

# ANTALIS VENTURES CORP.

## AMENDED AND RESTATED MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED APRIL 30, 2022

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*The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Antalis Ventures Corp. ("Antalis" or the "Company") as at and for the three months period then ended April 30, 2022.*

*This MD&A should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the three months ended April 30, 2022. The unaudited condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and in accordance with International Standard 34 Interim Financial Reporting.*

*The Company's functional and presentation currency is Canadian dollars ("Cdn\$" or "Canadian dollars"). The effective date of this MD&A is July 26, 2022. This MD&A amends and restates the MD&A filed by the Company on June 29, 2022 in order to update Section 2 below with further details*

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### **1. Overview**

Antalis was incorporated under the Business Corporations Act (British Columbia) on February 13, 2018 and is a capital pool company ("CPC"), as defined in TSX Venture Exchange ("TSX-V") Policy 2.4 ("Policy 2.4"). The Company has listed its common shares which are trading on the TSX-V under the symbol "ANTV.P".

The Company proposes to identify and evaluate companies, businesses, properties, or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval (the "Qualifying Transaction").

The Company has not commenced commercial operations and has no assets other than a minimum amount of cash. An acquisition financed by the issuance of treasury shares could result in a change of control of the Company and may cause the shareholders' interest in the Company to be reduced.

The Company's registered office address is Suite 1700 - 666 Burrard Street, Vancouver, British Columbia, V6C 2X8.

On August 11, 2021, the Company entered into the Share Exchange Agreement with POB and POB Shareholders. This Share Exchange Agreement was finalized and the filing statement of the Transaction were issued March 31, 2022.

### **2. Significant Event**

#### *About Peas of Bean*

POB is an Israeli food tech company existing under the laws of the State of Israel. Located in Kibutz Dan, Israel, POB is focused on the development and production of "clean-label" plant-based products. POB'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, are GMO-free and enjoy a longer shelf life than most preservative-containing products of the same category. POB is also engaged in developing functional foods with health benefits supported by independent testing that it anticipates will enable it to make health claims under US Food and Drug Administration and Canada Food Agency regulations. POB currently sells its products in Israel and North America.

POB leases facilities in the agricultural heart of the Galilee region of Israel, known as a leading global "FoodTech" center. POB's current production capacity is approximately 18,000kg per month, with an expansion under construction that is expected to increase POB's production capacity by up to 400%. POB's expansion of its North American market will initially be served by its production facilities in Israel. POB anticipates it will establish operations, sales, and marketing teams in North America, and intends to develop domestic production capacity in North America as part of its expansion strategy.

#### *Share Exchange Agreement*

Pursuant to the Share Exchange Agreement, Antalis will acquire all of the issued and outstanding equity interests in POB (the "**Transaction**"), being 6,999,999 common shares in the capital of POB ("**POB Shares**") from the POB Shareholders in exchange (the "**Share Exchange**") for the issuance of 95,000,000 common shares in the capital of Antalis (each, an "**Antalis Share**"). In connection with the Share Exchange, all of the warrants to acquire POB Shares (each a "**POB Warrant**") will be cancelled immediately prior to closing of the Transaction ("**Closing**"), in exchange for Antalis issuing to the holders thereof, warrants to purchase common shares (the "**Replacement Warrants**") of the Resulting Issuer (as defined below) such that: (i) the number of Replacement Warrants issued to each holder of POB Warrants shall be equal to the number of POB Warrants held by such holder times the exchange ratio applied in respect of the Share Exchange; (ii) the exercise price of each Replacement Warrant shall be C\$0.178 per share; and (iii) all other terms and conditions of the Replacement Warrants will be similar to the other terms and conditions of the POB Warrants in effect immediately prior to Closing.

