



KOMO PLANT BASED COMFORT FOODS INC.
(formerly Komo Plant Based Foods Inc.)

Management's Discussion & Analysis

For the Three and Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") relates to the financial position and financial performance of Komo Plant Based Comfort Foods Inc. ("Komo Comfort Foods" or the "Company") for the three and nine months ended April 30, 2021. All references to "us" "we" and "our" refer to the Company.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with our condensed interim financial statements for the three and nine months ended April 30, 2021, and 2020 and audited annual financial statements for the years ended July 31, 2020 and 2019 (collectively referred to as the "Financial Statements").

Financial information contained in this MD&A has been prepared on the basis that we will continue as a going concern, which assumes that we will be able to realize our assets and satisfy our liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon our ability to continue as a going concern.

We have incurred a net loss from continuing operations of \$882,823 and incurred negative cash flows in operating activities from continuing operations of \$746,878 during the nine months ended April 30, 2021 and we have an accumulated deficit of \$6,013,955 as at April 30, 2021. Our continued operations are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when we can generate sufficient operating cash flows to pay for our expenditures and settle our obligations as they fall due is uncertain. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The outbreak of the 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 our supply chain and operations. The COVID-19 pandemic has impacted and could further impact our operations and the operations of our suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts our 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 our 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 our business, liquidity, capital resources and financial results.

CORPORATE OVERVIEW

Subsequent to the period ended April 30, 2021, on May 31, 2021, we completed a merger transaction with Fasttask Technologies Inc. ("Fasttask"), whereby Fasttask acquired 100% of our issued and outstanding shares (the "Transaction"). In consideration, Fasttask issued our former shareholders 1 common share for each 1 share of the Company owned, which resulted in a reverse-takeover transaction. The outstanding warrants and options of the Company were exchanged into warrants and options of the resulting issuer on an identical basis, except that the exercise price of certain of the outstanding warrants of the Company was adjusted from \$1.00 per share of the Company to \$0.20 per share of the resulting issuer. As a result of the Transaction, we are the wholly owned operating subsidiary of Komo Plant Based Foods Inc., whose shares are now listed on the Canadian Securities Exchange ("CSE") and have been trading since June 8, 2021 under the ticker symbol "YUM"

OUR BUSINESS

Description of Komo Comfort Foods Business

We are an emerging plant-based food company engaged in the development, production, marketing, and distribution of a variety of plant-based frozen meals. Our mission is to share the love of plant-based food through classic comfort recipes that are always hearty, wholesome and delicious. Our products are plant-based versions

of classic recipes that are traditionally meat and dairy-centric. By incorporating only wholesome, plant-based ingredients, we aim to create the same satisfying experience without compromising the sensory appeal of these comfort food favorites. We launched our e-commerce direct-to-consumer platform and flagship product line in March 2021.

We are targeting multi-serve plant-based dinners and entrees as sub-categories with our Ready-to-Bake Classics and our Plant-Based Meal Helpers™. All of our products are 100% plant-based, made with wholesome ingredients, free from preservatives, frozen for freshness and have a 1-year frozen shelf life. Our Ready-to-Bake Classics, which include Lasagna, Shepherd's Pie and Chick'n Pot Pie, have garnered excellent consumer reviews, with over 65 - 5 star reviews from verified buyers on our eCommerce website. Our Plant-Based Meal Helpers™ line just launched this month with our BBQ Mushroom Lentil Taco Filling and Walnut Mushroom Bolognese. We are continuously engaged in research and development of new products in our commercial kitchen and we plan to launch another 4 - 5 new SKUs by the end of 2021.

Our management believes the demand for plant-based alternatives is growing. This is driven by consumer awareness of major issues with animal protein diets, including health, sustainability, and animal welfare. In recent years, there has been a rise in meat and dairy alternative products into the market as plant-based eating becomes more mainstream.

As the plant-based food market grows, consumers have increasing scrutiny for the ingredients in plant-based alternatives. There is a preference towards more wholesome ingredients, yet consumers may not be willing to sacrifice familiar taste and textures. A key differentiator for our plant-based products is our flavor-forward, wholesome comfort meals that help make plant-based eating easy. Our product development is focused on bringing back the nostalgic feelings of comfort and family for both plant-based consumers and plant-based explorers alike.

