statements. In this AIF, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Corporation's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: successfully attracting and retaining customers and skilled members of management, directors and staff; the availability of financing opportunities; the impact of competition; the ability to obtain and maintain existing financing on acceptable terms; currency, exchange and interest rates; risks associated with economic conditions; the ability to successfully integrate acquired businesses within the Corporation's existing business and optimize synergies; dependence on management and conflicts of interest and market competition; the ability to successfully commercialize the Corporation's products; the viability and success of any potential future transactions; delays or problems with product supply or manufacturing; the ability of the Corporation to meet its obligations to its lenders; and compliance with applicable laws and regulations.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out above and under the heading "*Risk Factors*" in this AIF, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Corporation's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Corporation's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Corporation's website. All subsequent written and oral forward-looking statements attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by this notice. The Corporation disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Corporation's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Corporation's filings with Canadian securities regulatory agencies, which can be viewed online on the Corporation's profile on SEDAR+ at www.sedarplus.ca.

CORPORATE STRUCTURE

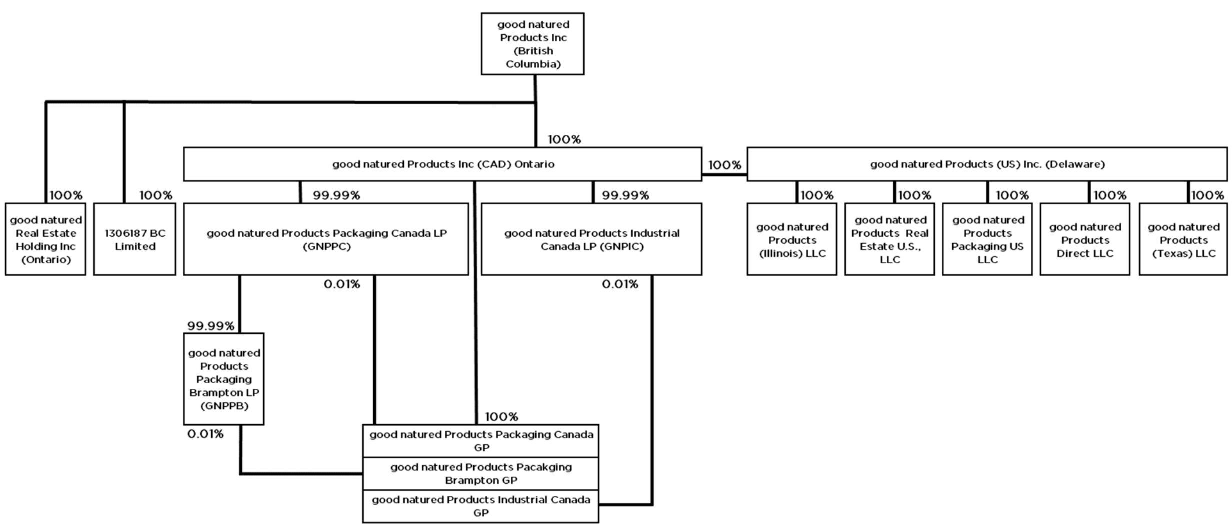
NAME, ADDRESSES AND INCORPORATION

The full corporate name of the Corporation is "good natured Products Inc." The head and registered office of the Corporation are located at 814 - 470 Granville Street, Vancouver, British Columbia, V6C 1V5. The Corporation is a reporting issuer in all provinces of Canada other than Quebec.

The Corporation was initially incorporated as Rodeo Capital III Corp. ("**Rodeo**") pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 17, 2014 and completed an initial public offering on September 17, 2014, to become listed on the TSX Venture Exchange ("**TSXV**") as a capital pool company. On November 24, 2014 Rodeo entered into an arrangement agreement with Solegear Bioplastics Inc. ("**Solegear**") pursuant to which Rodeo would acquire all of the issued and outstanding shares of Solegear in exchange for shares of Rodeo (the "**RTO**"). On March 26, 2015, the RTO was completed, upon which Rodeo was continued into British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and renamed "Solegear Bioplastic Technologies Inc." On October 31, 2017, the Corporation changed its name to "good natured Products Inc."

INTERCORPORATE RELATIONSHIPS

The following chart illustrates, as of the date of this Annual Information Form, the Corporation's corporate structure and the place of formation or organization of each subsidiary:



GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is in the business of producing and distributing *better everyday products*® made from renewable, plant-based materials and without Bisphenol A "BPAs", phthalates or other chemicals of concern potentially harmful to human health and the environment. The common shares of the Corporation (the "**Common Shares**") are listed on the TSXV under the symbol "GDNP" and on the OTCQB Venture Market under the symbol “GDNPF”.

THREE YEAR HISTORY

Year ended December 31, 2021

On March 4, 2021, the Corporation completed a short form prospectus offering, on a bought deal basis, of 19,262,500 Common Shares at an issue price of $1.20 per share for gross proceeds of $23,115,000. In connection with the offering, the underwriters received a cash commission of $1,386,900 representing 6.0% of the aggregate gross proceeds of the offering and 1,155,750 compensation options. Each compensation option entitles the holder to acquire one Common Share at a price of $1.20 per share for a period of 24 months from the date of the offering.

On March 4, 2021, the Corporation also announced the closing of its transaction with BDC, a subsidiary of the Business Development Bank of Canada (“**BDC**”), for the conversion of US$2.5 million of the Corporation's existing long term credit facility into Common Shares at a deemed issue price of $1.20 per share. The Corporation issued 2,656,875 Common Shares to BDC as part of the transaction, which increased its total ownership in the Corporation to 12,323,542 Common Shares. In addition, the Corporation paid US$738,311 in cash to BDC to further reduce its outstanding debt to BDC.

On March 16, 2021, the Corporation announced that it had launched food safe Bio-PET, a novel thermoformed packaging material designed to successfully co-mingle in the recycling stream with petroleum-based packaging. *good natured*® Bio-PET material can be used to make packaging and extruded rollstock sheet that contains 20-30% plant-based content, up to 50% recycled content and is readily accepted in curbside recycling programs across both Canada and the U.S.

On May 5, 2021, the Corporation announced that it had entered into definitive agreements to acquire all of the operating assets of Ex-Tech Plastics Inc. ("**Ex-Tech**"), an Illinois-based manufacturer of high quality, rigid plastic sheets, and real estate assets owned by a related company of Ex-Tech, ETP, Inc., for cash consideration of approximately US$14.1 million. Ex-Tech operates seven different extrusion lines in a dedicated 75,000 square foot facility on 9.5 acres of land and counted approximately 105 customers serving a diverse set of end markets, including retail, food, and medical packaging, primarily located in the U.S.

On May 11, 2021, the Corporation announced that it had launched compostable and microwavable take-out containers made from 97% plant-based bioplastic, a first in Canada, to address the upcoming proposed Federal ban on single-use plastics made from hard to recycle materials.

On May 28, 2021, the Corporation announced the closing of its acquisition of Ex-Tech. The Corporation also announced details of the financing used to secure the transaction, including US$5.0 million term loan from a Canadian financial institution, US$2.8 million mortgage with American Community Bank & Trust and US$4.8 million in cash from the Corporation’s treasury.

On August 17, 2021, the Corporation launched a new series of plant-based consumer products, including Bin Bags, Zipper Bags, and retail-packed Compostable Tableware, highlighting the Corporation's ongoing diversification into a broader range of plant-based materials including fiber, bioplastics and flexible film.

On October 28, 2021, the Corporation announced that it had closed a public offering of convertible unsecured subordinated debentures for aggregate gross proceeds of $17.25 million, which included the exercise in full by the underwriters of an over-allotment option to sell up to an additional $2.25 million principal amount of debentures, pursuant to an underwriting agreement dated October 13, 2021 between the Corporation and the underwriters (See "*Material Contracts*" in this AIF). A cash commission of 5% of the gross proceeds of the offering was paid to the underwriters at closing.

Also on October 28, 2021, the Corporation secured a $35.8 million senior credit facility with National Bank of Canada ("**National Bank**") through a credit agreement entered into between the Corporation and National Bank (the "**Credit Agreement**"). The secured senior credit facility consists of $15 million revolving working capital facility with a 2-year term and an uncommitted $10 million accordion available at the discretion of National Bank, $4 million revolving term credit facility to finance capital expenditures, amortized over 84 months, and a $6.755 million non-revolving term credit facility. Indebtedness under the senior credit facility bears interest at the Canadian Bankers' Acceptance Rate plus 2.75%. Certain of the proceeds from the Debentures and credit facilities were used to pay off existing secured creditors of the Corporation, consolidating four existing lenders into one senior secured debt financing partner. A copy of the Credit Agreement is available on the Corporation's directory on SEDAR+.

Year ended December 31, 2022

On January 17, 2022 the Corporation entered into an equipment lease agreement with HSBC Bank of Canada ("**HSBC**") to provide US$1.65 million to fund the cost of the previously announced high speed extrusion line. The lease is amortized over a period of 72 months at an annual rate of 3.65%.

On January 19, 2022, the Corporation announced it had filed a final short form base shelf prospectus (the "**Shelf Prospectus**") with the securities commissions in each of the provinces and territories of Canada other than the Province of Québec. The Shelf Prospectus will enable the Corporation to issue Common Shares, preferred shares, debt securities, warrants, subscription receipts, or any combination thereof for an aggregate offering price of up to $200,000,000 at any time during the 25-month period that the Shelf Prospectus is effective. A copy of the final Shelf Prospectus is available on the Corporation's directory on SEDAR+.

On February 22, 2022, the Corporation entered into a credit facility agreement up to US$2.0 million with Export Development Canada ("**EDC**"). The facility with EDC will assist in funding the Corporation capital expenditure requirements for new equipment and tools.

On March 9, 2022, the Corporation announced it had filed for patent protection of its novel tamper evident packaging design, GoodGuard™, optimized for compostable and bio-based materials and only available from *good natured®*. Food safety and chain-of-custody security is at an all-time high and expected to grow in importance given the proliferation of grocery and restaurant delivery and take-out industries.

On May 19, 2022, the Corporation filed amended and restated audited annual financial statements for the years ended December 31, 2021 and December 31, 2020 due to a default on its senior credit facility with National Bank. This resulted in a reclassification of $36.6 million in long-term debt into current liabilities as the Corporation lost the unconditional right to defer the settlement of such debts.

On June 1, 2022, the Corporation announced the closing of a non-brokered private placement of special warrants. The Corporation issued 16,402,500 special warrants at an issue price of $0.40 per special warrant for gross proceeds of $6.56 million. Each special warrant was exercisable, for no additional consideration, into one unit of the Corporation, each unit consisting of one common share and one half of one common share purchase warrant, each whole warrant entitling the holder thereof to purchase one additional common share at a price of $0.52 per for a period of 24 months from the closing.

On July 4, 2022, the Corporation announced the closing of its acquisition of the business and operating assets of Houston-based FormTex Plastics Corporation ("**FormTex**") for cash consideration of approximately US$4.8 million.

On July 12, 2022, the Corporation announced the signing of a three-year commercial contract with the large U.S. food producer previously referenced in a press release dated October 12, 2021.

On August 26, 2022, the Corporation announced it completed a senior secured revolving credit facility (the "**Senior Credit Facility**") with Wells Fargo, through its wholly owned subsidiary Wells Fargo Capital Finance Corporation Canada, consisting of a US$30 million asset-based revolving credit facility with a 4-year term and an uncommitted US$25 million revolving facility, available at the discretion of Wells Fargo. The initial draw on the Senior Credit Facility was used to retire $13.7 million of outstanding credit facility debt with National Bank.

On August 26, 2022, the Corporation announced it closed a $6.6 million financing with BDC. Proceeds of the mortgage refinancing was used to retire $6.6 million of outstanding non-revolving term credit facility with National Bank that was secured by a first mortgage on the Corporation's Brampton, Ontario manufacturing location.

