



WILDPACK BEVERAGE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIRD QUARTER FISCAL 2022

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022, AND SEPTEMBER 30, 2021

(Expressed in thousands of United States Dollars)

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of Wildpack Beverage Inc. ("Wildpack", the "Company", "We", "Our" or "Us") provides information that Management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of the Company. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021, and for the nine-months ended December 31, 2020, and our condensed consolidated interim financial statements (unaudited) for the three and nine-months ended September 30, 2022, and September 30, 2021, and related notes therein, as publicly filed in Canada on the System for Electronic Document Analysis and Retrieval ("SEDAR") website.

We have prepared the condensed consolidated interim financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

The Company's functional and presentation currency is the United States dollar, except for Wildpack Beverage Inc. and Wildpack Beverage Albert Inc, the Canadian entities, which have a functional currency of Canadian dollars. References to "\$" or "USD" are to United States dollars, while references to "C\$" are Canadian dollars. All dollar amounts in this MD&A are expressed in thousands of USD, with the exception of share and price, unless otherwise noted or the context otherwise provides.

This MD&A is prepared as of November 29, 2022. This MD&A includes certain statements that may be deemed "forward-looking information", "forward-looking statements", "future-oriented financial information" and "financial outlook". We direct readers to the section "Statement Regarding Forward-Looking Information" included within this MD&A.

The Company became a Reporting Issuer on May 17, 2021, when Ponderous Panda Capital Corporation completed the acquisition of all issued and outstanding equity of Wildpack Beverage Alberta Inc. ("Wildpack Alberta"). Ponderous Panda Capital Corporation subsequently changed its name to Wildpack Beverage Inc. The transaction was considered akin to a reverse acquisition as Wildpack Alberta's shareholders have the majority of the shareholding interest in Wildpack after the transaction, the continuing business is that of Wildpack and key management primarily consist of Wildpack Alberta's former key management.

Business Overview

The Company was incorporated on March 22, 2017, under the laws of British Columbia and is listed on the Toronto Stock Exchange Venture (CANS.TSXV) and the OTCQB Venture Market (WLDPF.OTC). The Company's primary business activities include filling, decorating, and brokering aluminum cans, along with brokering packaging materials and printing labels.

We operate six facilities, located in Baltimore, Maryland (the "Baltimore Facility"), Las Vegas, Nevada (the "Las Vegas Facility"), Sacramento, California (the "Sacramento Facility"), Marietta, Georgia (the "Marietta Facility"), Longmont, Colorado (the "Longmont Facility"), and Grand Rapids, Michigan (the "Grand Rapids Facility").

We are focused on driving to profitable operations and secondarily to expand our network of beverage manufacturing facilities across the United States through a combination of company acquisitions and facility construction. Our strategy is to leverage the fragmentation of the contract packaging industry, the shift toward sustainable beverage packaging formats, and the expanding ready-to-drink beverage market into a sustaining business. We principally complete all production using the aluminum can format and primarily sell our contract packaging services to middle market beverage brands looking to expand their distribution nationally, while consolidating their supply chain into fewer vendors. Our customer base is diverse and includes both regional and national brands.

Service Lines

Wildpack operates four major service lines. Filling services involve receiving from our customer's or purchasing on their behalf, specified raw ingredients, then mixing, and packaging them in accordance with their formula and pack-out specifications. The Company charges a tolling fee on a per can basis (normalized for can size on an ounce basis) for this service.

Decorating services include the application of a customer designed label to a blank aluminum can. Beverage cans have a large printable surface, which is customarily utilized by beverage brands to advertise manufacturer and product specific designs and information. The Company charges an application fee on a per can basis.

Brokering services include procurement of aluminum cans and can related items including can ends, carriers, cartons, and trays. Ancillary to our brokering services, Wildpack also offers graphic design, warehousing, packaging engineering support, logistics, and material selection consultation. The Company charges a percentage mark-up on packaging goods for brokerage and consultation on a per unit basis.

Printing (labels and sleeves) services include receiving a customer's art, procuring ink and label materials, consulting on label type, size and design and printing the labels to customer specifications. Wildpack is often commissioned to print for customers utilizing other service lines; in these cases, we coordinate with the rest of their production needs. The Company charges a printing fee on a per label basis.

Service Line by Facility				
Facility	Service Line			
	Filling	Decorating	Brokering	Printing
Baltimore	✓	✓	✓	
Las Vegas	✓	✓	✓	✓
Sacramento		✓	✓	
Marietta		✓	✓	
Longmont	✓		✓	
Grand Rapids			✓	

COVID-19 Pandemic

Among the Company's primary commitments is the safety and health of its employees and contractors.

The COVID-19 pandemic has disrupted the economy and put unprecedented strains on governments, businesses, and individuals around the world. The COVID-19 pandemic has caused, and is likely to result in further, significant disruption of global financial markets and economic uncertainty. The pandemic has resulted in authorities implementing measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place or total lock-down orders, and business limitations and shutdowns. Such measures have contributed to rising unemployment and negatively impacted consumer and business spending. The extent to which COVID-19 impacts the Company's financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the actions taken by governments to curtail or treat its impact, including shelter in place directives, business limitations and shutdowns, travel bans and restrictions, loan payment deferrals (whether government-mandated or voluntary), moratoriums on debt collection activities and other actions, which, if imposed or extended, may impact the economies in which the Company now, or may in the future, operate.

Adverse market conditions resulting from the spread of COVID-19 could materially adversely affect the Company's business and the value of its shares. The Company established COVID-19 management plans and implemented enhanced protocols and preventative measures to mitigate the spread of COVID-19 at the onset of the pandemic to protect the well-being of its employees, contractors, and their families. Wildpack continues to follow stringent COVID-19 infection prevention guidance and directives of federal, state and county authorities. The Company did not incur any additional significant costs in the three and nine-month period ended September 30, 2022, related to the COVID-19 risk.

Throughout the COVID-19 pandemic, the Company has operated continuously under the U.S. Cybersecurity and Infrastructure Security Agency classification of "essential business". The Company has been fortunate that any COVID-19 outbreaks at its facilities have been appropriately managed and contained, and as a result did not significantly impact the Company's operations.

Demand for ready-to-drink aluminum can beverages increased immediately following closures of restaurants, bars, and other on-premises locations. This increase in demand had the corresponding effect of putting stress on the aluminum can supply chain. Following re-opening protocols in the jurisdictions that Wildpack operates within, supply chain strain and elevated demand remain. The Company realized a positive impact from these economic factors as it succeeded in securing adequate aluminum can purchases to meet its requirements by entering into agreements with international can manufactures. The relaxation of COVID-19 restrictions has seen on-premises consumption trends increase, decreasing demand for ready-to-drink format products back to pre-pandemic levels including traditional seasonality.