We plan to accomplish the following business objectives and milestones over the 12-month period:

Business Objective	Action
<p><u>Operations Capabilities:</u></p> <p>Expand research and development and kitchen production locally in Metro Vancouver and commercialize new product ideas and expand direct-to-consumer service.</p>	<p>Build out a dedicated kitchen space with equipment capabilities to efficiently produce and scale with demand.</p> <p>Obtain vegan and gluten-free certifications for applicable products.</p> <p>Continue to add production staff for production in our commercial kitchen.</p>
<p><u>Research and Development:</u></p> <p>Continuous research and innovation of new plant-based products utilizing consumer insight to guide product development and develop intellectual property in plant-based food applications.</p>	<p>Develop and launch 2 new product lines over the next 12-month period.</p> <p>Increase marketing of direct-to-consumer locally in Metro Vancouver to gather initial product-market validation.</p> <p>Develop intellectual property in plant-meat and plant-cheese formulations and applications.</p>
<p><u>Large Scale Commercialization:</u></p> <p>Partner with co-manufacturers to commercialize product concepts for a national launch.</p> <p>Achieve better cost efficiencies with larger scale production and agreements with suppliers and manufacturers.</p>	<p>Engage with local co-packers to explore the large-scale commercialization of products.</p> <p>Negotiate for cost reduction of raw material and packaging at scale.</p>

<p><u>Expand Distribution Nationally:</u></p> <p>Launch Komo Comfort Foods into provinces across Canada.</p>	<p>Sign multiple distribution agreements as Komo Comfort Foods expands nationally.</p> <p>Partner with sales brokers in various geographic areas to support the sales expansion of the brand.</p>
<p><u>Business Development, Marketing & Promotions:</u></p> <p>Continually build Komo Comfort Foods' craft premium brand through social media and content creation.</p> <p>Establish product sales and brand recognition with large retailers.</p>	<p>Attend trade exhibitions over the next 12-month period: Good to Grow, Canadian Health Food Association, Planted Expo.</p> <p>Expand our digital marketing through improved search engine optimization, social media advertising, influencer collaborations and other digital advertising.</p>

Komo Comfort Foods Industry and Principal Markets

Plant-Based Foods

We operate in the plant-based prepared foods market including plant-based meals, meat, and dairy alternatives segments through the components we incorporate into our products. According to the Plant Based Food Association (“**PBFA**”), US retail sales of plant-based foods continued to increase by double digits in 2020, growing 27% and bringing the total plant-based market value to US\$7 billion. Plant-based foods sales have grown 43% in the past two years- nine times faster than total food sales. In 2020, 57% of all US households purchased plant-based foods (that’s over 71 million households)- up from 53% in 2019 [Source: “2020 Retail Sales Data Announcement” (PBFA, 2021)].

The plant-based food market is projected to grow globally at a compound annual growth (“CAGR”) rate of 11.9% from 2020 to 2027 and to reach \$74.2 Billion [Source: “Plant Based Food Market by Product Type (Dairy Alternatives, Meat Substitute, Plant-Based Eggs, Confectionery), Source (Soy Protein, Wheat Protein), and Distribution Channel (Business to Business and Business to Customers) – Global Forecast to 2027” (Meticulous Research, 2020)].

Frozen Foods Market

Komo Comfort Foods products are in the growing frozen food category. According to “Frozen Food Market by Product and Geography - Forecast and Analysis 2020-2024” (Technavio, 2020) the global frozen food market is expected to grow at a CAGR of 11% from 2020-2024. 33% of this growth is expected to be driven by the North American market with the demand for plant-based foods being a key driver. The frozen food category has developed an archaic image and a reputation of being less healthy and innovative, but this image has been changing [Source: “Frozen food sales soar with homebound consumers during pandemic” (Food Dive, 2020)]. The COVID-19 pandemic has further accelerated growth in this category as more consumers made more meals at home. Frozen foods are a convenient solution to save time and simplify effort for consumers. A study by Hunter also indicates that consumers plan to cook and eat dinner at home more often even after the pandemic is over [Source: “HUNTER: Food Study Special Report, America Gets Cooking” (Hunter, 2020)].

