



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2021**  
**(Expressed in Canadian Dollars)**

## INTRODUCTION

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This management discussion and analysis (“**MD&A**”), prepared on May 2, 2022, should be read in conjunction with the audited consolidated financial statements for the period ended December 31, 2021 and the audited consolidated financial statements for the year ended December 31, 2021 and 2020. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of Plant & Co. Brands Ltd. (“the **Company**” or “**Plant&Co.**”).

Management of the Company is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, are complete and reliable. The Company’s board of directors (the “**Board**”) follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Company’s Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The read is encouraged to review the Company’s statutory filing on [www.sedar.com](http://www.sedar.com).

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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This MD&A contains certain statements that constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as “expects”, “anticipates”, “believes”, “intends”, “estimates”, “potential”, “possible”, and similar expressions, or statements that events, conditions or results “will”, “may”, “could”, or “should” occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties, and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainty of estimates in capital and operating costs, recovery rates, production estimates and economic return; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; uncertainty regarding legalization; uncertainty regarding changes in laws, regulations and guidelines; and uncertainty as to timely availability of licenses, permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company’s policy that all forward-looking statements are based on the Company’s beliefs and assumptions, which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as at May 2, 2022 and are subject to change after this date and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is a significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties, and other factors such as those described above. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com) or by requesting further information from the Company’s head office in Vancouver.

## Company Background

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The Company was incorporated pursuant to the Canada Business Corporations Act on November 24, 2014, under the name Vapetronix Inc. The Company's corporate office is located at Suite 400 – 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6. On June 23, 2017, the Company continued from the federal jurisdiction to the jurisdiction of British Columbia under the name Vapetronix Holdings Inc. On December 4, 2020, the Company changed its name from Eurolife Brands Inc. to Plant&Co. Brands Ltd. and changed its symbol on the CSE to “VEGN”.

Plant&Co. Brands Ltd. is a modern health and wellness company curating delicious plant-based foods. It offers a growing number of delicious plant-based food products through two plant-based brands Holy Crap Foods Inc. and YamChops, the vegan butcher.

The Company shares trade on the CSE under the symbol “VEGN”, on the Frankfurt Stock Exchange as “VGP” and on the over-the-counter pink sheets as “VGANF”.

## Company Operations

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Plant & Co. is focused on the health and wellness sector in North America. In 2021, the Company has made two important acquisitions in the plant-based food sector, YamChops and Holy Crap. These acquisitions establish the foundation to which Plant & Co will grow its operations. With these recent acquisitions, Plant & Co. has established immediate revenue generation. The Company will continue to grow this base by acquiring additional assets that provide synergies to existing assets as well as expand the product base and geographical footprint of the business.

Plant&Co's M&A strategy continues to be one of accretive business acquisitions. With the recent addition of new board members in June 2021, the wealth of knowledge gained to the business with such people as Kevin Cole (20 years building consumers package goods businesses), Alex Rechichi and Mark Rechichi from the Cravelt Restaurant Group (founders of Mucho Burrito, Extreme Pita and other successful business ventures). Plant&Co is well situated to bring revenue generating business into the fold that amplify the synergetic effect of optimizing operations stemming from a shared resources pool. Plant&Co also can improve operations through the development and execution of multiple brand strategies within this same resource pool of the company, as well as leveraging shared distribution networks within Plant&Co's establish network.

Kevin Cole is a strategist and a business builder. Kevin has set strategies and led turn arounds for many declining or slow growing Consumer Packaged Goods Businesses to deliver incremental growth and profit. In setting the vision, strategies, and plans, Kevin has step-changed the performance of many brands and portfolios to deliver share leadership positions across multiple categories including Petcare (PEDIGREE, IAMS, NUTRO, GREENIES, WHISKAS and TEMPTATIONS), Consumer Health (Oral Care: SENSODYNE, POLIDENT, Skin Care: OXY, SPECTRO) and Confections (FERRERO ROCHER and the FERRERO Boxed Chocolate Portfolio). Previously, Kevin has held Senior Executive and Management positions in several multi-national companies including MARS Canada, GSK Consumer Healthcare, and FERRERO. Kevin is a graduate of Wilfrid Laurier University's HBBA program. Kevin is also the Chairman of the Board for LUMIERA Health, a natural consumer health company, where he led the team through the integration of MONDIAS and LUMIERA Health Innovation, strengthened the management team and set the foundation for the team to focus on growth.