Operating Results

The ready-to-drink beverage segment, representing packaged beverages sold in a format immediately available for consumption upon purchase, continues to grow with new entrants and the movement towards sustainable formats. Wildpack currently focuses on the entry and middle segments of this market which are growing at the fastest relative rate and benefit most from vertically integrated services. We are principally focused on the aluminum can as a format in the near term with future expansion opportunities into other environmentally sustainable containers.

Production Volume

The following table summarizes production volume by service line.

Service <i>(In thousands of cans, except printing volume)</i>	Three months ended		Nine months ended	
	September 30, 2022 ⁷	September 30, 2021	September 30, 2022	September 30, 2021
Filled ²	2,295	4,139	8,896	12,715
Decorated ³	8,639	20,724	28,201	46,322
Brokered ⁴	25,979	Nmf ⁶	84,584	Nmf ⁶
Printing ⁵	6,812	Nmf ⁶	17,689	Nmf ⁶
Total Volume	43,725	24,863	139,370	59,037

² Filled volume was converted from U.S. Gallons (128oz) into 12oz standard equivalent cans. 1 U.S. Gallon represents 10.67 12oz standard equivalent cans.

³ Decorated cans include brokered units in 2021 as volume was insignificant. Decorated cans exclude brokered units in 2022, as volume is significant and reported separately.

⁴ Brokered cans include brokered units and tertiary packaging sales in a 12oz standard equivalent can. \$1 of tertiary packaging = 6.25 12oz standard equivalent cans. Prior to 2022, volume for brokered cans was insignificant.

⁵ Printing services volume was insignificant in 2021, as operations began on December 23, 2021. Printing volume is measured in thousands of labels. One label is used to produce one decorated can.

⁶ Not Meaningful Figure ("Nmf").

⁷ Monthly production volume results are consolidated and reconciled as part of this MD&A disclosure.

Confirmed Customer Orders

The following table summarizes historic confirmed customer orders by month.

<i>(In thousands of dollars)</i>	2022 July ²	2022 August	2022 September	2022 October	2022 November
Confirmed Customer Orders ¹	2,395	3,517	4,689	5,015	5,745

¹ This data is consolidated confirmed sales orders data from the Company's enterprise resource software. Confirmed customer orders do not reflect recognized revenue, but are customer committed future orders, subject to adjustment/reconciliation and may or may not be realized or in a realized in a particular period.

² The Company began internal reporting for management purposes in this period.

Filling

During the three and nine-months ended September 30, 2022, 2.3 million and 8.9 million, respectively, cans were filled compared to 4.1 million and 12.7 million in the comparable periods in 2021.

While additional lines and facilities were added since the comparative periods, our facilities operated at an average of approximately 16.5% and 17.4% capacity for the three and nine-months ended September 30, 2022.¹ The lower production utilization levels in Q3 was attributed to down time related to installing a new filler in the Las Vegas Facility and decelerated production in our Longmont Facility because of a planned move to a new larger production site in Colorado. The filler install in the Las Vegas Facility was completed subsequent to September 30, 2022 and is currently operational. The Longmont Facility was fully decommissioned following completion of the third quarter 2022 and the new location is targeting a Q2 2023 commissioning date. Management previously disclosed our contract with EHPlabs. We are currently fulfilling under standalone sales orders for their 2022 demand and have delivered 2.7 million units to date.

This division has high product margins and therefore was relatively unaffected by cost pressures on inputs. Where cost pressures did exist, due in part to inflation, the Company was successful in passing these costs on to our customers. As direct overhead is the largest burden in the direct costs for our filling division, we believe that economically viable gross margins are naturally achieved following the requisite absorption driven by utilization. From a net income perspective, the reset breakeven utilization occurs at approximately 2.2 million cans per month across our filling division. This represents approximately 35.0% of current capacity.¹

We saw a large increase in demand for this segment during the quarter which has sustained to the date of this MD&A. Most of this demand is being converted into operational throughput in the first quarter of 2023. This includes a much broader base of large contractual customers with more predictable volume demands.

¹ Assuming 24 hours x 6 days a week production at an operational efficiency of 70% normalized to a 12oz standard can.

Decorating

During the three and nine-months ended September 30, 2022, 8.6 million and 28.2 million cans respectively, were decorated compared to 20.7 million and 46.3 million in the comparable periods in 2021.

Decorating experienced lower than forecasted production utilization rates. Decorating operated at an average utilization of approximately 22.6% and 21.7% for the three and nine-months ended September 30, 2022.¹

Low utilization was largely driven by the sustained impacts of shifting customer acquisition efforts from inbound to outbound and more particularly, from a brewery-based segment, to one that services our ready to drink co-packing customers. During the period, we saw a much more direct correlation between co-packing and decorating demand. This supports our thesis that co-packing ready-to-drink beverages (“RTDs”) will become the main driver in the decorating segment of our business. With that said, we have recently noted a slight increase in brewery-based demand, which may, in the view of Management, signify a re-stabilization of this customer base following the supply chain bullwhip emerging out of the COVID shutdowns.

Our sales team has been focused on Filling sales, as often winning the filling volume wins other segment volume. These sales have longer close times, and this has a corresponding negative impact on short-term decorating volume. Congruent with the statements in the filling section above, we saw strong demand which we expect will begin to be turned into operational throughput in the first quarter of 2023. Following our filling utilization achieving target levels, our sales team will shift focus to the decorating segment. The decorating fixed assets have higher relative available capacity when compared to the filling lines.

While decorating has lower product margins relative to filling, due to higher can and sleeve raw material input costs, the gross margin is most heavily impacted by absorption. With our revamped direct overhead, Management estimates that the reset net income breakeven utilization occurs at approximately 7.0 million cans per month across our decorating division. This represents approximately 39.6% of current capacity.¹

Wildpack owns one complete decorating line, in addition to its current 5 operating decorating lines, which is currently sitting in storage, waiting to be deployed into a new or existing plant. Management has decided to deploy this line, at such time that we have geographic specific customer sales orders sufficient to cover the ramp up period. Wildpack has several discussions in process currently that would meet this requirement and allow the facility/line to turn on profitably. Deploying this line would have the impact of adding approximately 3 million cans per month of capacity.¹

Brokering

During the three and nine-months ended September 30, 2022, we brokered 26.0 million and 84.6 million 12-ounce standard can equivalents, respectively. During the comparable 2021 period and fiscal year ended December 31, 2021, brokering was included within the decorating service volume as it was not a meaningful figure to our overall operations.

