Mezzi Holdings Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTH PERIODS

ENDED OCTOBER 31, 2017

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") prepared as at December 21, 2017, reviews the financial condition and results of operations of Mezzi Holdings Inc., ("Mezzi", or the "Company") for the three and six month periods ended October 31, 2017, and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's April 30, 2017 annual audited consolidated financial statements and related notes together with the Management's Discussion and Analysis and the unaudited condensed interim consolidated financial statements and related notes for the three and six month periods ended October 31, 2017.

The financial data included in the discussion provided in this report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"). All dollar amounts are in Canadian dollars, unless otherwise noted.

On August 17, 2017, the Company consolidated its share capital on a ten to one basis. These statements reflect the share consolidation retroactively.

DESCRIPTION AND OVERVIEW OF BUSINESS

Mezzi Holdings Inc. is a publicly listed company currently listed on the TSX Venture Exchange under the symbol "MZI". The Company is a brand management company that is engaged in the sale and distribution of various consumer products and fashion accessories including MEZZI Smart Luxury and Capital Eyewear. MEZZI Smart Luxury is a brand of luxury handbags that integrates wearable technologies and has been the primary brand of focus since 2015. Capital Eyewear is a classics-driven, boutique eyewear brand whose sole mission is to design and manufacture the best pair of eyewear you'll ever own.

The Company continues to seek growth through the investment in, acquisition of and development of other businesses and brands as MEZZI has positioned itself an e-commerce and brand manager whose consumer brands appeal to the largest demographic of consumers, millennials aged 18 to 35 and distributes through the growing e-commerce market.

On May 1, 2017, the Company completed an investment and acquisition of a majority stake of Mekenix Commerce Inc. ("Mekenix"). Mekenix is a Santa Monica, CA based e-commerce sales firm that partners with compelling brands to manage and execute their e-commerce sales channels. Pursuant to the transaction, the Company issued 765,000 common shares in exchange for a 51% ownership stake in Mekenix. This was the first focused entrance into furthering the Company's interests in e-commerce.

On November 24, 2017, the Company announced that it had executed a non-binding letter of intent to make an initial investment in a private blockchain technology company that has applications for the Company's core business in e-commerce. No definitive documentation has yet been signed by the parties, and there is no certainty that such documentation will be signed. This proposed investment is anticipated to be the first of several to enhance the use of e-commerce, blockchain and cryptocurrency technologies in which the Company currently carries on business, and in related sectors. Any proposed transaction outside of the Company's core business may require a full change of business application with the TSX Venture Exchange.

The Board is continuing the process of identifying, examining and considering a range of financial and strategic alternatives available to the Company in connection with its brands, MEZZI Smart Luxury and Capital Eyewear with a view to enhancing shareholder value.

RESULTS OF OPERATIONS

Loss for the period

For the three and six month periods ended October 31, 2017, the Company incurred net comprehensive losses of $(234,327) and $(418,293) compared to losses of $(920,723) and $(1,540,960) for the three and six month comparable period ended October 31, 2016. The decreased loss can be attributed to a general reduction in overall costs related to marketing expenditures, payroll costs, travel expenditures and share-based payments.

(Expressed in Canadian Dollars)

Consulting fees for the three and six month period ended October 31, 2017 were $128,466 and $225,709 respectively compared to fees of $381,155 and $490,864 for the comparable three and six month periods ended October 31, 2016. The decrease in fees is primarily the result of decreased number of marketing consultants in the current period.

Office expenses during period ended October 31, 2017 were $32,208 compared to $86,074 for the period ended October 31, 2016. The decrease in office expenses is primarily due to management's effort to curtail general costs.

Professional fees for the three and six month periods ended October 31, 2017 were $23,218 and $43,794 compared to $113,700 and $149,046 for the comparative three and six month periods ended October 31, 2016. The decreased cost can be attributed to decrease in accounting and legal costs incurred during the current period.