On October 3, 2022, the Corporation purchased the land and building located at its Ayr, Ontario manufacturing location for cash consideration of approximately $9.4 million. The purchase was funded by a $6.5 million non-revolving capital loan from HSBC and $2.9 million from the available $3.9 million second tranche of the Corporation's credit facility with BDC that was announced on August 26, 2022.

On November 4, 2022, the Corporation announced that it decided to suspend its Shelf Prospectus that was filed on January 19, 2022 in order to eliminate the professional fees and costs associated with keeping the base shelf active.

On December 13, 2022, the Corporation announced the appointment of Keith Spencer, an expert on technology, venture capital funding, and high-growth commercialization, to its board of directors. Subsequent to this announcement, Mr. Michael Thomson retired from the Corporation's board of directors.

Year ended December 31, 2023

On January 9, 2023, the Corporation announced the appointment of Kerry Biggs to the position of Chief Financial Officer, following an extensive search process initiated to address the planned retirement of the Corporation's prior CFO, Kevin Leong, who supported an orderly transition of responsibilities in the role of Vice President, Finance and Accounting.

On March 13, 2023, the Corporation disclosed agreements with Wells Fargo that made amendments to the Senior Credit Facility. The first agreement provided consent to an intercompany reorganization and waived compliance with a minimum EBITDA financial covenant for the four fiscal quarters ended December 31, 2022. The second agreement lowered the minimum EBITDA requirement for the four fiscal quarters ending March 31, 2023, June 30, 2023, September 30, 2023, and December 31, 2023, and increased the minimum liquidity requirement for the period commencing March 31, 2023 until December 31, 2024.

On May 18, 2023, the Corporation announced it signed a commercial contract with a regional US snack food producer that distributes across several prominent Texas retailers. The contract outlines a two-year agreement whereby *good natured®* will supply packaging based on the Corporation's proprietary GoodGuard™ tamper-evident design.

On June 5, 2023, the Corporation appointed Tami Kozikowski, Chief Executive Officer and President of US-based private real estate developer The Waters Senior Living Group, to its board of directors and as Chair of the Audit Committee.

On June 21, 2023, the Corporation closed a brokered private placement, issuing 35,714,285 units at a price of $0.14 per unit for aggregate gross proceeds of approximately $5 million (the "**June 2023 Private Placement**"). Insiders of the Corporation subscribed for a total of 22,707,570 units of the private placement for total gross proceeds of $3.2 million.

On June 26, 2023, the Corporation announced an amendment to the credit agreement with Wells Fargo that fully waived the minimum EBITDA financial covenant for the three fiscal quarters ending June 30, 2023, September 30, 2023, and December 31, 2023 and increased the minimum liquidity requirement by $1 million.

On July 14, 2023, the Corporation appointed Karl Sanft, Chief Executive Officer of US-based 24 Hour Fitness, to its board of directors.

On August 10, 2023, the Corporation signed a letter of intent with an existing pharmaceutical packaging customer to expand their product assortment. A full commercial agreement with a three year term is expected to be signed by the end of 2023 over which the Corporation would produce approximately 100 million Bio-PET based packages. The Corporation anticipates revenue of approximately $3.5 million in the first year of the agreement, of which $2.7 million will be from new products being added to the customer's existing assortment.

On October 11, 2023, the Corporation announced that it changed its auditor from Deloitte LLP to Grant Thornton LLP. This decision was taken as part of the Corporation's proactive efforts to review operating costs and vendor relationships across all functional areas of the business.

On November 8, 2023, the Corporation announced that for the third consecutive year, it was named to the 2023 Deloitte Technology Fast 50™ list with 900% in revenue growth from 2019 to 2022.

Subsequent to December 31, 2023

On January 4, 2024, the Corporation announced the appointment of Mark Munford to the board of directors. Mr. Munford is the Corporation's largest individual shareholder, and, at the time of announcement, owned directly and indirectly, an aggregate of 36,068,890 Common Shares, representing approximately 13% of the outstanding Common Shares (calculated on an undiluted basis), and 25,178,570 warrants.

On February 1, 2024, the Corporation announced a cost reduction process to address declining revenue in the petroleum-based portion of its Industrial business group. These actions were expected to result in approximately $1.2 million in annualized payroll reductions.

On February 14, 2024, the Corporation indicating it had completed corporate cost reductions in a variety of functional areas, including wages and selling, general and administrative expenses, which were expected to result in annualized savings of approximately $1.8 million. The Corporation estimated it would incur approximately $450,000 in one-time expenses associated with these reductions.

On February 14, 2024, the Corporation announced the launch of a non-brokered private placement financing (the "**February 2024 Private Placement**") for 33,333,333 units (the "**Units**") of the Corporation at a price of $0.06 per Unit for aggregate gross proceeds of $2 million. Each Unit consists of one common share in the capital of the Corporation and one common share purchase warrant of the Corporation. Each Warrant will entitle the holder thereof to acquire one common share (a "**Warrant Share**") at an exercise price per Warrant Share of $0.08 for a period of 30 months from the closing of the February 2024 Private Placement.

On February 20, 2024, the Corporation announced it signed a definitive agreement with a major Canadian financial institution to refinance the mortgage outstanding with BDC on the land and building located at the Corporation's Brampton, Ontario facility. The BDC mortgage was refinanced with a $12.9 million 3-year fixed rate mortgage, featuring a 25-year amortization period and closed on February 27, 2024. Principal and interest will be paid monthly at a fixed rate 5.75% per annum. The Corporation received net proceeds of $2.1 million following repayment of the BDC mortgage and the remaining vendor takeback loan associated with the Shepherd Thermoforming & Packaging Inc. acquisition in 2020.

On March 21, 2024, the Corporation announced it had closed the first tranche of the February 2024 Private Placement by issuing 15,639,998 Units at $0.06 per Unit for gross proceeds of $938,400. Insiders of the Corporation subscribed for a total of 5,170,000 Units for total gross proceeds of $310,200 under the February 2024 Private Placement.

On April 10, 2024, the Corporation announced a proposal to amend the terms of its 7.0% convertible unsecured subordinated debentures in the principal amount of $17,250,000 due October 31, 2026. The Corporation called a meeting to be held on April 30, 2024 of the holders of the convertible debentures in order to consider certain amendments to the trust indenture dated October 28, 2021. The Corporation proposed partially redeeming an aggregate of 50% of the principal amount outstanding under the convertible debentures, such that the principal amount of $17,250,000 be reduced to $8,625,000 in consideration for the issuance of 70,500,000 Common Shares of the Corporation. Further details and other proposed amendments are included in the press release dated April 11, 2024.

SIGNIFICANT ACQUISITIONS

The Corporation did not make any “significant acquisitions”, as determined in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* in its financial year ended December 31, 2023.

BUSINESS OF THE CORPORATION

OVERVIEW

good natured® is at the forefront of North America's shift toward sustainability, showcasing over 90 plant-based packaging designs and an extensive portfolio of more than 400 products and services. These offerings are purposefully designed to reduce environmental impact by using more renewable materials, less fossil fuel, and eliminating chemicals of concern.

Manufactured locally in the US and Canada, *good natured*® engineers and distributes a diverse range of bio-based products across various sectors, including grocery, restaurant, electronics, automotive, and pharmaceutical via both wholesale and direct channels.

The Corporation is dedicated to providing an industry-leading customer experience in order to encourage the transition to renewable alternatives. By making it easy and affordable for businesses to adopt bio-based products and packaging, *good natured*® aims to empower them to reach their sustainability objectives.

The Corporation's customer base includes retailers, food producers, food packers, consumer product companies, restaurants, packaging manufacturers and other industrial processors across three key market segments – National, Regional and Small Business – all of which are supported by a combination of inside and outside sales teams. The Corporation also offers direct purchasing through its own e-commerce platform in the U.S. and Canada as well as through Amazon and other 3rd party channels.

The Corporation carries on business across five business groups, namely Packaging, General Merchandise, Industrial, Commercial & Business Supplies and Services. *Good natured*® offers consumers, business owners and operators plant-based alternatives to everyday petroleum-based products that are being used in homes and businesses. The vast majority of the Corporation's operations are performed within the U.S. and Canada.

MARKET OPPORTUNITY & TRENDS

Large addressable market with strong compound annual growth rate

Environmentally conscious consumers make up approximately 18% of the population and spend $376 billion annually on fast moving consumer goods ("**FMCG")**[1]. Eco-friendly packaging, which the Corporation makes from sustainable plant-based materials and free from chemicals of concern, have strong appeal for this market segment who value products that offer health benefits as well as environmental sustainability. The sustainable packaging market was worth around USD $266 billion in 2021 and is estimated to grow to about USD $358 billion by 2028, with a compound annual growth rate of approximately 5% over the forecast period.

Rapid growth characterized by fragmentation and consolidation

[1] Kantar: Who Cares, Who Does? Study, 2022, https://kantar.turtl.co/story/whocares-who-does-2022-p/page/2/1

In management's view, large and established industries usually see their markets disrupted by the entry of multiple emerging companies offering novel alternatives to what the market leaders are providing. The relatively slow response rate from incumbents creates a window for an emerging company to gain a first-to-market advantage and market share, which can deliver accelerated revenues and strategic growth opportunities. Management's assessment is that the sustainable FMCG market is currently reflecting these market conditions despite recent economic headwinds and is characterized by two types of competitors: 1. Multiple small entrants typically focused on one product line or niche market segment; and 2. Established traditional brands seeking out and acquiring new entrants to add sustainable products to their overall assortment. This is creating a window for *good natured*® to become one of North America's leading sustainable FMCG companies by aggressively growing its plant-based product assortment and by being an early consolidator of emerging sustainable product companies and supply chain capabilities.

Significant opportunity to bridge the value-action gap with accessible sustainability-led solutions

"Eco-anxiety" is running high for 6 out of 10 people globally which propels 97% of people who are prepared to take action to live a more sustainable lifestyle. In the FMGC industry alone, the value-action gap is estimated to be worth $991 billion.[2]

Management believes *good natured*® has positioned itself well to bridge the gap that exists in the market between environmental values and business and consumer actions. The Corporation achieves this by developing eco-friendly packaging for consumer goods brands and retailers, developing plant-based consumer goods, as well as by providing bio-based materials to supply chain and logistics companies delivering sustainable consumer goods to store shelves.

Increasing regulatory pressure

Bans on chemicals of concern, hard-to-recycle or re-use materials and single-use disposables are driving change in how everyday products are packaged and sold. Both Canada and the U.S. have formed Plastics Pacts that are driving adoption of recyclable, reusable and renewable materials through both business practices and industry regulations.[4,5] Government regulations regarding Per- and polyfluoroalkyl substances ("**PFAS**"), a group of synthetic chemicals linked to various health problems that are widely used in many industrial and consumer applications are expected to further increase demand, with 28 U.S. states currently discussing and implementing policies to eliminate PFAS from food contact materials.[6] In 2023, U.S. president Joe Biden announced that his administration is setting a goal to replace 90% of plastics with bio-based materials within the next 20 years.[7] Management also expects that more recent pressure for increased health and safety of food and medical supplies following COVID-19 will persist, leading to ongoing demand for securely packaged single-use products that do less harm to the environment.

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[2] Kantar, 2022 – Finding The Future – Sustainability Trends Report

[4] Canada Plastics Pact 2023, https://plasticspact.ca
[5] US Plastics Pact 2023, https://usplasticspact.org

[6] Safer States Organization, https://www.saferstates.org/priorities/pfas/, March 2024.

[7] Bold Goals for U.S. Biotechnology and Biomanufacturing, March 2023.

GO-TO-MARKET STRATEGY

The Corporation aims to become North America's leading earth-friendly product company. In order to maximize the positive environmental impact, *good natured*® aims to offer the widest possible assortment of plant-based products made all or in part from rapidly renewable resources instead of fossil fuels. These products are marketed to a range of customer segments to deliver a diversified revenue and margin mix that de-risks the business. The Corporation also aims to gain the highest share of each customer's total spend on sustainable products to drive a strong recurring revenue model and enhanced customer loyalty.