Alex Rechichi is a food entrepreneur who has co-founded, managed, and invested in many dynamic omni channel Food Brands, including Extreme Pita, Mucho Burrito, The Burger's Priest, Via Cibo Italian Street Food, Bangkok Buri and Fresh Plant Powered. Most recently Alex has been the President and Chief Executive Officer of The Crave it Group since October 2013. Crave it is an active investor in the restaurant and functional food space, scaling brands that re-invent the food experience. Crave It recently sold its interest in The Burger's Priest and Fresh Plant Powered to Recipe Unlimited (formerly Cara Operations in April 2021).

Prior to Crave It, Alex was Co-Founder and CEO of Extreme Brandz from 1997 – 2013. Extreme Brandz was the parent company of Extreme Pita and Mucho Burrito and Purbblendz with over 340 franchised restaurants across North America and Internationally. In 2013 the majority of Extreme Brandz assets were acquired by The MTY Tiki Ming Food Group.

Alex and his partners are early-stage investors that offer strategic growth and operational experience to assist existing management teams in the scaling phase of the business. Alex is also an early investor and board member at Unbun Foods, an innovative Functional Foods Bakery producing Gluten Free, Low Carb, Keto bread products available in Retail and Foodservice across North America.

Alex has been recognized as Canada's Top 40 Under 40 Award recipient during his time at Extreme Brandz. In 2006, Canada's Foodservice and Hospitality recognized Extreme Brandz and honoured them with the 2006 Entrepreneur of the Year Pinnacle award. In 2011, Extreme Brandz was named Company of The Year by Canada's Foodservice and Hospitality Magazine. In 2012, Alex and Mark Rechichi were finalists for Ernest & Young's Entrepreneur of the Year Award. Extreme Pita was recognized as one of the top 100 leading global franchises by Entrepreneur Magazine, receiving many marketing accolades, including being recognized as a leader in nutritional disclosure within the restaurant space.

Mark Rechichi is also a serial food entrepreneur who has co-founded and led many iconic food brands. He, along with his partners in the Crave It Group, have been early investors in private companies using his financial and operational skills to assist in their growth. Currently Mark is the Chief Financial Officer and Co-Founder of Crave-It Restaurant Group. Crave It Restaurant Group is the parent company for Via Cibo Italian Street Food, The Burger's Priest, Fresh Plant Powered and Bangkok Buri. In April 2021, Crave-It sold its interest in The Burger's Priest and Fresh Plant Powered to Recipe Unlimited (formerly Cara Operations).

Before co-founding Crave It Restaurant Group, Mark was Chief Financial Officer and Co-Founder of Extreme Brandz, the parent company of Extreme Pita, Mucho Burrito, and PurBlendz, with over 340 franchised restaurants across North America and internationally.

Mark holds a Bachelor of Commerce (Honours) degree from Queen's University and is a Chartered Professional Accountant (CPA), Chartered Accountant (CA), and a Chartered Financial Analyst (CFA). Early in his career Mark worked at Price Waterhouse and Merrill Lynch in Toronto, Ontario. In 2001, Mark left Bay Street to join his brother Alex in their parent's basement to starting a business which became Extreme Pita. In May 2004, the 100th Extreme Pita restaurant opened, and only three years later, in October 2007, the 200th restaurant opened. Extreme Brandz contributed a portion of its profits to a charity it had formed called extremepitacares.com, which primarily focused on charitable support by bettering the lives of children through nutrition, education, and sports.

**YamChops** ~ Grown not raised™ ~, specializes in the preparation, distribution, and retail sales of dozens of proprietary plant-based meats, chicken, pork, fish, and various other vegan style food products in both a business-to-business (B2B) and business-to-consumer (B2C) revenue model. YamChops is a plant-based butcher and marketplace offering protein alternatives, prepared foods, meals and specialty food products. Our products are in over a dozen retail, wholesale, and food service establishments. Over the last five months since acquisition, Yamchops has continued to operationalize and optimize their day-to-day deli counter and CPG operations with the help of Plant&Co management team and their food industry expertise. In a COVID19 business environment with continued lockdowns, the YamChops team has continued to drive sales, increased market penetration with new retailers and food service contracts, all while reducing costs to remain fiscally responsible during these times.

