

MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLANTIFY FOODS, INC. (FORMERLY, ANTALIS VENTURES CORP.) FOR THE THREE AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022

This interim management's discussion and analysis ("MD&A"), prepared as of November 24, 2022, should be read in conjunction with the unaudited interim financial statements as at and for the period ended September 30, 2022, and related notes thereto, which have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). All amounts are stated in U.S. dollars ("USD" or "\$") unless otherwise indicated. Additional information on the Company can be viewed at www.plantifyfoods.com.

Statements in this MD&A that are not historical facts are "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Readers are cautioned not to put undue reliance on forward-looking statements.

COMPANY OVERVIEW

Plantify Foods, Inc. (the "Company" or "Plantify") is a Canadian company which was incorporated under the Business Corporations Act (British Columbia) on July 29, 2022. The Company's registered address is 1000-595 Burrard Street, Vancouver, Canada.

The Company is engaged in the development, production and sales of plant-based foods out of its subsidiary's factory located in Kibbutz Gonen, Israel.

Plantify is a "clean label", plant-based food company addressing the growing consumer demand for plant-based meat alternatives and healthy snacks. Plantify's products are tasty, healthy, preservative-free, allergen-aware, minimally processed, and made of fresh, all-natural whole food ingredients that are convenient and easy to prepare.

Plantify's unique technology allows the production of plant-based meat alternatives, dips, and snacks, with natural ingredients familiar to consumers that are free of preservatives, free of common food allergens, and are GMO-free. Additionally, Plantify is engaged in developing functional foods with health benefits supported by independent testing that it anticipates will enable it to make health claims under the FDA and CFA regulations.

Plantify currently sells its products in Israel and the U.S.

Plantify intends to engage in a market expansion strategy for the North American plant-based foods market. Plantify is working towards providing both private-label and branded products through leading food brands and grocery retailers in North America.

Its facilities currently have a production capacity of approximately 176,000 kg per month.

On July 29, 2022, the Company completed the business combination transaction with Peas of Bean Ltd. ("POB"). As a result of the business combination transaction, POB became a wholly owned subsidiary of the Company. This transaction is accounted for as a reverse takeover of the Company by POB.

ACQUISITION

On July 29, 2022, the Company completed a business combination (the "Business Combination") with Peas of Bean Ltd. ("POB"), an Israeli Company, a wholly-owned subsidiary of Plantify ("SubCo") and POB Finco Inc. ("FinCo"), with regard to the acquisition (the "Transaction") by Plantify of all of the issued and outstanding shares of POB.

The Transaction was effected by way of a share exchange pursuant to which Plantify acquired all of the issued and outstanding POB's Shares in exchange for common shares of Plantify (the "Plantify Shares"). Upon completion of the Transaction and the Concurrent Financing (as defined below), POB's Shareholders hold approximately 69.58% of the outstanding Plantify's Shares on a non-diluted basis.

Upon completion of the Transaction, Plantify holds 100% of the equity interests of POB. The BCA was negotiated at arm's length.

Pursuant to the BCA, Plantify and POB combined their businesses by way of the Amalgamation and the Share Exchange. Pursuant to the amalgamation agreement entered into between Plantify, FinCo and SubCo: (i) SubCo and FinCo amalgamated to form one corporation ("AmalCo"); (ii) each of FinCo and SubCo ceased to exist as entities separate from AmalCo; (iii) the property of each of SubCo and FinCo continued to be the property of AmalCo; (iv) AmalCo continued to be liable for the obligations of each of SubCo and FinCo; (v) each shareholder of FinCo received one common share of Plantify following completion of the Transaction in exchange for each FinCo Share (as defined herein) held by such holder and the FinCo Shares were cancelled; (vi) Plantify received one share in AmalCo ("AmalCo Share") in exchange for one share in the capital of SubCo held by Plantify and the shares in the capital of SubCo were cancelled; and (vii) in consideration for Plantify's issuance of Plantify Shares, AmalCo issued to Plantify one AmalCo Share for each Plantify share issued.

