



ZOGLO'S INCREDIBLE FOOD CORP.
(FORMERLY 1258481 B.C. LTD.)

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2021

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1.1 Date

This Management Discussion and Analysis ("MD&A") of Zoglo's Incredible Food Corp. (formerly 1258481 B.C. Ltd.) (or the "Company") has been prepared by management as of August 30, 2021 and should be read in conjunction with the condensed consolidated interim financial statements and related notes thereto of the Company for the six months ended June 30, 2021 and the audited financial statements and related notes thereto of the Company for the year ended December 31, 2020, which was prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1.2 Overall Performance

Zoglo's Incredible Food Corp. formerly 1258481 BC Ltd) (the "Company") was incorporated under the laws of the Province of British Columbia on July 23, 2020. On March 29, 2021, the Company changed its name to "Zoglo's Incredible Food Corp." in connection with the closing of a reverse take-over ("RTO") transaction.

On March 23, 2021, the Company completed the RTO transaction with Zoglo's Incredible Food Inc. ("Zoglo") whereby the Company acquired 100% of the issued and outstanding common shares of Zoglo, in exchange for 64,000,000 of common shares of the Company issued to the shareholders of Zoglo (the "Transaction") resulting in Zoglo becoming a wholly owned subsidiary of the Company and the Company will continue on the business of Zoglo. Upon completion of the Transaction, the securities holders of Zoglo became shareholders of the combined entity (the "Resulting Issuer").

Pursuant to the Transaction, the Company issued an aggregate of 64,000,000 common shares of the Company in exchange for all of the issued and outstanding shares of Zoglo and 3,000,000 Restricted Stock Units ("RSU") at a price of \$0.05 per RSU to the Chairman of the Company. Upon closing of the Transaction, the shareholders of Zoglo owned 89.5% of the common shares of the Company and, as a result, the Transaction is considered a reverse acquisition of the Company by Zoglo.

In addition, on completion of the Transaction:

- i) Zoglo optionholders exchanged their Zoglo options for a total of 6,800,000 replacement securities of the Company at an exercise price of \$0.05 per share until March 23, 2026 (the "Replacement Options").

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- ii) Zoglo warrant holders exchanged their Zoglo warrants for a total of 1,000,000 replacement securities of the Company at an exercise price of \$0.10 until March 23, 2026 (the "Replacement Warrants").

In further consideration of the RTO, the Company would assume all obligations from Zoglo to acquire the assets, patents, IP and licensing rights and manufacturing rights (the "Zoglo IP") (the "Acquisition") from Naknik Nahariya Kasher Soglowek Ltd ("Naknik"), a corporation incorporated under the laws of Israel (*1.10 Subsequent Events*). The acquisition will take place on or about 14 days after the escrow funds from the concurrent financing are released to the Company, and in any event, prior than the date of the CSE Listing. The Company will pay an aggregate of \$5,000,000 in accordance to the agreement, and a portion of the purchase price to be paid by promissory note, which bears no interest and can be prepaid at any time. The Company shall not be permitted to sell the Zoglos Products in Israel.

The Resulting Issuer is a plant-based food company that is in the business of designing, developing, producing, distributing, and selling plant-based meat alternative products.

On April 6, 2021, the Company filed a preliminary non-offering long form prospectus dated March 31, 2021 (the "Preliminary Prospectus") in the Provinces of Ontario and British Columbia, to enable the Resulting Issuer to become a "reporting issuer" pursuant to applicable securities legislation. The Company's common shares were approved for listing on the Canadian Securities Exchange ("CSE"), and commenced trading effective July 26, 2021 under the symbol "ZOG" (*1.10 Subsequent Events*).

On July 30, 2021, the Company entered into a non-binding letter of intent ("LOI") with Monday Swiss UK Ltd ("Monday Swiss"), a leading European-based developer and manufacturer of innovative plant-based food alternatives, to acquire 50.5% interest of Monday Swiss (the "Proposed Acquisition") (*1.10 Subsequent events*).

The Company's head office and principal address is 361 Connie Crescent, Concord, ON, L4K 5K2. The registered and records office is Suite 1500-1055 West Georgia Street, Vancouver, BC, V6E 4N7.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful identification of viable business projects, its ability to raise equity capital, to obtain loans from related parties, and to attain profitable operations to generate funds and meet current and future obligations. These conditions cast significant doubt on the Company's ability to continue as a going concern. During the period ended June 30, 2021, the Company reported a net loss of \$4,391,679. As at June 30, 2021, the Company had working capital of \$587,654 (December 31, 2020 - \$839,915).