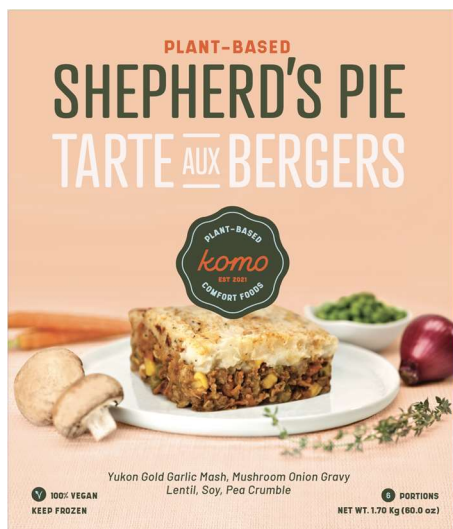
Our mission is to share the love of plant-based food through introducing plant-based versions of familiar favourites and classic meals. We aim to not only provide sensory appeal but also elicit emotions of joy, familiarity, and comfort. We currently have the following products for sale through our eCommerce platform and in select retail stores in British Columbia, Canada:



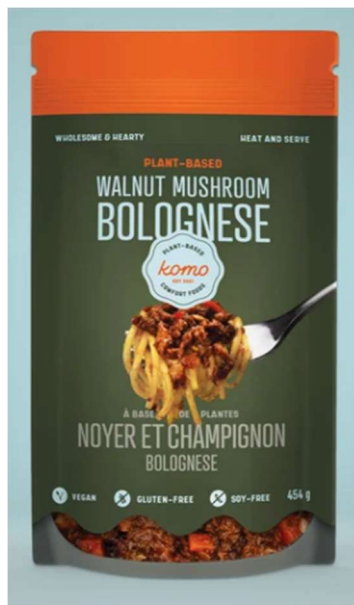
Lasagna: Our lasagna is made with rich tomato lentil soy ragu and creamy tofu 'ricotta' smothered between layers of semolina pasta and topped with a 'cheezy' cashew bechamel sauce.



Chick'n Pot Pie: This savoury Chick'n Pot Pie is bursting with flavours that will have you feeling nostalgic. It is made with creamy cashew cream sauce, soy curls, and a medley of hearty vegetables, then topped with a hand-rolled, plant-based pastry crust.



Shepherd's Pie: This is a savoury and satisfying family favourite. It is made with hearty lentil soy crumble and a medley of vegetables cooked in a rich mushroom onion gravy and topped with a creamy Yukon gold potato mash.



Our hearty plant-based Bolognese sauce is slow-simmered with walnuts, cremini mushrooms, and red lentils in a tomato sauce with herbs and spices. Rich, saucy, comforting, and oh-so satisfying, our bolognese sauce is perfect for an easy and wholesome plant-based meal.

Our Bolognese Sauce is available in one size serving 3 to 4. It is free from gluten and soy ingredients.



Our Taco Filling is made with 100% plant-based and wholesome ingredients including enoki mushrooms, lentils, carrots and pea protein cooked in a sweet and tangy BBQ sauce. Our easy taco filling is ready to serve and versatile as consumers just heat and use it as a taco stuffer, sandwich filler, nacho topper and more.

Our Taco Filling is available in one size serving 3 to 4. It is free from gluten and soy ingredients.

Product Shelf Life and Food Safety

All our products are 100% plant-based, made with wholesome ingredients, free from preservatives, and frozen for freshness. Freezing products is a natural and effective way of keeping food products for longer without having to use any preservatives. Our meals have a 1-year frozen shelf life.

Food safety is one of the main pillars of the Komo brand so consumers can feel good and feel safe when eating our products. During product development, we validate the cooking time and temperature to ensure our products will be thoroughly cooked by the consumers.

Product Development and Launches

We are continuously refining our recipes to improve flavor, nutrient profile, and texture. We have recently expanded our plant-based comfort foods platform with Komo's Plant-Based Meal Helpers™ (which include our BBQ Mushroom Lentil Taco Filling and Walnut Mushroom Bolognese) and we are in development on other products to be launched later this year. Our research and development also includes exploring options for different dietary preferences, including gluten-free and keto-friendly products. Utilizing natural, wholesome and

recognizable ingredients will continue to be a guiding principle for all future plant-based products. We are committed to developing new plant-based food alternatives using progressive food technology and wholesome, natural ingredients. With a local research and development kitchen and a direct-to-consumer channel, we have the opportunity to bring concepts quickly to market for validation and feedback before scaling.

