



GENERAL ASSEMBLY PIZZA

General Assembly Holdings Limited

Management's Discussion and Analysis

For the three and nine months ended September 30, 2021, and 2020

Date: November 29, 2021

General Assembly Holdings Limited
331-333 Adelaide Street West,
Toronto, Ontario, M5V 2G5.



GENERAL ASSEMBLY HOLDINGS LIMITED
Management's Discussion and Analysis
For the three and nine months ended September 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (this "MD&A") provides a review of the results of operations, financial condition and cash flows for General Assembly Holdings Limited (the "Company" or "GA" or "GA Pizza"), for the three and nine months ended September 30, 2021, and 2020.

This document should be read in conjunction with the information contained in the Company's unaudited condensed interim combined consolidated financial statements and related notes for the three and nine months ended September 30, 2021 (the "Q2 2021 Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all dollar ("\$") and "CAD" amounts and references in this MD&A are in Canadian dollars.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, November 29, 2021, being the date the Company's board of directors (the "Board" or "Board of Directors") approved this MD&A and the Q2 2021 Financial Statements. All quarterly information contained herein is unaudited. Additional information about the Company can be found in the Company's filings with securities regulatory authorities, which are available under the Company's profile on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Generally, forward-looking information 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", or "believes", or variations of such words and phrases or statements that infer actions, events or results with terminology such as "may", "could", "would", "might", "will be taken", "occur" or "be achieved".

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and, therefore, the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based upon numerous assumptions and is subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, the risk factors that are discussed in greater detail under "Risk Factors and Uncertainties".

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information concerning availability of capital resources, business performance, market conditions, and customer demand. Consequently, all of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

CORPORATE OVERVIEW

General Assembly Holdings Limited (the "Company" or "GA" or "GA Pizza"), is a company that delivers premium pizza experiences across multiple distribution and retail channels. The company is anchored by a flagship fast casual restaurant with dine-in and off-premises operations, and a consumer-packaged goods ("CPG") line of naturally leavened frozen pizzas, available at specialty grocery stores and through a direct-to-consumer ("DTC") eCommerce platform.

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General Assembly Holdings Limited is a corporation incorporated on June 30, 2017, in the province of Ontario. The Company's operating subsidiary, 2499754 Ontario Limited ("249"), operating as General Assembly Pizza, was incorporated on January 12, 2016.

The Company's registered and records office are located at 331-333 Adelaide Street West, Toronto, Ontario, M5V 2G5.

The Company's shares commenced trading on the TSX Venture Exchange (the "TSX-V") under the symbol "GA" on June 3, 2021.

SIGNIFICANT CORPORATE DEVELOPMENTS

COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's customers, suppliers, and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time on its business, liquidity, capital resources and financial results.

Launch of frozen pizza product

As a response to the COVID-19 pandemic shutting down in-restaurant dining in the city of Toronto, the Company pivoted and developed a new frozen pizza product that it distributes through two distinct sales channels: 1) consumer packaged goods ("CPG") frozen pizza sold to specialty grocery stores which launched in May of 2020, and 2) direct to consumer ("DTC") via the Company's ecommerce platform which launched in late September 2020.

Reorganization

Prior to September 1, 2020, the Company and 249 were under common control by the same party. On September 1, 2020, the group reorganized such that the shareholders of 249 assigned their shares in 249 to the Company ("Reorganization"). As a result of the Reorganization, 249 has been a wholly owned subsidiary of the Company since September 1, 2020. The combined consolidated statements of shareholders' equity/deficiency have been prepared as a combination of the Company and 249 prior to the Reorganization before September 1, 2020, and as a continuation of the Company to be consistent with the consolidated structure on and after September 1, 2020.

On October 16, 2020, the Company incorporated two wholly owned subsidiaries: 1) GA Subscriptions Limited (incorporated in the Province of Ontario), and 2) GA CPG Limited (incorporated in the province of Ontario). Both have been consolidated as wholly owned subsidiaries of the Company.

Share reorganization

On September 1, 2020, the former shareholders of 249 transferred 100 common shares of 249 to the Company, as described above, representing all of the issued and outstanding shares of 249.

On November 17, 2020, the Company cancelled all 10,000 outstanding Class A, Class B, Class C, Class D and Class E common

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shares of the Company for no consideration. After cancelling the Class A through E shares, the Company reissued 9,000,000 Class A common shares of the company for \$0.0001 per share.

November 17 Financing

On November 17, 2020, the Company completed a non-brokered private placement for 2,350,746 Class A common shares of the Company ("Common Shares") for gross proceeds of \$1,575,000. In addition, the Company issued (i) 3,526,118 warrants to purchase the same number of Common Shares at an exercise price of \$0.67 per share, which will automatically expire after two years, and (ii) 1,000,000 warrants to purchase that same number of Common Shares to certain investors with an exercise price of \$0.15 per share, which will automatically expire after two years.

Share Redemption and Repurchase

On November 17, 2020, the Company redeemed the 20,000 Class F special shares (the "Redeemed Shares") for cash consideration of \$500,000 ("Redemption Price"). The Class F special shares were redeemable and retractable by the Company and entitled the holder to dividends at the rate of 3.98% for the first five months and 7.98% thereafter per year and declared monthly and payable monthly. The balance of the shares and dividends are more like debt in nature and this the balance and corresponding dividend have been accounted for as debt and interest. The Redemption Price included full settlement of dividends owing with respect to the Redeemed Shares up to the closing date of the redemption thereof.

On November 20, 2020, the Company repurchased 1,000,000 Class A common shares for cash consideration of \$750,000. The average cost of Common Shares repurchased of \$59,042 was removed from share capital with the balance of \$690,958 being charged to accumulated deficit.

Financing Deposit

In September of 2019, the Company arranged a financing with a third-party (the "Lender") to be advanced in multiple tranches (the "Loan"). The purpose of the financing was to be used to expand operations by opening additional retail locations through the Greater Toronto Area.

As a condition to the first advance under the Loan, the Lender required that the Company deposit USD \$1,000,000 (the "Security Deposit") with Lender to be held in escrow by Lender until such time as Lender made the initial advance to the Company under the Loan (the "First Advance"). On or about October 23, 2019, the Company made payment of the Security Deposit to Lender. The funds for the Security Deposit were lent to the Company by two of its shareholders in the amount of \$1,370,000, Loan 5 of \$920,000 and Loan 6 of \$450,000. The Security Deposit was to have been returned to the Company if the First Advance did not occur within fifty-five (55) days following the Company's payment of the Security Deposit to Lender.

During the year ended December 31, 2020, the Company incurred interest expenses on Loan 5 and Loan 6 of \$30,624 and \$44,723, respectively (2019 - \$5,994 and \$4,871, respectively) which the Company also paid.

The First Advance did not occur prior to the First Advance Date and Lender had failed and refused to return the Security Deposit. On November 26, 2019, Lender returned USD \$200,000 of the Security Deposit to the Company.

On July 10, 2020, the Company filed a statement of claim against Lender under the Ontario Superior Court of Justice (the "Claim").

On November 17, 2020, the Company raised \$1,575,000 in connection with an equity financing and used a portion of the proceeds therefrom to make a partial repayment of \$325,000 against Loan 5. On that same day, the shareholder in connection with Loan 5 assigned the balance of their loan owing from the Company, being \$595,000, to the CEO and primary shareholder of the Company ("CEO"), and said shareholder provided a full release to and in favor of the Company of all claims in relation to Loan 5.

On November 24, 2020, the shareholder in connection with Loan 6 transferred Loan 6 to the CEO and provided a full and final

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release to and in favor of the Company of all claims in relation to Loan 6. Also, on November 24, 2020, the Company assigned its obligations under each of Loan 5, being \$595,000 and Loan 6, being \$450,000 to 2780460 Ontario Ltd. ("278"), a corporation wholly owned by the CEO, and 278 assumed such obligations. In consideration of 278's assumption of such obligations, the Company also assigned to 278 all of its right, title and interest in and to all claims against Lender, including the Claim.

The Company has discontinued the Claim and 278 is commencing a new claim against Lender based on the same claims as set out in the Claim. As of the date hereof, there are no amounts owing by the Company pursuant to Loans 5 & 6, nor does the Company have any right, title or interest in any claims against the Lender.