The Corporation's go-to-market strategy is centered on driving growth through a two-pronged approach:

1. Organic growth driven by a "land and expand" sales strategy that includes:
    a. acquiring new customers through direct-to-business and direct-to-consumer selling;
    b. cross-selling additional products into the existing customer base; and
    c. adding new sustainable product offerings that are relevant and complementary to the Corporation's most valuable customer segments.
2. Acquisitions focused on businesses that meet a combination of the following criteria:
    a. diverse customer base;
    b. large range of product offerings;
    c. products that expand the Corporation's addressable market or product categories;
    d. new sustainable materials, manufacturing or business development technology;
    e. cross selling opportunities to both parties' existing customer bases;
    f. expansion into new markets and/or geographies; and
    g. strong supply chain capabilities and positive EBITDA.

The Corporation's targeted acquisitions may currently offer petroleum-based products that can be reformulated and re-launched using plant-based materials, or the business may have commercially ready plant-based products that can immediately enhance the *good natured*® product assortment.

If the acquired business produces a petroleum-based product assortment, the Corporation will plan to convert the petroleum-based product offerings to plant-based alternatives within approximately 18 months of the closing of the acquisition. The length of time to complete the conversion to plant-based materials will primarily dependent on, but not limited to, the following factors:

1. the speed at which the Corporation can access and procure the required plant-based raw materials;
2. obligations the acquired business may have in place with its current raw materials suppliers;

3. existing raw material inventory levels;

4. seasonality or peak business periods, which may guide the optimal timing of raw material transitioning;

5. commercial agreements with customers of the acquired business that require the use of specific raw materials or processing methods to produce and/or certify their products; and

6. external supply chain disruptions that may limit availability and/or delay delivery of plant-based materials.

The Corporation intends to divest any of the acquiree's products and/or customer accounts that cannot be successfully converted to plant-based products over time and then re-invest the proceeds from any such divestiture back into the Corporation.

Over the long term, the Corporation strives to achieve 50% of its growth organically by adding new customers and 50% of its growth through acquisitions, which are mutually supported by new product launches and cross selling opportunities.

Target Markets

The Corporation's business model is structured to engage a diverse mix of customers across a broad and complementary range of eco-friendly products. This is intentionally designed to maximize positive environmental impact by offering product options that are relevant to more businesses and consumers. This broad base of business also proved to be particularly relevant during the COVID-19 pandemic to provide revenue resilience and growth opportunities.

Good natured® acquires customers across four distinct market segments and tailors its sales and service interactions accordingly. The Corporation conducts the vast majority of its marketing and sales activities in North America:

1. National – customers with multiple centers for decision making and operational presence across various states, provinces and regions.

2. Regional – customers with centralized decision making and typically with operations in one region, state or province.

3. Small Business – customers that are owner-operated and/or operating within one key metropolitan area.

4. Direct to Consumer – proprietary and 3rd party e-commerce shopping platforms in the U.S. and Canada.

The Corporation proactively monitors consumer shopping, sustainability and industry trends to ensure its product and service offerings are aligned with the latest opportunities and risks. *Good natured*® has a particular interest in "detoxifying the kitchen", meaning to provide sustainable products, packaging and services to target customers along the full length of the food industry's value chain.

Value Proposition

The Corporation is keenly focused on making it easy and affordable for business owners and consumers to shift away from petroleum into *better everyday products*® that use more renewable materials, less fossil fuel, and no chemicals of concern.

Good natured® offers a broad, affordably priced assortment of plant-based products that meet diverse sustainable and commercial objectives. The goal is to make it easier for more businesses and consumers to find the products and services they need to make the switch from fossil fuels to renewable materials.

The Corporation focuses on business fundamentals of smart product design, skilled manufacturing, and customer service. These fundamentals are sometimes overlooked in the sustainability industry where the focus is often on the latest development that may be years away from commercial viability. The Corporation's commitment to operational excellence is, in management's view, unique in the industry and a key driver of how the Corporation plans to create shareholder value over the long term.

The *good natured*® brand positioning is centred on leading with positivity as the most powerful way to truly change behavior. The goal is a brand experience that encourages and rewards each incremental, positive step that's being collectively taken to create meaningful environmental impact.

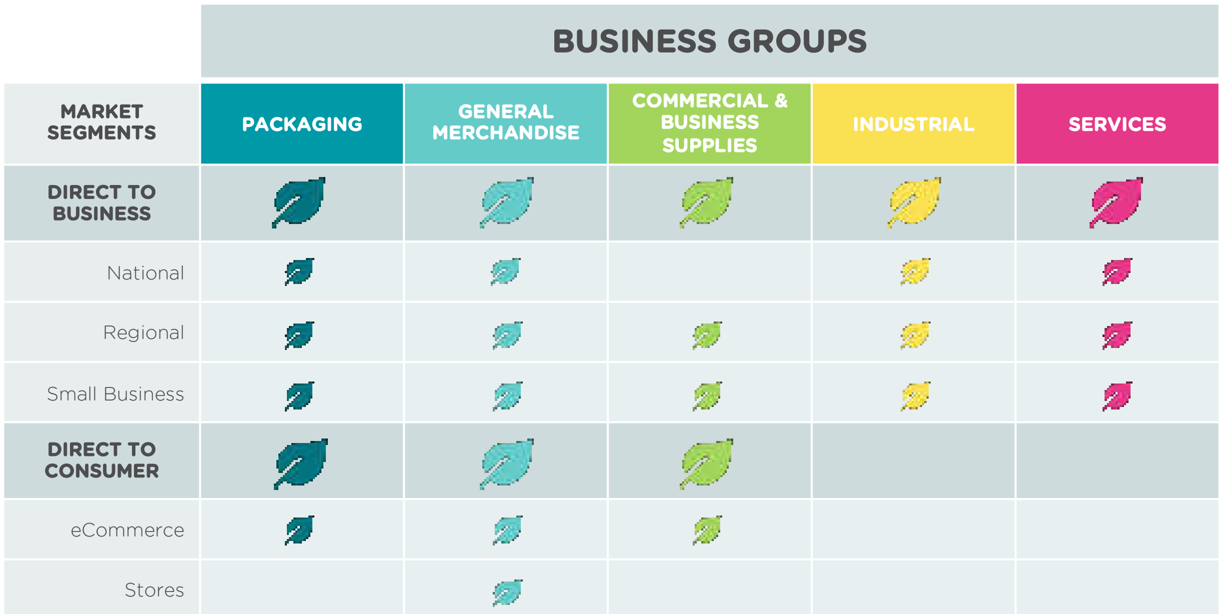
Sales Channels

Utilizing both inside and outside sales teams, the Corporation sells directly to business-to-business ("**B2B**") and direct-to-consumer segments ("**B2C**"). The Corporation offers direct purchasing through Amazon and its own e-commerce platform in the U.S. and Canada. A growing number of third party online stores also offer *good natured*® packaging on their platforms.

The Corporation's inside sales team collaborates directly with brands and retailers to understand their business, environmental and/or health and wellness objectives. *Good natured*® then provides recommended solutions that may include products, packaging, and/or services that will contribute to their sustainability objectives. The solution recommended may come from the Corporations existing assortment or be custom developed to meet a customer's unique needs, facilitating their transition from petroleum to renewable, plant-based materials. The Corporation then secures purchase orders directly from the customer and delivers orders through its outsourced supply chain partner agreements, through its in-house manufacturing facilities, or through the customer's preferred supply chain partners.

Good natured® serves a diverse customer base, including National, Regional, and Small Business customers and distributes its products throughout all states, provinces and territories in North America.

In the chart below, the leaf markers indicate where the Corporation is currently transacting commercially across its sales channels and product assortment (its "**Business Groups**"). For more information about the Corporation's Business Groups, please refer to the "Revenue by Category" section below.



REVENUE BY CATEGORY

The Corporation currently offers over 400 products and services across 5 key Business Groups as follows:

1. Packaging:

    a. Stock Packaging – over 90 bakery, deli and produce food packaging designs available to customers through direct sales, distribution and eCommerce.

    b. Custom Packaging – custom designed packaging for food, general merchandise and medical supplies that meet specific customer requirements and are delivered through exclusive and/or multi-year purchasing agreements.

    c. Food Services – a variety of containers, cups, bowls and cutlery to meet the needs of take-out and delivery food establishments.

2. General Merchandise – everyday home/business organization and commercial products with high purchase frequency and a focus on removing chemicals of concern in kitchens and food supplies.

3. Industrial – complementary eco-friendly inputs to the retail, restaurant, medical and manufacturing industries, including extruded sheets, flaked products and biodegradable agents.

4. Commercial & Business Supplies – a variety of commercial products that can be cross-sold as complementary products to customers, such as pallet stretch wrap.

5. Services – supplemental service offerings, such as design, prototyping, labelling and mold financing to support customer requirements.

The following table provides revenue by Business Group and geographic region, along with customer concentration, for each of the two most recent audited financial years. The Business Group categorization listed in the table was adopted in 2021 to reflect the adjusted revenue composition added by the acquisitions of Ex-Tech, Shepherd and IPF.

All of the Corporation's revenues for the fiscal years ended 2022 and 2023 were from sales to customers outside of the Corporation and its subsidiaries (and none were derived from sales or transfers to controlling shareholders). The Corporation is not a participant in any joint ventures nor does it have any equity investments.

Business Groups	**Year ended December 31, 2023**	**Year ended December 31, 2022**
Total Revenue (listed in thousands of CAD$)	$ 76,583	$ 100,966
Packaging	49%	31%
General Merchandise	2%	1%
Industrial	47%	66%
Commercial & Business Supplies	<1%	<1%
Services	2%	2%
Sales to U.S. customers	87%	87%
Sales to Canadian customers	13%	13%
Sales Concentration of top 4 customers	33%	24%

The table below represents estimated and unaudited percentages of revenue from products made from plant-based materials (i.e. PLA, Bio-PET, Bio-PE) and petroleum materials (i.e. PET, PE, PVC) for the total Corporation and by Business Group.

The relative percentages will vary from quarter to quarter, year to year and by Business Group as the Corporation deploys its strategy to acquire businesses that may currently make products using petroleum materials, the associated timing of executing the conversion of these acquired businesses' products from petroleum to plant-based materials, and with fluctuations in average selling prices. As stated earlier, the Corporation aims to convert all acquired businesses' petroleum products to plant-based materials within approximately 18 months following the closing of the acquisition, subject to a number of supply chain and customer relationship factors. The reader should not expect 100% of the Corporation's revenue be generated from plant-based materials for so long as the Corporation is effectively executing its growth strategy to acquire businesses currently producing petroleum-based materials and subsequently converting those businesses' operations to plant-based materials over a period of time.

The Corporation has completed four acquisitions of businesses that used petroleum materials. Packaging Business Group acquisitions include Shepherd in May 2020 and FormTex in July 2022. Industrial Business Group acquisitions include IPF in December 2020 and Ex-Tech in May 2021.

The transition to plant-based materials at FormTex commenced in 2023, but is expected to be delayed beyond the targeted 18-month timeframe due to fluctuating pricing within the supply chain, as well as various customer certification requirements. Organic growth in plant-based Packaging Business Group revenue lead to an approximate 18% year-over-year increase in pounds of plant-based material being processed at the IPF and Ex-Tech facilities that was subsequently used within the Corporation's owned and outsourced thermoforming facilities. The transition to plant-based materials at IPF and Ex-Tech continues to be delayed as a result of challenging macro economic conditions experienced over the past eight fiscal quarters, the delay in transition to plant-based materials at FormTex, and delays experienced in onboarding new plant-based Packaging customers.

In 2023, the year-over-year increase in the percentage of plant-based revenue was a function of organic growth in plant-based Packaging Business Group and a decline in petroleum-based Industrial Business Group revenue, partially offset by a decline in plant-based Industrial Business Group revenue and a full year contribution from the FormTex acquisition.