As COVID19 restrictions loosen in Ontario, YamChops has outlined a strategic roadmap to profitability. Efforts to increase store traffic and revenue have been implemented, as we continue to see a return for direct counter orders. YamChops has increased its marketing campaign on social media platforms, digital food service platforms such as UberEats, and as a result have seen steady sales throughout the quarter, despite the impact of COVID19 on the business community in Toronto. Marketing on digital platforms will allow the brand to continually increase in profitability. Our objective is to expand distribution, evolve product development and introduce new innovative products within YamChops as we continually grow the YamChops brand and its presence.

**Holy Crap Cereal Brands** is a line of high-fiber, plant-based super-seed cereals that helps you maintain good gut health. When you create a healthy gut, you create a happy mind. Based on this premise the strategy of this brand is to implement both a business-to-business (B2B) as well as a very strong business-to-consumer (B2C) revenue model for growth. Since acquisition in February 2021, Holy Crap Cereals has increased its retail footprint by adding several net new additional retailers to its portfolio, leading to net new growth, sales, and an increase of retail presence across Canada. In addition, it has also added BNQ as a food broker to further expand its footprint into the Canadian market.

In its B2C strategy Holy Crap reached another brand record, setting its all-time high for online sales, and continues to increase its presence on not only its own E-commerce platform, but also on those of Amazon.ca and Amazon.com. Since acquisition, Holy Crap has generated it largest month over month increase in sales and profitability. In its 2021-2022 brand strategy roadmap Holy Crap will continue to push forward and drive sales revenue, increase its digital footprint, and continue to increase its retail store footprint.

Prior to the shift in focus to the plant-based food and wellness sector, Plant & Co. established three distinct educational technology platforms focused on the health and wellness aspects of CBD and THC products. These platforms have been carved out within the Company's operations and have been distributed to existing shareholders in the form of a special dividend in December 2021.

## Company Highlights and Outlook

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During the later part of 2020 and throughout 2021, the Company completed a number of key initiatives and transactions that have enhanced the operations of the Company and allowed it to develop its footprint in the plant-based market.

- In September 2021, the Company announced the spinout of all cannabis assets to Blackwell Intelligence Inc, a private company. The purpose of the spinout was to allow the Company to remain strategically focused on the plant-based food sector. Blackwell will continue with new management, with a focus on emerging technologies. Upon closing of the arrangement, each shareholder of Plant & Co received 0.09582494 common shares of Blackwell for every common share of Plant & Co held on the share distribution record date of December 29, 2021.
- In July 2021, the Company submitted its Notice of Meeting and Management Information Circular to Shareholders. The document outlined the Company's plans to carve-out all businesses and activities related to the cannabis sector. Later in 2021, the Company intends to distribute these assets in a single company to current shareholders. On September 2, 2021, shareholders voted in favour of all matters tabled.
- In June 2021, the Company entered into a strategic advisory agreement (the "**Advisory Agreement**") with Maricom Inc., and 2085086 Ontario Inc. (the "**Advisors**") represented by Sean Black, Mark Rechichi and Alex Rechichi to assist with the Private Placement and to arrange for Alex Rechichi, Mark Rechichi and Kevin Cole to join the board of directors of the Company (the "**Board**"). In consideration for the assistance with the Private Placement and the arrangement of strategic appointments to the Board (the "**Strategic Board Appointments**"), the Company has issued an aggregate of 27,000,000 non-transferrable share purchase warrants ("**Advisory Warrants**") to the Advisors. Each Advisory Warrant entitles the holder to acquire one common share at a price of \$0.20 for a period of five (5) years from their date of issue and vest upon the occurrence of performance and market vesting triggers. Jerry Habuda and Lindsay Hamelin resigned as Directors at this time.
- In June 2021, the Company closed its non-brokered private placement for total gross proceeds of \$600,000. The Company issued 3,000,000 units at a price of \$0.20 per unit, where each unit consisted of one common share of the Company and one common share purchase warrant of the company, where each warrant entitles the holder to purchase one common share within three years of the closing date at a price of \$0.20 per common share.
- In February 2021 the Company via its wholly owned subsidiary Plant & Company Brands Group Inc. completed an amalgamation with Holy Crap Brands Inc. ("**Holy Crap**") whereby the Company issued 29,300,000 common shares and 4,000,000 share purchase warrants entitling the current Holy Crap warrant holders to purchase one common share of the Company at a price of \$0.40.

Holy Crap produces a high fiber plant based super-seed nutritional cereal that is sold online and in retail locations across Canada and USA.