Our historical Land and Sea Packaging business contributed lower than target revenue resulting from customer over-purchasing in 2021 and a customer concentration in the beer industry. Prior to being acquired, Land and Sea Packaging was heavily concentrated in the beer industry. Wildpack's sales force is working to diversify the brokerage customer base to include RTD cocktails, seltzers, energy drinks and water, with targeted diversified concentrations more akin to that of Wildpack's filling segment. To date, Wildpack's sales force has added approximately 25 printed can customers, other than the large customer discussed in the Q2 2022 MD&A, representing approximately 12 million cans, with deliveries to occur in Q4 2022.

In the previous MD&A, Management provided disclosure regarding our largest brokering customer acquired to date. To date, we have begun fulfilling under this contract and have delivered approximately 4.6 million units.

Management anticipates that the consolidated Wildpack and Land and Sea brokerage will sell more units in 2022 than in 2021. While Land and Sea's historic customer base remains below 2021 levels, at the time of this MD&A the forecasts from these customers indicate that 2023 will be above 2022 and 2021 revenue.

During the quarter, Wildpack entered into a contract with Ball Corporation to increase our access over the near and mid-term. This contract drastically reduced can cost and more importantly provides certainty over supply, allowing the Company to enter printed can sales with customers. These cost reductions will be immediately realized in the printed can business, as very limited inventorying occurs, with more gradual impacts on the manufacturing-based business segments due to the time required to work through existing inventory, held at higher cost basis. Wildpack utilizes an average cost of inventory approach to determining the product costs associated with an order.

Management has determined to follow a static margin approach to pricing under the new pricing model, and therefore revenue per can will decrease while maintaining gross margins. Management determined this was the appropriate approach because it should create a stronger relationship with Ball Corporation due to more sales, a larger competitive pricing advantage due to our purchasing power and, should make our brands more successful by providing them lower input costs. We expect this to also allow us to win more Filling business going forward.

Printing (Sleeve and Label)

During the three and nine-months ended September 30, 2022, 6.8 million and 17.7 million sleeves, respectively, were printed. The Company commenced printing operations in its Las Vegas Facility on December 23, 2021, as a result, during the comparable period and fiscal year ended December 31, 2021, the Company had no recorded production.

During the period, the printing division met all needs of the internal decorating segment, except for work that cannot be produced due to production constraints. During the period, we added the ability to print matte and spot matte jobs, which historically we have had to outsource. This is compared to last quarter where our internal printing operations only serviced approximately 70% of our sleeve demand.

Internal printing services provides two major benefits to Wildpack. First, it results in a significant reduction in the direct landed cost of a sleeve by approximately 40%, as compared to third-party vendors. Second, it provides flexibility in scheduling that allows for less disruption and more predictability to our decorating and filling divisions.

Our printing vendors typically provide sleeves between 21 and 28 days from purchase. Our internal printing operation is currently operating on a 7-14 day lead time from confirmation of the sales. This reduction in time will allow our decorating segment to lead the market for delivery time, which is among the most valued purchasing criteria for this customer group. It will also allow us to provide cut-in services for an increased price as we are regularly asked to do.

Management still intends to use all printing capacity to service internal demand as opposed to selling sleeves as a revenue generating segment.

Financial Results

	Note	Three months ended September 30		Nine months ended September 30	
		2022	2021	2022	2021
Sales	16	\$8,171	\$7,069	\$25,611	\$21,638
Cost of sales	17	8,666	5,678	25,671	18,132
Gross profit		(495)	1,391	(60)	3,506
Operating expenses					
Selling expenses		673	331	1,979	1,065
Salaries, wages, and benefits		1,587	971	5,254	1,784
Depreciation and amortization	9, 10, 11	968	397	2,858	1,003
Office and administrative		552	827	1,472	1,382
Share-based compensation	15	115	269	297	620
Professional fees		295	961	1,227	1,410
Bad debt expense		529	13	655	133
Listing expense	5	-	-	-	748
Other operating expenses (income)		200	(322)	12	87
Operating expenses		4,919	3,447	13,754	8,232
Other expenses (income)					
Bank and finance charges		4	16	25	22
Interest on long-term debt	13	1,165	361	3,588	439
Interest on lease obligations		176	166	570	473
Gain on derivative liability	14	(24)	(791)	(2,166)	(791)
Other expenses (income)		1,321	(248)	2,017	143
NET LOSS BEFORE INCOME TAXES		(6,735)	(1,808)	(15,831)	(4,869)
Deferred income tax expense (recovery)		-	(316)	-	(449)
NET LOSS		\$(6,735)	(1,492)	\$(15,831)	\$(4,420)

Three and nine-months ended September 30, 2022, compared to the three and nine-months ended September 30, 2021

Net loss

The Company had a net loss of \$6.74 million and \$15.83 million for the three and nine-month periods ended September 30, 2022, respectively, and \$1.49 million and \$4.42 million for the three and nine-month periods ended September 30, 2021.

The elevated net loss is driven by low facility absorption of fixed costs, overburdened direct and operating costs and lower than forecasted revenue in our brokering division. Manufacturing absorption calculates the landed cost of each unit produced, assuming both fixed and variable costs of sales. Management has taken steps to correct absorption through increased Filling division sales, the brokering division's industry segment concentration to include non-beer customers, and improve brokering absolute profit thereby reducing net loss.

Revenue

Revenues amounted to \$8.17 million and \$25.61 million in the three and nine-month periods ended September 30, 2022, respectively, and \$7.07 million and \$21.64 million in the three and nine-month period ended September 30, 2021.

Revenue increased by 18% in the nine-month period over period and 16% in the three-month period over period primarily driven by the brokering division relative to the comparable period. Revenue is driven primarily by demand and our sales team efforts, which are doubling down its primary focus of customer acquisition to fill manufacturing capacity.

Cost of sales

Cost of sales amounted to \$8.67 million and \$25.67 million in the three and nine-month periods ended September 30, 2022, respectively, and \$5.68 million and \$18.13 million in the three and nine-month periods ended September 30, 2021.

Cost of sales increased 42% due to a 136% increase in production volume and fixed costs associated with operating six facilities for the nine-month period ending September 30, 2022, from four facilities for the majority of the same period in the prior year.

The percentage change in cost of sales, 43%, outweighed the change in revenue, 18%, as direct product costs remain elevated due to the use of higher basis inventory compared to replacement cost under new supply agreements and internal production of printed sleeves. Higher fixed costs sized for elevated production levels, when combined with relatively lower utilization levels further contribute to this trend.