Salaries for the six month periods ended October 31, 2017 and 2016 were $29,177 and $134,880 respectively. The decreased cost can be attributed to the termination of several full-time staff over the year.

Shareholder communication for the six month period ended October 31, 2017 were $113,696 compared to $105,747 for the comparable six month period ended October 31, 2016. The increase is due to increases in investor communication services related to locating opportunities or investments which pertain to or enhance the company's core business that were incurred during the current period.

Share-based payments for the six month period ended October 3, 2017 were $106,805 compared to $272,373 for the six month period ended October 31, 2016. The decreased cost can be attributed to the decreased volatility of the Company's shares over the last six months. The Company had granted 410,000 options and 391,622 broker warrants during the six month period ended October 31, 2017 compared to 352,000 (post-consolidated) options granted in the six month period ended October 31, 2016.

Travel and accommodation for the six month period ended October 31, 2017 were $3,885 compared to $61,540 for the six month comparative period ended October 31, 2016. The decrease is due to attending fewer trade shows to promote the Mezzi product line.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for the eight most recently completed quarters is as follows:

		Revenue		Earnings/ (Loss)		Basic and Diluted Loss/Share
October 31, 2017	$	30,050	$	(234,327)	$	(0.02)
July 31, 2017	$	24,737	$	(183,965)	$	(0.01)
April 30, 2017	$	(729,072)	$	(904,031)	$	(0.15)
January 31, 2017	$	620,646	$	(1,134,131)	$	(0.18)
October 31, 2016	$	418,020	$	(920,723)	$	(0.17)
July 31, 2016	$	65,801	$	(623,104)	$	(0.14)
April 30, 2016	$	118,753	$	(611,592)	$	(0.15)
January 31, 2016	$	205,154	$	(474,173)	$	(0.11)

As the Company has undergone a change of business, readers are cautioned that historical financial information is not directly comparable to the current period expenditures.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of funding continues to be through the issuance of equity securities for cash although some revenues are generated through the sale of handbags. The Company's access to financing is always uncertain.

In order to finance the acquisition of assets or a business and to fund corporate overhead, the Company has historically been dependent on investor sentiment remaining positive towards the junior companies, and towards Mezzi in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support junior companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's 2017 audited consolidated financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

Debt financing has not been used to fund asset and business acquisitions, and the Company has no current plans to use such financing. There are no other sources of financing that have been arranged by the Company.

As at October 31, 2017, the Company had working capital of $180,115 as compared to a deficiency of $(218,002) at April 30, 2017.

The Company has no commitments for capital expenditures.

Cash and Financial Conditions

The Company had a cash balance of $204,903 as at October 31, 2017 as compared to a cash balance of $14,886 as at April 30, 2017.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

Mezzi does not use hedges or other financial derivatives.

Investing Activities

The Company realized proceeds of $134,607 from its investment in Mekenix as shares issued were subsequently used to fund working capital for Mekenix.

Financing Activities

During the three and six month periods ended October 31, 2017, the Company realized proceeds of $205,000 from the exercise of 410,000 stock options.

On May 3, 2017, the Company received a loan from the CEO of the Company for $4,000. The loan is unsecured and non-interest bearing with no specific terms of repayment. Subsequent to the period ended October 31, 2017, the loan was repaid in full.

During the three month period ended October 31, 2017, the Company closed a private placement for 7,000,000 units at a price of $0.075 per unit for total gross proceeds of $525,000. Each unit consists of one common share of the Company and one share purchase warrant. In connection with the private placement, the Company incurred share issuance costs of $46,874.

During the six months ended October 31, 2017, the Company repaid a loan to a third party totalling $65,474.

SECURITIES OUTSTANDING

On August 17, 2017, Mezzi announced it had received TSX Venture Exchange approval for a 10:1 share consolidation of the Company's 92,730,980 outstanding common shares, resulting in 9,273,098 post-consolidated shares outstanding. All shares and per share amounts have been shown on a post-consolidated basis retroactively throughout this MD&A.