	Year ended December 31, 2023	**Year ended December 31, 2022**
Total Corporation		
Plant-based materials	50%	36%
Petroleum materials	50%	64%
Packaging Business Group		
Plant-based materials	82%	80%
Petroleum materials	18%	20%
Industrial Business Group		

Plant-based materials	15%	13%
Petroleum materials	85%	87%
General Merchandise Business Group		
Plant-based materials	100%	100%
Petroleum materials	0%	0%
Commercial & Business Supplies Business Group		
Plant-based materials	100%	100%
Petroleum materials	0%	0%
Services Business Group		
Plant-based materials	NA	NA
Petroleum materials	NA	NA

SPECIALIZED SKILLS & TRENDS

Development of the Corporation's products requires specialized skills in the areas of product development, engineering, manufacturing, sourcing and supply chain. The Corporation has obtained personnel with the required specialized skills and established relationships with supply chain partners to carry out its operations. The Corporation's management team, partners, advisors and board of directors of the Corporation (the "**Board**") all bring relevant and valuable experience to bear for the Corporation's benefit. See "*Directors and Officers*" in this AIF.

Product Development & Engineering

The Corporation focuses on developing a leading assortment of plant-based products. The term 'plant-based' means that the material or product is derived from biomass (plants). Biomass used for bioplastics and biodegradables stems from renewable inputs such as corn, sugarcane, cellulose, or other plants with high starch levels. Product development requires a continued investment in building engineering capabilities and specialized expertise in matters such as assortment planning, research and development, testing, trials, designing, material development and processing. If the Corporation were to cease investing sufficiently in product development, its products could become less attractive to potential customers and/or misaligned with market demand, which could have a material adverse effect on the results of operations and financial condition of the Corporation.

The Corporation currently is involved in R&D and/or offers products across three main plant-based ingredient families:

- Advanced Materials: emerging R&D collaborations and/or bio-based resins that have potential to become commercially viable at a future date, such as home compostable bioplastics, expanded feedstocks and advanced additives and extenders that improve bioplastic performance.

- Chemically Equivalent Bioplastics: made from plant-based materials, these materials are chemically equivalent and can be fully co-mingled in the recycling stream with traditional high-density polyethylene (HDPE), low-density polyethylene (LDPE) and polyethylene terephthalate (PET) for ease of recycling. Ingredients include BIO-HDPE, BIO-LDPE, and BIO-PET.

- Closed Loop Compostables: for customers who are looking for a complete closed loop solution, *good natured*® offers biodegradable and certified compostable materials that can turn back into soil to be made into more plants after use. Ingredients include polylactic acid (PLA) made from renewable resources such as corn and sugar cane, Polyhydroxyalkanoates (PHA) produced in nature by numerous microorganisms, including through bacterial fermentation of sugar or lipids, Polybutylene succinate (PBS), and other starch-based ingredients.

The *good natured*® engineering team looks globally to find the latest and most advanced plant and bio-based materials. These ingredients are combined to meet specific performance characteristics and commercial requirements using the maximum possible annually renewable materials and no chemicals deemed potentially harmful to human health and the environment according to California's Proposition 65.[6]

The Corporation also sources ingredients from bio-refinery companies with whom it can create meaningful partnerships. This is typically done through supplier agreements by which *good natured*® sources plant-based materials and then either converts those materials or customizes them to create products, packaging, industrial inputs and commercial supplies for specific customers and/or as a key ingredient in its own branded products and packaging.

Working closely with its supply chain partners leveraging their experience, labs and testing capacity, *good natured*® has developed wholly owned, proprietary intellectual property, trade secrets and industry credibility, which have allowed the Corporation to develop, source and secure plant-based materials that deliver equal or greater performance relative to petroleum-based materials.

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[6] California Office of Environmental Health Hazard Assessment: https://oehha.ca.gov/proposition-65/about-proposition-65

Good natured® continues to investigate and develop new products in the following areas: flexible film, bioplastic applications, kitchen and home products, commercial packaging supplies, tamper evident packaging applications, fiber based products and high heat packaging applications.

The Corporation's product formulas are protected to the extent reasonably possible through registered intellectual property, unique supply chain agreements and/or trade secrets.

Outsourced Supply Chain Management

The Corporation prioritizes plant-based materials that have been specifically designed and sourced to work with standard manufacturing equipment so that minimal to no investment in retooling is required. This provides a capital efficient and scalable model enabling seamless engagement with external supply chain partners while also allowing *good natured*® to acquire petroleum-based businesses whose equipment that can be easily redeployed to manufacture products from plant-based materials without substantial capital cost outlays.

Using its outsourced supply chain partners along with its own production facilities provides the Corporation flexibility in developing and sourcing products, packaging and materials. This agile, collaborative approach to sourcing and manufacturing allows *good natured*® increased flexibility to bring industry-leading products and materials to its customers while reducing time and fixed capital requirements to scale the Corporation's go-to-market strategy.

Good natured® has developed key supply chain relationships for raw plant-based materials to fulfill orders in North America. Pricing for plant-based raw materials is set at market by suppliers with notice of price changes at least 30 days in advance. The Corporation is not committed to purchase minimums through long-term contracts. Instead, it works collaboratively with key suppliers by comparing near-term purchase forecasts to raw material availability to ensure a secure level of supply.

Vertically Integrated Supply Chain Management

Since 2020, the Corporation has gradually added the benefits of a vertically integrated supply chain through the acquisitions of Shepherd, IPF, Ex-Tech, and FormTex. This enables *good natured*® to have more influence over the development timelines of its plant-based product assortment, while also providing capacity for planned growth. The Corporation intends to maintain both its outsourced and vertically integrated manufacturing capacity and may add to its supply chain based on acquisition opportunities and growth of new or existing categories of the Corporation's product assortment.

On May 12, 2020, the Corporation acquired Shepherd, a leading petroleum-based custom packaging thermoformer with over 35 years' experience in packaging design, production and selling. The assets acquired included machinery, molds and a 42,000 square foot manufacturing facility and related 2.31 acres of land in Brampton, Ontario. The Shepherd acquisition further strengthened the Corporation's custom packaging capability with engineering, mold production and finished product manufacturing.

On December 21, 2020, the Corporation acquired IPF, a leading rollstock sheet extruder located in Ayr, Ontario and is a manufacturer of high quality, rigid plastic sheets used to create a variety of products, including thermoformed packaging. The IPF acquisition added a dedicated 32,000 square foot leased facility on 2.9 acres of land.

On May 28, 2021, the Corporation announced that it had completed the acquisition of Ex-Tech, an Illinois-based manufacturer producing a variety of plastic sheet and film products, including extruded rollstock sheet for thermoformed packaging. Ex-Tech operates seven different extrusion lines in a dedicated 75,000 square foot facility on 9.5 acres of land which were included in the assets acquired.

On July 4, 2022, the Corporation completed the acquisition of all the business and operating assets of FormTex. Founded in 1989, FormTex produces custom plastic packaging for the medical, food, electronic, industrial, and retail end markets. FormTex is ISO 9001:2015 certified in the design and manufacture of thermoplastic molded components and operates seven different thermoforming machines in a leased 51,000 square foot facility on 1.9 acres of land in Houston, Texas.

The Corporation intends to grow its production capacity at its own facilities by adding new and/or replacing older equipment with high speed extruders and thermoforming equipment, and by expanding its tool making capacity by adding new CNC (computer numerical control) machines and engineers. The Corporation expects to fulfill existing and new customer orders through both its fully owned and outsourced supply chain manufacturing capability. The Corporation also intends to grow its business and volumes through both its insourced and outsourced manufacturing capabilities.

COMPETITIVE CONDITIONS

Although there are a growing number of direct and indirect competitors vying for lucrative "sustainable dollars", in management's view, the sustainable goods industry remains fragmented and without clear leaders. Management believes that *good natured*® has the opportunity to solidify a leadership position in this high-growth industry based on its unique combination of core competencies, go-to-market strategy, wide product assortment and customer mix. In particular, the Corporation believes that the following are key to its competitive advantage:

- a leading assortment of plant-based packaging, products and industrial supplies across multiple industry segments;
- a retail-oriented sales strategy by Business Groups and market segments to enhance acquisition, frequency and cross selling;
- competitive pricing;
- unique and defensible ingredient sourcing and commercial agreements;
- proprietary, patented and/or patent pending designs;
- processing trade secrets and know how;
- exclusive and highly scalable supply chain agreements;
- a flexible mix of outsourced/in-house manufacturing; and
- consumer-oriented, trademarked brand and market positioning.

At this stage, the Corporation views its primary competitors to be the incumbent petroleum and synthetic chemical based companies that are producing, distributing, marketing, and/or selling petroleum products within the Corporation's current Business Groups, product categories and target segments.

INTANGIBLE PROPERTY

good natured® has seen intrinsic value creation and recognition for its engaging and approachable brand names and has secured registered trademarks and/or submitted priority claims for its "*good natured*", "*better everyday products*" brand marks across all relevant categories in Canada, the U.S. and/or internationally through the Madrid Protocol, which secures protection up to 130 countries.

In March 2022, the Corporation announced it had filed for patent protection of its novel tamper evident packaging design and submitted a trademark application for the GoodGuard™ brand name. The Corporation also has exclusive rights to produce plant-based packaging using certain U.S. and Canadian packaging design patents.

In the past, *good natured*® pursued two distinct patent-pending bioplastic technology platforms with trademarked product names: Polysole® and Traverse®. Traverse is a bio-based plastic that uses a mix of plant-based content, plus some synthetic ingredients to meet higher performance requirements for certain consumer packaging and durable product applications. The Traverse® patent 9,416,255 has been granted and the Corporation has stopped maintenance on and has abandoned its Polysole® patent application.

Good natured® also continues to develop new formulations and technology without seeking intellectual property protection, instead relying on building technology moats using secret formulations and know-how as efficient protection.

CYCLES

The Corporation experiences seasonal and cyclical impacts to its business.

ECONOMIC DEPENDENCE

The Corporation's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

CHANGES TO CONTRACTS

The Corporation's business may be affected by the renegotiation or termination of contracts or sub-contracts, both in terms of customer contracts and supplier contracts, which may be terminated, renewed or renegotiated from time to time in the ordinary course of the Corporation's business. Depending on market and negotiation dynamics which vary from case to case, the Corporation may be able to benefit from protections against, or may remain subject to (or increase its exposure to) risks relating to, general levels of inflation, supply chain constraints, plus changes and fluctuations in order volumes and frequencies against original forecasts both in terms of customer contracts and supplier contracts. The Corporation's objectives in contract negotiations will be to balance all relevant factors to secure contracts that are on the whole, commercially reasonable and beneficial to the Corporation.

ENVIRONMENTAL PROTECTION

The Corporation is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Corporation, nor is it expected that such requirements will have any such impact in future years.