- In January 2021, pursuant to a share purchase agreement, the Company acquired 100% of the issued and outstanding common shares of 2574578 Ontario Inc. and JDB Innovations Ltd., collectively referred to as "**YamChops**" in exchange for payment of \$770,000 and the issuance of 344,828 common shares of the Company.  
YamChops is a plant-based butcher and marketplace restaurant offering protein alternatives, prepared foods, meals and specialty food products in Toronto.
- In December 2020, the Company completed a non-brokered private placement for gross proceeds of \$4,200,500 through the issuance of 21,002,500 units at \$0.20 per unit. Each unit consists of one common share and one common 2-year share purchase warrant exercisable into common shares of the Company at a price of \$0.25 per share
- In October 2020, the Company entered into an asset purchase agreement with Plant and Co. Marche Inc. ("**Marche**") whereby the Company agreed to purchase the assets of Marche for consideration of 2,336,000 common shares with a fair value of \$209,862. In connection with the purchase agreement, the Company issued 200,000 common shares with a fair value of \$17,968 as finders fees.

Marche is a Toronto based hybrid health and wellness brand offering niche products catering to health and wellness conscious consumers with a focus on plant-based, vegan, vegetarian, and specialty immune boosting products.

- In August 2020, the Company completed a non-brokered private placement for gross proceeds of \$1,076,400 through the issuance of 5,979,999 common shares of the Company at a price of \$0.18 per share.
- In July 2020, the Company effected a consolidation of its issued and outstanding common shares on the basis of one new common share for every ten common shares held.

## FINANCIAL PERFORMANCE

### SELECTED FINANCIAL INFORMATION

	For the Three Months Ended		For the Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Total Revenue	220,376	(29,392)	1,249,353	102,125
Net (loss) for the period	(4,645,268)	(2,370,520)	(26,577,373)	(4,379,666)
Net (loss) per share-basic	(0.04)	(0.05)	(0.27)	(0.11)
Total comprehensive (loss)	(4,645,268)	(2,370,520)	(26,577,373)	(4,379,666)
Capital expenditures	499	8,940	4,495	13,151
			As at December 31, 2021	As at December 31, 2019
Total assets			3,667,618	5,291,133
Total liabilities			592,709	799,242
Working capital			1,013,621	4,029,124

### RESULTS OF OPERATIONS

The following paragraphs provide information about the results of the Company's on-going operations for the year-end December 31, 2021 and 2020.

#### Revenue

For the three months and year ended December 31, 2021, the Company generated revenue of \$220,376 and 1,249,353 respectively as compared (\$29,392) and \$102,125 for the corresponding periods of 2020. Revenue is primarily generated from the sale of plant-based products through its Yamchops and Holy Crap subsidiaries.

#### Net Loss for the period-end

For the three months and year ended December 31, 2021, the Company recorded a net loss of \$4,645,268 and \$26,577,373 respectively as compared to a net loss of \$2,370,520 and \$4,379,666 for the respective periods of 2020. The increased losses were primarily as a result of impairment expenses of \$15,216,053, share-based compensation expense of \$6,540,303 and higher general and administrative costs of \$4,429,131 million, as we continue to build a Plant Based Food focused company with new objectives, business models, and corporate targets.

#### General and administrative expense

The following table provides a breakdown of general and administrative expense for the periods end December 31, 2021, and 2020:

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Legal and accounting	157,138	88,251	355,491	150,625
Advertising and marketing	64,050	426,221	244,202	875,600
Investor relations	47,395	73,250	1,851,295	99,510
Consulting fees	14,422	168,887	450,396	401,900
Management fees	135,800	-	497,212	-
Office and sundry	71,636	41,937	181,369	186,887
Business development	(9,289)	358,601	435,227	815,770
Salaries and wages	74,679	-	413,939	-
Total General and Administrative	555,831	1,157,147	4,429,131	2,530,292

General and administrative cost increased 75% year over year mostly due to higher investor rotation costs and management fees relating to the reorganization of the corporation into is a modern health and wellness company curating delicious plant-

based foods. The company is working on reducing its general and administrative costs and in the fourth quarter general and administrative costs were down 52% from the same period last year.

### ***Impairment expense***

In 2021 the Company recorded an impairment of \$15,216,053 (2020 -\$415,433).

#### ***Goodwill impairment***

The Company identified a number of indicators of impairment of goodwill, most significantly income statement losses incurred in the year, both at the corporate and at the individual segment level. Therefore, the Company performed impairment test of its goodwill balance. The impairment test resulted in a \$14,766,314 impairment of its goodwill balance relating to the Holy Crap acquisition and a \$93,940 impairment of goodwill balance relating to the Yamchops acquisitions.