Pursuant to an assignment and assumption agreement entered into by Plantify and AmalCo, following completion of the Amalgamation and the Share Exchange, AmalCo was wound up into Plantify and the assets of AmalCo (which consisted of the proceeds of the FinCo Financings, net of expenses) were transferred to Plantify.

Concurrent Financing

In connection with the Transaction, the parties completed a non-brokered private placement of 14,858,333 subscription receipts of FinCo (the "FinCo Subscription Receipts") at a price of CAD\$0.12 (the "Issue Price") per FinCo Subscription Receipt for aggregate gross proceeds of CAD\$1,783,000 (the "FinCo Non-Brokered Private Placement").

Upon satisfaction of certain escrow release conditions in accordance with the terms of the subscription receipt agreement, each FinCo Subscription Receipt was automatically converted into one unit of FinCo (each, a "FinCo Unit") comprised of one common share in the capital of FinCo ("FinCo Share") and one common share purchase warrant of FinCo ("FinCo Warrant").

Upon completion of the Transaction, each FinCo Share (including the FinCo Shares issued upon conversion of the Convertible Debentures (as defined below) was automatically exchanged for one Plantify Share and each FinCo Warrant (including the FinCo Warrants issued upon conversion of the Convertible Debentures) was automatically exchanged for one common share purchase warrant of Plantify.

Each Plantify Warrant shall be exercisable to acquire one Resulting Issuer Share at a price of CAD\$0.18 per share for a period of 24 months from the date on which the Plantify Shares became listed on the TSXV, which was July 29, 2022.

On March 28, 2022 the parties completed the first tranche of a non-brokered private placement of 12% subordinated unsecured redeemable convertible debentures (each a "Convertible Debenture" and collectively, the "Convertible Debentures") of FinCo at a price of CAD\$1,000 per Convertible Debenture, for gross proceeds of CAD \$1,300,000 and the parties completed the second tranche of a non-brokered private placement of Convertible Debentures for gross proceeds of CAD \$500,000 prior to closing of the Transaction. The Convertible Debentures will accrue interest at a rate of 12% per annum and will mature on the one year anniversary of the date of issuance. FinCo shall have the right to redeem the Convertible Debentures in full at any time following the date of issuance. Each Convertible Debenture will convert into FinCo Units at a price of CAD\$0.12 per FinCo Unit. As the Convertible Debentures were converted into FinCo Units prior to the Maturity Date, the interest which would have accrued on the Convertible Debenture prior to the Maturity Date was accelerated and became due and payable on July 29, 2022. The CAD \$1,800,000 worth of Convertible Debentures were automatically converted into 15,000,000 FinCo Units.

In connection with the closing of the First Tranche Convertible Debenture Financing, FinCo directed the net proceeds of such financing to POB (CAD \$1,300,000 received in March 2022), in exchange for a promissory note issued to FinCo by POB and having a maturity date of five years from the date of issuance. In connection with the closing of the Second Tranche Convertible Debenture Financing, FinCo directed the net proceeds of such financing to POB (CAD \$500,000 during the three months ended on June 30, 2022), in exchange for a promissory note issued to FinCo by POB. Upon completion of the Transaction, the POB promissory notes were assumed by Plantify.

FinCo and the Company engaged finders to assist in identifying investors for the FinCo Non-Brokered Private Placement and Convertible Debenture Financing. These finders were entitled to a fee payable in cash equal to up to 10% of the gross proceeds

raised and were approved by the TSXV. The FinCo Non-Brokered Private Placement and Convertible Debenture Financing raised aggregate gross proceeds of CAD\$3,583,000.