We used a two-phase approach for product launch in our hometown of Vancouver, BC, which has a strong community of plant-based consumers. In Phase 1, we produced our meals in our own commercial kitchen and we launched products locally in the Metro Vancouver region through eCommerce and local delivery services. The main goal of this first phase was to gather feedback from consumers to validate products and our value propositions, as well as to develop our initial consumer base. We have used data gathered during Phase 1 to improve production efficiency in our kitchen. Our Phase 1 launch commenced on March 4, 2021, with the following three products through our eCommerce platform for sale in the Metro Vancouver region: family-sized portions of Lasagna, Shepherd's Pie, and Chick'n Pot Pie. On April 21, 2021, Komo Comfort Foods launched a 2-portion serving of its lasagna. In June 2021, we launched our Bolognese Sauce and our Taco Filing and a 2-portion serving of our Shepherd's Pie. Currently, we are selling our products through our eCommerce platform and through retailers in BC. We are currently in the process of moving to a larger commercial kitchen to scale up our production capacity to 2,500 units per week. The new kitchen is in progress to obtain an SFCR (Safe Food for Canadians Regulations) license to allow our product to be sold across Canada. We expect the licensing process to complete in July 2021

Our Phase 1 launch has been supported by a strong online presence via our website and social media channels, such as Instagram, Facebook and LinkedIn, to allow us to stay connected with our consumers and to share plant-based recipes and news in addition to our brand and products. We are focused on local campaigns and using grassroots marketing techniques, such as posterizing throughout Vancouver, BC in targeted areas.

We launched our online direct to consumer eCommerce platform in March 2021, offering our delicious frozen plant based meals for direct delivery throughout Metro Vancouver, including 19 municipalities. Since then, we have expanded our reach by selling through Legends Haul, an online grocer that delivers to Vancouver Island, Sea to Sky and the Sunshine Coast in British Columbia.

In June 2021 we expanded our direct to consumer reach through participation in farmers markets throughout the Lower Mainland of British Columbia and we participated in the Got Craft? Foodie Pop-Up Virtual Market, where consumers could shop from a curated collection of delicious goods from local chefs. The response of consumers at the farmers markets has been very positive. Attendance at farmers markets allows us to showcase our products to new consumers who attend the markets looking for new brands. As a new brand, we are constantly trying to build brand awareness, learn about our customers, share our foods and get feedback about our messaging and products.

In March 2021, we signed an agreement with a distribution company to service wholesale distribution of our products within BC. In April 2021 we signed an agreement with a sales agency for sales and retail account management of Komo Comfort Foods across Canada.

We aim to partner with a co-manufacturer to scale up our production runs to support Phase 2 of the launch. Phase 2, which is currently planned for October 2021, will be geared towards a national launch across Canada to both small and large retailers, as well as continued sales through our direct-to-consumer platform. Partnering with a co-manufacturer will allow us to increase our production efficiency and output significantly.

The Canada-wide Phase 2 launch will be supported by increased digital and social marketing efforts on a national scale, as well as an aggressive sales and distribution plan with our broker. We believe this two-phase approach provides us with the opportunity to test concepts locally through our direct-to-consumer channel for product-market fit through which we can refine our products and value propositions, which then leads to a greater chance of success when our products launch on a national scale.

We are targeting a B2B strategy to enter into local distribution agreements gaining access to the grocery chain market. With plans to roll out on an international level by 2022. Our distribution plan is projected at placement in more than 100 locations initially, with a primary focus on an international expansion by 2022.

OVERALL PERFORMANCE

During the nine months ended April 30, 2021, we implemented a material change in our business. The cannabis related business in the prior year was discontinued. During the three and nine months ended April 30, 2021, our strategy focused on the research and development and the commercial launch of plant-based food products. We commenced our Phase 1 product launch on March 4, 2021. As at April 30, 2021 we had 4 SKUs for sale, and by June 28, 2021 we had 7 SKUs. As at April 30, 2021 we had 4 distribution points and by June 28, 2021 we had 8 distribution points in BC. We are currently in talks with several major retail chains and we anticipate significant growth of our distribution points this fall, along with our planned national expansion.

We recognized \$16,029 of revenue during the three and nine months ended April 30, 2021, compared to \$nil for both periods of the prior year. We incurred a net loss from continuing operations of \$376,606 and \$882,823 for the three and nine months ended April 30, 2021, respectively, as compared to net loss from continuing operations of \$672,548 and \$1,879,489 for the three and nine months ended April 30, 2020, respectively.