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which resulted in a series of public health and emergency measures being put in place to combat the spread of the virus. These measures have caused material disruption to businesses in Canada and globally resulting in an economic slowdown. The duration and impact of COVID-19 continues to be unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods. To date, the Company has not experienced material changes in operations, however, there is no certainty this will continue going forward.

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Highlights:

- Introduction of 12 new plant-based food products from its Incredible product line into the Canadian retail market and listing its new product line in 130 Metro Inc. supermarket locations across Ontario and selected Walmart Canada locations;
- Appoints Strategic Objectives as the Company's lead public relations agency to assist in managing Zoglo's brand communication, media relations, and digital marketing;
- Signs LOI to acquire 50.5% of Monday Swiss;
- Partnered with Tree of Life Canada to expand distribution and sale services across Canada;
- Partnered with Quebec-based Clark Drouin Lefebvre Inc., a regional expert with sales coverage in retail and food service sector to accelerate Zoglo's footprint in Quebec; and
- Appointed Pino Di Cerbo as Chief Culinary Officer;

1.3 Selected Annual Information

	Date of Incorporation (July 13, 2020) to December 31, 2020
Net Loss	\$ (10,149)
Loss per share	\$ (0.00)
Total assets	\$ 936,305
Total long-term liabilities	Nil
Cash dividends declared per share for each class of share	Nil

1.4 Results of Operations

Six months ended June 30, 2021

During the six months ended June 30, 2021, the Company reported a net loss of \$4,391,679 or \$0.06 per share.

Revenues and profit

During the six months ended June 30, 2021, the Company earned \$138,320 in revenues from the sale of plant-based food products to a company whose CEO is a director and significant shareholder of the Company. See 1.9 *Transactions with Related Parties*. Cost of sales totaled \$128,630 resulting in gross profit of \$9,690 or 7%.

General and administrative expenses

The Company's general and administrative expenses of \$1,924,687 for the six months ended June 30, 2021 consisted of the following:

Consulting fees of \$117,463 consisted of fees paid for CFO services, advisory services from two companies with a director and former director in common for sales and product marketing services, and other business development advisory services.

Investor relations costs of \$2,198 to increase investor awareness and communication of the Company's ongoing development.

Marketing fees of \$103,366 for market research analysis, advertisement, and product design costs.

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Professional fees of \$24,302 consisted of legal costs associated to the Company's corporate matters.

Share-based compensation of \$1,476,732 which consisted of \$1,332,774 recorded in connection to 6,800,000 share options, 3,000,000 RSUs granted to directors, employees, and consultants during the period, and \$143,958 on 1,000,000 warrants granted to a consultant for consulting services rendered.

Wages and benefits of \$117,318 paid to the Company's CEO, COO and support staff.

Other income

The Company recorded interest income of \$3,511 accrued on its short term GIC investment from cash held in escrow.

Other expenses

Listing expenses of \$2,480,193 were recorded in connection to the RTO transaction.

There are no comparative period results to report as the Company was incorporated on July 13, 2020.

Three months ended June 30, 2021

During the three months ended June 30, 2021, the Company reported a net loss of \$1,800,468 or \$0.02 per share.

Revenues and profit

During the three months ended June 30, 2021, the Company earned \$42,317 in revenues from the sale of plant-based food products to a company whose CEO is a director and significant shareholder of the Company. See *1.9 Transactions with Related Parties*. Cost of sales totaled \$42,389 resulting in gross loss of \$72.

General and administrative expenses

The Company's general and administrative expenses for the three months ended June 30, 2021 were \$1,508,811 consisted of the following:

Consulting fees of \$74,963 consisted of fees paid to CFO for CFO services and advisory services from two companies with a directors and former director in common for sales and product marketing services, and business development consulting.

Consulting fees of \$117,463 consisted of fees paid for CFO services, advisory services from two companies with a director and former director in common for sales and product marketing services, and other business development advisory services.

Marketing fees of \$63,585 for market research analysis, advertisement, and product design costs.

The Company incurred legal costs totaling \$11,942 in the second quarter of fiscal 2021 which was offset by a reduction of \$25,625 in business development advisory fees previously recorded in professional fees during the first quarter which was reclassified to consulting fees in the current quarter.