On August 17, 2017, the Company announced the closing of a private placement for gross proceeds totalling $525,000. These funds were raised by the Company issuing 7,000,000 ("Units") at a price of $0.075 per Unit, on a post-consolidated basis. Each Unit consists of one common share and one common share purchase warrant (a "Warrant") entitling the holder thereof to purchase one additional common share for a period of 24 months from the closing date at a post-consolidated price of $0.10. In connection with the Private Placement, the Company issued 391,622 broker's warrants, each such broker's warrant entitling the holder to acquire one common share of Mezzi at $0.10 for a period of two years from the closing date. All shares, together with any shares that may be issued on exercise of the Warrants and broker's warrants, will be subject to a hold period expiring on December 16, 2017. In connection with the private placement, the Company incurred share issuance costs of $46,874.

Subsequent to the period ended October 31, 2017, the Company announced that it intended to complete a non-brokered private placement to raise up to $3,000,000 through the distribution of 15 million units of the Company at a price of $0.20 per unit. Each unit will comprise one common share ("Shares") and one-half of one share purchase warrant ("Warrants"), each whole Warrant entitling the holder to acquire one additional Share at $0.35 for a period of 12 months. The Warrants will include an acceleration clause to the effect that if at any time after four months following the issuance of the Warrants, the closing trading price of the Shares on the TSX Venture Exchange (the "Exchange") is greater than $0.50 per Share for a period of ten consecutive trading days, then the Company may give notice to the holders of Warrants of its intention to shorten the exercise term of the Warrants, following which the holders thereof will have a period of not less than 30 days to exercise the Warrants, failing which the Warrants will automatically expire.

As at October 31, 2017 and the date of this MD&A, Mezzi had 16,273,098 common shares issued and outstanding.

During the three months ended July 31, 2017, the Company granted 410,000 stock options with an exercise price of $0.50 per share. These options were exercised during the period.

As at October 31, 2017 and the date of this MD&A, the Mezzi had 325,000 stock options outstanding.

During the three month period ended October 31, 2017, a total of 1,547,762 warrants with an exercise price of $1.50 had expired.

During the three month period ended October 31, 2017, the Company issued 7,000,000 purchase warrants in connection with the private placement. The warrants have an expiry date of 24 months from the date of closing entitling the holder to acquire one common share of Mezzi at $0.10.

In connection with the private placement, the Company also issued 391,622 broker's warrants, each broker's warrant entitles the holder to acquire one common share of Mezzi at $0.10 for a period of two years from the closing date.

As at October 31, 2017, Mezzi had 7,697,222 warrants outstanding.

RELATED PARTY TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its corporate officers. During the six month period ended October 31, 2017, the Company incurred the following amounts charged by directors and officers and companies controlled and/or owned by directors and officers of the Company:

(Expressed in Canadian Dollars)

	Nature of transactions	Three Months Ended October 31, 2017	Six Months Ended October 31, 2016
Key management personnel - Current:			
A company controlled by the CEO	Management	$ 52,000	$ 136,500
A company controlled by the former CFO	Management	6,000	12,000
A firm of which the CFO is a former partner	Professional	-	120,000
Directors and Officers of the Company	Share-based payments	-	217,199
Total		$ 58,000	$ 485,699

As at October 31, 2017, the CEO had loaned the Company $4,000 (April 30, 2017 - $Nil). The loan is unsecured and non-interest bearing with no specific terms of repayment.

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	October 31, 2017	April 30, 2017
Due to a firm of which the CFO is a former partner	$ 59,700	$ 51,300
Due to company controlled by the CEO	39,316	-
Total	$ 99,016	$ 43,520

RISKS FACTORS

The Company is subject to certain risks and uncertainties that are common in the retail industry and the market environment generally. These risks and uncertainties may impact the Company's ability to successfully execute its key strategies and may affect future events, performance or results. Certain of these risks and uncertainties are described in this MD&A. However, the risks and uncertainties set out in this MD&A are not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business performance, condition, operations or strategies and plans.