Under the terms of the Share Exchange Agreement, up to an additional 26,500,000 Antalis Shares will be issuable to the POB Shareholders subject to the Resulting Issuer (as defined below) attaining the following financial performance targets:

- (a) 12,000,000 Antalis Shares will be issuable upon the Resulting Issuer reaching cumulative gross revenue of C\$6 million in any trailing 12-month period within 18 months of the closing date of the Transaction; and
- (b) 14,500,000 Antalis Shares will be issuable upon the Resulting Issuer reaching cumulative gross revenue of C\$12 million in any trailing 12-month period within 30 months of the closing date of the Transaction

#### *Subscription Receipt Financing*

Following execution of the Share Exchange Agreement, the parties will complete a private placement of subscription receipts (each, a "**Receipt**") of Antalis, for gross proceeds of up to \$2.05 million at \$0.10 per Receipt (the "**Subscription Receipt Financing**"). Each Receipt will entitle the holder thereof to receive one Antalis Share upon satisfaction or waiver of the Escrow Release Conditions (as defined below). In connection with Subscription Receipt Financing, Antalis may engage finders to assist in identifying investors. These finders will be entitled to a fee payable in cash equal to up to 10% of the gross proceeds raised from subscribers that are not Non-Arm's Length Parties (as defined in the TSXV Manual) pursuant to the Subscription Receipt Financing, subject to approval by the TSXV.

Proceeds of the Subscription Receipt Financing will be held in escrow pending satisfaction of certain escrow release conditions (the "**Escrow Release Conditions**"), including completion of the Transaction, as will be set forth in the Subscription Receipt Agreement to be entered into.

#### *Concurrent Financing*

Concurrent with the closing of the Transaction, the parties will complete a private placement of units (each, a "**Unit**") of Antalis, for gross proceeds of not less than \$2.5 million at \$0.25 per Unit (the "**Concurrent Financing**", together with the Subscription Receipt Financing, the "**Financings**"). Each Unit will consist of one Antalis Share and one share purchase warrant exercisable for a period of eighteen months from the closing of the Transaction at an exercise price of \$0.40 per Antalis Share. In connection with the Concurrent Financing, Antalis may engage finders to assist in identifying investors. These finders will be entitled to a fee payable in cash equal to up to 10% of the gross proceeds raised pursuant to the Concurrent Financing, subject to approval by the TSXV.

It is anticipated that net proceeds of the Financings will be used: (a) to fund the business plan of POB; (b) for expenses related to the Transaction; and (c) for general corporate purposes and future working capital of the Resulting Issuer. Although POB intends to use the net proceeds of the Concurrent Financing as described herein, the actual allocation of proceeds may vary from the uses set forth herein, depending on future operations or unforeseen events or opportunities.

#### *Extension*

On June 14, 2022, the outside date of the Share Exchange Agreement was extended until August 12, 2022.

#### *TSX Conditional Approval*

The Company received conditional approval from the TSXV of the Qualifying Transaction on March 16, 2022 and filed a filing statement in accordance with the policies of the TSXV on March 31, 2022. Following further discussions with POB with respect to the structure of the Qualifying Transaction, the Company applied for and received refreshed conditional approval from the TSXV for the Qualifying Transaction on July 4, 2022, such approval being valid for a 90-day period.

### **Resulting Issuer**

#### *Name Change*

In connection with the closing of the Transaction, Antalis will change its name to "Plantify Foods, Inc." (the "**Resulting Issuer**") and the Resulting Issuer Shares (as defined below) will be listed under a new trading symbol. On closing of the Transaction, the Resulting Issuer anticipates meeting the TSXV's initial listing requirements for a Tier 2 industrial/technology company.

#### *Pro Forma Share Ownership*

Upon completion of the Transaction, including the Financings, the POB Shareholders will hold approximately 70% of the outstanding Antalis Shares (the "**Resulting Issuer Shares**") on a non-diluted basis. It is anticipated that there will be an aggregate of approximately 45,378,416 Resulting Issuer Shares issued and outstanding upon completion of the Transaction, assuming the Financings are fully subscribed.