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Share-based compensation of \$1,250,442 which consisted of \$1,175,877 recorded in connection to 6,800,000 share options, 3,000,000 RSUs granted to directors, employees, and consultants during the first quarter ended March 31, 2021 and \$74,565 on 1,000,000 warrants granted to a consultant for consulting services rendered.

Wages and benefits of \$72,190 paid to the Company's CEO, COO and support staff.

Other income

The Company recorded interest income of \$3,511 accrued on its short term GIC investment from cash held in escrow.

Other expenses

Listing expenses of \$295,096 were recorded in connection to the RTO transaction.

There are no comparative period results to report as the Company was incorporated on July 13, 2020.

1.5 Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the last available quarters.

Quarter ended	Revenue	Loss	Loss per share
June 30, 2021	\$ 42,317	\$ (1,800,468)	\$ (0.03)
March 31, 2021	96,003	(2,591,211)	(0.04)
December 31, 2020	Nil	(10,149)	(0.00)
September 30, 2020	Nil	Nil	(0.00)

Over the past fiscal quarters, the significant variances were as follows:

Quarter Ended	Summary of Results
March 31, 2021 and June 30, 2021	Loss included share-based payment in connection to stock options, RSUs, and warrants granted and listing expenses in connection to the RTO
December 31, 2020	Loss consists primarily of professional fees accrued for the Company's fiscal year end audit.
September 30, 2020	The Company was incorporated on July 13, 2020 with no activities in the quarter.

1.6 Liquidity and Capital Resources

The Company reported a working capital of \$587,654 (December 31, 2020 - \$839,915) at June 30, 2021. As at June 30, 2021, the Company had cash on hand of \$291,936 (December 31, 2020 - \$839,657), cash held in escrow of \$6,750,000 (December 31, 2020 - \$Nil), trades and other receivables of \$245,034 (December 31, 2020 - \$10,407), trade payables of \$421,251 (December 31, 2020 - \$96,390), and subscription receipts of \$6,750,000 (December 31, 2020 - \$Nil).

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The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

1.7 Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

1.8 Risk and Uncertainties

The Company's financial instruments consist of cash, trade receivables, trade payables, and subscription receipts. These financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk and other market risk.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

As at June 30, 2021, the Company had cash on hand of \$291,936 (December 31, 2020 - \$839,657), and current liabilities of \$421,251 (December 31, 2020 - \$96,390). Management will need to raise additional funds in order to continue operations.

Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty.

(b) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The functional currency of the Company is the Canadian dollar. The currency in which purchase transactions are denominated in is Israeli shekels. The Company does not currently hedge its currency risk, and is therefore subject to gains or losses due to fluctuations in that currency.

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(c) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

1.9 Transactions with Related Parties

Key management personnel includes persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company, executive and non-executive, and officers.

The remuneration of the key management personnel during the six months ended June 30, 2021 were as follows:

	June 30, 2021
Officers remuneration (i)	\$ 112,133
Advisory fees (ii)	85,000
Share-based compensation (v)(vi)	547,220
Total	\$ 744,353

Transactions with key management and other related party transactions:

- (i) During the six months ended June 30, 2021, the Company paid or accrued salaries, consulting fees, and benefits of \$112,133 to the officers of the Company.

As at June 30, 2021, consulting fees of \$16,950 (December 31, 2020 - \$Nil) were due to Kreston GTA LLP, a company whose managing director is an officer of the Company. This amount was included in trades payable and accrued liabilities.

- (ii) The Company entered into two advisory agreements with the following related parties:

- a. with Canadian Endernational Limited, a company with a director and significant shareholder in common, for consulting services with respect to sales, marketing and relationship management services in exchange for \$120,000 per year, payable monthly. The advisory agreement is for a term of one year and will automatically renew annually unless terminated.

During the six months ended June 30, 2021, the Company paid \$60,000 in consulting fees pursuant to this agreement.

- b. with The Canadian Triloon Corporation, a company with a former director in common and the spouse of a director and significant shareholder of the Company, for consulting services with respect to packaging, marketing and product advisory services in exchange for \$50,000 per year, payable monthly. The advisory agreement is for a term of one year and will automatically renew annually unless terminated.

During the six months ended June 30, 2021, the Company paid \$25,000 in consulting fees pursuant to this agreement.

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- (iii) During the six months ended June 30, 2021, the Company incurred revenues totalling \$138,321, and paid rent totalling \$18,000 to Foodfest International 2000 Inc. ("Foodfest"), a company whose CEO is a director and significant shareholder of the Company.