Selling expenses

Selling expenses were \$0.67 million and \$1.98 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.33 million and \$1.07 million in the three and nine-month periods ended September 30, 2021.

Selling expenses increased in the three and nine-month period over period due to an increase in headcount in the sales division. Sales division salaries and wages decreased 10% from Q2 to Q3 2022. While commissions increased 10% over the same period. Commissions are paid on confirmed sales orders, which is a leading indicator.

Salaries, wages, and benefits

Salaries, wages, and benefits were \$1.59 million and \$5.25 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.97 million and \$1.78 million in the three and nine-month periods ended September 30, 2021. Salaries, wages, and benefits increased in the three and nine-month period over period due to an increase in headcount associated with the geographic facility expansion. There was a decrease in salaries, wages, and benefits of approximately 12% from Q2 to Q3 2022, associated with the headcount rationalization in the prior quarter. This reduction is not the full effect of the rationalization as sustaining severance and costs associated with the rationalization were experienced in the quarter.

Depreciation and amortization

Depreciation and amortization expenses were \$0.97 million and \$2.86 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.40 million and \$1.00 million in the three and nine-month periods ended September 30, 2021. Depreciation and amortization expenses increased due to additional equipment purchased, or acquired through acquisitions, which has been deployed in production capacity expansion projects. There was also additional amortization of intangible assets related to acquisitions in fiscal year 2021.

Office and administrative

Office and administrative expenses were \$0.55 million and \$1.47 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.82 million and \$1.38 million in the three and nine-month periods ended September 30, 2021. Office and administrative expenses decreased in the three-month period over period due to lower acquisition integration related costs.

Shared-based compensation

Share-based compensation was \$0.12 million and \$0.30 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.27 million and \$0.62 million in the three and nine-month periods ended September 30, 2021. Share-based compensation includes non-cash consideration provided to Management, directors, and employees in the form of share options and restricted share units. Share-based compensation decreased marginally due to the timing of options granted and vesting.

Professional fees

Professional fees were \$0.30 million and \$1.23 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.96 million and \$1.41 million in the three and nine-month periods ended September 30, 2021. Professional fees decreased in the three-month period over period due to limited advisory and acquisition related expenditures, as well as the general timing of accounting, advisory, and other professional fees.

Interest on long-term debt

Interest on long-term debt was \$1.17 million and \$3.59 million for the three and nine-month periods ended September 30, 2022, respectively, and \$0.36 million and \$0.44 million in the three and nine-month periods ended September 30, 2021. Interest on long term debt increased due to interest paid on the convertible debentures during the period ended September 30, 2022. The comparable period includes interest payments related to the Series 1 debenture only whereas the current period includes interest payments related to the Series 1, 2 and 3 debentures. Series 2 and 3 debentures were entered into subsequent to September 30, 2021.

Gain on revaluation of debenture liability

Unrealized gain or loss on the revaluation of the debenture derivative liability depends on inputs and model outputs specified in note 14 to the condensed consolidated interim financial statements (unaudited) for the three and nine-months ended September 30, 2022, and September 30, 2021.

Bad debt expense

Bad debt expense was \$0.53 million and \$0.66 million in the three and nine-month periods ended September 30, 2022, respectively, and \$0.02 million and \$0.13 million in the three and nine-month periods ended September 30, 2021. Bad debt expense increased in the three and nine-month period over period due to two customers disputing balances owed, resulting in additional doubtful accounts allowances.

Source and Use of Financing Proceeds

During the three-month period ended September 30, 2022, the Company did not complete any equity financings.

During the quarter ended March 31, 2022, the Company received net proceeds from a financing. The offering is described in the Liquidity and Capital Resources section of the MD&A. For additional details, please reference the Company's filings on SEDAR. On March 31, 2022, the Company closed a public offering of 5,007 debenture units for gross proceeds of \$4,007, as further discussed in note 14 to the condensed consolidated interim financial statements for the three months ended March 31, 2022, and the three months ended March 31, 2021. The following table is a reconciliation of actual use of proceeds to the estimates included in the Company's short form prospectus dated March 31, 2022.

	Estimated	Actual
Net Proceeds from offering	\$3,770	\$3,770
Acquisitions of strategic canning-related business	793	—
Capital expenditures for capacity expansion	1,586	46
General working capital	1,391	3,724

Actual use of proceeds for the acquisition of strategic canning-related businesses were delayed as part of the shift in strategic focus from growth to profitability. Capital expenditure actual use of funds was less than estimated due primarily to timing variances, as the Company did not complete the purchase of approximately \$0.75 million of capital equipment during the quarter ended June 30, 2022. The actual use of funds for general working capital was higher than estimated as management shifted strategy from growth to profitability.

Summary of Quarterly Financial Results

The following table contains selected quarterly information derived from the Company's condensed consolidated interim financial statements (unaudited), which are reported under IFRS applicable to interim financial reporting. The Company became a Reporting Issuer on May 17, 2021.

<i>(In thousands of dollars, except earnings per share)</i>	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4
Revenue	\$8,171	\$8,911	\$8,529	\$6,643	\$7,069	\$8,135	\$6,434	\$4,999
Net loss	(6,735)	(5,199)	(3,897)	(9,279)	(1,808)	(2,038)	(889)	(1,500)
EPS (LPS) – Basic	(0.07)	(0.05)	(0.04)	(0.16)	(0.03)	(0.04)	(0.02)	(0.04)
EPS (LPS) – Diluted	(0.07)	(0.05)	(0.04)	(0.16)	(0.03)	(0.04)	(0.02)	(0.04)

Our financial results are primarily driven by production, acquisition, and construction activities. Significant changes in these factors directly impact our revenue, net earnings (loss), and comprehensive earnings (loss). In addition:

- Our financial results for the third quarter ended September 30, 2022, were impacted by low quarterly production capacity utilization. Direct costs were elevated as high average cost inventory continues to be utilized and replaced with newly contracted Ball Corporation aluminum can supply at considerably lower cost. Our financial results were also impacted by severance and other non-recurring costs such as bad debt expense.
- Our financial results for the second quarter ended June 30, 2022, were impacted by low but improving quarterly capacity utilization. Direct and operating costs were elevated, to support growth and integration, but improving month over month to end the quarter as a result of cost cutting initiatives, primarily the salaries, wages and benefits rationalization. Our financial results were also impacted by severance and other non-recurring costs such as professional fees.
- Our financial results for the first quarter ended March 31, 2022, were significantly impacted by low utilization resulting from the seasonal low demand period. Direct and operating costs were elevated to support growth and integration. Our financial results were also impacted by the acquisition of Land and Sea, which resulted in additional operating revenue and expenses, associated with elevated production volume of brokered can equivalents.