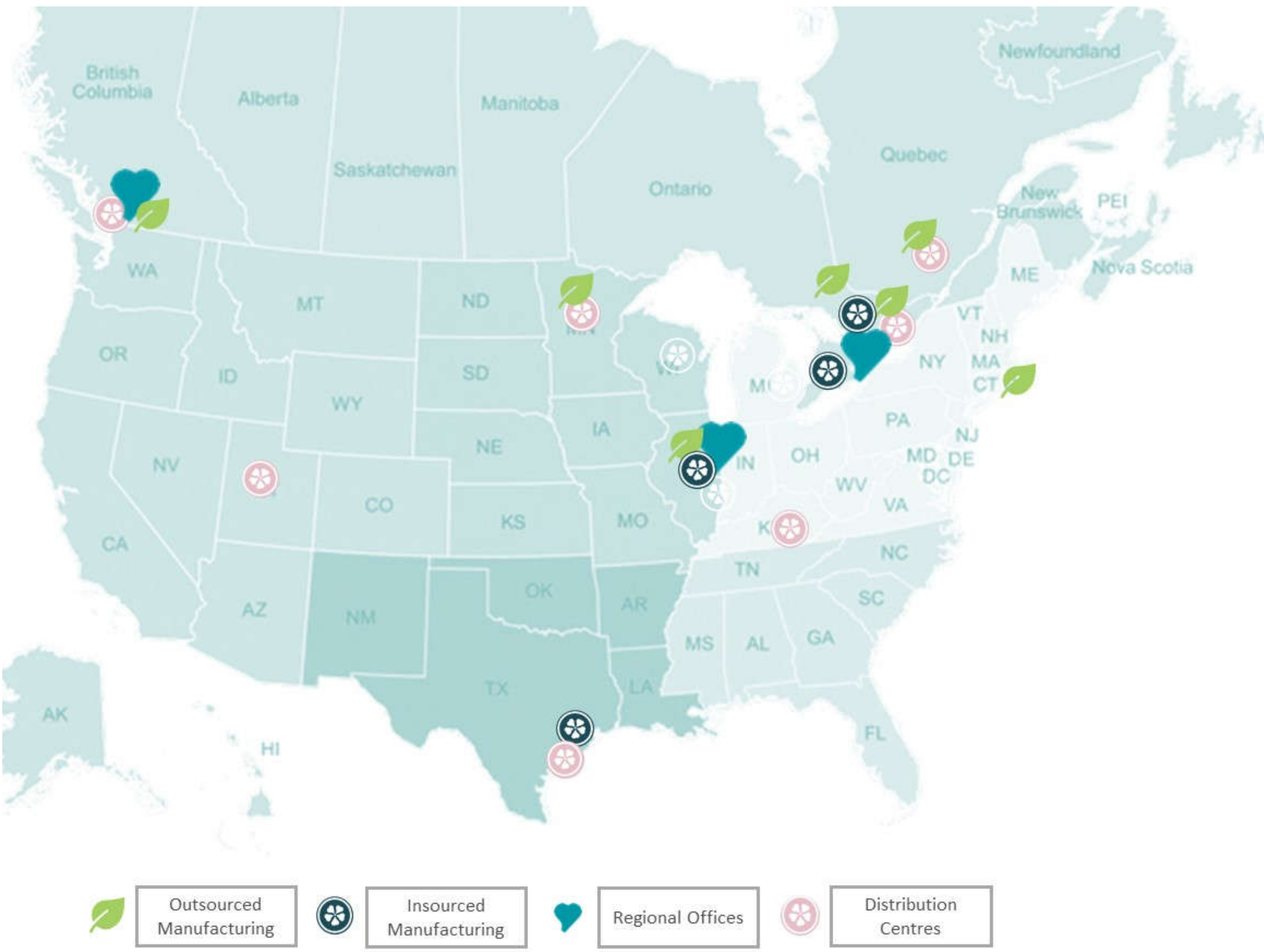
EMPLOYEES

As of December 31, 2023, the Corporation and its subsidiaries employed an aggregate of 185 employees, including six executive officers. The Corporation also employs consultants on an as-needed basis.

FOREIGN OPERATIONS

The Corporation has outsourced manufacturing partners, owned manufacturing operations, warehousing, logistics, sourcing, and sales outside of Canada.

In 2023, U.S.-based Ex-Tech (acquired in May 2021) and FormTex (acquired in July 2022) contributed 33% and 11% of total revenues of the Corporation respectively. The Corporation's U.S. headquarters is based out Ex-Tech's 75,000 square foot manufacturing facility located in Richmond, Illinois.



The Corporation has also engaged independent contractors in a number of locations to support the Corporation's go-to-market strategy and supply chain initiatives.

REORGANIZATIONS

Aside from the Corporation's acquisitions of Shepherd, IPF, Ex-Tech, and FormTex there have been no material reorganizations of the Corporation or any of its subsidiaries within the past three fiscal years.

SOCIAL & ENVIRONMENTAL POLICIES

As noted above, the Corporation's goal is to become North America's leading earth-friendly product company by offering the broadest assortment of eco-friendly options made from renewable, plant-based materials.

good natured® products and packaging are in compliance with food safety and environmental health regulations throughout their life cycles – from design, development and selection of material formulations through manufacturing, packaging, product end use and disposal.

Each chemical constituent in material formulations undergoes a rigorous safety assessment in accordance with California's Proposition 65. An ingredient is used in *good natured*® products only if confirmed as safe per these regulations, and a Material Safety Data Sheet and/or Supplier Letter of Guarantee is available for all *good natured*® branded products. Manufacturing processes also undergo technical review by process safety experts.

In addition to material safety, all resins, additives, colorants, coatings and other ingredients used to manufacture *good natured*® products that come in contact with food have been approved for food grade applications under the U.S. Food and Drug Administration's Code of Federal Regulations – Title 21. *good natured*® also does not introduce gluten or other allergens, such as nuts or wheat, into any of its material formulations.

The Corporation refers to the most updated versions of material safety regulations and lists while developing and formulating any new products to ensure ongoing compliance.

As independent confirmation of environmental claims is critically important to building and maintaining consumer trust, the Corporation ensures compliance with its environmental promises by performing the following independent tests and certifications on its products:

- American Society for Testing Materials ("**ASTM**") – confirmation of performance and product characteristics are completed based on ASTM testing standards, in all instances where such standards exist
- Material Data Safety Sheets ("**MSDS**") – MSDS secured for all materials used in *good natured*® branded products to ensure the absence of chemicals of concern as outlined in California's Proposition 65
- FTC Green Guides – the Corporation monitors and implements the U.S. Federal Trade Commission's Green Guidelines to avoid misleading or confusing statements in marketing and advertising that leads to "greenwashing", such as claiming products are compostable without the corresponding certifications and/or disclaimers
- USDA BioPreferred – bio-based content of *good natured*® branded products and packaging is confirmed and certified by the USDA BioPreferred program, included in product descriptions and listed in the USDA BioPreferred online catalogue of certified bio-based products and materials, as applicable
- Composting Manufacturer's Alliance ("**CMA**") – applicable products, mostly packaging and take-out foodservices items, are certified compostable in industrial facilities by the CMA, included in product descriptions and listed in the CMA online catalogue of accepted compostable products and materials

- Biodegradable Products Institute ("**BPI**") – applicable products, mostly take-out foodservices items design for closed loop, zero-waste operations, are BPI certified compostable in industrial facilities, marked on the products themselves where possible and listed in the BPI online catalogue of BPI certified products and materials

Other than as noted above and in this AIF, the Corporation has not implemented any social or environmental policies that are fundamental to its operations.

RISK FACTORS

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Corporation's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Corporation may be subject to and other risks may exist.

RISKS RELATED TO THE BUSINESS

Inability to Achieve or Sustain Profitability and Positive Cash Flow on an Ongoing Basis

There can be no assurance that the Corporation will be able to achieve profitability, or once achieved, be able to sustain profitability or positive cash flow on an ongoing basis, if at all. Future operating results will depend upon many factors, including, but not limited to, the Corporation's success in attracting necessary financing, maintaining and establishing credit or operating facilities, ability to develop and commercialize existing and new products, ability to successfully market its products and attract repeat customers, ability to control operational costs, variability of input costs, ability to maintain and expand its supply chain, ability to retain motivated and qualified personnel, legal and regulatory developments in the jurisdictions in which the Corporation operates, as well as, general economic conditions which affect businesses. It cannot be assured that the Corporation will successfully address any of these risks.

Problems Resulting from Rapid Growth

The Corporation is pursuing a plan to grow its revenues by delivering its expanding catalogue of bioplastic products and packaging to a broader customer base impacted by environmental legislation, chemical toxicity and corporate sustainability mandates, by continuing to grow revenue with existing customers and by acquiring businesses with an existing customer base, all of which will require capital. In the emerging bioplastics industry, up-front expenses can be high and customization on a customer-by-customer basis is often required. Besides attracting and maintaining qualified personnel, employees or contractors, the Corporation expects to require additional working capital and other financial resources to meet the needs of its planned growth. No assurance exists that its plans will be successful or that these items will be satisfactorily handled, and this may have material adverse consequences on the business of the Corporation.

Liquidity, Leverage and Restrictive Covenants

As at December 31, 2023 the Corporation had total non-current long-term debt of $56.6 million and net working capital deficit of $1.4 million. Deterioration in the Corporation's consolidated revenues and relationships with suppliers, or the inability to manage costs and inventory could materially adversely affect the Corporation's financial condition, liquidity and results of operations and the Corporation may not be able to pay its debts as they become due.

Similarly, the inability of the Corporation, through its affiliates, to meet its payment and other obligations to its lenders would have a materially adverse effect on the Corporation's financial condition, liquidity and results of operations. There are no assurances that the Corporation and its subsidiaries will continue to be in compliance with the terms, conditions and covenants of its loan agreements, a breach of which could materially adversely affect the Corporation's financial condition, liquidity and results of operations.

The degree to which the Corporation is leveraged could have important consequences to the holders of the Corporation's Common Shares, including: (i) its ability to obtain additional financing for working capital or future acquisitions; (ii) a portion of cash flow from operations will be dedicated to the payment of the principal and interest on its indebtedness, and for many periods to date cash-flow from operations has not been sufficient to fund debt service thereby further increasing the capital needs of the Corporation.

The Corporation's loan agreements contain restrictive covenants that limit management's discretion with respect to certain business matters. These covenants place restrictions on or require prior consent for among other things, the ability to incur additional indebtedness, to create liens or other encumbrances, or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity.

The Corporation's ability to make scheduled payments of the principal of or interest on, or to refinance, its indebtedness, as well as its ability to finance working capital requirements or future acquisitions, will depend on its future cash flow, which is subject to the operations of our business, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The occurrence of any of the events described above may affect our ability to operate as a going concern. See "*Description of Capital Structure – Outstanding Debt*."

Competition

There is significant competition in the bioplastics and high-performance plastics market from a range of players from larger established companies to start-ups. The Corporation competes with others offering similar products that are made from both plant-based and petroleum based materials. If the Corporation's systems and technology fail to achieve or maintain market acceptance, or if new products and/or technologies are introduced by competitors that are more favorably received than the Corporation's offering, or are more cost effective or provide legal exclusivity through patents or are otherwise able to render the Corporation's technology and/or products obsolete, the Corporation will experience a decline in demand which will result in lower than expected sales performance and associated reductions in expected operating profits, all of which would negatively affect stock prices for the Corporation.

The Corporation may also be required to collaborate with third parties to develop its products and may not be able to do so in a timely and cost-effective basis, if at all.

Performance of Plant-based Materials

There are significant technical requirements that customers require the Corporation's products and packaging to meet before they are accepted. The Corporation may not be able to meet these technical requirements, or additives may need to be added to material formulations to meet these technical requirements, which could drive up the price of the Corporation's products and packaging to a point where they are not profitable when sold at the intended prices.

Raw Material Supply & Costs

The Corporation sources its raw material from different unique suppliers both in North America and globally. These supplies may be subject to macro-economic, channel supply strategy adjustments, logistic disruptions, and other influences that could make it vulnerable to short and long term supply shortages, price fluctuations, and/or delays that could impact the Corporation’s targeted 18-month timeframe to convert acquired businesses to manufacturing with plant-based materials.

Fluctuations in raw material costs can adversely affect the Corporation, its financial condition and results of operations. Raw material costs represent a significant portion of the Corporation’s cost of sales. The prices of many of raw materials have fluctuated greatly in the last three years, and may continue to be affected by local market conditions (including weather), as well external global conditions such as cost of ocean freight.

Although many of the Corporation’s customer pricing agreements include raw material cost pass-through mechanisms, which mitigate the impact of supply chain changes, contractual price adjustments do not occur simultaneously with raw material price changes. Due to differences in timing between purchasing of raw materials and sell-through to customers, there is often a “lead-lag” effect during which margins may be negatively impacted in periods of rising raw material costs and positively impacted in periods of falling raw material costs. Additionally, some of the Corporation’s sales are not covered by such pass-through mechanisms, and while price increases are implemented whenever possible to mitigate the effect of raw material cost increases, in certain contractual circumstances, it is not possible to pass on cost increases to customers on a timely basis, if at all. Consequently, the Corporation is not always able to fully recover the lost margin resulting from raw material cost increases. Additionally, increased selling prices for the Corporation's products, resulting from a pass-through of increased raw material costs, warehousing and/or freight costs could have an adverse impact on the volume of units sold.