The main reason for the impairment was the run up in the Plant & Co. share price in the days leading up to the close of the Holy Crap acquisition. As part of the acquisition, Plant & Co. issued common shares to the shareholders of Holy Crap. On the day the Holy Crap acquisition closed, the Company share price closed at \$0.58, however Plant & Co. negotiated the Holy Crap transaction based on a \$0.20 share price as this had been the average share price of the Company for the past few months. The share price of Plant & Co. had increased during the brief period from the time negotiations ended to the day the transaction closed. International Financial Reporting Standards ("IFRS") requires that the value needs to be recorded when the transaction closes. As a result, the transaction was recorded at an inflated value. The share price has tracked back to historical levels since and the Company is unaware as to the reasons it traded higher for this brief period.

#### ***Intangible asset impairment***

Due to the Company reorienting its focus from cannabis related products to plant-based food, the Company recorded a \$181,333 impairment of its cannabis related licenses.

#### ***Equipment and inventory impairment***

The company did not extend its Mache location lease as the Company felt it was not the right time to focus on a physical restaurant location due to the Covid-19 pandemic restriction. As part of that decision the company impaired \$155,812 of leasehold improvements and equipment as well as \$18,654 of inventory.

### ***Depreciation and amortization expense***

Amortization expense for the capital assets for the three month and year ended December 31, 2021 was \$295,805 and \$531,174 respectively as compared to \$45,001 and \$105,405 for the same periods of 2020, the increase relates to the depreciation of assets acquired in the two corporate acquisitions in the first quarter of 2021.

### ***Capital expenditures***

The following table shows the Company's capital additions for the period ended December 31, 2021:

	<b>Capital expenditures</b>	<b>Corporate acquisitions</b>
Computer equipment	3,996	-
Furniture and fixtures	499	139,433
Leasehold improvements	-	225,000
Vehicles	-	26,653
ROU assets	-	293,787
<b>Total Property and equipment additions</b>	<b>4,495</b>	<b>684,873</b>
Licenses	-	-
Brand Names	-	370,579
Distribution Relationships	-	246,699
Recipe, processes and formulas	-	86,465
<b>Total Intangible assets additions</b>	<b>-</b>	<b>703,743</b>

## BUSINESS UNIT PERFORMANCE

The Company has two operating segments: Yamchops and Holy Crap. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

### Holy Crap

On February 12, 2021 the Company, via its wholly owned subsidiary Plant & Company Brands Group Inc., completed an amalgamation with Holy Crap Brands Inc. ("Holy Crap") whereby the Company issued 29,300,000 common shares to the current Holy Crap shareholders and 4,000,000 share purchase warrants entitling the current Holy Crap warrant holders to purchase one common share of the Company at a price of \$0.40 until May 2, 2022. The warrants were valued at \$1,600,857 using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 160%, risk free interest rates of 0.12%, expected life of 1.22 years and no dividend yield.

Holy Crap produces and sells breakfast cereal and related food products. The company offers its products under the brand Holy Crap, which is a gluten-free, organic, kosher, plant-based, and non-gmo project verified cereal. It markets its products through retailers as well as through online retailers and its own website.

The following table show the results of operations for the Holy Crap segment:

	<b>For the Three Months Ended</b>		<b>For the Twelve months ended</b>	
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue	161,735	-	658,508	-
Cost of goods sold	33,566	-	364,797	-
Gross Margin	128,169	-	293,711	-
Gross Margin %	79%	0%	45%	0%
General and administrative	54,646	-	362,206	-
Impairment	3,632,314	-	14,766,314	-
Other (Income)/expense	271,959	-	280,761	-
<b>Segmented loss</b>	<b>(3,830,750)</b>	<b>-</b>	<b>(15,115,570)</b>	<b>-</b>

Since acquisition there have been significant changes to the operating structure of our Holy Crap Foods subsidiary. We have cut external 3rd party costs and moved them in house for greater efficiencies and leverage across the multiple brand entities to share the cost of the resources while leveling up the expertise of our staff. We have worked hard to streamlined operations at the manufacturing facility. Since year end we have invested more direct sales with the hiring of a dedicated sales person.

We are moving towards a sales oriented organizational structure, and thus new resources are focused solely on the organic growth of the brand. Admin-focused roles have been reduced and centralized. In November and December of 2021 Holy Crap hit record sales for both months. We have right sized the business for growth, and reduced overhead and third-party costs to set this brand up for profitability in 2022.