In addition, concurrently with the closing of the Transaction, Plantify completed a non-brokered private placement of 12% subordinated unsecured convertible debentures of Plantify for aggregate gross proceeds of CAD\$500,000. The Convertible Debentures mature on August 29, 2023 and will be convertible, at the option of the holder, in full or in part, from the date that is one month from the closing of the Transaction, into units of Plantify Issued at a conversion price of \$0.12. Each such unit will be comprised of one Plantify Share and one Plantify Warrant, exercisable at a price of \$0.18 per share for a period of 24 months from the date of conversion. If the Convertible Debentures are not converted by the holder, upon maturity of the Convertible Debentures, the interest payable will be paid in cash by Plantify. In connection with the Convertible Debenture Financing, certain advisors received a cash commission equal to 10% of the aggregate gross proceeds raised in such financing.

Debt Settlement

Pursuant to an assignment and assumption agreement entered into between POB and FinCo, POB assigned a debt owing to a consultant of POB in the amount of CAD\$77,000 to Finco in exchange for the issuance of a promissory note of POB in favor of FinCo. Immediately prior to closing of the Transaction, this debt was settled by way of the issuance of 641,667 FinCo Shares and 641,667 FinCo Warrants, on the same terms as the Financings, which securities were automatically exchanged for an equivalent number of Plantify Units on a one-for-one basis.

Under the terms of the BCA, up to an additional 40,300,000 Plantify Shares will be issuable to POB's Shareholders subject to the Company attaining the following financial performance targets:

18,800,000 Plantify Shares will be issuable upon the Company reaching cumulative gross revenue of CAD\$6 million in any trailing 12-month period within 30 months of the closing date of the Transaction; and

21,500,000 Plantify Shares will be issuable upon the Company reaching cumulative gross revenue of CAD\$12 million in any trailing 12-month period within 42 months of the closing date of the Transaction

SELECTED QUARTERLY INFORMATION ⁽¹⁾⁽²⁾

Three-Month period ended U.S. dollars in thousands

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Sales	151	46	86	270	64	64	74
Cost of sales	(162)	(60)	(106)	(245)	(76)	(64)	(67)
Research and development expenses	(9)	(10)	(11)	(26)	(10)	(12)	(5)
Selling, marketing and administrative expenses	(326)	(502)	(425)	(450)	(227)	(327)	(134)
Other expenses	-	-	-	4	2	-	(6)
Finance expenses	(51)	(475)	(21)	(11)	(1)	(8)	(10)
Finance income	-	-	41	35	26	25	21
Listing expenses	(2,037)	-	-	-	-	-	-
Net loss	(2,434)	(1,001)	(436)	(423)	(222)	(322)	(127)
Net loss per share	(0.02)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

(1) Financial information prepared in accordance with IFRS

(2) Unaudited

Nine-month Period Ended September 30, 2022 compared to Nine-month Period Ended September 30, 2021

Sales for the nine-month period ended September 30, 2022 were \$283,000, an increase of \$81,000, or approximately 40%, compared to \$202,000 for the nine-month period ended September 30, 2021. The increase is primarily due to sales of \$65,000 in North America.

Cost of sales for the nine-month period ended September 30, 2022 were \$328,000, an increase of \$123,000, or approximately 60%, compared to \$205,000 for the nine-month period ended September 30, 2021. The increase is primarily due to an increase in production volume as well as production costs.

The following table summarizes the Company's cost of sales expenditures in the nine-month period ended September 30, 2022 compared to the nine-month period ended September 30, 2021:

	Nine-months period ended September 30,	
	2022	2021
	US dollars in thousands	
Labor	126	64
Materials	122	92
Packaging	55	40
Other	25	9
Total	328	205

Research and development expenses for the nine-month period ended September 30, 2022 were \$30,000, an increase of \$3,000, or approximately 11%, compared to \$27,000 for the nine-month period ended September 30, 2021. The increase is mainly due to additional labour costs which resulted from developing new products. Research and development expenditures in the nine-month period ended September 30, 2022 and 2021 consist of salaries and related expenses.