Outlook

Management narrows and revises the annual revenue guidance to \$35-39 million. This revised guidance is dependent upon levels of schedule attainment, involving some new production equipment and enhanced operating protocols. Guidance is heavily reliant upon our current and planned ramping of production in Q4 to meet our new contractual demand. The key assumptions that Management is relying upon for its guidance are:

- Reduced impact of seasonality in the fourth quarter of 2022, by obtaining counter seasonal customers;
- Limited impact to revenue growth from the strategy change, pivoting focus from growth to profitability and cost cutting measures, refinement of customers to filter on high gross margin opportunities, price increases, among others;
- Consistent capacity availability of the facilities owned by the Company;
- No major reversals in market trends; and
- Consistent or improving production yields.

The key risk factors relating to these assumptions include:

- Seasonality is more impactful than anticipated;
- Customer sales do not continue to increase;
- The Company does not achieve utilization of the capacity of its facilities as anticipated;
- Achieving desired profitability has a larger impact on revenue growth than anticipated;
- The Company having inadequate working capital to scale utilization to desired levels;
- Market trends change; and
- Production yields do not continue to improve.

Management continues to prioritize profitability in 2022, having made the pivot in Q2 2022. Efforts are being made in the following areas to realize this goal:

- April 2022, and June 2022, and if necessary, a further reduction in headcount to support target revenue guidance instead of continuing to scale for each subsequent stage of growth;
- Reduction in professional, travel and integration fees relating to capital markets and acquisitions;
- Scaling of sales efforts and client mix; and
- Improved utilization and yields of existing capacity.

Management believes that these changes in strategy will maximize stakeholder value.

Liquidity and Capital Resources

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern. As at September 30, 2022, the Company had a working capital deficit of \$7,789, an accumulated deficit of \$35,527, and cash and cash equivalents of \$513. During the nine-month period ended September 30, 2022, the Company incurred a net loss of \$15,831 and used cash of \$1,247 in its operating activities. The Company's history of losses and cash outflows from operations represent a material uncertainty that may cast significant doubt on the Company's ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's strategy is to develop into profitable operations and where merited to grow through acquisition and development. Such acquisitions and development may be funded by cash, debt, and share issuances. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate cash or raise equity capital or borrowings sufficient to meet current and future obligations. Further acquisitions will likely require additional financing and there can be no assurance that such financing will be available to the Company on acceptable terms. If necessary, the Company may explore opportunities to revise the due dates of its liabilities, and/or settle its liabilities through the issuance of common shares and other equity instruments. Depending on the amount of funding raised, the Company's planned acquisition initiatives may be postponed, or otherwise revised, as necessary. The Company is considering strategic fundraising alternatives to supplement current and future capital resources.

During the nine-month period ended September 30, 2022, the Company raised net proceeds from financings of \$3.80 million in debentures and obtained \$5.0 million in secured debt. See note 13 for additional discussions of debt financing.

The capital resources currently available to and being considered by the Company are as follows:

Debt

The Company entered into a senior secured credit facility with Transportation Alliance Bank, Inc. ("TAB Bank"), for up to \$5 million asset-backed financing. This provides for a senior secured credit facility, with a 2-year term, and interest only payments at the variable 30-day Secured Overnight Financing Rate ("SOFR") plus 4.85%. TAB Bank holds a first position security interest in the Company's assets. The Company intends to use available proceeds for general working capital purposes.

Furthermore, the Company entered into debt transactions with related parties during the quarter ended September 30, 2022. Please reference Related Party Transactions.

Equity

The Company did not enter into any equity transactions during the quarter ended September 30, 2022.

Subsequent to the period ended September 30, 2022, the Company entered into a long-term packaging supply and manufacturing agreement with EHPlabs LLC ("EHPlabs"). In addition, the Chief Executive Officer of EHPlabs, will make a private placement into the Company and be appointed to the Board of Directors. The Company issued a non-brokered private placement basis, 8,097,166 common shares in the Company, at a price per share of C\$0.17, for aggregate proceeds \$1,000.

Debenture

On March 31, 2022, the Company closed a public offering of 5,007 debenture units for gross proceeds of \$4,007 ("Series 3" debentures). Each debenture unit consists of (i) one 8% senior unsecured convertible debenture having a face value of C\$1,000, which is convertible into common shares of the Company at a conversion price of C\$1.00 per common share and matures four years from the closing date; and (ii) 500 common share purchase warrants ("Warrants S3") of the Company. Interest is paid quarterly.

Each Warrant S3 entitles the holder thereof to purchase one common share at C\$1.50 per share for a period of two year, expiring March 31, 2024. In connection with the March 2022 offering, the underwriters received a cash commission equal to \$150 and the Company also issued compensation warrants to the underwriters entitling them to purchase an aggregate of 50,420 common shares at a price of C\$1.00 per share until March 31, 2024.

On November 23, 2021, the Company issued 20,000 debenture units, for consideration of \$14,795 ("Series 2" debentures). Each debenture unit consists of (i) one 8% senior unsecured convertible debenture having a face value of C\$1,000 which is convertible into common shares of the Company at a conversion price of C\$1.51 per common share and matures on November 23, 2025; and (ii) 332 common share purchase warrants ("Warrants S2") of the Company. Each Warrant S2 entitles the holder thereof to purchase one common share at C\$1.81 per share for a period of two years, expiring November 23, 2023.

On June 30, 2021, the Company issued 20,000 debenture units for consideration of \$15,017 ("Series 1" debentures). Each debenture unit consists of (i) one 8% senior unsecured convertible debenture having a face value of C\$1,000, which is convertible into common shares of the Company at a conversion price of C\$1.51 per common share and matures on June 30, 2025; and (ii) 332 common share purchase warrants ("Warrants S1") of the Company. Each Warrant S1 entitles the holder thereof to purchase one common share at C\$1.81 per share for a period of two years, expiring June 30, 2023.

At any time following the expiry of 36 months after issuance, the Company may, at its option, redeem pro rata all or part of the convertible debentures, upon not less than 30 nor more than 60 days' prior written notice, at a redemption price which is equal to 110% of the principal amount thereof, plus any accrued and unpaid interest that would otherwise be payable to the holder from the time of the optional redemption until maturity.