#### *Stock Options & Warrants*

It is anticipated that there will be an aggregate of approximately 500,000 options and 15,865,000 Replacement Warrants issued and outstanding upon completion of the Transaction and the Financings.

## Business of the Resulting Issuer

The Resulting Issuer, as parent of POB, will be a developer and manufacturer of plant-based, "clean-label", preservative-free and allergen-aware food products, including meat alternative burgers and nuggets, dips and spreads, protein-rich crackers and functional food ingredients. The Resulting Issuer, directly or indirectly, anticipates selling its products, and those of POB, as private label and branded through major brands and grocery retailers.

## Trading Halt

In accordance with the policies of the TSXV, trading in the Antalis Shares is currently halted and will remain halted until completion of the Transaction. Antalis does not intend to apply to the TSXV for reinstatement of trading of the Antalis Shares at this time.

## 3. Quarterly update

The net loss for the period ended April 30, 2022, was \$43,834 (April 30, 2021 - \$70,890). During the quarter ended April 30, 2022 the Company incurred due diligence costs as it worked and filed the Share Exchange Agreement and the filing statement for the Transaction and made payments related to its regulatory and annual listing fees. During the comparable period ended April 30, 2021, the Company incurred due diligence and other costs to evaluate a Qualifying Transaction and paid various regulatory fees.

## 4. Selected Quarterly Financial Data

The below sets forth selected results of operations for the Company's most recently completed periods; compiled from the Company's financial statements, prepared in accordance with IFRS.

Table 1

Selected quarterly data	2023		2022					2021		
	3 - month		3 - month							
	30-Apr		31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct	31-Jul	
<b>Operating Expenses</b>										
Audit and tax fees	8,257		\$ 9,000	\$ 1,544	\$ 503	\$ -	\$ 8,000	\$ 4,913	\$ -	
Bank charges	18		\$ 18	\$ 18	\$ 43	\$ 18	\$ 18	\$ 38	\$ 23	
Due diligence	25,000		\$ 34,500	\$ 10,000	\$ 45,665	\$ 60,500	\$ -	\$ 31,837	\$ -	
Legal fees	7,712		\$ 1,069	\$ 3,577	\$ -	\$ 6,000	\$ 5,000	\$ 10,000	\$ 2,000	
Transfer agent and listing fees	2,847		\$ 9,031	\$ 1,000	\$ 278	\$ 4,372	\$ 232	\$ 1,754	\$ 1,298	
<b>Net Loss and Comprehensive Loss</b>	\$ 43,834		\$ 53,617	\$ 16,139	\$ 46,489	\$ 70,890	\$ 13,250	\$ 48,542	\$ 3,321	
<b>Basic and Diluted Loss per Share</b>	\$ (0.01)		\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.00)	\$ (0.02)	\$ (0.00)	
<b>Weighted Average Number of Common Shares outstanding</b>	3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	

## 5. Liquidity and Capital Resources

At April 30, 2022 the Company had cash of \$121,047 (January 31, 2022 - \$123,042) and a working capital deficit of (current assets less current liabilities) of \$77,174 (January 31, 2022 - \$33,340).

Pursuant to the policies of the TSX-V, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of the Qualifying Transaction by the Company as defined under the policies of the TSX-V.

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption as the Company has not generated any revenues. During the period ended April 30, 2022, the Company incurred a net loss of \$43,834 (April 30, 2021 - \$70,890). The Company's continuing operations as intended are dependent upon the Company's ability to complete a Qualifying Transaction. Such an acquisition will be subject to shareholder and regulatory approval. In the case of a non-arm's length transaction (as defined in Policy 2.4) a majority of the minority shareholder approval must also be obtained. Should the Company fail to complete a Qualifying Transaction, its ability to raise sufficient financing to maintain operations may be impaired, and accordingly, the Company may be unable to realize the carrying value of its net assets. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## **6. Outlook**

The Company expects to use the available funds to complete its Qualifying Transaction (See section 2. Significant Event).