SIGNIFICANT OPERATING HIGHLIGHTS AND DEVELOPMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND TO THE DATE OF THIS MD&A

Series A Financing

Between December 29, 2020, and January 28, 2021, the Company completed a Series A Financing resulting in the issuance of an aggregate of 5,272,047 units at a price of \$0.48 per unit for total gross proceeds of \$2,530,582. Each unit is comprised of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to purchase one additional Common Share at any time following the issuance date and prior to the earlier to occur of (i) the two (2) year anniversary of Liquidity Event, and (ii) the twenty-five (25) year anniversary of the issuance date, at an exercise price of \$0.72 per Common Share.

During the nine months ended September 30, 2021, the Company closed 2,249,939 units for net proceeds of \$851,569.

As part of the transaction, the Company (A) paid an advisory cash fee of \$192,806 in total, of which \$82,283 was paid in the nine months ended September 30, 2021, (B) paid a corporate finance fee of \$120,504 by way of issuance of 251,048 units of the Company (the "CF Fee Units"), and (C) issued 401,678 advisory warrant units ("Advisory Warrant Units").

Each CF Fee Unit entitles the advisor to 251,048 Common Shares and 125,524 warrants to purchase that same number of Common Shares at any time following the issuance date and prior to the earlier to occur of (i) the two (2) year anniversary of Liquidity Event, and (ii) the twenty-five (25) year anniversary of the issuance date, at an exercise price of \$0.72 per Common Share.

Each Advisory Warrant Unit entitles the advisor to purchase one Common Share for a period of two (2) years from the Liquidity Event, at an exercise price of \$0.48 per Common Share for a total 401,678 Common Shares, and a warrant to acquire 200,839 Common Shares exercisable at any time for a period of (2) years from the Liquidity Event, at an exercise price of \$0.72 per Common Share.

In addition, as advisory compensation payable in connection with the transaction, the Company paid a finder's fee of \$36,151 by way of issuance of 100,419 Common Shares and issued an advisory warrant exercisable for a period of ten (10) years following the occurrence of a Liquidity Event, to purchase up to 2,700,000 Common Shares at an exercise price of \$0.20 per Common Share.

Total legal fees in connection with the non-brokered private placement was \$31,141.

Going Public Financing

On February 2, 2021, the Company completed a brokered private placement resulting in the issuance of an aggregate of 6,224,812 units at a price of \$1.73 per unit for total gross proceeds of \$9,535,734. Each unit is comprised of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to purchase one additional Common Share at any time following the issuance date and prior to the earlier to occur of (i) the two (2) year anniversary of Liquidity Event, and (ii) the twenty-five (25) year anniversary of the issuance date, at an exercise price of \$2.60 per Common Share.

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As part of the transaction, the Company paid cash commission of \$762,859 and issued 275,598 corporate finance units ("CF BPP Units"), and 437,229 units of the offering in connection with the settlement of certain shareholder debt assigned to the Company for a value of \$756,409.

Each CF BPP Unit resulted in the issuance of one Common Share, and one-half Common Share purchase warrant. Each whole warrant entitles the holder to purchase, at any time following the issuance date and prior to the earlier to occur of (i) the two (2) year anniversary of Liquidity Event, and (ii) the twenty-five (25) year anniversary of the issuance date, one additional Common Share of the Company at an exercise price of \$2.60 per share.

In addition, the Company issued 63,306 Advisory Units ("Advisory Units") and 377,652 Broker Warrant Units ("Broker Warrant Units") which will entitle the holder to acquire one underlying broker unit of the Company at any time for a period of two (2) years from the Liquidity Event, at an exercise price equal to the issue price of \$1.73. Total Advisory and Broker Warrant Units issued were 440,958 which when exercised would result in 440,958 Common Shares and warrants which represent an option to acquire 220,479 additional Common Shares at \$2.60 per Common Share exercisable at any time for a period of two (2) years following the Liquidity Event.

On February 8, 2021, the Company paid a finder's fee equal to 110,239 Common Shares in connection with the transaction. Total legal and transaction fees in connection with the brokered private placement was \$284,917. During the nine months ended September 30, 2020, the Company had nil transactions impacting share capital.

Settlement of Loan

The Company's subsidiary 249, entered into a loan with the Business Development Bank of Canada ("BDC") in November of 2017 for gross proceeds of \$150,000. The loan is guaranteed by two directors of the Company. One of the covenants of the loan is to obtain BDC's prior written consent to transfer shares or change the effective voting control of 249. The Company did not obtain written consent prior to the reorganization on September 1, 2020. On February 2, 2021, the loan was repaid in full.

April 2021 private placement

In April of 2021, the Company completed a non-brokered private placement resulting in the issuance of an aggregate of 290,481 units at a price of \$1.73 per unit for total gross proceeds of \$502,425. Each unit is comprised of one Common Share and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to purchase one additional Common Share at any time following the issuance date and prior to the earlier to occur of (i) the two (2) year anniversary of Liquidity Event, and (ii) the twenty-five (25) year anniversary of the issuance date, at an exercise price of \$2.60 per Common Share.

Conditional approval from TSX Venture Exchange ("TSX-V")

On May 20, 2021, the Company announced that it had received a receipt from the Ontario Securities Commission for its final non-offering prospectus. The Company received conditional approval from the TSX-V for the listing of its Class A common shares.

Commencement of trading on TSX-V

The Company's shares commenced trading on the TSX-V under the symbol "GA" on June 3, 2021.

Impossible Pizza launch

On June 24, 2021, the Company announced the launch of the new Impossible™ Pizza. The naturally leavened pie features a New York-inspired flavour profile and fennel-spiced Impossible™ product, made from plants.

Company secures dedicated Production Facility

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On July 14, 2021, the Company announced it has signed a lease and taken possession of a 42,060 square foot master production facility in Vaughan, Ontario. The Company's first dedicated production facility will undergo a full renovation and phased build-out of a production line, including an initial line that is expected to increase daily production capacity by 150% to 5,000 units per day by the end of Q3 2021 and ramping to 10,000 units a day by year end.

Board Appointment

On July 20, 2021, the Company announced that Karen Zuccala has been appointed to the Company's Board of Directors and was appointed as Chair of the Nominating and Corporate Governance Committee, effective July 20, 2021.

Retail Partnership with Fortinos Supermarket

On July 22, 2021, the Company and Fortinos Supermarket, a Loblaw Companies Ltd. ("Loblaw") owned grocery chain, announced a five-store pilot program - the largest wholesale partnership to date for the Company. The Company's premium, naturally leavened frozen pizzas will be available at five Fortinos locations in Burlington, Vaughan, Brampton, Hamilton, and Oakville. Once the pilot is completed, the partnership will be reviewed to determine go-forward plans, which may include further expansion across the Greater Toronto Area-Ontario-based grocery chain's 23 locations.

Partnership with Retail Broker: Propel Brands

On August 4, 2021, the Company announced a partnership with Propel Natural Brands, a CPG, better-for-you and natural foods, food broker specializing in complete sales management of the Canadian market for natural and specialty product manufacturers. Specializing in Natural, Grocery, Mass Merchandise and Club channels, Propel's range of capabilities will provide the Company with the robust infrastructure necessary to compete in the Canadian retail market.

Expansion of eCommerce offerings

On August 5, 2021, the Company announced that it launched a new direct to consumer ("DTC") website for pizza lovers, which includes a one-time purchase option for the Company's freshly frozen, naturally leavened pizza.

Appointment of Hormis Tharakan to position of Chief Operating Officer.

On August 23, 2021, the Company announced that Hormis Tharakan had been appointed as the Company's Chief Operating Officer ("COO"). Mr. Tharakan brings over 16 years of experience spearheading sustainable growth with some of the most innovative companies in North America's food production sector, most recently as Associate Vice President of Manufacturing with Nature's Path Foods and brings his previous supply chain, manufacturing, and leadership experience to the Company.

Marycroft production facility comes online, expanding production capacity up to 100,000 frozen pizzas per month.

On October 13, 2021, the Company announced the opening of its 42,060 square-foot master production facility in Vaughan, Ontario (the "Marycroft Facility").

Company files preliminary base shelf prospectus

On November 3, 2021, the Company announced that it had filed and obtained a receipt for a preliminary short form base shelf prospectus (the "Shelf Prospectus") with the securities commissions in each of the provinces of Canada other than the province of Québec.

Company Secures C\$2 million in debt financing

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On November 5, 2021, the Company issued secured promissory notes to existing shareholders in the aggregate principal amount of \$2,000,000 (the "Debt Financing"), bearing interest of 12% per annum accrued and payable monthly. The promissory notes are secured by all assets of the Company. The principal and accrued interest of the promissory notes shall be repaid in eighteen (18) equal monthly installments on a calendar quarter basis beginning on November 5, 2023. All interest accruing up to and including November 5, 2023, on the Principal Amount shall be payable on such date.