### Yamchops

On January 18, 2021, pursuant to a share purchase agreement, the Company acquired 100% of the issued and outstanding common shares of 2574578 Ontario Inc. and JDB Innovations Ltd., collectively referred to as "Yamchops" in exchange for payment of \$770,000 and the issuance of 344,828 common shares of the Company. The Company issued an additional 109,589 common shares as a finder's fee.

YamChops operates as a plant-based butcher shop. Its products are good for vegan, vegetarian, & flexitarian eaters and offer meat-free, dairy-free, and gluten-free choices to its customers.



The following table show the results of operations for the Yamchops segment:

	<b>For the Three Months Ended</b>		<b>For the Twelve months ended</b>	
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue	123,121	-	544,580	-
Cost of goods sold	47,824	-	231,725	-
Gross Margin	75,297	-	312,855	-
Gross Margin %	61%	0%	57%	0%
General and administrative	70,951	-	509,771	-
Impairment	(106,060)	-	93,940	-
Other (Income)/expense	(41,223)	-	18,320	-
<b>Segmented loss</b>	<b>151,629</b>	<b>-</b>	<b>(309,176)</b>	<b>-</b>

We have streamlined the operating and production structure of our Yamchops subsidiary in the second half of 2021 and into 2022. We have hired a part time Chef to produce new and exciting menu options in the later half of 2021 and have engaged a co-packer to produce our more labour-intensive items. This has allowed us to reduce our labour costs, ingredient costs, while passing the cost savings on to our wholesale customers and DTC (direct to consumer) customers. We have four more products being produced with the co-packer to follow the same cost-reducing framework. All of which leads to a higher flow through of products which equal increased profit margin for our bottom line. We have moved to a 6-day production schedule from a 7-day production schedule, and plan to get down to a 5-day production schedule in Q2 2022. This saves us 2 full days of kitchen staff and ingredient costs as the co-packer produces more and more of our products.

Like Holy Crap Foods, we have pivoted this subsidiary to follow a sales-oriented approach for 2022. We have re-allocated the Operations Manager who previously was responsible for day to day in store operations to a dedicated outbound sales role which has doubled our wholesale sales since we made this change in February 2022. The storefront now operates on a lean staffing model and focuses on wholesale and customer driven sales approach.

We are also looking forward to not having COVID-19 shutdowns which has significantly impacted our ability to produce revenue throughout 2021. The mandated city-wide shutdowns in Toronto significantly impacted our walk-in traffic. We have made the necessary changes to reduce staffing costs and increase focus on sales-driven activities at Yamchops. This plan coupled with the cost savings of using a co-packer for our production needs sets up Yamchops to for profitability in 2022.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for the eight quarters ending December 31, 2021:

<b>Quarter Ended</b>	<b>Revenue</b>	<b>Loss for the Period (\$)</b>	<b>Loss per Share-Basic (\$)</b>
<b>31-Dec-21</b>	<b>220,376</b>	<b>(4,645,268)</b>	<b>(0.04)</b>
30-Sep-21	323,897	(711,303)	(0.01)
30-Jun-21	443,145	(17,150,372)	(0.22)
31-Mar-21	261,935	(4,070,430)	(0.05)
31-Dec-20	(29,392)	(2,370,520)	(0.05)
30-Sep-20	36,934	(551,553)	(0.01)
30-Jun-20	46,333	(240,101)	(0.01)
31-Mar-20	54,129	(1,217,492)	(0.03)

## LIQUIDITY AND CAPITAL RESOURCES

### Cash and Working Capital

The Company's cash on hand at December 31, 2021 is \$936,167 down from \$4,136,250 at December 31, 2020, mostly due to the Yamchops corporate acquisition and higher general and administrative costs. The Company had a working capital of \$1,013,621 on December 31, 2021, down from \$4,029,124 as at December 31, 2020. As at the date of this MD&A, the Company has sufficient working capital to meet its ongoing financial obligations for the coming year.

### Cash Used in Operating Activities

For the three months and year ended December 31, 2021, cash used in operating activities was \$434,939 and \$4,176,578 as compared to \$943,577 and 1,784,960 in the three months and year ended December 31, 2020. Cash used in operating activities was used for general operating activities.

### **Outstanding Share Data**

The common shares of the Company trade on the CSE under the symbol "VEGN".

As at December 31, 2021 the Company has 104,157,421 shares issued and outstanding (2020 – 67,813,414).

