Veji Holdings Ltd.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

Veji Holdings Ltd.
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VEJI HOLDINGS LTD. MANAGEMENT DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A") AS OF AUGUST 4, 2023 TO ACCOMPANY THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF VEJI HOLDINGS LTD. (THE "COMPANY" OR "VEJI") FOR THE YEAR ENDED DECEMBER 31, 2022.

This MD&A is dated August 4, 2023.

The following MD&A should be read in conjunction with the audited financial statements for the years ended December 31, 2022 and December 31, 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise. On March 28, 2022, the Company completed a one-for-four share consolidation of all outstanding common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the share consolidation. All share and per share data presented have been retroactively adjusted to reflect the share consolidation unless otherwise noted.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at www.sedar.com.

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

This MD&A contains certain forward-looking statements based on the opinions, estimates, beliefs, and assumptions of the management of the Company. These statements are subject to many known and unknown risks and uncertainties. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions (or variations of such words). These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. The nature of the Company's commencement of operations resulted in significant expenditures for setting up the operations to scale for a large volume of transactions. The eventual generation of profit was dependent upon several factors including expanding into various markets, the ability of the Company to obtain financing to support growth and scale of operations, and to continue to meet working capital and operating cash flows.

To date, the Company has not generated positive cash flows from operations. For the year ended December 31, 2022, the Company incurred a net loss of $9,824,549 and as at December 31, 2022 the Company had an accumulated deficit of $22,508,795 and a working capital deficit of $7,577,180. These conditions give rise to a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements. While the Company raised additional capital in the first and second quarter of 2022 through advances and loans from an existing shareholder and working capital loans, the Company was not able to secure additional funding in the third and fourth quarter of 2022 and there is no assurance that the Company will be successful in obtaining additional funding. In addition, due to macroeconomic factors such as rising interest rates and political unrest, the current market conditions are not conducive for raising capital. These events and conditions indicate a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

STRATEGIC REVIEW PROCESS

On July 29, 2022, the Company's board of directors, in light of current market conditions and the cash needs of the Company, approved management to initiate a process to identify, examine and pursue strategic alternatives to the Company's current business (the "Strategic Review Process"). Through the Strategic Review Process, management focused on evaluating options which it believed were in the best interest of the Company and in charting the most accretive path forward to maximize shareholder value.

As part of the Strategic Review Process, management pursued opportunities, including, but not limited to, equity/debt investment from a strategic partner, the potential sale of all or a material portion of the Company's assets, operating businesses and wholly-owned subsidiaries, as well as pursuing M&A opportunities, with the goal of identifying the best opportunity and entering into a definitive agreement to complete a transaction.

As a result of the Strategic Review Process, the Company consolidated its direct-to-consumer ("D2C") business to operate under a single domain at VeganEssentials.com and ceased operations of ShopVejii.com. On September 18, 2022, the Company signed an Asset Purchase Agreement ("Agreement"), to sell its domain, VeganEssentials.com and certain associated intellectual property and assets to PlantX Life Inc. ("PlantX") and its wholly owned subsidiary, PlantX Lifestyle USA Inc. On October 17, 2022, the Company completed the sale and received an aggregate purchase price of $893,000. The purchase price consisted of a cash payment of $143,000 and 1,071,428 common shares of PlantX issued at a deemed price of $0.70 per common share. The common shares of PlantX issued as part of the purchase price were subject to a statutory hold period expiring February 15, 2023.

On November 9, 2022, the Company announced plans to wind-down the remainder of its US operations including Veg Essentials LLC, and VEDGEco USA Inc., the Company's business-to-business ("B2B") division. Given current market conditions and lack of access to external capital, the Company could not continue to fund its commercial operations. As a result of the sale of its domain, VeganEssentials.com and certain associated intellectual property and assets combined with the decision to wind down the remainder of its US operations, the Company ceased to have any active commercial operations in the plant-based sales and distribution space.

On January 30, 2023, Veji announced that the Company received approval from the Supreme Court of British Columbia (Vernon Registry) for its Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada).

On March 16, 2023, Veji entered into a non-binding letter of intent to purchase certain bakery-related assets (the "Bakery Assets") from Keto Caveman Café Ltd. The Bakery Assets would leverage Veji's existing expertise in direct-to-consumer and direct-to-business sales and allow the brand to expand across Canada and into the United States. The Company is continuing to work to close this transaction as management believes that this transaction will be in the best interest of the Company.

On April 21, 2023, Veji announced that, having received approval from the Supreme Court of British Columbia (Vernon Registry) for its Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada), the Company intends to issue 25,726,146 common shares to its creditors to settle outstanding debt in the approximate amount of $4,000,000.

DESCRIPTION OF THE BUSINESS AND OVERVIEW

Veji, headquartered in Kelowna, BC, is publicly listed and trades on the Canadian Securities Exchange ("CSE") under trading symbol "VEJI".

The Company was formed on July 30, 2019 and changed its name from 1217691 BC Ltd. to Vejii Holdings Ltd. on September 14, 2020. On August 19, 2022, the Company, as a part of a rebranding initiative, changed its corporate entity name to "Veji Holdings Ltd."