FINANCIAL HIGHLIGHTS

	Three months ended		Nine Months ended	
	April 30,		April 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue By Channel:				
Direct to Consumer	12,571	-	12,571	-
Wholesale	3,458	-	3,458	-
Gross Profit	3,027	-	3,027	-
Gross Profit %	19%	-	19%	-
Net Loss from Continuing Operations	(376,606)	(672,548)	(882,823)	(1,879,489)
Adjusted EBITA Loss from continuing operations	(380,773)	(580,028)	(762,509)	(1,734,806)

ADJUSTED EBITDA

Adjusted EBITDA, a measure used by management to indicate operating performance, is defined as earnings before interest, taxes, depreciation and amortization, excluding certain non-operating amounts as shown below. Adjusted EBITDA is not a recognized term under IFRS and is not intended to be an alternative either to gross profit or income before taxes as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. We use Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measurements used by other companies. Readers should not consider Adjusted EBITDA in isolation or as a substitute for profit (loss) for the year as determined by IFRS, or as a substitute for an analysis of our Financial Statements.

	Three months		Nine months	
	ended		ended	
	April 30		April 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net loss from continuing operations	(376,606)	(672,548)	(882,823)	(1,879,489)
Depreciation	755	3,179	7,168	9,539
Interest expense (income)	8,306	(2,490)	12,155	(8,130)
Share-based compensation	61,401	22,156	136,344	82,454
Impairment of right-of-use asset	-	-	28,616	-
Gain on Assignment of promissory note receivable	(62,405)	-	(62,405)	-
Gain on settlement of lease liability	(20,312)	-	(20,312)	-
Loss on receivables	-	-	9,495	-
Loss on disposal of subsidiary	(201)	-	1,754	-
Loss on sale of marketable securities	-	35,499	84,251	36,360
Unrealized (loss) gain on marketable securities	8,289	34,176	(76,752)	24,460
Adjusted EBITDA loss from continuing operations	(380,773)	(580,028)	(762,509)	(1,734,806)

DISCUSSION ON OPERATIONS

As aforementioned, and during the nine months ended April 30, 2021, we focused on the transition to plant-based food business. The comparative discussion for the nine months ended April 30, 2020 was related to our previous cannabis business which has now been disposed of pursuant to an Asset Purchase Agreement dated October 30, 2020.

Revenue

We recognized \$16,029 of revenue during the three and nine months ended April 30, 2021, compared to \$nil for both periods of the prior year.

We initiated the commercialization of our plant based comfort foods on March 4, 2021. At April 30, 2021 we had 4 products being distributed in the province of British Columbia and by June 28, 2021 our number of SKUs increased to 7. We plan to launch additional products which are currently in various stages of development. We are in progress in obtaining a SFCR license for our commercial kitchen which will enable us to distribute our products to the rest of Canada.

Advertising and promotion

Advertising and promotion expenses are related to our activities in promoting our corporate and product brand, Komo and our comfort food products. For the three and nine months ended April 30, 2021, we incurred \$54,123 and \$72,551, respectively, in advertising and promotion expenses as compared to \$11,521 and \$52,702 for the same periods of the prior year respectively. These expenses included market studies, brand design, labelling artwork, primary packaging design, social media launch and maintenance, and creatives and contents for the website.

Consulting fees

We are an emerging business which engages consultants regularly to obtain expertise in various business areas including but not limited to product research and development, marketing, technology, finance and accounting. For the three and nine months ended April 30, 2021, we incurred consulting expenses of \$103,703 and \$282,107, respectively, as compared to \$59,641 and \$212,944 for the same periods of the prior year. The increase in consulting fees are primarily driven by the change of business.

Depreciation

Depreciation expenses are related to furniture and fixtures. For the three and nine months ended April 30, 2021, we incurred depreciation expenses of \$755 and \$7,168 as compared to \$3,179 and \$9,539 for the same periods of the prior year.

General and Administrative

For the three and nine months ended April 30, 2021, we incurred general and administrative expenses of \$36,542 and \$83,622 respectively as compared to \$12,259 and \$39,708 for the same periods of the prior year. The increase in general and administrative expenses was driven by office expenses relating to increased development activities and rent.

License fees

For the three and nine months ended April 30, 2021, we did not incur any license fees as compared to \$414,500 and \$1,077,700 for the three and nine months ended April 30, 2020, respectively, which were paid with non-cash considerations for licensing agreements related to the cannabis related business which has now been discontinued.