The Company will pay to the Lenders 1.2% of the principal amount of the Loans per annum as a monitoring fee. The Company also intends to issue to the Lenders, subject to approval of the TSX Venture Exchange (the "TSXV"), as loan bonuses, such number of common share purchase warrants of the Company (each, a "Bonus Warrant") as is equal to the lesser of (i) such Lender's principal under the Loans divided by the \$1.075; and (ii) the maximum number of Bonus Warrants permitted by the TSXV, with each Bonus Warrant expected to entitle the applicable Lender to acquire one Class A common share ("Common Share") during the forty-two month term of the applicable Loan at an exercise price equal to the greater of (i) \$1.08 per common share; or (ii) the lowest price permitted by the TSXV. If any Loan is repaid prior to the one-year anniversary date of such Loan, it is expected that a pro rata number of Bonus Warrants issued in respect of such Loan shall have their term reduced to the later of one year from the issuance thereof and 30 days from said repayment.

The Company will be entitled to prepay the Loans, in whole or in part, at any time prior to the maturity date, without any notice being given to the Lender and without any bonus or penalty being paid to the Lender.

Certain Lenders, namely Mr. Ted Hastings, a Director of the Company, and Mr. Jeff Collins, the Chief Financial Officer of the Company, are "related parties" (as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101")) of the Company and, therefore, the Loans from such Lenders, expected to be an aggregate of \$500,000, are Related Party Transactions (as defined in MI 61-101) (the "Related Party Loans"). The Company is exempt from the formal valuation requirement and the minority approval requirement under MI 61-101 in respect of the Related Party Loans since, at the time of such loans, the fair market value of the consideration for the Related Party Loans does not exceed 25% of the Company's market capitalization.

The Loans are subject to review and acceptance by the TSXV

General Assembly pizza secures national distribution agreement with UNFI Canada

On November 12, 2021, the Company announced a new wholesale distribution agreement with UNFI Canada, the Canadian subsidiary of United Natural Foods, Inc. ("UNFI"), the largest publicly traded grocery distributor in North America. The arrangement will see UNFI Canada list GA Pizza's premium, naturally leavened frozen pizzas to buyers across its network of more than 5,000 Canadian retail stores. The deal was coordinated by Propel Natural Brands, a CPG broker specializing in better-for-you and natural foods, which GA Pizza partnered with earlier this year.

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND 2020

The Company uses certain operational and financial metrics to measure our performance. The key metrics are highlighted below:

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Operational Metrics

	Three months ended			Nine months ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<i>For the period ended:</i>					
Production volume shipped by channel (units)					
Direct to Consumer ("DTC")	93,155	111,466	—	268,583	—
Wholesale	41,893	32,324	10,244	92,906	15,242
Total	135,048	143,790	10,244	361,489	15,242
<i>As at period end:</i>					
Production capacity per month (units)	100,000	60,000	n/a	100,000	n/a
Number of product SKUs manufactured	9	9	n/a	9	n/a
Number of wholesale partners	158	83	8	158	8

Financial Highlights

	Three months ended			Nine months ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue by channel					
Direct to Consumer ("DTC")	\$827,956	\$980,755	—	\$2,443,330	—
Wholesale	313,624	253,834	107,303	718,052	159,071
Restaurant and other	150,380	39,281	365,423	476,787	1,225,569
Total revenue	\$1,291,960	\$1,273,870	\$472,726	\$3,638,169	\$1,384,640
Frozen pizza revenue	\$1,141,580	\$1,234,589	\$107,303	\$3,161,382	\$159,071
Gross Profit	\$443,129	\$555,440	\$259,213	\$1,554,276	\$703,663
Gross Profit %	34%	44%	55%	43%	51%
Net income (loss)	(4,410,159)	532,214	(103,162)	(9,368,157)	(287,163)
Adjusted EBITDA	\$(2,376,809)	\$(2,250,096)	\$31,304	\$(5,908,196)	\$102,044

Income (loss) and comprehensive income (loss) per share

Basic	\$(0.20)	\$0.02	\$(10.35)	\$(0.44)	\$(28.77)
Diluted	\$(0.20)	\$(0.09)	\$(10.35)	\$(0.44)	\$(28.77)

Weighted average number of shares outstanding

Basic	22,348,744	22,301,102	9,967	21,318,716	9,983
Diluted	22,348,744	29,327,009	9,967	21,318,716	9,983

OUR BUSINESS

General Assembly Holdings Limited (the "Company" or "GA Pizza") is an innovative pizza brand dedicated to making delicious pizza available to everyone, everywhere. The company delivers premium pizza experiences across multiple distribution and retail channels, anchored by a flagship fast-casual restaurant with dine-in and off-premises operations, and a consumer-packaged goods ("CPG") line of naturally leavened frozen pizzas, available at specialty grocery stores and through a direct-to-consumer ("DTC") eCommerce platform.

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In a world where pizza means so much to so many, we believe that delicious pizzas should be available to everyone, everywhere, and without compromise. That means making better easy and making easy delicious.

Join us as we take pizza to new heights!

OUR OMNICHANNEL BUSINESS MODEL

As of September 30, 2021, GA Pizza's frozen CPG product line consisted of 9 SKUs, all produced in the Company's 42,060 square foot master production facility located in Vaughan, Ontario. We distribute our premium pizza experiences and products through an omnichannel brand model that includes Wholesale, DTC and Restaurant & experience operations.

Q3 PRODUCTION HIGHLIGHTS

The opening of the new facility, known as Marycroft, signaled a transition in our ability to meet wholesale demand. The Company secured the new production facility in July and commenced production on September 9.

The facility houses production, refrigerated storage, retail warehousing and wholesale distribution, as well as office space and GA Pizza's R&D hub, The Dough Lab.

Our initial focus at Marycroft was to ensure we had the proper hiring, training, onboarding and related human resource measures in place to support manufacturing and meet all food safety and quality standards as we scale. These steps did result in an initial reduction in capacity at the facility.

Earlier in the quarter we did experience a quality control issue in the production of some pizzas, resulting in a product that was stickier than normal. We quickly worked to remedy the issue and proactively addressed its implications to our customers, mostly via product replacement. While the issue did impact retail revenue, we believe our efforts mitigated the negative effects. We consider this a growing pain and a situation we expect to avoid in future, thanks to the aforementioned training measures at Marycroft.

Our focus at the end of Q3 at Marycroft is on improving throughput and finding efficiencies that will allow us to meet our ambitious growth plans.

Q3 WHOLESALE HIGHLIGHTS

The Company's growing wholesale business saw some significant developments in Q3.

As of September 30, 2021, the Company had 158 wholesale partners across Ontario. Our partners are primarily premium or specialty independent grocers. The wholesale channel represents a large opportunity for the business that was under fulfilled prior to the opening of our new master production facility in September.

We secured our largest retail partnership to date via a five-store pilot with Fortinos Supermarket, a Loblaw Companies Ltd.-owned grocery chain, a deal which included the possibility of future expansion across the Greater Toronto Area-Ontario-based grocery chain's 23 locations.

We announced a partnership with Propel Natural Foods, a leading Canadian retail broker, to facilitate distribution among a higher number of stores in the competitive Canadian grocery space. This relationship equipped us to more effectively present to retailers and review listing opportunities, with a goal of securing new distribution opportunities and expanding existing partnerships. Late in Q3, GA Pizza filed documents to list with UNFI Canada, the Canadian subsidiary of the largest publicly traded grocery distributor in North America.

Q3 DIRECT-TO-CONSUMER (DTC) HIGHLIGHTS

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GA Pizza diversified and enhanced its eCommerce offerings in Q3. In addition to our pizza subscription box—with 4, 6, 8 or 10 pizzas delivered at regular intervals via our last-mile delivery partner, we introduced a one-time purchase option. We also enhanced the subscription offering by providing customized frequency options for our subscribers to choose from: delivery every 4, 6, or 8 weeks. Our DTC portfolio also includes a pizza gifting service, where customers can send vouchers for pre-selected boxes to their contacts.

The DTC experience is the digital equivalent of the Company's landmark restaurant experience. The DTC channel provides the Company with valuable consumer behaviour data and insights. It is also the most cost-effective way to launch products as it allows us to quickly collect feedback and optimize products prior to launching at retail.

In Q3 we launched a new DTC website, equipped with such consumer-friendly amenities as a one-time (non-subscription) purchase option at a premium price point. The new website coincided with a dynamic rebrand, including a new expansive colour palette, expressive typography, organic illustrations, and a new GA Pizza logo and siren.