Ongoing Need for Financing

It is intended that the Company will continue to make investments to support business growth and may require additional funds to respond to business challenges, including the need to develop new services or enhance existing services, enhance operating infrastructure and acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Company's shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, additional financing may not be available on favourable terms, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to them, when they require it, their ability to continue to support business growth and to respond to business challenges could be significantly limited.

The Company has a history of net losses, may incur net losses in the future and may not achieve or maintain profitability.

The Company may not be able to achieve or maintain profitability and may continue to incur losses in the future. In addition, it is expected that the Company will continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

If the Company is unable to attract new customers or to sell additional products to its existing customers, the Company's revenue growth will be adversely affected.

To increase the Company's revenues, it must regularly add new customers, sell additional products and / or services to existing customers and encourage existing customers to increase their minimum commitment levels. If the Company's existing and prospective customers do not perceive the Company's products to be of sufficiently high value and quality, the Company may not be able to attract new customers or increase sales to existing customers and its operating results will be adversely affected.

The Company's results of operations may fluctuate in the future. As a result, the Company may fail to meet or exceed the expectations of securities analysts or investors, which could cause the Company's stock price to decline.

The Company's results of operations may fluctuate as a result of a variety of factors, many of which are outside of its control. If the Company's results of operations fall below the expectations of securities analysts or investors, the price of the Company's shares could decline substantially. Fluctuations in results of operations may be due to a number of factors, including, but not limited to, those listed below:

- the Company's ability to increase sales to existing customers and attract new customers;
- the addition or loss of large customers;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the Company's business, operations and infrastructure;
- the timing and success of new product introductions by the Company or its competitors;
- changes in the Company's pricing policies or those of competitors;
- limitations of the capacity of the Company's systems;
- the timing of costs related to the development or acquisition of products or businesses
- general economic, industry and market conditions; and
- geopolitical events such as war, threat of war or terrorist actions.

The revenues and results of operations of the Company may vary significantly in the future and that period-to-period comparisons of the Company's operating results may not be meaningful.

Competition

The Company will compete in a rapidly evolving and highly competitive market. Some of the Company's potential competitors have longer operating histories, greater name recognition, access to larger customer bases and substantially greater resources, including sales and marketing, financial and other resources. As a result, these competitors may be able to:

- absorb costs associated with providing their products at a lower price;
- devote more resources to new customer acquisitions;
- respond to evolving market needs more quickly than the Company; and
- finance more research and development activities to develop better products.

In addition, many of these companies may have pre-existing relationships with the Company's current and potential customers. If the Company is not able to compete successfully against its current and future competitors, it will be difficult to acquire and retain customers, and the Company may experience limited revenue growth, reduced revenues and operating margins and loss of market share.

Failure to effectively expand the Company's sales and marketing capabilities could harm its ability to increase its customer base and achieve broader market acceptance of products.

Increasing the Company's customer base and achieving broader market acceptance of its products will depend to a significant extent on its ability to expand its sales and marketing operations. It is expected that the Company will be substantially dependent on word-of-mouth to obtain new customers. The Company's business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenues.

Reliance on Intellectual Property

The Company will require continuous technological improvements in order to remain competitive. There can be no assurance that the Company will be successful in its efforts in this regard. The commercial advantage of the Company may depend to an extent on its intellectual property and its ability to prevent others from copying its products. In the future, the Company may seek patents or other similar protections in respect of a particular technology or process; however, there can be no assurance that any future patent applications will actually result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Company. Moreover, the process of seeking patent protection can itself be long and expensive. In the meantime, competitors may develop products that are similar or superior to the products of the Company or design around the patents owned by the Company, thereby adversely affecting the Company's competitive advantage in one or more of its businesses. Despite the efforts of the Company, its intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps it may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to the Company's operations will prevent misappropriation or infringement of such technologies.