Product development

Product development costs are related to the development of plant-based comfort food products. The first four products were launched during this quarter, with 3 more products launched in Q4 and the additional products anticipated to be launched in Q1 2022. For the three and nine months ended April 30, 2021, we incurred product development cost of \$22,881 and \$29,270, respectively. We did not incur such costs for the same periods of the prior year.

Professional fees

Professional fees are primarily related to legal, accounting, recruiting and audit services. For the three and nine months ended April 30, 2021, we incurred professional fees of \$71,427 and \$140,391 respectively as compared to \$21,763 and \$84,844 for the same periods of the prior year respectively.

Share-based compensation

Share-based compensation is related to stock options granted to directors, officers, employees and consultants. For the three and nine months ended April 30, 2021, we incurred share-based compensation expenses of \$61,401 and \$136,344, respectively, as compared to \$22,156 and \$82,454 for the three and nine months ended April 30, 2020, respectively. The variance in share-based compensation expenses was driven by the varying vesting schedules of underlying stock options and new options issued during the nine months ended April 30, 2021.

Travel expenses

Travel expenses are related to employee business travels. For the three and nine months ended April 30, 2021, we incurred travel expenses of \$2,763 and \$9,751 respectively as compared to \$3,105 and \$37,006 for the same periods of the prior year respectively.

Wages

Wages expenses are related to our senior management and employees. As we focused our resources on the transition of the business, we paid minimal wages of \$51,121 and \$68,210 for the three and nine months ended April 30, 2021, respectively, as compared to wages expenses of \$86,232 and \$260,019 for the three and nine months ended April 30, 2020, respectively.

Foreign exchange gain (loss)

We had a wholly owned subsidiary located in California of the United States of America to explore business opportunities in the local area before it was spun off during the nine months ended April 30, 2021. Certain transactions carried out by the subsidiary gave rise to foreign exchange gain or loss. For the three and nine months ended April 30, 2021, we incurred foreign exchange loss of \$706 and foreign exchange gain of \$900 as compared to foreign exchange gain of \$29,029 and \$30,117 for the same periods of the prior year respectively.

Impairment of right-of-use asset

Due to change in our business plan, we did not plan to utilize the rental retail space located at 2857 Oak Street, Chemainus, British Columbia of Canada. The lease was terminated subsequent to the period ended April 30, 2021. For the three and nine months ended April 30, 2021, we recognized an impairment of its right-of-use asset of \$nil and \$28,616 respectively. We did not incur such costs in the same periods of the prior year.

Interest expense

Interest expense are the financing costs for our leased premises. During the three and nine months ended April 30, 2021, we incurred interest expense of \$8,306 and \$12,155 respectively as compared to \$2,264 and \$8,453 for the same periods of the prior year respectively. The decrease in interest expense was due to the expiry of the term of one of our leases on May 31, 2020.

Loss on disposal of subsidiary

During the three and nine months ended April 30, 2021, we realized a gain of \$201 and a loss of \$1,754, respectively, upon the disposition of our former wholly-owned subsidiary, Kingdom Brands Management Inc., pursuant to an Asset Purchase Agreement dated October 30, 2020. We did not realize any loss on disposal of subsidiary during the three or nine month periods ended April 30, 2020.

Other income

During the three and nine months ended April 30, 2021, we recognized other income of \$242 and \$20,242 respectively, compared to \$nil for both the three month and nine month period ended April 30, 2020. This amount reflects the forgivable portion of the Canada Emergency Business Account ("CEBA") loan received from the Government of Canada. We received a total of \$60,000 on an interest free basis until December 31, 2022. Any unpaid principal portion of the CEBA loan after December 31, 2022 will be converted into a three-year loan at annual interest rate of 5%.

Net loss from continuing operations

We incurred a net loss from continuing operations of \$376,606 and \$882,823 for the three and nine months ended April 30, 2021, respectively, as compared to net loss from continuing operations of \$672,548 and \$1,879,489 for the three and nine months ended April 30, 2020, respectively, primarily driven by professional fees, wages, share-based compensation, consulting fees and other operating costs.