Selling, marketing and administrative expenses for the nine-month period ended September 30, 2022 were \$1,253,000, an increase of \$559,000, or approximately 81%, compared to \$694,000 for the nine-month period ended September 30, 2021. The increase is primarily related to an increase in professional services, legal expenses and salary expenses in particular due to an increase in the Company's activity and related expenses associated with the BCA.

The following table summarizes the Company's Selling, marketing and administrative expenditures in the nine-months period ended September 30, 2022 compared to the nine-months period ended September 30, 2021:

	Nine-months period ended September 30,	
	2022	2021
	US dollars in thousands	
Salaries and related expenses	477	296
Professional services	527	275
Rent and office maintenance	115	45
Delivery	35	24
Car maintenance	23	13
Other	76	41
	1,253	694

No other expenses for the nine-month period ended September 30, 2022 were incurred, a decrease of \$4,000, or 100%, compared to \$4,000 for the nine-month period ended September 30, 2021. The decrease is considered immaterial.

Financial expenses for the nine-month period ended September 30, 2022 were \$506,000, an increase of \$484,000, or approximately 2,200%, compared to \$22,000 for the nine-month period ended September 30, 2021. The increase in financial expenses were mainly due to the increase in fair value valuation of warrants and increase in exchange rate expenses.

No financial income for the nine-month period ended September 30, 2022, a decrease of \$70,000, or approximately 100%, compared to finance income of \$70,000 for the nine-month period ended September 30, 2021. The decrease in financial income, were mainly due to the warrants fair value revaluation. Finance income in the nine-month period ended September 30, 2021 consist of warrants fair value valuation and exchange rate income.

Listing expenses for the nine-month period ended September 30, 2022 were \$2,037,000 compared to Nil for the nine-month period ended September 30, 2021. The increase was due to the expenses related to the transaction.

As a result of the activities discussed above, the net loss for the nine-month period ended September 30, 2022 was \$3,871,000 compared with a net loss of \$680,000 for the nine-month period ended September 30, 2021.

Three-month Period Ended September 30, 2022 compared to Three-month Period Ended September 30, 2021

Sales for the three-month period ended September 30, 2022 were \$151,000, an increase of \$87,000, or approximately 136%, compared to \$64,000 for the three-month period ended September 30, 2021. The increase is primarily due to sales of \$65,000 in North America.

Cost of sales for the three-month period ended September 30, 2022 were \$162,000, an increase of \$86,000, or approximately 113%, compared to \$76,000 for the three-month period ended September 30, 2021. The increase is primarily due an increase in production volume.

The following table summarizes the Company's cost of sales expenditures in the three-month period ended September 30, 2022 compared to the three-month period ended September 30, 2021:

	Three-months period ended	
	September 30,	
	2022	2021
	US dollars in thousands	
Labor	61	27
Materials	51	24
Packaging	25	16
Other	25	9
Total	162	76

Research and development expenses for the three-month period ended September 30, 2022 were \$9,000, a decrease of \$1,000, or approximately 10%, compared to \$10,000 for the three-month period ended September 30, 2021. The decrease is considered to be immaterial.

Selling, marketing and administrative expenses for the three-month period ended September 30, 2022 were \$326,000, an increase of \$99,000, or approximately 44%, compared to \$227,000 for the three-month period ended September 30, 2021. The increase is primarily related to an increase in professional services, legal expenses and salary expenses in particular due to an increase in Company's activity and related expenses associated with the BCA.

The following table summarizes the Company's Selling, marketing and administrative expenditures in the three-month period ended September 30, 2022 compared to the three-month period ended September 30, 2021:

	Three-months period ended September 30,	
	2022	2021
	US dollars in thousands	
Salaries and related expenses	151	91
Professional services	66	94
Rent and office maintenance	43	13
Delivery	14	12
Car maintenance	11	3
Other	41	14
	326	227

No other income for the three-month period ended September 30, 2022 was reported, a decrease of \$2,000, or 100%, compared to \$2,000 for the three-month period ended September 30, 2021. The decrease is considered immaterial.