The Company may force the conversion of all but not less than all of the principal amount of the then outstanding convertible debentures at the conversion price if the volume weighted average trading price of the Company's common shares on the TSX Venture Exchange is greater C\$1.50 (Series 3 issuance) for the proceeding ten consecutive trading days and C\$2.19 (Series 1 and Series 2 issuances) for the preceding 20 consecutive trading days. Holders having their convertible debentures converted will receive accrued and unpaid interest thereon in cash.

The Company determined that the convertible debenture is a compound instrument consisting of 1) a host debt component, which has been presented within debt (note 13); 2) a derivative liability, which has been presented within debt (note 13), and 3) warrants which have been presented within contributed surplus. The Company exercised judgement in determining the fair value of the derivative liability. The valuation is considered to be level 3 in the fair value hierarchy.

Commitments and Contingencies

Commitments

As at the date of this MD&A the Baltimore Facility is scheduled to receive a new filling unit, to improve efficiency and overall product quality. A second filling unit is ordered and will be deployed in the Las Vegas or Longmont Facility. The committed outstanding amount payable for this equipment is approximately \$750 and is anticipated to be payable in 2022. Subsequent to period end, the Company paid another \$200 and received delivery of one of the fillings units which has been commissioned and currently operating.

The following table provides our undiscounted contractual obligations as of September 30, 2022:

	Carrying amount	Contractual undiscounted cash flows	Within 1 year	2 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$10,856	\$10,856	\$10,856	\$–	\$–
Long term debt	33,410	43,185	6,509	36,676	–
Lease obligation	11,279	13,382	3,047	9,562	773
Total	\$55,545	\$67,423	\$20,412	\$46,238	\$773

Contingencies

The Company is, from time to time, involved in various claims, legal proceedings, tax assessments and complaints arising in the ordinary course of business from third parties. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations. Accordingly, no provision or further disclosure has been made as the likelihood of a material outflow of economic benefits in respect of such claims is considered remote. In forming this assessment, Management has considered the professional advice received and tax laws in place in the various jurisdictions, and the facts and circumstances of each individual claim. In the opinion of Management, all such claims and suits are adequately covered by insurance, or are provided in the financial statements or, if not so covered or provided for, the results are not expected to materially affect the Company's financial position or results of operations.

Lawsuits

The Company routinely enters contracts for service with its customers. Due to the nature of beverage manufacturing, unfavorable customer outcomes are possible, outside of the Company's control. Customers may pursue litigation to attempt to recover costs.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements requiring disclosure under this section.

Related Party Transactions

Key Management compensation

Key Management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key Management personnel consist of members of the Board and the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), and Chief Growth Officer ("CGO"). Compensation provided to key Management personnel for the nine-month periods ended September 30, 2022, and September 30, 2021, were as follows:

	September 30, 2022	September 30, 2021
Short-term employee benefits, including salaries	\$1,208	\$647
Share-based compensation	257	620
Total	\$1,465	\$1,267

Related party transactions

The Company has entered into employment agreements with each of the officers, including CEO, COO, CGO, and CFO. Under the employment agreements, the officers receive a base salary, extended benefits and are eligible for an annual performance-based bonus and long-term incentive awards determined at the discretion of the Board of Directors. For the three and nine-months ended September 30, 2022, personnel who are not part of key Management received share-based compensation of \$30 and \$40, respectively (September 30, 2021 – \$nil and \$nil).

As at September 30, 2022, due from related parties for routine business expense reports was \$nil (December 31, 2021 – \$58).

Promissory Notes

The Company entered into the following short-term loans and promissory notes with certain directors and related parties of the Company:

- \$300, during the three-month period ended September 30, 2022.
- \$195 during the three-month period ended June 30, 2022.
- \$100, during the three-month period ended March 31, 2022. On April 1, 2022, the loan and accrued interest was paid in full.
- \$500 during the period ended March 31, 2022. On April 28, 2022, the loan and accrued interest was paid in full.

The terms of all the promissory notes and loans are based on prevailing market rates, are at an annual interest rate of 12%, and payable on demand.

Grand Rapids – Building Rent

On December 1, 2021, the Company entered into an 8-year term lease agreement at prevailing market rates for its Land and Sea operations in Grand Rapids, Michigan, with Q4 Development LLC, an entity owned by an employee of the Company. The total lease liability as at September 30, 2022 is \$1,432 (September 30, 2021 – \$Nil) of which \$152 is current and \$1,280 is non-current.

Significant Accounting Estimates, Assumptions, and Judgements

The preparation of the consolidated financial statements in accordance with IFRS, including the condensed consolidated interim financial statements for the three and nine months ended September 30, 2022, requires Management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, Management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. There have been no material changes to the significant accounting estimates discussed in the annual 2021 MD&A filed on SEDAR at www.sedar.com on May 2, 2022.

Significant accounting policies

The Company continues to follow the accounting policies described in note 3 to the audited consolidated financial statements for the year ended December 31, 2021, and nine months ended December 31, 2020, as on SEDAR at www.sedar.com. There have been no material changes to the significant accounting policies.

Financial Instruments

The main risks arising from the Company's financial instruments are fair value risk, credit risk, liquidity risk and market risk (specifically interest rate risk and currency risk). These risks are from exposures that occur in the normal course of business and are managed by the Company's officers. The Company's officers manage these risks in line with the Company's strategy.

The Company's significant financial instruments are comprised of cash and cash equivalents, cash held in trust, accounts receivable, sales taxes recoverable, notes receivable, line of credit, accounts payable and accrued liabilities, consideration payable and debt (note 13) of the condensed consolidated interim financial statements. The main purpose of these financial instruments is to finance the Company's growth and ongoing operations.

The following financial instruments arise from the Company's operations:

Cash and cash equivalents	\$513
Cash held in trust	658
Accounts receivable	3,894
Sales taxes recoverable	397
Notes receivable	19
Accounts payable and accrued liabilities	10,856
Debt	33,410
Lease obligation	11,279

The Company enters into agreements for the purchase of aluminum cans. The price of aluminum cans fluctuates monthly based on the agreed upon metals exchange spot price. Each purchase order is set based on the trailing aluminum spot price. The Company is exposed to aluminum price and shipping cost fluctuations on these commodities. Financial assets and financial liabilities, including derivatives, are recognized on the statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial instruments in the following measurement categories: (a) fair value through profit and loss (“FVTPL”), (b) fair value through other comprehensive income (“FVTOCI”), and (c) amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are irrevocably designated at initial recognition as those to be measured at FVTPL. For assets and liabilities measured at FVTPL, gains and losses are recorded in the statement of income (loss). For liabilities designated at FVTPL, changes due to the Company’s own credit are recorded in other comprehensive income. The Company’s derivative liabilities are designated at FVTPL in the period presented.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified. Derivatives are recognized at their fair value.