The Company continued to facilitate brand awareness and drive website traffic through paid and earned media campaigns, such as digital ads and promotion through public relations.

Q3 RESTAURANT & EXPERIENCE HIGHLIGHTS

GA Pizza's flagship restaurant is the Company's landmark pizza experience and serves as a marketing asset for the Company while generating revenue through dine-in and off-premises operations.

As part of our strategy to focus on meeting demand from our DTC consumers and wholesale partners, for the majority of Q3 the Company's restaurant operations were reduced to off-premises service in order to enable house production of our CPG line prior to the opening of our new dedicated production facility in September.

The Company also continued work on a renovation of the restaurant space, which will offer a fresh dining experience and an all-new shopping experience and is expected to re-open to the public in December 2021.

GA Pizza's experience channel, which comprised off-premises catering and temporary pop-up locations involving the Company's mobile pizza ovens, continued to play a key marketing role for the Company. To maximize exposure in the summer 2021 tourism season, we launched GA Pizza's Experience channel, which included a temporary satellite open-air restaurant at Toronto's popular Harbourfront Centre that ran until September, as well as a series of mobile-oven pop-up stops at key locations in Niagara-on-the-Lake, Milton, and Prince Edward County. The Harbourfront satellite was also home to the Impossible Pizza, a plant-based pie that debuted June 24, the start of a multi-channel partnership with Impossible Foods.

Toward the end of the quarter, we began shifting our focus from experiences to product sampling in order to better support our wholesale partners and increase customer acquisition.

OUR STRATEGIC PRIORITIES

Three pillars are the foundation of our Company strategy: Better, Easy, and Delicious. Our strategic priorities for Q4 2021 and beyond are aligned to those pillars, detailed as follows:

1. Scale production and distribution of CPG line
2. Drive demand
3. National footprint
4. Omnichannel innovation

1. SCALE PRODUCTION AND DISTRIBUTION OF CPG LINE

Our plan is to build on our successful transition to our new 42,060-square-foot master production facility in September to continue to meet consumer and wholesale demand.

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The Company's plan to scale our frozen pizza output at the new facility has three phases:

- **Phase I:** Launch (September and October 2021). Prior to opening the facility on September 9, 2021, the company sourced equipment, commissioned the construction of its first production line and hired a full staff. The site was certified by Toronto Public Health, as well as by the Canadian Food Inspection Agency, which allows the Company to sell throughout Canada. The facility is currently operating between two shifts, five days a week.
- **Phase II:** Optimization (Q3 2022). GA Pizza will install new equipment, including a bigger oven and the capacity to produce more dough. This new equipment will add a greater degree of automation. This will increase production capacity of up to 250,000 pizza units per month.
- **Phase III:** Automation (2023). Through investments in automation, the Vaughan facility, when fully automated, will have monthly production capacity of up to 500,000 units.

Our intent is to leverage production gains to drive greater scale and market share in the premium frozen pizza space, which will enable us to increase our retail presence and unlock national distribution opportunities.

2. DRIVE DEMAND

Our efforts to engage more interest from consumers, distribution partners and retailers will involve increased efforts on several demand-driving initiatives:

- **Sampling:** GA Pizza plans to build out sampling programs to drive brand loyalty and build brand community, as well as overall greater brand awareness. We will build community-focused programs to support organizations and connect with new audiences in a way that generates word-of-mouth brand awareness and encourages product trials.
- **Branded media:** Our efforts to engage new market segments and build loyalty among existing customers, now include a new branded newsletter and a blog, expected in Q4 2021.
- **Partnerships:** Our goal is to continue to create partnerships that build loyalty, brand awareness and credibility, including cross-branded products in Q1 2022.

3. NATIONAL FOOTPRINT

As we work to expand across Canada, our strategic priorities are as follows:

- **Awareness:** We are working to drive wholesale awareness through an integrated omnichannel marketing strategy, including, retail marketing, brand partnerships, earned media and paid digital.
- **Partnerships:** Partnerships such as our pilot program with Fortinos and our retail broker arrangement with Propel will equip us with the momentum and connections to achieve distribution from coast to coast.
- **Distribution:** In Q3 we submitted all application materials to be listed with leading distributor UNFI Canada, and soon after we were selected to present at a national UNFI presentation to retailers in November. We expect to secure a listing with UNFI Canada in Q4, with revenue contributions to follow in 2022.
- **BC launch:** We expect to expand our DTC business outside of Ontario with a launch in the Lower Mainland and Vancouver areas of BC in Q4 2021. Vancouver is a food-friendly city with robust audiences in all our key demographics. We intend for this expansion to build a new audience of loyal GA Pizza consumers, which will support our wholesale and retail efforts.

4. OMNICHANNEL INNOVATION

As a brand based on perpetual innovation, we have multiple goals to deepen our omnichannel reach:

- **Product:** We will push the boundaries of the traditional frozen pizza space, with new best-in-class plant-based and non-meat options that leverage the Company's strong R&D capabilities. We will continue to create delicious product offerings rooted in better-for-you, high-quality ingredients, with a goal of driving strong sales velocities across wholesale and DTC channels.

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- **Diversification:** We plan to identify and sell complementary products on our DTC eCommerce platform in early 2022.
- **Branding:** Our company-wide rebrand in Q3 2021 will allow us to optimize our brand experience across all channels, resulting in stronger awareness among consumers, retailers and wholesale partners.
- **Restaurant reopening:** We will re-open the restaurant with a refreshed and expanded food experience in Q4 2021, offering an updated landmark brand experience that will support all facets of the business.

OUR STRATEGIC MILESTONES

Securing and Building Out Master Production Facility

- The Company took residency of and commenced operations at Marycroft, our 42,060 square foot master production facility in Vaughan, Ontario
- Production commences in Q3 2021, following a renovation and amidst a phased build out. We have set the following monthly capacity targets for the business:
 - 100,000 monthly production capacity by the end of Q4 2021
 - 250,000 monthly production capacity by Q3 2022
- The facility houses production, refrigerated storage, retail warehousing and wholesale distribution, as well as office space and GA Pizza's R&D hub, The Dough Lab.

Wholesale Partnerships Across Southwestern Ontario

- We have secured more than 158 retailers as of September 30, 2021
- The Company secured the largest wholesale partnership to date for the Company: a five-store pilot program with Loblaw-owned Fortinos Supermarket

OUTLOOK

The COVID-19 pandemic has created new opportunities for the Company, and also brought uncertainty with respect to our ability to re-open our restaurant operations, even after we have moved to our new production facility. We believe we are well positioned to execute upon our strategic initiatives, and we expect to continue to grow our revenues as we develop new partnerships and new wholesale distribution relationships. See "Forward-Looking Information".

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Selected Financial Information

	Three months ended			Nine months ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue	\$1,291,960	\$1,273,870	\$472,726	\$3,638,169	\$1,384,640
Procurement expense	848,831	718,430	213,513	2,083,893	680,977
Gross Profit	\$443,129	\$555,440	\$259,213	\$1,554,276	\$703,663
Gross Profit %	34%	44%	55%	43%	51%
Fulfillment expense	499,778	546,852	98,460	1,374,579	197,625
General and administrative expense	2,285,739	1,985,736	163,390	5,414,597	533,514
Sales and marketing expense	475,524	571,912	53,336	1,545,415	119,055
Operating loss	(2,817,912)	(2,549,060)	(55,973)	(6,780,315)	(146,531)
Finance expense	69,004	33,619	92,575	130,578	232,855
Remeasurement of derivative warrant liability	1,519,894	(3,118,558)	—	2,450,250	—
Gain on lease concession	—	—	(45,386)	—	(92,223)
Other expense (income)	3,349	3,665	—	7,014	—
Total other expenses (income)	1,592,247	(3,081,274)	47,189	2,587,842	140,632
Net income (loss)	\$(4,410,159)	\$532,214	\$(103,162)	\$(9,368,157)	\$(287,163)
Adjusted EBITDA	(2,376,809)	(2,250,096)	31,304	(5,908,196)	102,044

Revenue by channel	Three months ended			Nine months ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Direct to Consumer (DTC)	\$827,956	\$980,755	\$ —	\$2,443,330	\$ —
Wholesale	313,624	253,834	107,303	718,052	159,071
Restaurant and other	150,380	39,281	365,423	476,787	1,225,569
Total Revenue	\$1,291,960	\$1,273,870	\$472,726	\$3,638,169	\$1,384,640
Frozen pizza revenue	\$1,141,580	\$1,234,589	\$107,303	\$3,161,382	\$159,071
Total Units shipped	135,048	143,790	10,244	361,489	15,242

REVENUE

Three months ended September 30, 2021, compared to three months ended June 30, 2021.