Financial expenses for the three-month period ended September 30, 2022 were \$51,000, an increase of \$49,000, or approximately 5,000%, compared to \$1,000 for the three-month period ended September 30, 2021. The increase in financial expense was mainly due to the increase in fair value valuation of warrants and increase in exchange rate expenses.

No financial income for the three-month period ended September 30, 2022 was reported, a decrease of \$26,000, or approximately 100%, compared to finance income of \$26,000 for the three-month period ended September 30, 2021. The decrease in financial income, was mainly due to the warrants fair value revaluation. Finance income in the three-month period ended September 30, 2021 consist of warrants fair value valuation and exchange rate income.

Listing expenses for the three-month period ended September 30, 2022 were \$2,037,000 compared to Nil for the three-month period ended September 30, 2021. The increase was due to the expenses related to the Transaction.

As a result of the activities discussed above, the net loss for the three-month period ended September 30, 2022 was \$2,434,000 compared with a net loss of \$222,000 for the three-month period ended September 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had cash on hand of \$142,000 (December 31, 2021 - \$114,000). As at September 30, 2022 the Company had a negative working capital of \$1,098,000 (December 31, 2021 – negative working capital of \$581,000).

The Company has not generated any material revenues and expects to continue to finance itself through raising adequate funds in the foreseeable future. The Company incurred a net loss of \$3,871,000 for the nine-month period ended September 30, 2022 and \$5,633,000 of accumulated deficit since inception. These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements were prepared on a going concern basis, which assumes that the Company will be able to obtain the necessary financing needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities.

The Company may have capital requirements in excess of its currently available resources. In the event the Company’s plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Changes in Cash Flow

During the nine-month period ended September 30, 2022, the Company's overall position of cash and cash equivalents decreased by \$147,000 compared to an increase of \$150,000 in the same period in 2021. This decrease in cash can be attributed to the following:

- a) Cash used in operating activities during the nine-month period ended September 30, 2022 was \$1,987,000 as compared to net cash used in operating activity of \$695,000 in the same period in 2021. The increase in net cash used in operating activities in the nine-month period ended September 30, 2022 is mainly due to an increase in our operating loss due to an increase in the Company's activity.
- b) Cash used in investing activities during the nine-month period ended September 30, 2022 was \$807,000 as compared to cash used in investing activities of \$135,000 in the same period in 2021. The increase in net cash used in investing activities is mainly due to an increase in fixed assets acquisition.
- c) Cash provided by financing activities during the nine-month period ended September 30, 2022 was \$2,663,000 compared to cash provided by financing activity of \$970,000 in the same period in 2021. The increase in net cash provided by financing activities is mainly due to higher funds received from issuance of shares and warrants compared to the same period in 2021.

No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its operations and execute on growth plans.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior Management, who are considered to be key Management personnel by the Company.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following transactions arose with related parties (\$ in thousands):

Key management personnel compensation

Key management personnel compensation and directors fee comprised the following:

	Nine months period ended September 30,	
	2022	2021
	USD in thousands	
Salary and related expenses	286	152
Professional services	57	46
Interest expenses	8	11

Liabilities to related parties

Name	<u>September 30, 2022</u> <u>December 31, 2021</u>	
	<u>USD in thousands</u>	
Trade payables	13	3
Other payables	82	103
Shareholder's loan	193	174

Significant accounting estimates and judgements

The preparation of these condensed consolidated interim financial statements in accordance with IFRS measures requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Share-based Compensation

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options.

Useful lives of property and equipment

Estimates of the useful lives of property and equipment are based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the equipment would increase the recorded expenses and decrease the non-current assets.

Other Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the assessment of revenue recognition using the five-step approach under IFRS 15 and the collectability of amounts receivable; and
- the determination of the functional currency of the company.