Infringement of Intellectual Property

From time to time the Company may receive notices from third parties alleging that it has infringed their intellectual property rights. Responding to any such claim, regardless of its merit, may be time consuming, result in costly litigation, divert management's attention and resources and cause the Company to incur significant expenses. Any meritorious claim of intellectual property infringement against the Company may potentially result in a temporary or permanent injunction, prohibiting it from marketing or selling certain products or requiring it to pay royalties to a third party. In the event of a meritorious claim, failure of the Company to develop or license substitute technology, its business and results of operations may be materially adversely affected.

Potential Conflicts of Interest

Certain directors or officers of the Company are also directors, officers, shareholders and/or Promoters of other reporting and non-Companies. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts of interest, if any, will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

Reliance on Others and Key Personnel

The success of the Company will be largely dependent upon the performance of its management and key employees, as well as the talents of its outside consultants and suppliers. The Company may not have any "key man" insurance policies, and therefore there is a risk that the death or departure of any one or more members of management or any key employee could have a material adverse effect on the Company. The Company also faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain the employees, personnel and/or consultants necessary to successfully carry out its activities.

Cyclical Nature of Luxury Goods Market

The market for luxury goods, in which the Company will operate, is both cyclical and seasonal in nature. There can be no assurance that past operating results will be repeated, and the market itself is susceptible to cyclical trends in fashion which are beyond the control of the Company.

Introduction of New Products

The Company has a number of new products in the prototype stage which it anticipates will be introduced in the future. Detailed costing of these products has not been completed. There can be no assurance that these new products can be brought to market, that they can be produced at a competitive price, or that they are commercially viable.

Celebrity Marketing

The Company intends to rely upon celebrity endorsements to market its products. There can be no assurance that this marketing strategy will be successful, or that the Company will be able to engage celebrities to endorse products.

Trends

The Company's success is based in large part on its ability to identify and interpret fashion and product trends, as well as to anticipate, gauge and react to changing consumer demands in a timely manner and to successfully market its merchandise. Fashion trends quickly change, which require the Company to correctly identify the fashion trend and balance its inventories. If the Company is unable to identify new fashion trends and adjust its product mix in a timely manner or if market preferences are misjudged, the Company would be faced with significant excess inventories for some products and depleted product inventory resulting in missed opportunities for other products. Additional markdowns and promotions may be required to reduce excess and slow-moving inventories. If the Company experiences either significant inventory shortages or excess inventory that it is unable to sell or sell at reasonable gross margins or is otherwise unable to maintain gross margins on its inventory assortment, this is likely to have a material adverse effect on the Company's business and financial condition.

FINANCIAL INSTRUMENTS

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 and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash and cash equivalents	FVTPL
Loan receivable	LAR
Accounts payable and accrued liabilities	OFL
Contingent consideration	FVTPL

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short-term nature. The Company does not currently hold any financial instruments that would be included in the classification of available-for-sale.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and amounts receivable. The Company limits its exposure to credit risk with respect to cash and cash equivalents by holding it with major Canadian financial institutions. At October 31, 2017, cash and cash equivalents are comprised of $204,903 (April 30, 2017 - $14,886). The Company's amounts receivable consists of trade receivables and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2017, the Company had a cash and cash equivalents balance of $204,903 (April 30, 2017 - $14,133) to settle current liabilities of $237,483 (April 30, 2017 - $378,961). All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

The Company has cash and cash equivalent balances and no interest-bearing debt. As at October 31, 2017, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at October 31, 2017, the Company's cash and cash equivalents were predominately held in Canadian dollars and as such, Mezzi has minimal exposure to foreign currency risk volatility.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Mezzi's control, including but not limited to: general economic and business conditions; cash flow projections; currency fluctuations; risks relating to our ability to obtain adequate financing for future activities; the nature of our future activities; and other general market and industry conditions as well as those factors discussed in prior management discussion and analysis, available on SEDAR at www.sedar.com.

Although Mezzi has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Mezzi's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Mezzi will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Mezzi Holdings Inc. can be found on the SEDAR website at www.sedar.com.