The Company generates revenues from sale of its frozen pizza products direct to consumers (“DTC”), via wholesale partners (“Wholesale”), and from hot pizza sold through its restaurant operations.

The Company shipped 135,048 frozen pizzas in the third quarter of 2021, a decrease of 6% from the 143,790 units shipped in the second quarter of 2021. The reduction in units shipped reflects the Company shutting down pizza production at its restaurant location and moving production to the Marycroft Facility in September, in addition to the impact of seasonality and an easing of COVID restrictions as consumers have more options for eating out at restaurants.

Revenue increased by \$18,090 (1%) to \$1,291,960 in the third quarter, compared to \$1,273,870 in the second quarter of 2021. The increase in revenue reflects the Q3 2021 contribution from off-premise restaurant revenues which was offset by a reduction in frozen pizza units shipped during the Company’s transition to its new production facility in Vaughan, Ontario (the “Marycroft Facility”) in Q3 2021. Total frozen pizza revenues, which comprises revenues generated by the Wholesale and DTC channels decreased by \$93,009 (8%) in the third quarter compared to \$1,234,589 in the second quarter of 2021.

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Revenues in the third quarter from the restaurant were \$150,380, compared to \$39,281 in the second quarter, an increase of 283%.

Three months ended September 30, 2021, compared to three months ended September 30, 2020

Revenue increased by \$819,234 (173%) to \$1,291,960 in the third quarter of 2021, compared to \$472,726 in the third quarter of 2020. The increase in revenue in the third quarter of 2021, compared to the prior year, is in relation to the introduction of the Company's DTC and wholesale frozen pizza offerings. In the third quarter of 2020, the Company was shut down for indoor dining as a result of the COVID-19 pandemic and relied on its ability to offer takeout through many delivery service providers such as Uber Eats, DoorDash, etc. to generate revenues while it began to develop its frozen pizza offering.

The Company shipped 135,048 frozen pizzas in the third quarter of 2021, an increase of 1,218% from the 10,244 units shipped in the third quarter of 2020.

Nine months ended September 30, 2021, compared to nine months ended September 30, 2020

Revenue increased by \$2,253,529 (163%) to \$3,638,169 for the nine months ended September 30, 2021, compared to \$1,384,640 for the same period in 2020. The increase in revenue for the nine months ended September 30, 2021, compared to the same period in the prior year, is related to the introduction of the Company's DTC and wholesale frozen pizza offerings, which helped to offset the decline in restaurant revenues.

Frozen pizza revenues increased by \$3,002,311 (1,887%) for the nine months ended September 30, 2021, compared to \$159,071 for the same period in 2020. The Company shipped 361,489 frozen pizzas in the first nine months of 2021, compared to 15,242 for the same period in 2020. The increase in shipments is due to the growth in number of DTC subscribers for the frozen pizza offering as a result of marketing initiatives, as well as an increase in the number of wholesale partners carrying our frozen pizza products.

For the nine months ended September 30, 2020, the Company relied primarily on its restaurant operations to generate revenues, with 89% of total revenues being generated from dine-in, take out or delivery options.

PROCUREMENT EXPENSES

Procurement expense consists of the cost of raw materials, employee wages and benefits, overhead directly related to the manufacturing of the Company's frozen and hot pizza products. Also included in procurement cost are supplies, inventory packaging, the cost of inbound shipping/freight and operating costs associated with the Restaurant including food costs, direct labour and overhead directly attributable.

Three months ended September 30, 2021, compared to three months ended June 30, 2021.

Procurement expense increased by \$130,401 (18%) to \$848,831 in the third quarter, compared to \$718,430 in the second quarter of 2021. The increase in procurement costs is due to an increase in wages and temporary labour at the Marycroft facility required to transition production from our Adelaide restaurant to Marycroft, in addition to costs associated with initial production process optimization efforts at Marycroft. The Company expects to reduce procurement expenses as a percentage of revenue in the future as it optimizes its manufacturing processes and improves its procurement and purchasing processes.

Three months ended September 30, 2021, compared to three months ended September 30, 2020

Procurement expense increased by \$635,318 (298%) to \$848,831 in the third quarter of 2021, compared to \$213,513 in the third quarter of 2020. The increase in procurement costs in the third quarter of 2021, compared to the prior year, is related to the introduction of the Company's DTC and wholesale frozen pizza offerings. For the three months ended September 30, 2020, procurement expenses related primarily to the cost to prepare take out and/or delivery orders through delivery service providers such as Uber Eats and DoorDash.

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Nine months ended September 30, 2021, compared to nine months ended September 30, 2020

Procurement expense increased by \$1,402,916 (206%) to \$2,083,893 for the nine months ended September 30, 2021, compared to \$680,977 for the same period in 2020. The increase in procurement costs for the nine months ended September 30, 2021, compared to the same period in the prior year, is related to the growth in units produced and shipped from the Company's DTC and wholesale frozen pizza offerings, which more than offset a decline in procurement costs related to the decline in restaurant revenues.

FULFILLMENT EXPENSE

Fulfillment expenses include costs for picking, packaging of frozen pizza inventory into orders for shipment and last mile delivery to consumers and or wholesale locations. The Company includes third party picking and packaging costs, packaging materials, labour directly related to picking and packaging of orders, third party freight and shipping charges for the delivery of customer orders.

Three months ended September 30, 2021, compared to three months ended June 30, 2021.

Fulfillment expense decreased by \$47,074 (9%) to \$499,778 in the third quarter, compared to \$546,852 in the second quarter of 2021. The decrease in fulfillment costs is due to the decrease in the number of frozen pizzas shipped in the second quarter, when compared to the second quarter of 2021.

Three months ended September 30, 2021, compared to three months ended September 30, 2020

Fulfillment expenses increased by \$401,318 (408%) to \$499,778 in the third quarter, compared to only \$98,460 in the third quarter of 2020. The increase in fulfillment costs in the third quarter of 2021, compared to the prior year, is related to the growth in frozen pizza units shipped in 2021 compared to 2020.

Nine months ended September 30, 2021, compared to nine months ended September 30, 2020

Fulfillment costs increased by \$1,176,954 (596%) to \$1,374,579 for the nine months ended September 30, 2021, compared to \$197,625 for the same period in 2020. The increase in fulfillment costs for the nine months ended September 30, 2021, compared to the same period in the prior year, is related to the growth in units produced and shipped from the Company's frozen pizza offerings.

SALES AND MARKETING EXPENSE

Sales and marketing expense includes the cost of marketing initiatives to build brand awareness, online advertising spend, customer acquisition costs for new subscribers and retail marketing programs and collateral.

Three months ended September 30, 2021, compared to three months ended June 30, 2021.

Sales and marketing expense decreased by \$96,388 (17%) to \$475,524 in the third quarter, compared to \$571,912 in the second quarter of 2021. The decrease in its third quarter marketing expense is related to a decrease in digital ad spend and user acquisition costs compared to the second quarter of 2021. In the third quarter of 2021, the Company reduced its user acquisition efforts and spend as warmer weather and the easing of COVID restrictions coincided with an increase cost to acquire new subscribers. Offsetting the reduction in user acquisition costs was an increase in brand awareness spend focused on awareness of the Company's new branding and the launch of a one-time purchase option for all customers.

Three months ended September 30, 2021, compared to three months ended September 30, 2020

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Sales and marketing expenses increased by \$422,118 (792%) to \$475,524 in the third quarter of 2021, compared to only \$53,336 in the third quarter of 2020. The increase in sales and marketing costs in the third quarter of 2021, compared to the prior year, is related to marketing initiatives targeted towards customer acquisition and brand awareness.

Nine months ended September 30, 2021, compared to nine months ended September 30, 2020

Sales and marketing costs increased by \$1,426,360 (1,198%) to \$1,545,415 for the nine months ended September 30, 2021, compared to \$119,055 for the same period in 2020. The increase in sales and marketing costs for the nine months ended September 30, 2021, compared to the same period in the prior year reflects the Company's customer acquisition efforts and brand awareness initiatives related to the launch of its frozen pizza offerings.

GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expenses include employee wages and benefits, office and occupancy costs, technology, communications, and restaurant supplies, as well as the cost of consultants, board retainers and accounting, legal, tax, and advisory fees. General and administrative expenses in 2021 also include public company costs related to the Company's June 3, 2021, listing and on-going costs associated with maintaining its listing on the TSX-V.