The Company currently has no significant assets other than cash and short term investments. The Company has signed a non-binding letter of intent to purchase certain bakery-related assets from Keto Caveman Café Ltd. The Bakery Assets would leverage Veji's existing expertise in direct-to-consumer and direct-to-business sales and allow the brand to expand across Canada and into the United States.

COMPANY HIGHLIGHTS

On January 21, 2022, the common shares of the Company commenced trading on the OTCQB market (the "OTCQB") under the symbol "VEJIF". The Company has subsequently delisted its common shares on the OTCQB.

On March 7, 2022 the Company announced that Blender Bites Ltd. will be joining Veji's fulfillment and distribution platform, Veji Fulfillment Services,to be merchandised alongside the Company's top-selling products in Canada, through its Veji Express platform.

On March 15, 2022, the Company announced it had signed a consignment and fulfillment services agreement with Unreal Deli Inc., whereby Unreal Deli Inc. will provide inventory into Veji Fulfillment Services for sale on Veji Express, and through its own direct-to-consumer channel. Under the terms of the Agreement, Veji will pick, pack and ship orders for

ShopVejii.com and for Unreal Deli's own e-commerce platform, unrealdeli.com, further expanding the services the Company can offer its partners.

On March 16, 2022, the Company announced that it had received approval from the Depository Trust Company to make the Company's common shares eligible to be electronically cleared and settled.

On May 5, 2022 the Company announced a partnership with Plantable Health Inc. ("Plantable") for the launch of a prepared meal delivery program on the Company's website at ShopVejii.com. Veji will offer a curated selection of Plantable's clinically supported products including the popular Reboot program, through Veji's frozen logistics and fulfilment program to customers across the United States.

On May 9, 2022, the Company announced that it has signed a non-binding Letter of Intent to acquire of all of the issued and outstanding shares of Frozenly.

On July 11, 2022 the Company made a payment of $50,000 towards the settlement of an infringement claim brought against it by Lettuce Holdit Ltd. and Freshii Inc. The company is working to settle other terms in order to obtain a final settlement.

On July 27, 2022, the Company and a director of the Company entered into a Senior Secured Loan Agreement for $1,646,000 with an interest rate of 10% per annum, payable quarterly, and maturity on May 30, 2024. The Senior Secured Loan Agreement sets out the terms and conditions of advances and loans made by the director to the Company.

On July 29, 2022, the Company announced a process to review strategic alternatives. As part of the Strategic Review Process, management has begun and will continue to pursue opportunities, including, but not limited to, equity/debt investment from a strategic partner, the potential sale of all or a material portion of the Company's assets, operating businesses and wholly-owned subsidiaries, as well as pursuing M&A opportunities, with the goal of identifying the best opportunity and entering into a definitive agreement to complete a transaction. The Company also intends to consolidate its B2C business to operate under single domain at VeganEssentials.com. ShopVejii.com will cease operations in the near future and all traffic will be directed to VeganEssentials.com going forward.

On August 12, 2022, the lender of the revolving grid note facility for VEDGEco USA, Inc . issued a demand letter for the payment of interest in arrears. VEDGEco USA, Inc. is currently working with the lender to amend the terms of the revolving grid note facility. Should an agreement not be satisfactorily concluded with the lender, under the terms of the revolving grid note facility, the note shall become immediately due and payable.

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On August 19, 2022, the Company announced, as a part of a rebranding initiative, that it has changed its corporate entity name to "Veji Holdings Ltd."

On September 16, 2022, the short-term working capital loan entered on July 1, 2022 was terminated.

On September 18, 2022, the Company signed an Agreement to sell its domain, VeganEssentials.com and certain associated intellectual property and assets to PlantX.

On October 17, 2022, the Company completed the sale of its domain, VeganEssentials.com and certain associated intellectual property and assets to PlantX and received an aggregate purchase price of $893,000. The purchase price consisted of a cash payment of $143,000 and 1,071,428 common shares of PlantX issued at a deemed price of $0.70 per common share.

On November 9, 2022, the Company announced plans to wind-down the remainder of its US operations including Veg Essentials LLC, and VEDGEco USA Inc., the Company's B2B division.

December 21, 2022, the Company filed a Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada) (the "BIA") with G. Moroso & Associates Inc. assigned as proposal trustee, with the intent of settling its outstanding creditor liability.

On January 30, 2023, Veji announced that the Company received approval from the Supreme Court of British Columbia (Vernon Registry) for its Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada).

On March 16, 2023, Veji entered into a non-binding letter of intent to purchase certain bakery-related assets (the "Bakery Assets") from Keto Caveman Café Ltd. The Bakery Assets would leverage Veji's existing expertise in direct-to-consumer and direct-to-business sales and allow the brand to expand across Canada and into the United States.

On April 21, 2023, Veji announced that, having received approval from the Supreme Court of British Columbia (Vernon Registry) for its Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada), the Company intends to issue 25,726,146 common shares to its creditors to settle outstanding debt in the approximate amount of $4,000,000.