Changes in Accounting Policies Including Initial Adoption

The Company has applied the same accounting policies and methods of computation in its interim financial statements as in its 2021 annual financial statements. Other new and amended standards and Interpretations issued by the IASB that will apply

for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activity or require accounting which is consistent with the Company's current accounting policies.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2022 (the date on which the Company's next annual financial statements will be prepared up to) that the Company has decided not to adopt early. The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

Financial Instruments and Financial Risk Exposures

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, account receivables, short term deposit, other account receivable, trade payables, short term bank loan and shareholder's loan, approximate their carrying values due to the relatively short-term maturity of these instruments.

The fair values of other financial instruments, such as warrants and promissory note are measured at fair value through profit or loss and classified under level 3 to the fair value hierarchy.

(b) Credit Risk

The Company's credit risk arises principally from the Company's receivables from customers. The carrying amounts of financial assets and contract assets represent the Company's maximum credit risk exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Trade receivables, other receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Approximately 53% of the Company's revenue (2021: 85%) is attributable to sales transactions with 3 major customers. However, there is no concentration of credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Group only on a prepayment basis.

(e) Liquidity Risk

The Company monitors the risk to a shortage of funds using a liquidity planning tool.

Company's liquidity risk derives from Company's bank loan which carried at variable rate (Prime+5.1 percent). According to management assessment, the above risk is considered to be immaterial.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and bank loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Disclosure of Outstanding Share Data

Common Shares

Issued & Outstanding as at September 30, 2022 and November 24, 2022	145,976,364
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<u>Convertible Securities</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	
Stock Options	CAD\$0.10	December 16, 2029	400,000
Share Purchase Warrants			
	CAD\$0.18	July 29, 2024	30,500,000
Share Purchase Warrants			
	\$0.1378	July 29, 2024	16,961,488

Fully Diluted Share Capital

193,837,852

RISKS

Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favorable commercial terms.

Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed acquisition.

Supply Chain Risk

Insufficient or delayed supply of products and ingredients threatens the Company's ability to meet customer demands while over capacity threatens its ability to generate profit. Accordingly, any failure by the Company to properly manage its supply chain could have a material adverse effect on the Company's business, financial condition and results of operations. The Company does not currently have written supply agreements with our suppliers. Because of the absence of such contracts, any

of such suppliers could seek to alter or terminate its relationship with us at any time, which could result in disruption in our supply chain.

Cybersecurity incidents and technological disruptions Risk

A cybersecurity incident or other technology disruptions could negatively impact the Company's business and relationships with customers. The Company uses computers in substantially all aspects of business operations. It also uses mobile devices, social networking and other online activities to connect with employees, suppliers, co-manufacturers, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Consumer trends and market position Risk

Sales of plant-based protein or meat alternative products are subject to evolving consumer preferences that the Company may not be able to accurately predict or respond to. Consumer trends could change based on a number of possible factors, including economic factors or social trends. Consumer demand will fluctuate as buyers change dietary habits choosing cleaner label ingredients for better health and preferences for various other product attributes.

General Business Risk and Liability

Given the nature of the Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risk facing the Company, its directors, officers and employees in this respect include potential liability for violations of securities laws, breach of fiduciary duty or misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions or the suspension or revocation of the Company's right to carry on its existing business. The Company may incur significant costs in connection with such potential liabilities.

Going concern

For the nine months ended September 30, 2022, the Company incurred a net loss of \$3,871,000 and negative cash flows from operating activities of \$1,987,000 and has an accumulated deficit of \$5,633,000 as of September 30, 2022. These events and conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company's financial statements were prepared on a going concern basis, which assumes that the Company will be able to obtain the necessary financing as needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities. As of the date of the issuance of Company's financial statements, the Company has not yet commenced generating significant sales, and therefore depends on fundraising from new and existing investors to finance its activities.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or

variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by readers, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above. Although the Company has attempted to identify important factors that could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.