The Corporation is dependent on third parties for the transportation of both raw materials and other supplies required for manufacturing and distribution of its products. In certain jurisdictions, the Corporation is exposed to import duties and freight costs, the latter of which is influenced by carrier availability, as well as fluctuating oil prices and other transportation input costs.

Additional risks and uncertainties not currently known to the Corporation or that are currently deemed immaterial also may adversely affect the Corporation's business, results of operations, financial condition and/or future results.

Labor Availability and Labor Costs

Labor is one of the primary components in the cost of operating the business. If the Corporation faces labor shortages and increased labor costs as a result of increased competition for employees, higher employee turnover rates, increases in the federal, state or local minimum wage or other employee benefit costs, the Corporation's operating expenses could increase, and growth and results of operations could be adversely impacted. In addition, competition for employees has become increasingly intense, and in management's view, it expects ongoing pressure for higher wages in light of inflation and other factors, resulting in increased labor costs. Additionally, costs associated with workers' compensation are rising, and these costs may continue to rise in the future.

Loss of Key Manufacturing Equipment, Capability or Facilities

The Corporation manufactures most of its products in a number of diversified facilities. A loss of the use of all or a portion of any of its key manufacturing facilities due to accidents, labor issues, weather conditions, pandemics, terrorism, natural disasters or otherwise, could have a material adverse effect on the Corporation's financial condition or results of operations. Some *good natured*® products are produced at only one or at a small number of facilities, increasing the risks associated with a loss of use of such facilities. Facilities may from time to time be impacted by adverse weather and other natural events, and the prolonged loss of a key manufacturing facility due to such events could have a material adverse effect on the business. In addition, some of the Corporation's equipment requires significant effort to maintain and repair, and prolonged down-time due to key equipment failure, delays in sourcing parts needed for repair, or total loss of equipment could have a material adverse effect on the business.

Supply of Faulty or Contaminated Products

Although the Corporation has control measures and systems in place to ensure that the maximum safety and quality of products is maintained, the consequences of not being able to do so, due to accidental or malicious raw material contamination, or due to supply chain contamination caused by human error or faulty equipment, could be severe. Such consequences may include adverse effects on consumer health, reputation, loss of customers and market share, financial costs or loss of revenue. If any of the products are found to be defective or non-conforming, a recall may be required for such products, which could result in adverse publicity, significant expenses and a disruption in sales that could affect the Corporation's reputation and that of *good natured*® branded products. Although the Corporation maintains product liability insurance coverage, potential product liability claims may exceed the amount of insurance coverage or potential product liability claims may be excluded under the terms of the policy. In addition, if any of the Corporation's competitors or customers supply faulty or contaminated products to the market, or if manufacturers of the end-products that utilize the Corporation's inputs, produce faulty or contaminated products, the Corporation's industry, or the industry of its end-products, could be negatively impacted, which could have adverse effects on the business.

Logistics and Warehousing

The vast majority of the Corporation's business is dependent on third party logistics service providers to ensure materials used in operations and shipment of finished goods to customers are delivered on time. Although the Corporation has created a network of third party logistics service providers, global supply chain disruptions, reshoring of manufacturing, shortages of transportation drivers, shortages of containers, and shortages of warehousing space could have a material adverse effect on the Corporation's financial condition or results of operations.

Additional Financing Will be Required

The Corporation anticipates that it will need additional financing in the future to continue its operations. Financing may not be available to the Corporation on commercially reasonable terms, if at all, when needed. There is no assurance that the Corporation will be successful in raising additional capital or that the proceeds of any future financings will be sufficient to meet its future capital needs. Additional financing in the future involving the issuance of securities by the Corporation may be dilutive to shareholders.

Possibility of Significant Fluctuations in Operating Results

The Corporation's revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including, but not limited to, access to funds for working capital and market acceptance of its products. Revenues and operating results may also fluctuate based upon the number and extent of potential financing activities in the future. There can be no assurance that the Corporation will be able to reach profitability on a quarterly or annual basis.

The Corporation has not arranged for any independent market studies to validate its business plan and no outside party has made available results of market research with respect to the extent to which customers are likely to utilize its products or the probable market demand for its products. Plans of the Corporation for implementing its business strategy and achieving profitability are based upon the experience, judgment and assumptions of key management personnel, and upon available information concerning the bioplastics industry. If management's assumptions prove to be incorrect, the Corporation may not be successful in growing its business.

Expected Benefits from Strategic Capital Investment

The Corporation regularly reviews its business strategy to identify opportunities to make strategic capital investments to accelerate its growth strategy through organic initiatives, acquisition, reduction of operating costs, improved cost of goods sold, improved supply chain productivity, and/or increasing its range of product offerings. When the Corporation identifies such opportunities, it may form and deploy strategic capital investment that may not be able to realize some or all of what the Corporation is expected to achieve as a result of its strategic capital investment. A variety of factors could cause the Corporation to not realize what it aims to achieve, including, among others, delays in the anticipated timing of activities related to launching new organic growth initiatives, anticipated timing of integrating acquisitions, lack of sustainability in operating and cost of goods savings over time, unexpected costs associated with implementing the strategic capital investment initiatives or operating the business, and lack of ability to eliminate duplicated back office overhead and redundant selling, general and administrative functions, including procurement related savings, rationalization of distribution and warehousing networks, rationalization of manufacturing capacity and shift production to more economical facilities, and avoidance of labor disruptions in connection with any integration, particularly in connection with any headcount reductions.

Acquisition and Integration Strategies

As part of its business strategy, the Corporation may pursue strategic acquisitions. There can be no assurance that it will find additional attractive acquisition candidates or succeed at effectively maintaining the integration of any businesses acquired in the future.

Acquisitions involve a number of risks, including: (i) the possibility that the Corporation, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Corporation may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) the difficulty of integrating the operations and personnel of an acquired business; (v) the challenge of implementing standard controls, procedures and policies throughout an acquired business; (vi) the inability to integrate, train, retain and motivate key personnel of an acquired business; and (vii) the potential disruption of the Corporation's ongoing business and the distraction of management from its day-to-day operations.

These risks and difficulties, if they materialize, could disrupt the Corporation's ongoing business, distract management, result in the loss of key personnel, increase expenses and otherwise have an adverse effect on the Corporation's business, results of operations and financial performance.

Investment in Technological Innovation

If the Corporation fails to invest sufficiently in research and product development, its products could become less attractive to potential customers, which could have a material adverse effect on the results of operations and financial condition of the Corporation.

Retention or Maintenance of Key Personnel

There is no assurance that the Corporation can continuously retain or maintain key personnel in a timely manner if the need arises, even though qualified replacements are believed by management to exist. Failure to have adequate personnel may materially harm the ability of the Corporation to operate.

Contractual Arrangements

The Corporation is investing time and resources in developing relationships with a few key customers and prospective customers and if such customers or prospective customers were to terminate their relationships with the Corporation or reduce their contractual order volumes, it could have a material negative impact on the Corporation's anticipated performance.

Lack of Control in Transactions

Management of the Corporation intends to retain other companies to perform various services but may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of the Corporation may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

Reliance on Third Parties

The Corporation's supply chain relies in part on an outsourced supply chain model and as such certain logistics, technology and manufacturing services are provided to it by third parties. There can be no assurance that these third-party service providers will be available to the Corporation in the future on acceptable commercial terms or at all. If the Corporation were to lose one or more of these service providers, it may not be able to replace them in a cost-effective manner, or at all. This could harm the business and results of operations of the Corporation.

No Guarantee of Success

The Corporation and the companies with which it intends to transact business, have significant business purchases and operational plans pending and are, therefore, subject to various risks and uncertainties as to the outcome of these plans. No guarantee exists that the Corporation, or any Corporation with which it transacts business, will be successful.

Proprietary Rights Could Be Subject to Suits or Claims

No assurance exists that the Corporation or any third party with which it transacts business, can or will be successful in pursuing or maintaining protection of proprietary rights such as business names, logos, marks, ideas, patents, inventions, and technology which may be acquired over time. In some cases, governmental registrations may not be available or advisable, considering legalities and expense, and even if registrations are obtained, adverse claims or litigation could occur.

Financial, Political or Economic Conditions

The Corporation may be subject to additional risks associated with doing business in foreign countries.

The Corporation expects to do business worldwide. As a result, it may face significant additional risks associated with doing business in other countries. In addition to language barriers, different presentations of financial information, different business practices, and other cultural differences and barriers, ongoing business risks may result from the international political situation, uncertain legal systems and applications of law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability. In doing business in foreign countries, the Corporation may also be subject to risks including, but not limited to, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, expropriation, corporate and personal liability for violations of local laws, possible difficulties in collecting accounts receivable, increased costs of doing business in countries with limited infrastructure, risks related to shipment of raw materials and finished goods across national borders and cultural and language differences. The Corporation also may face competition from local companies which have longer operating histories, greater name recognition, and broader customer relationships and industry alliances in their local markets, and it may be difficult to operate profitably in some markets as a result of such competition. Foreign economies may differ favorably or unfavorably from the U.S. economy or Canadian economy in growth of gross national product, rate of inflation, market development, rate of savings, and capital investment, resource self-sufficiency and balance of payments positions, and in other respects.

When doing business in foreign countries, the Corporation may be subject to uncertainties with respect to those countries' legal systems and laws, which may impact its ability to enforce agreements and may expose it to lawsuits.

Legal systems in many foreign countries are new, unclear, and continually evolving. There can be no certainty as to the application of laws and regulations in particular instances. Many foreign countries do not have a comprehensive system of laws, and the existing regional and local laws are often in conflict and subject to inconsistent interpretation, implementation and enforcement. New laws and changes to existing laws may occur quickly and sometimes unpredictably. These factors may limit the Corporation's ability to enforce agreements with its current and future customers and supply chain partners. Furthermore, it may expose the Corporation to lawsuits by its customers or supply chain partners in which the Corporation may not be adequately able to protect itself.

When doing Business in Foreign Countries, the Corporation may be Unable to Fully Comply with Local and Regional Laws which may Expose it to Financial Risk

When doing business in foreign countries, the Corporation may be required to comply with informal laws and trade practices imposed by local and regional government administrators. Local taxes and other charges may be levied depending on the local needs to tax revenues and may not be predictable or evenly applied. These local and regional taxes/charges and governmentally imposed business practices may affect the cost of doing business and may require the Corporation to modify its business methods to both comply with these local rules and to lessen the financial impact and operational interference of such policies. In addition, it is often extremely burdensome for businesses operating in foreign countries to comply with some of the local and regional laws and regulations. Any failure on the part of the Corporation to maintain compliance with the local laws may result in fines and fees which may substantially impact its cash flow, cause a substantial decrease in revenues, and may affect its ability to continue operations.

Product Liability

The Corporation is subject to potential product liabilities connected with its operations, including liability and expenses associated with product defects. There are no assurances that the Corporation’s quality control processes will identify all issues, and if a quality issue is found that the Corporation will always be adequately insured against all such potential liabilities.

Operating Risk and Insurance Coverage

The Corporation currently carries insurance to protect its assets, operations and employees. While the Corporation believes insurance coverage can adequately address many of the material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for all risks and hazards to which we may become exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Converting Acquired Petroleum-Based Product Lines to Plant-Based Products

Part of the Corporation's strategy includes acquiring businesses which make packaging and products from petroleum-based plastics and converting their product offerings to plant-based products over time. The transition to plant-based products from the Corporation's recent acquisitions is ongoing, and the timing for conversion is determined (and limited by) existing commitments of the acquired businesses. The Corporation's vision is to fully convert all such products to more plant-based products, but due to existing commitments and customer relationships, the transition will occur gradually over a period of time and the Corporation may not be able to fully convert or divest all customer relationships that involve petroleum-based plastics. The Corporation intends to use reasonable efforts to divest in the future any such product offerings that it is not able to convert to plant-based products. The Corporation may do further acquisitions of petroleum-based plastics producers, for which the timing of conversion to plant-based products may face similar uncertainties.