As at June 30, 2021, \$168,321 was included in trade and other receivables for the sale of food products and cash advances to Foodfest. In addition, as at June 30, 2021, \$1,446 was owed to Foodfest for expenses incurred on the Company's behalf. This amount was included in trade payables and accrued liabilities.

- (iv) As at June 30, 2021, \$96,226 (December 31, 2020 - \$86,241) was due to Naknik Nahariya Kasher Soglowek Ltd. ("Naknik"), a company controlled by a former director of the Company and the spouse of a director and significant shareholder of the Company, for inventory purchased. The amounts were non-interest bearing and repayable within 90 days following the receipt of the product. This amount was included in trade payable. During the six months ended June 30, 2021, the Company purchased inventory totalling \$89,647 (2020 - \$86,241) from Naknik.
- (v) During the period ended June 30, 2021, share based compensation expense of \$174,094 was recorded on the vested portion of 1,500,000 stock options granted to directors and officers of the Company.
- (vi) During the period ended June 30, 2021, share based compensation expense of \$373,126 was recorded on the vested portion of 3,000,000 RSUs granted to the Chairman of the Company.

1.10 Subsequent Events

Subsequent to June 30, 2021, the Company:

- (i) received final approval to list on the CSE and commenced trading effective July 26, 2021 under the symbol "ZOG";
- (ii) issued a total of 27,000,000 common shares on the conversion of 27,000,00 subscription receipts and the Escrow Funds were released;
- (iii) paid cash commission of \$212,100 or 7% of gross proceeds to Agents in connection to the private placement of subscription receipts upon release of the Escrow Funds;
- (iv) issued a total of 3,687,100 common shares on the exercise of 3,400,000 stock options and 287,100 warrants granted at a price between \$0.05 and \$0.25 for gross proceeds of \$204,275;
- (v) exercised the option to acquire the right, title, and interest in, as well as to acquire certain assets used, in connection with Naknik's business, and made the initial payment of \$2,000,000; and
- (vi) pursuant to the LOI, it is contemplated that the Company will acquire 50.5% of the issued and outstanding securities of Monday Swiss in consideration for the issuance of common shares of the Company (the "Payment Shares") pro rata to the selling shareholders of Monday Swiss with an aggregate value of 5.1M EUR (subject to adjustment in certain circumstances) at a deemed price per Payment Share of the greater of (i) \$0.41; and (ii) the VWAP of the Company's common shares on the CSE from the Company's listing date on July 26, 2021 until the date the Definitive Agreement is executed. The Payment Shares are not currently expected to be subject to any hold periods under applicable securities laws. Pursuant to the LOI, the terms are subject to the parties entering into a definitive agreement.

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In addition, it is currently expected that the Company will invest up to an additional 750,000 EUR upon closing of the Proposed Acquisition to satisfy certain debts owing by Monday Swiss and or its subsidiaries and provide a loan of up to 1,000,000 EUR in order to develop new production capacity.

The Proposed Acquisition is an arms-length transaction and no change in the board of directors of the Company is being contemplated at this time. The Proposed Acquisition remains subject to certain closing conditions including, without limitation:

- (a) entering into the Definitive Agreement;
- (b) the completion of due diligence; and
- (c) the receipt by the Company of all necessary corporate and regulatory approvals, including the approval of the CSE, as applicable.

There can be no assurance that the Proposed Transaction will be completed as contemplated, or at all.

1.11 Proposed Transactions

The Company entered into LOI with Monday Swiss. See 1.10 Subsequent Event.

1.12 Critical Accounting Estimates

Not applicable to venture issuers.

1.13 Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out in Note 3 of the financial statements of the Company, as at and for the six months ended June 30, 2021.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments at June 30, 2021 are as follows:

		<i>Level 1</i>		<i>Level 2</i>		<i>Level 3</i>
Financial assets						
Cash	\$	291,936	\$	–	\$	–
Cash held in escrow	\$	6,750,000	\$	–	\$	–
Trade receivables	\$	–	\$	168,320	\$	–
Financial liabilities						
Trade payables	\$	–	\$	308,673	\$	–
Subscription receipts	\$	–	\$	6,750,000	\$	–

1.15 Other Requirements

Summary of Outstanding Share Data as of August 30, 2021:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 103,187,100
Options: 3,400,000

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Warrants:	750,000
Agents' warrants:	811,300
RSUs:	3,000,000

On behalf of the Board of Directors, thank you for your continued support.

"Spence Walker"

Spence Walker

CFO