Three months ended September 30, 2021, compared to three months ended June 30, 2021.

General and administrative expense increased by \$300,003 (15%) to \$2,285,739 in the third quarter, compared to \$1,985,736 in the second quarter of 2021. The increase in the third quarter of 2021 as compared to the prior quarter was the result of (a) an increase in wages and benefits, due to an increase in headcount, (b) an increase in occupancy costs related to (i) the Marycroft facility and (ii) new office space secured in the second quarter, (c) an increase in restaurant supplies, and (d) an increase in consultant costs and professional fees specifically related to the Company's go public activities.

Three months ended September 30, 2021, compared to three months ended September 30, 2020

General and administrative expenses increased by \$2,122,349 (1,299%) to \$2,285,739 in the third quarter of 2021, compared to only \$163,390 in the third quarter of 2020. The increase in general and administrative costs in the third quarter of 2021, compared to the prior year, is related to an increase in headcount and associated wages and benefits, an increase in office and occupancy expenses, an increase in costs related to restaurant supplies, an increase in consulting costs, and legal, accounting, tax and other professional fees related to the Company's go public activities.

Nine months ended September 30, 2021, compared to nine months ended September 30, 2020

General and administrative costs increased by \$4,881,083 (915%) to \$5,414,597 for the nine months ended September 30, 2021, compared to \$533,514 for the same period in 2020. The increase in general and administrative costs for the nine months ended September 30, 2021, compared to the same period in the prior year was primarily the result of an increase in headcount and associated wages and benefits, an increase in office and occupancy expenses, an increase in costs related to restaurant supplies, an increase in consulting costs, and legal, accounting, tax and other professional fees related to the Company's go public activities.

FINANCE EXPENSE

Finance expense in the third quarter of 2021 was \$69,004, compared to \$33,619 in the second quarter of 2021. Interest expense in 2021 relates to interest recorded related to lease liabilities.

For the nine months ended September 30, 2020, the Company incurred interest expense related to several outstanding loans as well as interest related to the Company's lease liabilities. See note #10 to the Company's condensed interim combined consolidated financial statements for further information related to loans outstanding and interest charges.

GAIN/ LOSS ON DERIVATIVE WARRANT LIABILITY

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The Company's derivative warrant liability relates to the Series 2 and 3 warrants issued in connection with the November 17, 2020, non-brokered private placement of units. The holders of the warrants may elect in lieu of exercising the warrants for cash, a cashless exercise option to receive Common Shares equal to the fair value of the warrants. The fair value is determined by multiplying the number of warrants to be exercised by the weighted average market price less the exercise price with the difference divided by the weighted average market price.

In the third quarter of 2021, the Company recorded a loss on the remeasurement of \$1,519,894 related to the derivative warrant liability due to the change in share price used to remeasure the liability on September 30, 2021. In the second quarter of 2021, the Company recorded a gain as a result of the remeasurement of the warrant liability at June 30, 2021, using the Black-Scholes Option Pricing Model.

At September 30, 2021, the weighted average share price was \$1.11 as compared to \$0.68 as at June 30, 2021, resulting in a loss on remeasurement being recorded in the third quarter. The Company will continue to revalue the derivative warrant liability on a quarterly basis and as a result, investors should expect the value of the derivative warrant liability to fluctuate as the Company's share price changes.

NON-GAAP FINANCIAL MEASURES

The Company measures the success of the Company's strategies and performance based on Adjusted EBITDA, which is outlined and reconciled with net income (loss). The Company defines adjusted EBITDA as net income (loss) from operations before: (a) depreciation of property and equipment and amortization of intangible assets; (b) share-based payments; (c) finance income and costs; (d) gain or loss from the remeasurement of derivative warrant liabilities; (e) depreciation of right-to-use-assets; and (h) employee severance expenses. Management uses adjusted EBITDA as a measure of the Company's operating performance because it provides information related to the Company's ability to generate operating cash flows for working capital requirements, capital expenditures, and potential acquisitions. The Company also believes that analysts and investors use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in its industry.

Adjusted EBITDA

	Three months ended			Nine months ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net income (loss) as reported	\$(4,410,159)	\$532,214	\$(103,162)	\$(9,368,157)	\$(287,163)
Adjustments:					
Stock-based compensation	239,402	191,521	—	476,350	—
Depreciation	201,701	107,443	87,277	395,769	248,575
Finance expense	69,004	33,619	92,575	130,578	232,855
Remeasurement of derivative warrant liability	1,519,894	(3,118,558)	—	2,450,250	—
Other expense (income)	3,349	3,665	(45,386)	7,014	(92,223)
Adjusted EBITDA	\$(2,376,809)	\$(2,250,096)	\$31,304	\$(5,908,196)	\$102,044

The non-IFRS financial measure is used in addition to and in conjunction with results presented in the Company's consolidated financial statements prepared in accordance with IFRS and should not be relied upon to the exclusion of IFRS financial measures. Management strongly encourages investors to review the Company's consolidated financial statements in their entirety and to not rely on any single financial measure. Because non-IFRS financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-IFRS financial measures having the same or similar names. In addition, the Company expects to continue to incur expenses similar to the non-IFRS adjustments described above, and exclusion of these items from the Company's non-IFRS measures should not be construed as an inference that these costs are unusual, infrequent, or non-recurring.

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ADJUSTED EBITDA

Adjusted EBITDA for the third quarter of 2021 was a loss of \$2,376,809, compared to a loss of \$2,250,096 in the second quarter of 2021. The increase in Adjusted EBITDA loss was a result of an increase in general and administrative expenses in the third quarter of 2021 primarily related to an increase in headcount and the associated wages and benefits.

The Adjusted EBITDA loss for the third quarter of 2021 was a loss of \$2,376,809, compared to Adjusted EBITDA of \$31,304 in the third quarter of 2020. The Adjusted EBITDA loss in the third quarter of 2021 was a result of the increase in fulfillment costs, sales and marketing costs and general and administrative operating expenses which have increased significantly over the past twelve months as the Company added new headcount and infrastructure to support the growing demand for frozen pizzas. In addition, in 2021, the Company incurred significant costs related to its go public activities.

The Adjusted EBITDA loss increased by \$6,010,240 to an Adjusted EBITDA loss of \$5,908,196, for the nine months ended September 30, 2021, compared to an Adjusted EBITDA gain of \$102,044 for the same period in 2020. The increase in the Adjusted EBITDA loss for the nine months ended September 30, 2021, compared to the same period in the prior year was a result of the scaling of the Company's frozen pizza initiatives which resulted in a significant increase in fulfillment expenses, sales and marketing costs and general and administrative expenses.

SUMMARY OF QUARTERLY RESULTS

The following financial data for each of the eight most recently completed quarters has been prepared in accordance with IFRS.

	For the three months ended (unaudited)			
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Revenue	\$1,291,960	\$1,273,870	\$1,072,339	\$719,545
Net income (loss) and comprehensive income (loss)	(4,410,159)	532,214	(5,490,212)	(971,303)
Total assets	11,713,140	11,048,374	11,547,620	3,096,842
Total liabilities	10,963,865	6,128,342	7,853,957	4,053,476
Income (loss) and comprehensive income (loss) per share				
Basic	\$(0.20)	\$0.02	\$(0.28)	\$(0.75)
Diluted	(0.20)	(0.09)	(0.28)	(0.75)

	For the three months ended (unaudited)			
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenue	\$472,726	\$413,958	\$497,956	\$546,385
Net loss	(103,162)	(48,169)	(135,832)	(562,032)
Total assets	3,141,742	3,196,437	3,088,997	3,373,300
Total liabilities	4,655,691	4,641,460	4,485,634	4,634,009
Income (loss) and comprehensive income (loss) per share				
Basic	\$(10.35)	\$(4.82)	\$(13.58)	\$(56.20)
Loss per share (basic and diluted)	(10.35)	(4.82)	(13.58)	(56.20)

During the holiday and summer seasons, the Company typically anticipates revenues to be lower as a higher proportion of individuals choose to forgo eating at restaurants or ordering online. While this is typically the case, the COVID-19 pandemic has had, and may continue to have, an impact on this trend.

For the year ended December 31, 2020, the Company was impacted both negatively and positively by the COVID-19 pandemic. Revenues and costs decreased as compared to the same quarter 2019 for the first three quarters as a result of a decrease in

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restaurant revenue as a result of the COVID-19 pandemic which prohibited indoor dining in Toronto for the majority of the year.