Expected credit loss (“ECL”) impairment model

The Company uses the expected credit loss impairment model, which is based on changes in credit quality since initial application. This model is applied to assets measured at amortized cost.

- A maximum 12-month allowance for ECL is recognized from initial recognition reflecting the portion of lifetime cash shortfalls that would result if a default occurred in the 12 months after the reporting date, weighted by the risk of a default occurring.
- A lifetime ECL allowance is recognized if a significant increase in credit risk is detected subsequent to the instrument’s initial recognition reflecting lifetime cash shortfalls that would result over the expected life of a financial instrument.
- A lifetime ECL allowance is recognized for credit impaired financial instruments.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 180 days past due. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of a financial asset is partially or fully written off when there is no realistic prospect of recovery. This typically occurs when the Company determines that the debtor does not have sufficient assets or cash flows to repay the amounts.

Measurement

All financial instruments are measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost in subsequent accounting periods. All other financial assets including equity investments are measured at their estimated fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (loss).

For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

The Company's classification of financial assets and liabilities is summarized below:

Cash and cash equivalents	Amortized cost
Cash held in trust	Amortized cost
Accounts receivable	Amortized cost
Due from/to related parties	Amortized cost
Notes receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Line of credit	Amortized cost
Long term debt	Amortized cost
Debenture derivatives	FVTPL

Derecognition

Financial assets

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

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

Fair value hierarchy

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – 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 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivatives

Derivative instruments, including embedded derivatives in financial liabilities or non-financial contracts, such as the forced conversion of convertible debentures, and non-hedge derivatives, such as foreign exchange contracts, are recorded at FVTPL and, accordingly, are recorded on the statement of financial position at fair value. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date. Changes in fair value at each reporting date are included in the statement of loss and comprehensive loss on financial instruments at fair value.

Outstanding Share Data

As of November 28, 2022, the Company had the following number of securities outstanding:

	Number of securities	Exercise price (C\$)
Common shares	101,672,296	n/a
Share options	7,801,806	\$0.20 - \$1.20
Compensation units	667,288	\$0.90
Compensation warrants	3,133,727	\$0.97 - \$1.81
Restricted share units ³	1,467,287	n/a
Share purchase warrants	31,886,550	\$1.10 - \$1.81
Total	146,628,954	
Convertible Debentures ^{1,2}	45,007	\$1.00 - \$1.51

¹40,000 Convertible debentures are convertible into common shares at a ratio of 1 debenture, holding a face value of C\$1,000 per debenture, convertible into 667 common shares.

²5,007 Convertible debentures are convertible into common shares at a ratio of 1 debenture, holding a face value of C\$1,000 per debenture, convertible into 1,000 common shares.

³The Company may settle RSUs in cash or common shares of the Company, on a basis of one common share for each RSU.

Risks and Uncertainties

Consumer product manufacturing and wholesale involves several risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A, those identified in our Annual Information Form for the year ended December 31, 2021, and our other disclosure documents as filed in Canada on SEDAR at www.sedar.com. You should carefully consider such risks and uncertainties prior to deciding to invest in our securities.

Supply Chain

Any interruption or delay in the Company's supply chain, or the inability to obtain supplies from alternate sources at acceptable prices and within a reasonable amount of time, would harm the Company's ability to supply products to our customers on a commercially reasonable basis. This could harm the Company's relationship with its customers, prevent it from attracting new customers, and materially and adversely affect its business. Further, the Company's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Company's operations rely.

Loss of suppliers, service providers or distributors would have a material adverse effect on the Company's business and operational results. Such disruption could adversely affect inventory supplies and the Company's ability to meet product delivery deadlines. The Company partially relies on certain can manufacturers that operate facilities outside of North America. Geopolitical events such as the Russia-Ukraine conflict could disrupt shipping channels utilized for supplies. The Company's diversified supply chain and inventory on hand may prove to be inadequate to mitigate these shipping issues.

The Company is exposed to commodity price volatility, particularly aluminum price. The Company's pricing strategy and relative customer demand in-elasticity to price changes may prove to be ineffective, resulting in negative gross margin variances. To date, the Company's supply chain has not been materially impacted by the current war between Ukraine and Russia.

Public Health Crises, Including COVID-19

Emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases or pandemics, including the COVID-19 outbreak, could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, social unrest, breach of material contracts and customer agreements, government or regulatory actions or inactions, changes in tax laws, payment deferrals, increased insurance premiums, decreased customer demand, delays in permitting or approvals, governmental disruptions, capital markets volatility, or other unknown but potentially significant impacts. Throughout the COVID-19 pandemic, the Company has operated continuously under the stringent directives provided by federal, state and county authorities. While an outbreak of COVID-19 at a Company facility could result in significant disruption to operations, including a suspension of production, the Company has established COVID-19 Management plans and implemented enhanced protocols and preventative measures to manage and mitigate the spread of COVID-19. Our exposure to such public health crises also includes risks to employee health and safety. Should an employee or visitor become infected with a serious illness that has the potential to spread rapidly, this could place our workforce at risk. The full extent and impact of the COVID-19 outbreak is unknown and, to-date, has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of a global recession.

The international response to the COVID-19 outbreak has led to significant restrictions on travel, temporary business closures, quarantines, and global stock market volatility. At this time, the Company cannot accurately predict what effects these conditions will have on operations or financial results, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by various levels of government in United States and other countries. In addition, a significant outbreak of contagious diseases in the human population, such as COVID- 19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could result in a material adverse effect on demand for packaged beverage products, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Common Shares. Accordingly, any outbreak or threat of an outbreak of an epidemic disease or similar public health emergency, including the COVID-19 outbreak, could have a material adverse effect on the Company's business, financial condition, and results of operations. It is unknown whether and how the Company may be affected if a pandemic, such as the COVID-19 outbreak, persists for an extended period.

Information Technology and Cybersecurity

The Company's information systems, and those of its third-party service providers, creditors, and vendors, are vulnerable to increasing continual cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the organization. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets, and consequences. Additionally, unauthorized parties may attempt to gain access to these systems or the Company's information through fraud or other means of deceiving the Company's third-party service providers, employees, creditors, or vendors.