RISKS RELATED TO GOOD NATURED® INTELLECTUAL PROPERTY AND INFORMATION TECHNOLOGY

Protection of good natured® Intellectual Property

The Corporation's products utilize a variety of proprietary rights that are important to its competitive position and success. The Corporation has been protecting some, but not all, of its intellectual property through patents that focus on composition of matter, that is, the materials that make up its bioplastics formulations. Other intellectual property is protected through trade secrets. Because the intellectual property associated with the Corporation's technology is evolving, current intellectual property rights may not adequately protect the Corporation and/or it may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or products, and protection that is secured may be challenged and possibly lost. The Corporation generally enters into confidentiality or license agreements or has confidentiality provisions in agreements with the Corporation's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. The Corporation's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its products, which would result in a decline in its revenues and profitability.

Third Party Intellectual Property Rights

The Corporation could become subject to litigation regarding intellectual property rights that could significantly harm its business. The Corporation's commercial success will also depend in part on its ability to make and sell its products without infringing on the patents or proprietary rights of third parties. Competitors, many of whom have substantially greater resources than the Corporation and have made significant investments in competing technologies or products, may seek to apply for and obtain patents that will prevent, limit or interfere with the Corporation's ability to make or sell its products.

Information Technology, Network and Data Security Risks

The business of the Corporation faces security risks. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Corporation. Computer viruses, break-ins, or other security problems could lead to misappropriation of proprietary information and interruptions or delays in the Corporation's business.

OTHER RISKS

Share Price Fluctuation, Liquidity and Speculative Nature of Securities

The market price of the Corporation's shares could fluctuate substantially, and such shares should be considered speculative securities. In addition, the equity markets in general, and the TSXV in particular, have experienced extreme price and volume fluctuations historically that have often been unrelated or disproportionate to the operating performance of listed companies. These broad market factors may affect the market price of the Corporation's shares adversely, regardless of its operating performance. Price and volume fluctuations may lead to decreased trading volume and general market interest in the Common Shares which may affect a shareholder’s ability to trade significant numbers of Common Shares and limit the ability of institutional investors to purchase the Common Shares.

Volatility in the Price of Shares

The market for the Corporation's shares may be characterized by significant price volatility when compared to seasoned issuers, and the Corporation expects that the share price will be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. The Corporation may in the future be a target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention from day-to-day operations and consume resources, including cash. Operating results may fluctuate as a result of a number of factors, many of which are outside of the control of the Corporation. The following factors may affect operating results: ability to compete; ability to attract customers; amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the business, operations and infrastructure; general economic conditions and those economic conditions specific to the bioplastics industry; the success of product line expansion; and ability to attract, motivate and retain top-quality employees.

Dividends

Management intends to retain any future earnings to support the development of the business of the Corporation and does not anticipate paying cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account various factors, including but not limited to its financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that the Corporation may be a party to at the time. Accordingly, investors must rely on sales of the Corporation's shares after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase the Corporation's shares.

Dilution

Any additional offerings of securities effected by the Corporation may result in substantial dilution in the percentage of the Corporation's shares held by existing shareholders.

Significant Shareholder

As at December 31, 2023, the Corporation's largest shareholder owned, directly or indirectly, or exercises control or direction over in the aggregate approximately 13% of the Corporation's shares on a fully diluted basis. Such shareholder may have the ability to determine the outcome of matters submitted to the shareholders of the Corporation for approval, including the election and removal of directors, amendments to the Corporation's corporate governing documents and business combinations. The Corporation's interests and those of such shareholder may at times conflict, and this conflict might be resolved against the Corporation's interests. The concentration of control in the hands of such shareholder may practically preclude an unsolicited bid for the Corporation, and this may adversely impact the value and trading price of the Corporation's shares.

Conflicts of Interest

The Corporation may contract with affiliated parties, members of management of the Corporation, or companies owned or controlled by members of management. These persons may obtain compensation and other benefits in transactions relating to the Corporation. Certain members of management of the Corporation will have other minor business activities other than the business of the Corporation, but each member of management intends to devote substantially all of their working hours to *good natured®* unless otherwise agreed to by the Corporation on a case-by-case basis. Although management intends to act fairly, there can be no assurance that the Corporation will not possibly enter into arrangements under terms one could argue are less favorable than what could have been obtained had the Corporation or any other company had been dealing with unrelated persons.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of Common Shares without par value, and unlimited number of preferred shares without par value, issuable in series of which 279,040,427 Common Shares and no preferred shares were issued and outstanding as at December 31, 2023. The holders of Common Shares are entitled to one vote for each Common Share held, and shall be entitled to dividends if and as when declared by the Board. Holders of Common Shares are entitled on liquidation to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares are fully paid and non-assessable.

STOCK OPTIONS, RESTRICTED SHARE UNITS, DEFERRED SHARE UNITS, PERFORMANCE SHARE UNITS & RESTRICTED SHARE UNITS

Employees, directors, officers and consultants of the Corporation and its affiliates are eligible to participate in the Corporation's Omnibus Equity Incentive Compensation Plan (the "**Incentive Plan**"). The Board or a committee authorized by the Board is responsible for administering the Incentive Plan. The number of Common Shares reserved for issuance to under the Incentive Plan and all other share compensation arrangements of the Corporation must not in the aggregate at any time exceed 31,437,896 Common Shares.

As at December 31, 2023, 8,626,397 stock options to acquire Common Shares ("**Options**") were outstanding. Such Options were granted to the directors, officers, employees and consultants of the Corporation and its subsidiaries. Each option is exercisable for one Common Share. Such Options were issued with exercise prices ranging between $0.10 and $1.29 per Share, with a weighted average remaining life of 4.7 years and a weighted average price of $0.31.

As at December 31, 2023, 4,008,718 restricted share units ("**RSUs**") were issued and outstanding. Such RSUs were granted to the directors, officers, employees and consultants of the Corporation. Each RSU entitles the holder to receive either one Common Share from treasury, the cash equivalent of one Common Share or a combination of cash and Common Shares, as the Board may determine in its sole discretion. Such RSUs vest over a period of two or three years, and on or following each annual vesting date the vested portion of the RSUs will be settled.

As at December 31, 2023, 76,000 deferred share units ("**DSUs**") were issued and outstanding. Such DSUs were granted to the directors of the Corporation. Each DSU entitles the holder to receive either one Common Share from treasury, the cash equivalent of one Common Share or a combination of cash and Common Shares, as the Board may determine in its sole discretion. Such DSUs vest over a period of two years and on or following each annual vesting date the vested portion of the DSUs will be settled.

As at December 31, 2023, 5,237,625 performance share units ("**PSUs**") were issued and outstanding. Such PSUs were granted to the officers, employees and consultants of the Corporation. Each PSU entitles the holder to receive either one Common Share from treasury, the cash equivalent of one Common Share or a combination of cash and Common Shares, as the Board may determine in its sole discretion. Such PSUs vest in accordance with the achievement of certain performance criteria over a period of one or two years and on or following each annual vesting date the vested portion of the PSUs will be settled.

OUTSTANDING DEBT

The following table provides a brief description of the terms of the material issued and outstanding debt of the Corporation and its subsidiaries as at December 31, 2023. All amounts represent the cash principal outstanding. This table has not been audited or reviewed by the Corporation's auditors:

Security	Principal Amount as at December 31, 2023	Key Terms	Interest Rate/Maturity
Convertible Debentures – October 2021	$17,250,000	5 years, with a maturity date of October 28, 2026.	7% interest payable bi-annually.
Wells Fargo	US$10,744,726	4-year revolving credit facility.	Secured overnight financing rate + 2.50-3.00%

HSBC Mortgage	$6,406,029	25 year period with monthly interest and principal repayments	Canadian Prime + 1.35
BDC Mortgage	$9,940,000	25 year period with monthly interest and principal repayments.	BDC Base rate minus 0.25%
Western Innovation Initiative Loan(s)	$1,054,142	$349,665 to be repaid commencing January 1, 2024 with 18 monthly instalments of $18,383, with the balance repaid on the 19th month; $704,477 to be repaid commencing January 1, 2024 in 38 monthly instalments of $18,083, with the balance repaid on the 39th month.	Interest free.
EDC	US$1,472,896	Fixed 42 month period of interest and principal payments.	Interest payable at a rate of US Prime Rate plus 3%.
Vendor Loan from sellers of Shepherd	$500,000	$300,000 of principal paid in May 2021. $500,000 of principal paid in November 2023. Balance due on November 12, 2024.	Interest payable at a rate of 4% per annum, paid quarterly.

		Mortgage security granted over Shepherd property.	
Vendor Loan from seller of IPF	$2,222,580	One third of the principal paid in January 2023. $300 paid on January 8, 2024, with the balance paid in equal monthly installments ending August 31, 2027.	Interest payable at a rate of 3.75%. Interest increased to 5.75% effective January 1, 2024
December 2019 Debentures	$1,315,000	$870,000 with a maturity date of December 30, 2024; $785,000 with a maturity date of January 23, 2025 Unsecured.	10% interest payable bi-annually.
ACBT Mortgage	US$2,648,207	US$25,000 monthly interest and principal repayments until maturity on May 28, 2026.	Interest rate of 8.9% per year
PTI Equipment Lease	$1,510,387	$25,480.77 monthly payments of principal and interest until maturity January 14, 2028	Incremental annual borrowing rate of 3.6%

US Equipment Lease	US$3,494,070	US$88,389 monthly payments of principal and interest until May 1, 2027.	Incremental annual borrowing rate of 30%.

UNSECURED CONVERTIBLE DEBENTURES

As at December 31, 2023, the Corporation has $1,315,000 (December 31, 2022 – $1,315,000) unsecured 10% convertible debentures outstanding due December 30, 2024 (the "**Maturity Date**"). The conversion price of the outstanding debenture is $0.23 per common share.

On October 28 2021, the Corporation closed an offering of publicly tradable convertible debentures (the "**2026 Debentures**") for aggregate gross proceeds of $17,250,000 which included an over-allotment option to sell up to an additional $2,250,000 principal amount of Debentures. The Debentures mature on October 31, 2026, and accrue interest at the rate of 7.00%, payable semi-annually in arrears on April 30 and October 31 of each year, commencing April 30, 2022.

For additional information concerning the Corporation's outstanding debentures, see "Three Year History".

WARRANTS

As at December 31, 2023, the Corporation had the following Warrants outstanding:

Expiry Date	Warrants Outstanding	Exercise Price
June 1, 2024	8,201,250	$0.52
June 1, 2024	963,150	$0.40
December 21, 2025	35,714,185	$0.19
December 21, 2025	2,071,429	$0.14

MARKET FOR SECURITIES

The Corporation's Common Shares are traded on the TSXV under the symbol "GDNP" and on the OTCQB Venture Market under the symbol "GDNPF".

TRADING PRICE AND VOLUME

The following table sets out the high and low daily closing prices and the volumes of trading of the Corporation's Common Shares on the TSXV for the financial year ended December 31, 2023 and up until the date of this report.

COMMON SHARES

Month/year	Price Range		Trading Volume
	High ($)	Low ($)	
January 2023	0.31	0.25	2,516,500
February 2023	0.27	0.24	1,188,500
March 2023	0.26	0.20	1,722,500
April 2023	0.25	0.23	864,700
May 2023	0.24	0.16	2,941,800
June 2023	0.18	0.10	6,982,200
July 2023	0.14	0.11	1,918,400
August 2023	0.14	0.08	3,459,000
September 2023	0.11	0.09	1,859,100
October 2023	0.10	0.09	1,555,400
November 2023	0.10	0.07	4,089,400
December 2023	0.08	0.06	3,720,900
January 2024	0.12	0.07	3,313,700
February 2024	0.08	0.06	3,625,600
March 2024	0.07	0.06	1,478,100
April 1, 2024 – April 15, 2024	0.07	0.06	1,686,700

PRIOR SALES

During the financial year ended December 31, 2023, the Corporation issued the following securities that are outstanding but not listed or quoted on a marketplace.