The increase in revenue in 2021 as compared to 2020, was the result of the successful launch of the Company's subscription and CPG frozen pizza offering in September 2020 gaining traction in the market along with increased marketing spend to generate awareness. During periods with warmer weather, the Company anticipates packaging costs to be higher due to the additional packaging required to maintain food freshness and quality. The Company also anticipates food cost to be positively affected due to improved availability during periods with warmer weather. The increase in net loss in 2021 compared to 2020 relates to increased marketing in connection with marketing the new revenue channels coupled with the increase in legal and professional fees in connection with the Company's go public listing and increased head count in the form of full-time staff and part-time consultants.

LIQUIDITY AND CAPITAL RESOURCES

Selected financial information from the statements of financial position as at September 30, 2021, and December 31, 2020, are as follows:

Liquidity and Capital Resources

	As at	
	September 30, 2021	December 31, 2020
Cash and Cash Equivalents	\$2,297,355	\$878,505
Working Capital ⁽¹⁾	(2,466,845)	(1,629,298)
Total assets	11,713,140	3,096,842
Current liabilities	6,290,747	2,739,710
Other non-current liabilities	4,673,118	1,313,766
Shareholders' equity	749,275	(956,634)

¹Working capital is defined as current assets less current liabilities. Included in the calculation of working capital is a derivative warrant liability of \$3,143,741 at September 30, 2021. This derivative warrant liability will be settled by way of share issuance by the Company when the warrants are exercised by the holders. At September 30, 2021, the Company's working capital, excluding the derivative warrant liability was \$676,896.

The table below outlines a summary of cash inflows and outflows by activity for the three and nine months ended September 30, 2021, and 2020.

Cash Flow

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Operating activities	\$(3,379,112)	\$181,809	\$(6,550,913)	\$221,984
Investing activities	(387,793)	4,409	(1,460,999)	(54,833)
Financing activities	(229,480)	(170,409)	9,430,762	(270,216)
Net change in cash and cash equivalents	\$(3,996,385)	\$15,809	\$1,418,850	\$(103,065)

Net Cash Used in Operating Activities

Cash flows used in operations totaled \$3,379,112 for the three months ended September 30, 2021, compared to cash generated from operations of \$181,809 for the same period in 2020. The increase in cash used in operations compared to the prior year is a result of the significant investment in headcount, infrastructure, and marketing initiatives related to the launch of the Company's frozen pizza products. For the three months ended September 30, 2021, changes in non-cash working capital for the period increased the cash used by operations by a total of \$998,155, as the Company's accounts payable and accrued liability balance decreased by \$551,947 and the Company increased its inventory and amounts receivable at September 30, 2021.

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Cash flows used in operations totaled \$6,550,913 for the nine months ended September 30, 2021, compared to cash generated from operations of \$221,984 for the same period in 2020. The increase in cash used in operations compared to the prior year is a result of the significant investment in headcount, infrastructure, marketing initiatives related to the launch of the Company's frozen pizza products, as well as costs related to its go public activities. Year to date, changes in non-cash working capital for the period increased the cash used by operations by a total of \$634,903 as the Company's accounts payable and accrued liability balance increased by \$913,827, which was offset by increases in inventory, amounts receivable and prepaid expenses at September 30, 2021.

Cash used in Investing Activities

Cash flow used in investing activities was \$387,793 for the three months ended September 30, 2021, compared to \$4,409 for the three months ended September 30, 2020. During the three months ended September 30, 2021, the Company acquired additional pizza manufacturing equipment in addition to utilizing funds for furniture and fixture purchases. At September 30, 2021, in addition to the cash used in the quarter to acquire capital assets, it had an additional \$703,143 of capital expenditure payables in accounts payable and accrued liabilities.

Cash flow used in investing activities was \$1,460,999 for the nine months ended September 30, 2021, compared to \$54,833 for the nine months ended September 30, 2020. During the nine months ended September 30, 2021, the Company acquired certain pizza manufacturing equipment for use as it scaled day-to-day operations in addition to utilizing funds for furniture and fixture purchases.

Cash provided by (used in) Financing Activities

Cash used in Financing Activities for the three months ended September 30, 2021, was \$229,480 for repayment of lease liabilities, compared to \$170,409 used for payment of interest and finance charges for the three months ended September 30, 2020.

Cash provided by Financing Activities for the nine months ended September 30, 2021, was \$9,430,762 compared to cash utilized of \$270,216 for the nine months ended September 30, 2020. During the nine months ended September 30, 2021, the Company received proceeds from issuance of units in connection with the Series A and Going Public Financings of \$968,056 and \$8,989,738 respectively. These proceeds were partially offset by (i) repayment of its BDC loan, and (ii) payment of lease liabilities.

The Company has utilized the funding from its Series A and Going Public Financing to fund its increase in sales and marketing expenses, fund its operating losses, which have increased as the Company has added new headcount to support its DTC operations, as well as utilizing a portion of the funding to acquire and build out its Marycroft production facility and fund equipment purchases that will allow the Company increase its production capacity and enable it to manufacture frozen pizzas more efficiently.

For the nine ended September 30, 2020, the Company's use of cash related to investing activities included the repayment of lease liabilities, offset by \$40,000 received from the Canadian Emergency Business Account ("CEBA") due to the impact of COVID-19 on the business.

The Company is reliant on external financing to take advantage of growth opportunities and its ability to continue as a going concern is dependent upon the Company's ability to profitably manufacture and distribute our frozen pizza products direct to consumers and to wholesales as well as generate revenues and contribution from our restaurant. As at September 30, 2021, the Company had working capital of \$676,896 after adjusting for the derivative warrant liability which is a non-cash item. As at September 30, 2021, the Company had an accumulated deficit of \$12,578,600 since its inception. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing to commence profitable operations in the future and to repay its liabilities arising from normal business operations as they become due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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Management is also actively involved in the review and approval of planned expenditures. The Company's principal cash requirements are for capital expenditures, working capital needs and principal and interest payments on its debt. The Company uses its operating cash flows, loans and borrowings and cash balances to maintain liquidity. In the event future cash flows from operations are lower than expected, the Company may need to seek additional financing, either by issuing additional equity or by undertaking additional borrowings. There is no certainty that additional financing will be available or that it will be available on attractive terms. Additional information can be found in the Company's Condensed Interim Consolidated Financial Statements which is available on SEDAR at www.sedar.com.

Capital Management

The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to support the general operations of the Company and facilitate its liquidity needs. The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the expansion of sales and production of product and the development of new production sustain future development of the business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, derivative warrant liability, share issuance liability, share capital, and accumulated deficit. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended September 30, 2021. The Company is not subject to externally imposed capital requirements.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of special shares without nominal or par value and an unlimited number of common shares. The table below lists the securities outstanding:

	November 29, 2021	As at September 30, 2021	December 31, 2020
Common shares	22,348,744	22,348,744	13,372,854
Stock options	2,160,750	2,135,750	800,000
Warrants			
Advisory warrants ⁽¹⁾	697,476	697,476	
Share purchase warrants	13,869,779	13,869,779	6,787,172
Broker warrant units ⁽²⁾	566,478	566,478	
Total Common Shares on a fully diluted basis	39,643,227	39,618,227	20,960,026

Note 1 - Advisory Warrants: There are 464,984 Warrants issued to advisors of the Company (the "Advisory Warrants"), of which 401,678 Advisory Warrants were issued in connection with the Series A Financing and 63,306 Advisory Warrants were issued in connection with the Going Public Financing. The Advisory Warrants are each exercisable for the purchase of one unit of the Company (the "Advisory Unit") at a price of \$0.48 per Advisory Warrant for the Advisory Warrants issued in connection with the Series A Financing and at a price of \$1.73 per Advisory Warrant for the Advisory Warrants issued in connection with the Going Public Financing. Each Advisory Warrant is exercisable until the date that is 24 months from the date of a Liquidity Event. Each Advisory Unit is comprised of one Common Share and one and one-half of one Warrant (an "Underlying Advisory Warrant"). Each Underlying Advisory Warrant is exercisable for the purchase of one Common Share at an exercise price of \$0.72 per share for the Advisory Warrants issued in connection with the Series A Financing and at an exercise price of \$2.60 per Underlying Advisory Warrant for the Advisory Warrants issued in connection with the Going Public Financing. The Underlying Advisory Warrant issued in connection with the Series A Financing are exercisable until the earlier of: (i) the date that is two years following a Liquidity Event, and (ii) twenty-five years following issuance. The Underlying Advisory Warrant issued in connection with the Going Public Financing are exercisable until two years from the date of a Liquidity Event.