Net loss from discontinued operations

We incurred a net loss from discontinued operations of \$nil and \$14,866 for the three and nine months ended April 30, 2021, respectively, as compared to net loss from discontinued operations of \$46,864 and \$181,239 for the three and nine months ended April 30, 2020, respectively, primarily driven by general administrative costs and professional fees and other operating costs. These amounts are derived from our former clothing, personal care and cannabis business related to our former wholly-owned subsidiary, Kingdom Brands Management Inc.

Dividends

No dividends were declared or paid for the nine months ended April 30, 2020.

During the nine months ended April 30, 2021, the Company issued a dividend in kind with a fair value of \$30,124 to all our shareholders by issuing one K Brands common share for every 4 common shares held in the Company.

LIQUIDITY

	April 30, 2021	July 31, 2020
Current ratio ⁽¹⁾	5.0	1.0
Cash	\$ 624,428	\$ 55,332
Working capital (deficit) ⁽²⁾	\$ 609,028	\$ (3,980)
Debt ⁽³⁾	\$ 44,548	\$ -
Shareholders' equity	\$ 671,007	\$ 4,783

(1) Current ratio is current assets divided by current liabilities.

(2) Working capital is current assets minus current liabilities

(3) Debt as of April 30, 2021 consisted of Canada Emergency Business Account interest-free loans from the Canadian government as part of its COVID-19 financial assistance program. We have not held any commercial debt to date.

Working Capital

We had working capital of \$609,028 as at April 30, 2021 as compared to a working capital deficit of \$3,980 as at July 31, 2020. The increase in working capital was primarily due to the completion of various private placements.

CAPITAL RESOURCES AND MANAGEMENT

As at April 30, 2021, we had cash of \$624,428.

We are authorized to issue an unlimited number of common shares. As at April 30, 2021, there were 46,981,171 common shares issued and outstanding. We also had 20,631,700 share purchase warrants with weighted average exercise price of \$0.52 and 4,142,500 stock options with weighted average exercise price of \$0.32.

Our objective is to maintain a strong capital base to support the development of the business including the commercialization of our plant-based food products.

OFF-BALANCE SHEET ARRANGEMENTS

As at April 30, 2021 and July 31, 2020, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

- (a) As at April 30, 2021, the Company owed \$7,671 (July 31, 2020 – \$13,631) to the spouse of a director of the Company and \$21,000 (July 31, 2020 - \$nil) to a company controlled by the spouse of a director of the Company, of which \$nil (July 31, 2020 – \$5,370) is included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred consulting fees of \$nil (2020 – \$73,000) to the spouse of a director of the Company and \$60,000 (2020 – \$nil) to a company controlled by the spouse of a director of the Company.
- (b) As at April 30, 2021, the Company is owed \$3,770 (July 31, 2020 – \$628) from a director, and former President and CEO, of the Company, which is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred wages of \$nil (2020 – \$118,000) and consulting fees of \$20,000 (2020 – \$nil) and director's fees of \$40,000 (2020 – \$nil) to the director, and former President and CEO, of the Company.
- (c) As at April 30, 2021, the Company is owed \$8,247 (July 31, 2020 - \$8,247) from a company controlled by a director, and former President and CEO, of the Company, which is unsecured, non-interest bearing, and due on demand.
- (d) As at April 30, 2021, the Company owed \$nil (July 31, 2020 - \$2,000) to a former director of the Company, which is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred consulting fees of \$nil (2020 - \$35,000) to a former director of the Company.
- (e) During the nine months ended April 30, 2021, the Company incurred consulting fees of \$nil (2020 – \$10,000) to a company controlled by a former director of the Company.