Date of Issuance	Number of Securities	Security	Exercise Price per Security ($)	Issue Price per Security ($)
March 2023	1,051,753	Stock Options(1)	0.27	--
March 2023	2,878,121	Restricted Share Units(2)	0.24	--
March 2023	3,507,349	Performance Share Units(3)	0.24	--
June, 2023	35,714,285	Warrants(4)	0.19	--
June, 2023	2,071,429	Broker Warrants(5)	0.14	--

Notes:
(1) Issued pursuant to the Incentive Plan; expire March 13, 2033.
(2) Three year RSUs issued pursuant to the Incentive Plan, to be settled in cash or Common Shares (valued at the closing price of the Common Shares on the TSXV on the trading day immediately prior to the date of settlement.
(3) Issued pursuant to the Incentive Plan to be settled in cash or Common Shares (valued at the closing price of the Common Shares on the TSXV on the trading day immediately prior to the date of settlement.
(4) Share purchase warrants issued in conjunction with the June 2023 Private Placement
(5) Issued to agents in conjunction with June 2023 Private Placement.

ESCROWED SECURITIES

As of December 31, 2023 and as of the date of this AIF, the Corporation has no securities that are in escrow or that are subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDINGS

The following are the names, province and country of residence of the directors and officers of the Corporation, the positions and offices they hold with the Corporation and their principal occupations during the five preceding years, as of the date of this Annual Information Form.

Each director will hold office until the next annual general meeting of shareholders unless his office is earlier vacated in accordance with the BCBCA and the Articles of the Corporation.

The number of and percentage of securities listed in the table below for each director and officer are Common Shares owned as at December 31, 2023 with percentage calculated on an undiluted basis as at December 31, 2023.

Name and Province and Country of Residence	Position(s) with the Corporation	Principal Occupation During Past Five Years	Director/ Officer since	Number and Percentage of Securities
Keith Spencer (1) (2) (3) *British Columbia, Canada*	Lead Independent Director	Counsel with Fasken's Start-Up & Emerging Tech Services group, from January 2020 to present; Senior Partner and co-lead 2000 to December 2019. Independent Director on numerous emerging and growth technology boards through multiple rounds of venture capital funding, scaling and M&A transactions.	December 13, 2022	263,285 or <1%
Paul Antoniadis (2) *British Columbia, Canada*	CEO and Executive Chair	Chief Executive Officer of the Corporation from June 2015 to present. Appointed Executive Chair of the Corporation on June 27, 2019. Director at Scenario Ventures from 2011 to present.	March 26, 2015	7,893,253 or 2.8%
Mark Munford *Ontario, Canada*	Independent Director	Chief Executive Officer of NC Brands from 2015 and President of Natural Chemistry since 1990. NC Brands is a North American leader in swimming pool and spa care products using green chemistry technology. NC Brands was acquired in 2019 by leading North American chemical manufacturer, KIK Custom Products Inc.	January 8, 2024	36,068,890 or 12.9%

Joel Marsh [1] [2] [3] *Minnesota, USA*	Independent Director	Vice President, Clients Services BDS Solutions, retail optimization specialist, from February 2024 to present. From April 1989 to August 2022, Senior Director of Digital, Analytics and Technology of Best Buy Co., Inc., a U.S. based consumer electronics retailer.	June 1, 2020	Nil
Tami Kozikowski [1] *Minnesota, USA*	Independent Director	Chief Executive Officer of The Waters Group since 2018. The Waters Group is leader in senior living communities located in Minnesota, Wisconsin and Pennsylvania. EVP, Real Estate and Development & LifeSpa at Lifetime Fitness from 2012 to 2016. Chief Development officer at Advance Auto Parts from 2009 to 2012.	June 5, 2023	133,000 or <1%
Karl Sanft [3] *Thousand Oaks, California, USA*	Independent Director	Chief Executive Officer of 24 Hours Fitness since May 2022. Chief Operating Officer of 24 Hours Fitness since April 2019. 24 Hour Fitness operates 300 locations in the United States. Senior Vice President of Retail Operations for Best Buy from 2013 to 2019.	July 14, 2023	500,000 or <1%
Don Holmstrom *British Columbia, Canada*	Executive Vice President of Corporate Development, Strategic Partnerships and Capital Planning	EVP of Corporate Development, Capital Planning and Strategic Partnership from February 1 2021 to present. Chief Financial Officer, EVP - Operations and Secretary of the Corporation from October 5, 2016 to January 2021. President at Value Drivers Inc., a boutique advisory firm for business owners and companies, from February 2009 to present.	October 6, 2016	605,807 or <1%
Kerry Biggs *British Columbia, Canada*	Chief Financial Officer	Chief Financial Officer from January 9, 2023 to present. From 2020 to 2022, Chief Financial Officer of Citizen Stash Cannabis Corp. From 2018 to 2019, Chief Financial Officer of True Leaf Brands. From 2015 to 2018, Vice President, Treasurer of Lululemon Athletica Inc.	January 9, 2023	253,300 or <1%

Stephanie Zahn *British Columbia, Canada*	Chief Growth Officer	Chief Growth Officer of the Corporation from January 2020 to present. Director at Scenario Ventures from 2011 to present.	January 1, 2020	1,442,320 <1%

Notes:

(1) Member of Audit Committee
(2) Member of Nominating & Corporate Governance Committee
(3) Member of Compensation Committee

As at December 31, 2023, the directors and officers of the Corporation, as a group, owned, directly or indirectly, 47,842,876 Common Shares representing approximately 17% of the total issued and outstanding Common Shares on a non-diluted basis.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

During the ten years preceding the date of this Annual Information Form and as at the date of this Annual Information Form, no director or executive officer of the Corporation has, to the knowledge of the Corporation, been a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, during the ten years preceding the date of this Annual Information Form and as at the date of this Annual Information Form, to the knowledge of the Corporation, no director or executive officer of the Corporation or a security holder who holds a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is or has been a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Kerry Biggs, Chief Financial Officer of the Corporation, acted in the capacity of Chief Financial Officer of True Leaf Brands Inc. from September 10, 2018 to November 30, 2019. True Leaf Brands Inc. entered into creditor protection in April 2020 until November 2020.

All such representations are made upon the reliance of information provided by such individuals and the Corporation has not conducted any independent searches to verify such information.

CONFLICTS OF INTEREST

The directors and officers of the Corporation are directors, officers and/or shareholders of other private and publicly listed corporations. Conflicts may arise between their duties to the Corporation and their duties to such other corporations. All such conflicts will be dealt with pursuant to the provisions of the applicable corporate legislation. In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts to the Board as soon as they become aware of them.

PROMOTERS

The Corporation does not have any "promoters", as defined under applicable securities laws.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management knows of no legal proceedings, contemplated or actual, involving the Corporation which could materially affect the Corporation, and the Corporation was not a party to any such proceedings during the financial year ended December 31, 2023 and up to the date of this Annual Information Form.

Management knows of no:

(a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2023 and up to the date of this Annual Information Form; or

(b) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or

(c) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2023 and up to the date of this Annual Information Form.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Corporation's Common Shares is TSX Trust Company, 100 Adelaide St. W #301, Toronto, ON M5H 1S3.

MATERIAL CONTRACTS

Other than the following contracts and any contracts entered into by the Corporation in the ordinary course of business, the Corporation has no contracts which can reasonably be regarded as material:

1. a credit agreement dated February 20, 2024, between the Corporation and TD Bank. Pursuant to which certain credit facilities have been made available to the Corporation to refinance its existing mortgage with BDC, as it relates to the land and building located the Corporations Brampton, Ontario manufacturing location. See *"Three Year History".*

2. A lease agreement dated October 1, 2023, between the Corporation and Wingspire Equipment Finance, for extrusion equipment at the Corporations Richmond, Illinois manufacturing facility;

3. a credit agreement dated October 3, 2022, between the Corporation and HSBC pursuant to which certain credit facilities have been made available to the Corporation for the purchase of the land and buildings located at the Corporations Ayr, Ontario manufacturing location. See *"Three Year History"*.

4. a credit agreement dated August 26, 2022 between the Corporation and BDC. pursuant to which certain credit facilities have been made available to the corporation. See "*Three Year History*";

5. a credit agreement dated August 26, 2022 between the Corporation and Wells Fargo Bank, N.A. pursuant to which certain credit facilities have been made available to the corporation. Amendments to this agreement, dated October 3, 2022 and February 28, 2023, were filed between the Corporation and Wells Fargo.;

6. an asset purchase agreement dated July 1, 2022 between the Corporation and FormTex pursuant to which the Corporation has agreed to purchase the operating assets of FormTex. See "*Three Year History*";

7. a trust indenture dated October 28, 2021 (the "**Trust Indenture**") between the Corporation and TSX Trust Company, as indenture trustee, pursuant to which the indenture trustee holds all rights, interests and benefits contained therein for and on behalf of those persons who from time to time become holders of debentures issued pursuant to the Trust Indenture. See "*Three Year History*";

8. an underwriting agreement dated October 13, 2021 between the Corporation, National Bank Financial Inc., Beacon Securities Limited, Canaccord Genuity Corp., Integral Wealth Securities Limited, Raymond James Ltd., Paradigm Capital Inc. and PI Financial Corp., as underwriters, pursuant to which the underwriters offered to purchase $15,000,000 aggregate principal amount of 7% convertible unsecured subordinated debentures, on an underwritten basis, at an issue price of $1,000 per $1,000 principal amount of debentures. See "*Three Year History*";

9. a real estate purchase and sale agreement dated May 4, 2021 between Good Natured Products Real Estate U.S., LLC ("**GDNP Real Estate US**") and ETP, Inc., pursuant to which GDNP Real Estate US has agreed to purchase the real property of ETP, Inc. See "*Three Year History*";

10. an asset purchase agreement dated May 4, 2021 between the Corporation, Ex-Tech, ETP, Inc., and the shareholders of Ex-Tech listed on Schedule A attached thereto, pursuant to which the Corporation has agreed to purchase the operating assets of Ex-Tech. See "*Three Year History*";

11. an underwriting agreement dated February 12, 2021 between the Corporation, Beacon Securities Limited, Canaccord Genuity Corp., Integral Wealth Securities Limited, Raymond James Ltd. and Paradigm Capital Inc., as underwriters, pursuant to which the underwriters agreed to purchase 16,750,000 Common Shares, at a price of $1.20 per Common Share, for aggregate gross proceeds of $20,100,000, and as consideration therefor the Corporation agreed to pay an underwriting fee comprised of a cash commission equal to 6% of the gross proceeds of the offering and compensation options equal to 6% of the Common Shares issued under the offering (exercisable to acquire one Common Share at $1.20 for 24 months); and

12. a Warrant indenture dated August 31, 2020 (the "**Warrant Indenture**") between the Corporation and TSX Trust Company, as warrant agent, pursuant to which the warrant agent holds all rights, interests and benefits contained therein for and on behalf of those persons who from time to time become holders of warrants issued pursuant to the Warrant Indenture;

The foregoing material contracts are available on the Corporation's SEDAR+ profile at www.sedarplus.ca.

INTERESTS OF EXPERTS

Grant Thornton LLP, Chartered Professional Accountants, provided an auditor's report dated April 23, 2024 in respect of the Corporation's financial statements for the year ended December 31, 2023, and is independent of the Corporation within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

AUDIT COMMITTEE INFORMATION

In accordance with Section 6.2 of National Instrument 52-110 – *Audit Committees*, audit committee disclosure for the Corporation can be found in its Management Information Circular dated June 5, 2023 and which is available on the Corporation's SEDAR+ profile at www.sedarplus.ca.

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available through the Internet on SEDAR+ at www.sedarplus.ca or on request without charge from Spencer Churchill at 1-236-427-1082 or by email at invest@goodnaturedproducts.com.

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Management Information Circular dated June 5, 2023 with respect to the Annual General Meeting of the Corporation held on July 14, 2023. Additional financial information is provided in the Corporation's audited financial statements and the management's discussion and analysis for the year ended December 31, 2023. Copies of such documents may be obtained in the manner described above.