Note 2 – Broker Warrants Units: There are 377,652 Warrants issued to brokers of the Company (the "Broker Warrants"). Each Broker Warrant is exercisable for the purchase of one unit of the Company (a "Broker Unit") at an exercise price of \$1.73 per

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unit. Each Broker Warrant is exercisable until the date that is 24 months from the date of a Liquidity Event. Each Broker Unit is comprised of one Common Share and one and one-half of one Warrant (an “Underlying Broker Warrant”). Each Underlying Broker Warrant is exercisable for the purchase of one Common Share for a period of two years from the date of a Liquidity Event at an exercise price of \$2.60 per share.

CONTRACTUAL OBLIGATIONS

The following is a summary of the Company’s contractual obligations at September 30, 2021:

	Payments due by period			
	Total	Less than 1 year	1-5 Years	More than 5 years
Lease obligations	7,155,340	1,021,378	4,393,293	1,740,669
Loans	32,019	—	32,019	—
Total	\$7,187,359	\$1,021,378	\$4,425,312	\$1,740,669

¹Includes principal and interest.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company’s cash and cash equivalents, amounts receivable, accounts payable, accrued liabilities and current and non-current portion of loans approximate their carrying values due to their short-term nature. The Company’s derivative warrant liability and share issuance liability are measured at fair value using Level 3 inputs.

OFF BALANCE SHEET ARRANGEMENTS

As at September 30, 2021, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company’s financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks in the normal course of operations including credit risk, liquidity risk, foreign currency risk, interest rate risk, commodity price risk and equity risk. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company’s approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. The Company manages its liquidity risk by continually monitoring forecasted and actual revenue, as well as expenditures and cash flows from operations. Management is also actively involved in the review and approval of planned investments. The Company’s principal cash requirements are for capital expenditures and working capital needs. The Company uses its operating cash flows and cash balances to maintain liquidity.

The following is an analysis of the contractual maturities of the Company’s financial liabilities:

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	As at September 30, 2021		
	Within one year	Between one and five years	More than five years
Accounts payable and accrued liabilities	2,578,639	—	—
Lease liability	1,021,378	4,393,293	1,740,669
Loan payable	—	32,019	—
Total	\$3,600,017	\$4,425,312	\$1,740,669

	As at December 31, 2020		
	Within one year	Between one and five years	More than five years
Accounts payable and accrued liabilities	961,669	—	—
Lease liability	324,631	1,137,966	434,467
Loans payable	87,500	32,019	—
Total	\$1,373,800	\$1,169,985	\$434,467

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and amount receivables. Cash is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies and amounts receivable are managed by management. The Company's secondary exposure to risk is on its other current assets. The carrying amount of financial assets represents the maximum credit exposure.

Since its incorporation, the Company has not incurred any significant credit loss in respect of its amounts receivable. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of the Company's amounts receivable was insignificant at September 30, 2021, and December 31, 2020.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has floating rate debt on one of its loans, however the Company's exposure to fluctuations in its interest rate is not material.

Commodity price risk

The Company is exposed to increases in the prices of agricultural commodities in operating its business. To manage this exposure, the Company uses purchase arrangements for a portion of its needs for raw materials and supplies.

Equity price risk

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on a stock exchange maybe be affected by such volatility.

RELATED PARTY TRANSACTIONS

The key management personnel of the Company are certain members of the Company's executive management team and the Board of Directors. The following table presents the compensation of the key management personnel recognized in net income (loss):

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	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Salaries and director remuneration	\$277,560	\$35,000	\$824,087	\$105,000
Stock-based compensation expense - directors and officers	176,368	—	373,242	—
Total	\$453,928	\$35,000	\$1,197,329	\$105,000

As at September 30, 2021, included in accounts payable was \$8,287 (Dec 31, 2020 – \$7,424) and included in accrued liabilities was \$55,000 (Dec 31, 2020 - \$0) of payments owed to key management personnel. For the three and nine months ended September 30, 2021, the CEO received compensation of \$6,000 and \$18,000, respectively (2020 - \$6,000 and \$18,000, respectively) for rent in connection with the use of personal home office. This amount is included in general and administration in the condensed interim combined consolidated statements of loss and comprehensive loss.

See the section titled “**SIGNIFICANT OPERATING HIGHLIGHTS AND DEVELOPMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021, AND TO THE DATE OF THIS MD&A**” for details related to related parties participation in the debt financing in November 2021.

SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the Company’s condensed interim combined consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are described below. The Company based its assumptions and estimates on parameters available when the combined consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following are the estimates and assumptions that have been made in applying the Company’s accounting policies that have the most significant effect on the amounts in the combined consolidated financial statements.

Common control

In preparation of the condensed interim combined consolidated financial statements, significant judgement was required to determine whether the Company and 249 were controlled by the same party before September 1, 2020. Given such control existed prior to September 1, 2020, the Company and 249 were considered under common control.

Provision and contingencies

The amount recognized as a provision, including legal, contractual, constructive and other exposures, obligations or contingent consideration are the best estimate of the consideration required to settle the related liability, including any related interest charges, considering the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate

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also requires assumptions be made for the inputs to the valuation model, which include the expected life of the equity instrument, share price, volatility, dividend yield and forfeiture rate.

Useful lives of property and equipment

Management is depreciating the furniture and fixtures, equipment and leasehold improvements on a straight-line basis, with the following useful lives:

Computer Equipment	3 years
Furniture and fixtures	5 years
Manufacturing Equipment	5 years
Leasehold improvements	Shorter of lease term and 10 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Determination of incremental borrowing rate

When the Company enters into leases as a lessee and where the interest rate implicit in a lease cannot be readily determined, the Company determines its incremental borrowing rate in order to measure its lease liability. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. In estimating its incremental borrowing rate, the Company considers the term of the lease, the nature of the leased asset, and its level of indebtedness with reference to market risk-free interest rates.

Determination of the lease term

When the Company enters into leases as a lessee, it determines the lease term as the non-cancellable period of the lease together with periods covered by an option to extend the lease if it reasonably expects to exercise such option. In assessing whether it is reasonably certain to exercise an option to extend a lease, the Company considers: the contractual terms and conditions for the optional periods compared with market rates; whether any significant leasehold improvements have been undertaken; the costs of terminating the lease; the importance of the underlying asset to the Company's operations; and any conditionality associated with exercising the option.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Derivative warrant liability

Warrants issued pursuant to a private placement that are exercisable in cash, or on a cashless basis resulting in a variable number of shares being issued, are considered a derivative liability and therefore measured at fair value.

The Company uses the Black-Scholes option pricing model to estimate fair value at each reporting date. The key assumptions used in the model are the expected future volatility in the price of the Company's shares, the expected life of the warrants and the fair value of the Company's shares. The impact of changes in key assumptions is described in note.

Government grants

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In the context of certain government programs where a benefit is received by both the Company and another party, management has applied significant judgment in determining whether the Company is the recipient of a government grant, or whether it is receiving an indirect benefit from a third party.

RISK FACTORS AND UNCERTAINTIES

The Company is subject to various financial, operational, and political risks that could have a significant impact on its business, profitability, and levels of operating cash flows. Although the Company assesses and seeks to mitigate these risks by careful management of its activities, resources and employing qualified personnel, these risks cannot be eliminated. Such risks include, but are not limited to, business and country risks discussed below.

Business Risk Factors

Future Funding

As the Company has limited financial resources and no source of operating income the Company's continuing operations are dependent on its ability to secure equity and/or debt financing. There can be no assurance that future funding will be available to the Company for further development of the Company's current business activities, or to identify, evaluate and pursue, if appropriate, new lines of business. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions generally, as well as the business performance of the Company.

Country Risk Factors

Political and Economic Conditions

Regardless of the economic viability of the Company's pursuit of new lines of business it may be materially adversely affected by risk factors associated with conducting business activities including political instability and violence, war and civil disturbance, acts of terrorism, expropriation or nationalization, inequitable treatment of non-domiciled companies, changing fiscal regimes, fluctuations in currency exchange rates, high rates of inflation, underdeveloped industrial and economic infrastructure that could affect the Company's ability to raise additional capital.

For a discussion of these and additional risk factors, please refer to the Company's final long form prospectus under "Risk Factors and Uncertainties" therein. The prospectus filed on May 13, 2021, is available under the Company's profile on SEDAR at www.sedar.com.

CONTROLS CERTIFICATION

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer, will file a Venture Issuer Basic Certificate with respect to the financial information contained in condensed interim consolidated financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.