On July 3, 2020 the Company completed a 10:1 share consolidation. All share numbers have been retroactively restated to reflect the consolidation.

The following is a summary of the share transactions over the last two years:

	Number	Amount (\$)
<b>Balance at December 31, 2019</b>	<b>35,788,441</b>	<b>12,033,390</b>
Private placement	26,787,315	5,603,191
Share issue costs	-	(520,183)
Issuance of common shares for debt and services	2,209,267	486,025
Issuance of common shares upon exercise of options	210,000	163,750
Issuance of common shares upon exercise of warrants	158,800	79,400
Cancellation of common shares issued upon milestone achievement	(250,000)	-
Cancellation of shares returned to treasury	(193,076)	-
Share exchange for licenses	566,667	226,667
Share exchange for assets	2,536,000	227,830
<b>Balance at December 31, 2020</b>	<b>67,813,414</b>	<b>18,300,070</b>
<b>Private placement</b>	<b>3,000,000</b>	<b>600,000</b>
<b>Issuance of common shares for debt and services</b>	<b>109,589</b>	<b>85,480</b>
<b>Issuance of common shares upon exercise of options</b>	<b>1,577,000</b>	<b>890,285</b>
<b>Issuance of common shares upon exercise of warrants</b>	<b>2,212,590</b>	<b>632,337</b>
<b>Share exchange -corporate acquisitions</b>	<b>29,644,828</b>	<b>15,058,646</b>
<b>Cancellation of shares returned to treasury</b>	<b>(200,000)</b>	<b>(100,000)</b>
<b>Balance at December 31, 2021</b>	<b>104,157,421</b>	<b>35,466,818</b>

### **Share Purchase Warrants**

A continuity of the share purchase warrants is summarized as follows:

	December 31, 2021		December 31, 2020	
	Number of Warrants	Weighted average exercise price \$	Number of Warrants	Weighted average exercise price \$
Warrants outstanding, beginning of year	27,232,150	0.35	5,941,492	0.89
Issued January 15, 2020	-	-	1,211,000	0.75
Issued March 10, 2020	-	-	200,000	0.75
Issued December 14, 2020	-	-	21,634,250	0.25
Issued February 12, 2021	4,000,000	0.40	-	-
Issued June 18, 2021	3,000,000	0.20	-	-
Issued June 18, 2021	27,000,000	0.20	-	-
Exercised	(2,212,590)	0.26	(158,800)	1.09
Expired	(4,186,900)	0.75	(1,595,792)	1.25
Warrants outstanding, end of year	54,832,660	0.25	27,232,150	0.35

On June 1, 2021, the Company entered into a strategic advisory agreement (the "Advisory Agreement") with Maricom Inc. and 2085086 Ontario Inc. (the "Advisors") represented by Sean Black, Mark Rechichi and Alex Rechichi to assist with the private placement and to arrange for Alex Rechichi, Mark Rechichi and Kevin Cole to join the board of directors of the Company. In consideration for the assistance with the private placement and the arrangement of strategic appointments to the Board (the "Strategic Board Appointments"), the Company agreed to issue an aggregate of 27,000,000 non-transferrable share purchase

warrants ("Advisory Warrants") to the Advisors. Each Advisory Warrant entitles the holder to acquire one share at a price of \$0.20 for a period of five years from their date of issue and vest upon the occurrence of the vesting triggers noted below:

Number of Advisory Warrants Vested	Vesting Trigger
5,200,000	Closing of the June 2021 private placement
2,700,000	\$0.50 <sup>(1)</sup>
2,750,000	\$0.75 <sup>(1)</sup>
5,400,000	\$1.00 <sup>(1)</sup>
5,450,000	\$1.50 <sup>(1)</sup>
5,500,000	\$2.00 <sup>(1)</sup>

**Note:** (1) Closing price of the common shares on the Canadian Securities Exchange (or any other stock exchange that the Common Shares may trade) required to trigger vesting of Advisory Warrants.

Pursuant to the Advisory Agreement, the CEO, President and CFO of the Company, have agreed to enter into lock-up agreements preventing the sale and transfer of any securities of the Company. The Advisory Warrants and any securities issued upon exercise thereof are subject to a four month hold period pursuant to the policies of the Canadian Securities Exchange.