- (f) As at April 30, 2021, the Company is owed \$nil (July 31, 2020 – \$87) from the former Vice President of Operations of the Company. The amount owed is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred wages of \$nil (2020 - \$120,000) to the former Vice President of Operations of the Company.
- (g) During the nine months ended April 30, 2021, the Company incurred consulting fees of \$10,000 (2020 – \$10,157) to the Chief Financial Officer of the Company.
- (h) As at April 30, 2021, the Company owed \$52,785 (July 31, 2020 - \$39,756) to BPS, an associated company with common officers. The amount is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred advertising and promotion of \$55,873 (2020 – \$nil), consulting fees of \$86,260 (2020 – \$nil), fulfilment of \$8,117 (2020 – \$nil) and \$6,900 of professional fees (2020 – \$nil) to BPS.
- (i) During the nine months ended April 30, 2021, the Company incurred license fee of \$nil (2020 – \$663,200) to Urban Juve Provisions Inc. (“Urban Juve”), an associated company with common officers.
- (j) As at April 30, 2021, the Company is owed \$nil (July 31, 2020 – \$176) from NeonMind Biosciences Inc. (“NeonMind”), an associated company with a common officer. The amount is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred a license fee of \$nil (2020 – \$414,500) to NeonMind.
- (k) As at April 30, 2021, the Company owed \$nil (July 31, 2020 – \$1,658) to Thrive Activations Inc. (“Thrive”), an associated company with a common officer, which is included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand. As at April 30, 2021, the Company held a deposit of \$10,000 (July 31, 2020 - \$6,525) with Thrive pursuant to an operating agreement, which is included in prepaid expenses and deposits.
- (l) During the nine months ended April 30, 2021, the Company incurred consulting fees of \$50,000 (2020 – \$nil) to a director of the Company.
- (m) As at April 30, 2021, the Company owed \$1,127 (July 31, 2020 – \$nil) to the President and CEO of the Company, which is unsecured, non-interest bearing, and due on demand. During the nine months ended April 30, 2021, the Company incurred wages of \$50,037 (2020 – \$nil) to the President and CEO of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates and judgement include the collectability of amounts receivable, net realizable value of inventory, the useful life, carrying value, and incremental borrowing rate used for the right-of-use assets and lease liabilities, impairment of marketable securities, intangible assets, and property and equipment, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets. Judgments include the factors that are used in determining the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period.

Accounting Standards Issued but Not Yet Effective

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2021 or later years. Management does not believe the adoption of these future standards will have a material impact on our consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Value

Assets and liabilities measured at fair value on a recurring basis were presented on our statement of financial position as at April 30, 2021, as follows:

	Fair Value Measurements Using			Balance April 30, 2021 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Marketable securities	–	620	–	620

The fair values of other financial instruments, which includes cash, amounts receivable, assignment fee receivable, amounts due to/from related parties, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. We minimize our credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Our functional currency is the Canadian dollar and United States dollar. The functional currency of our former wholly owned subsidiary was the United States dollar. Currency risk is the risk that the fair value of our financial instruments will fluctuate because of changes in foreign currency exchange rates. Our subsidiary had limited operations which limited our foreign exchange risk. Management has chosen not to hedge its foreign exchange risk.

We are mainly exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	April 30, 2021 US\$	July 31, 2020 US\$
Prepaid expenses and deposits	12,289	13,314
Assignment fee receivable	50,000	–
Accounts payable and accrued liabilities	(2,403)	(31,402)
Net exposure	59,886	(18,088)
Canadian dollar equivalent	73,564	(24,245)

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the condensed interim financial statements.

(d) Interest Rate Risk

Our exposure to interest rate risk relates to its ability to earn interest income at variable rates on cash balances. The fair value of our cash is not significantly affected by changes in short-term interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. We manage liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(f) Price Risk

We are exposed to price risk with respect to our marketable securities. Our marketable securities consist of warrants held in a publicly-traded company and profitability depends upon the market price of the common shares for the publicly-traded company. The market price for common shares of publicly-traded companies can fluctuate significantly, and there is no assurance that the future market price of this publicly-traded company will not decrease significantly.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information related to the Company is made known to senior management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting (“ICFR”)

Our management, with the participation of our CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are made only in accordance with authorization of management and our directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the annual or interim financial statements.

Limitations on the Effectiveness of Disclosure Controls and the Design of ICFR

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.

SUBSEQUENT EVENT

On May 31, 2021, we closed a Merger Agreement with Fasttask, and a wholly owned subsidiary of Fasttask, whereby Fasttask acquired 100% of the issued and outstanding shares of the Company. In consideration, Fasttask issued our shareholders one common share for each one share of our Company owned, which resulted in a reverse-takeover transaction. Our outstanding warrants and options were exchanged into warrants and options of the resulting issuer on an identical basis, except that the exercise price of certain of our outstanding warrants which were adjusted from \$1.00 per share of our Company to \$0.20 per share of the resulting issuer upon closing of the transaction.

The following is a financial summary of Fasttask:

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Cash	983,889	33,497
Current assets	1,145,809	124,582
Total assets	1,153,147	133,174
Current liabilities	375,271	1,408,111
Total Liabilities	403,957	1,487,300
Shareholders' equity (deficit)	749,190	(1,354,126)