## **7. Share Capital**

As at the date of this MD&A, the Company had:

- 5,100,000 common shares issued and held in escrow; and
- 500,000 options to purchase 500,000 common shares at \$0.10.

## **8. Contractual Obligations, Commitments and Contingencies**

The Company has no significant contractual obligations, commitments or contingencies as at the date of the MD&A.

The Company is not currently a party to any actual or pending legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business or of which any of its assets are likely to be subject. Management of the Company is currently not aware of any legal proceedings contemplated against the Company.

## **9. Related Party Transactions**

None during the three month period ended April 30, 2022 or 2021. There was no remuneration paid to key management personnel during the periods.

## **10. Critical Accounting Estimates and Judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

### *Going concern*

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

### *Income taxes*

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

## **11. Financial Instruments and Other Instruments**

### *(a) Management of capital risk*

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

The Company is not subject to any capital requirements imposed by any other party.

(b) Fair value of financial instruments

(i) *Fair value estimation of financial instruments*

The fair values of cash and accounts payable approximate their carrying value.

(ii) *Fair value measurements recognized in the statement of financial position*

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at April 30, 2022, the Company did not have financial liabilities measured at fair value on a recurring basis. There were no transfers between levels during the period ended April 30, 2022.

(c) Financial risk management

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk. The Company's exposure to these risks and its methods of managing the risks remain consistent since year end.

(i) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(ii) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. At April 30, 2022 the Company had cash of \$121,047 (January 31, 2022 - \$123,042) and a working capital deficit of (current assets less current liabilities) of \$77,174 (January 31, 2022 - \$33,340). All of the liabilities presented as accounts payable and accrued liabilities are expected to be paid before the end of the fiscal year.

(iii) *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

## **12. Off-Balance Sheet Arrangements**

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

### 13. Risk Factors

A purchase of shares of the Company and the purchaser's investment will be highly speculative due to the substantial risk of the Company's business and its present stage of development. The following are risk factors associated with the Company, which list is not exhaustive:

- (a) the Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after Completion of the Qualifying Transaction;
- (b) the directors and officers of the Company will devote only a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;
- (c) the Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found;
- (d) investment in the Offered Shares is highly speculative given the proposed nature of the Company's business and its present stage of development;
- (e) there can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell its Offered Shares;
- (f) until Completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (g) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- (i) completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares;
- (k) significant declines in the stock market have occurred for various reasons linked to the COVID-19 global pandemic. The impacts to the Company are not determinable at this date, however these could be material to the Company's ability to raise new capital and thus the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted;
- (l) upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The common shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;

- (m) trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;
- (n) the Exchange will generally suspend trading in the Company's common shares or delist the Company in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;
- (o) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (p) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- (q) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company; and
- (r) subject to prior acceptance by the Exchange, the Company may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan.

The Company filed a prospectus on September 17, 2019, which provides additional information that an investor may view. As a result of these factors investment into this Company is suitable only for investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest.

All documents are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **COVID-19**

During the period end April 30, 2022 and the prior year ended January 31, 2022, there was significant volatility in the stock market for various reasons linked to the COVID-19 global pandemic. The impacts to the Company are not determinable at this date, however these could be material to the Company's ability to raise new capital and thus the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.

### **14. Cautionary Statement on Forward-Looking Information**

This MD&A contains certain “forward-looking statements” or “forward-looking information” (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or are events or conditions that “will”, “would”, “may”, “could” or “should” occur or be achieved. This MD&A contains forward-looking statements, pertaining to, among other things, the Company’s plans for its future Qualifying Transactions; the requirement of additional funding to complete a Qualifying Transaction; critical accounting judgments made by the Company; the impact of the new IFRS on the financial statements; adoption of new IFRS standards; and the applicable risk factors.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.