The Company recognized \$3,174,062 in share-based compensation on the issuance on the Advisory Warrants. The warrants were valued using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 179%, risk free interest rates of 0.97%, expected life of 5 years and no dividend yield. A Monte Carlo probability model was applied to the various vesting trigger points resulting in probabilities of between 13% and 56% which were applied to the five unvested tranches.

As at December 31, 2021, the Company had outstanding warrants as follows:

Expiry date	Exercise price	Remaining life(years)	Warrants outstanding	Warrants Exercisable
January 14, 2022	0.75	0.29	1,211,000	1,211,000
March 11, 2023	0.75	1.44	200,000	200,000
December 14, 2022	0.25	1.21	19,521,660	19,521,660
May 2, 2022	0.40	0.59	3,900,000	3,900,000
June 18, 2024	0.20	2.72	3,000,000	3,000,000
June 28, 2026	0.20	4.75	27,000,000	5,200,000
	0.25		54,832,660	33,032,660

## Stock Options

The Company has a stock option plan that allows it to grant options to its directors, officers, employees and consultants, provided that the aggregate number of options granted shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company.

A summary of the Company's stock option transactions is presented below:

	December 31, 2021		December 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	4,670,091	0.33	2,345,900	0.71
Granted	12,145,000	0.36	4,700,000	0.50
Exercised	(1,577,000)	0.34	(210,000)	0.50
Expired	(20,000)	0.50	(814,800)	0.58
Cancelled	(5,348,091)	0.51	(1,351,009)	0.81
Options outstanding, end of year	9,870,000	0.27	4,670,091	0.33
Options exercisable, end of year	4,670,091	0.33	4,670,091	0.33

The share options outstanding as at December 31, 2021 are as follows:

Grant date	Number of options outstanding	Exercise price	Expiry date
April 28, 2020	75,000	0.50	April 28, 2022
November 23, 2020	2,250,000	0.26	November 22, 2022
January 5, 2021	350,000	0.45	January 5, 2023
January 19, 2021	200,000	0.78	January 19, 2023
April 30, 2021	5,625,000	0.25	April 30, 2023
May 10, 2021	1,275,000	0.26	May 10, 2023
July 21, 2021	95,000	0.30	July 21, 2022
	9,870,000	0.27	

The Company recognized \$3,366,241 (2020 - \$444,126) in share-based compensation on options during the year ended December 31, 2021.

## RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with companies that are controlled by directors and related parties of the Company:

	December 31, 2021	December 31, 2020
Consulting and other fees	546,742	177,266
Stock-based compensation	5,005,609	97,479
	5,552,351	274,745

As at December 31, 2021, the Company had no outstanding payables or receivables with its related parties. As at December 31, 2020, the Company owed the CEO and related companies \$49,115, and the CFO \$20,000.

## ADDITIONAL INFORMATION

### Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

### Legal proceedings

As at the current date, management was not aware of any legal proceedings involving the Company.

### Commitments - Contingent liabilities

As at the current date, management was not aware of any outstanding contingent liabilities or commitments relating to the Company's activities.

## FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of the Company 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:

### 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. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with property exploration and development. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing, Revenue from its digital platforms, and through revenue producing M&A activities. Cash on hand as of December 31, 2021 and expected cash flows for the next 12 months are sufficient to fund the Company's ongoing operational needs.

Based on the contractual obligations of the Company as at December 31, 2021, cash outflows of those obligations are estimated and summarized as follows:

<b>Payment Due by Year</b>	<b>2022</b>	<b>2023</b>	<b>2024 and beyond</b>	<b>Total</b>
	\$	\$	\$	\$
Accounts payable and accrued liabilities	246,289	-	-	246,289
CEBA loans	-	110,000	-	110,000
Lease obligations	81,676	82,876	140,233	304,785
	327,965	192,876	140,233	661,074

### ***Market risk***

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

### ***Interest rate risk***

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk at minimal levels.

Current financial assets and current financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. At December 31, 2021, the Company was not affected by interest rate risk.

### ***Foreign currency risk***

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. Foreign currency risk is assessed as low.

### ***Capital risk management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

## **FORWARD-LOOKING INFORMATION**

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

## **CAPITAL DISCLOSURE**

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. The Company has recently reactivated and acquired a business, which will require additional financial resources.

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 current period. The Company is not subject to externally imposed capital requirements.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

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The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the financial statements and recommend that the Board approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## **DIRECTORS**

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Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act 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 opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

As at the date of this MD&A, the directors of the Company are Shawn Moniz, Marco Contardi, Alex Rechichi, Mark Rechichi and Kevin Cole.