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems, and software, as well as pre-emptive expenses to mitigate the risks of failures. The Company's operating results may be adversely affected by a cybersecurity breach, a breakdown of its information technology systems or a failure to develop those systems. The Company depends on key information systems to conduct its business, to provide information to Management and to prepare financial reports.

Acquisition Integration

Due to the Company's expansion strategy, we are exposed to integration risk on completed acquisitions. This includes the integration of culture, technology, processes, vendors, and customers. Our experience integrating businesses of diverse sizes combined with the scale of the Company's current operations makes future acquisitions less material to the overall organization mitigating the potential disruption.

Strategy Transition

Due to the Company shifting strategies from growth to profitability, we are exposed to risks associated with not achieving desired profitability in the projected timeline which may have a material impact on the cash flows of the business. There is also a risk that reductions in costs can lead to unforeseen issues that could have a material impact on operations.

Labour Supply and Unionization

The labour market in the United States is currently constrained. The Company's ability to flexibly adjust labour hours and maintain capacity depends on sufficient and economical labour. We manage this consideration through competitive compensation packages and consistent hiring practices. Currently, there are no indications of unionization of the Company's employees. Should unionization occur, it could negatively impact the Company's operating costs and decrease its profit margins.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in the global supply chain and financial markets. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Supply chain disruptions may adversely affect our business, financial condition, and results of operations.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified, including those relating to commodity price volatility, global financial conditions and supply chain disruptions. The situation is rapidly changing and unforeseeable impacts, including on our investors and counterparties on whom we rely and transact with, may materialize, and may have an adverse effect on our business, results of operation and financial condition.

Economic Recession and Inflation

Global economic events and other factors, such as accommodative monetary and fiscal policy and the impacts of the COVID-19 pandemic, have contributed to significant inflation in many of the markets in which we operate. In order to combat inflation and restore price stability, the U.S. Federal Reserve and central banks worldwide have raised interest rates and are expected to keep increasing interest rates in 2022 and 2023. Increased inflation and interest rates may hinder the economic growth in the U.S. and in the global economy. This economic weakness in the economy and the possibility of a global recession has had, and may continue to have, a negative effect on our business and financial condition. Further, the continued slowdown, or a recession, in the global economy or in a particular region or industry, inflation or a tightening of the credit markets could negatively impact our business, financial condition and liquidity, including our ability to continue to access preferred sources of liquidity, and our and their borrowing costs could increase. Economic recession could negatively impact the Company's ability to access capital in the public markets at acceptable terms.

Indebtedness

Our level of indebtedness could, among other things, limit our ability to obtain additional financing in the future, reduce the amount of cash available for working capital, capital expenditures and other business needs, increase our vulnerability to adverse changes in the economy, restrict us from making strategic acquisitions, force us to make non-strategic divestitures and increase our costs of borrowing. Any one of these impacts could have a material effect on our business, financial condition, results of operations, prospects, and our ability to satisfy our obligations in respect of our outstanding debt.

Licenses and Permits

Our operations are subject to various licensing, permitting, approval, and reporting requirements imposed by federal, state and local laws. A risk inherent in our operations is the need to obtain and renew permits from federal, state, and local authorities. Delays in obtaining permits, the failure to obtain a permit or a renewal permit could limit our ability to effectively provide our services. We are also required to secure and maintain licenses required by several states which can take a significant amount of time. If we fail to secure or maintain any such licenses or if states place burdensome restrictions or limitations on our ability to obtain or maintain such licenses, we may not be able to operate in such states and our business, financial condition, results of operations or prospects may be materially adversely affected as a result.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A and certain information incorporated herein by reference constitute forward-looking statements. Forward-looking statements include, but are not limited to, statements with respect to the Company's plans or future financial or operating performance, the estimation of sales volumes and production throughput, anticipated growth in co-packing business, the estimation of revenue, operating efficiencies and costs, successful acquisition and integration of new facilities, future capital expenditures, requirements for and timing of additional financing, and future outcome of legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "will continue" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The material factors or assumptions used to develop material forward-looking statements are disclosed throughout this document. Forward-looking statements, while based on Management's best estimates and assumptions, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the successful integration of acquisitions, operations, general economic conditions, financing and credit availability, increase in price of aluminum, increase in prices of raw ingredients for beverages, changes in consumer beverage preferences, supply chain issues including, supply of aluminum cans, fluctuations in US dollar currency exchange rates, failure of plant, equipment or processes to operate as anticipated; food and safety issues, quality control failures, accidents, labour disputes, claims and limitations on insurance coverage; delays in obtaining financing, changes in alcohol regulations, tax rules and regulations, and actual resolutions of legal and tax matters, as well as those factors discussed in the section entitled "Risk Factors" in the Company's most recent Annual Information Form available on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual 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. Forward-looking statements are qualified in their entirety by the inherent risks and uncertainties related to the Company's business, including that the Company's assumptions in making forward-looking statements may prove to be incorrect; delays in filing of financial information; adverse market conditions; risks inherent in the beverage manufacturing and packaging sector in general; that future results may vary from historical results; and competition in the markets where the Company operates. Except as required by securities law, Wildpack does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise.

Investor & Contact Information

Stock Exchange and Listed Securities

Toronto Stock Exchange Venture

Common Shares (CANS)

Debentures (CANS.DB)

Warrants (CANS.WT and CANS.WT.A)

OTCQB Venture Market

Common Shares (WLDPF)

Share Registrar and Transfer Agent

Computershare Investor Services Inc.

100 University Avenue, 8th Floor

Toronto, ON

M5J 2Y1, Canada

Corporate Counsel

Fasken Martineau DuMoulin LLP

2900-550 Burrard Street, Vancouver, BC

V6C 0A3, Canada

Investor and Analyst Inquiries

Elijah Clare, Vice President of Investor Relations

Wildpack Beverage Inc.

T: 306-203-9791

invest@wildpackbev.com

Locations

US Corporate Office

1301 Edison Hwy, Suite A2, Baltimore, MD, 21213

Canada Corporate Office

620 – 311 Water Street, Vancouver, BC, V6B 1B8

Manufacturing Facilities

1301 Edison Highway, Suite A2, Baltimore, MD 21213

834 Striker Ave Suite D-E Sacramento, CA 95834

4751 Vandenberg Dr, North Las Vegas, NV, 89081

3917 E Lone Mountain Dr, North Las Vegas, NV, 89081

1998 Delk Industrial Blvd, Marietta, GA, 30067

1925 Pike Road, Suite 103, Longmont, CO, 80501

4350 40th Street SE, Grand Rapids, MI, 49512

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Ryan Mason, Chief Financial Officer

Thomas Walker, Chief Growth Officer