SELECTED ANNUAL INFORMATION

The table below presents selected annual financial information for the years ended December 31, 2022, December 31, 2021, and December 31, 2020:

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	$ 3,334,917	$ 1,721,640	$ 25,441
Cost of goods sold	2,281,376	1,199,786	42,829
Gross profit	1,053,541	521,854	(17,388)
Gross margin %	31.6%	30.3%	(68.3)%
Selling and distribution	1,803,201	3,740,081	143,374
General and administrative	4,408,507	5,849,720	270,101
Other operating expenses	4,497,499	3,154,162	-
Total operating expenses	10,709,208	12,743,963	413,475
Operating loss	(9,655,667)	(12,222,109)	(430,863)
Net loss	(9,824,549)	(12,251,671)	(432,575)
Basic and diluted net loss per share	(0.34)	(0.61)	(0.18)
Total assets	267,992	8,565,104	213,874
Total non-current financial liabilities	-	1,989,154	-
Dividends	-	-	-

RESULTS OF OPERATIONS FOR YEAR ENDED DECEMBER 31, 2022

During the year, the Company's board of directors, in light of current market conditions and the cash needs of the Company, approved management to initiate a Strategic Review Process. Through the Strategic Review Process, management focused on evaluating options which it believed were in the best interest of the Company and in charting the most accretive path forward to maximize shareholder value. As a result of the Strategic Review Process, the Company ceased all commercial operations in the plant-based sales and distribution space and is pursuing the acquisition of certain Bakery Assets from Keto Caveman Café Ltd. The Bakery Assets would leverage Veji's existing expertise in direct-to-consumer and direct-to-business sales and allow the brand to expand across Canada and into the United States.

The following financial results are mainly related to the commercial operations in the plant-based sales and distribution space that has been ceased.

The Company reported revenue of $3,334,917 for the year ended December 31, 2022 as compared to $1,721,640 for the year ended December 31, 2021. Revenue from our D2C platforms for the current period was $1,936,966 versus the prior period of $1,721,640 and revenue from our B2B platform was $1,397,951 versus the prior period of nil. The increase in revenue from D2C was due to the current period benefitting from the acquisition of the VeganEssentials.com marketplace which allowed the company to reach a larger customer base and to ship from more locations. The increase in revenue from B2B is the result of the acquisition of the VEDGEco.com marketplace which closed on December 31, 2021.

For the year ended December 31, 2022, the Company recorded a net loss of $9,824,549 and net loss per share of $0.34 as compared to net loss of $12,251,671 and net loss per share of $0.61 for the year ended December 31, 2021. The decrease in net loss of $2,427,122 during the period was mainly attributable to the gain on remeasurement of contingent consideration, gain on derecognition of lease obligation, and curtailment of selling and distribution expenses and general and administrative expenses as a result of the company exiting the plant-based sales and distribution business. Due to the voluntary termination of key employees and the discontinuation of B2B operations, management has determined that no milestones will be met and determined the fair value of the contingent consideration to be nil. In addition, the prior year incurred a loss on remeasurement of warrant liability. The gains were offset by loss on write down of intangibles, loss on write down of goodwill, loss on disposal of assets, loss on derecognition of assets, and loss on derecognition of right of use asset. Intangible assets and goodwill were deemed to be impaired due to the company exiting the direct-to-consumer and business-to-business operations. Loss on derecognition of right of use asset and loss on disposal of assets is due mainly to the Company exiting its Wisconsin facility.

The Company's operating expenses for the year ended December 31, 2022 included the following:

- Cost of goods sold of $2,281, 376 (2021 - $1,199,786) consisted of costs of products sold to customers. The increase is due mainly to the addition of sales from the VeganEssentials.com and VEDGEco.com marketplaces and the write down of inventory of $239,267 (2021 - $nil) due to the company exiting the direct-to-consumer and business-to-business operations.
- Selling and distribution of $1,803,201 (2021 - $3,740,081) consisted of marketing and advertising expenses of $186,214 (2021 - $1,473,444), freight, packaging, and warehousing of $1,449,201 (2021 - $1,877,274), contract services of $64,630 (2021 - $324,925) and other costs of $103,156 (2021 - $64,438). During the current period, the Company was able to optimize its marketing and advertising campaigns to acquire customers with better unit economics. As a result, we were able to drive revenue growth with lower expenditures on marketing and advertising. Additionally, due to the Company winding down operations and exiting the plant-

based sales and distribution business the Company reduced marketing and advertising expenses along with freight, packaging, and warehousing and contract services.

- General and administrative of $4,408,507 (2021 - $5,849,720) consisted of compensation and contract services of $1,779,375 (2021 - $2,888,040), professional services of $1,422,958 (2021 – $2,129,761), shared based compensation of $92,679 (2021 - $315,944), software and information technology expense of $197,849 (2021 - $230,470), insurance $101,372 (2021 - $nil), licenses, dues, and subscriptions of $39,308 (2021 - $nil), supplies $567 (2021- 52,060), rent and lease expenses of $74,157 (2021 - $45,922), depreciation and amortization of $283,131 (2021 – $59,822), legal settlement cost of $50,000 (2021 - $nil), bad debt expense $81,069 (2021 – $nil), lease termination expense of $36,306 (2021 - nil) and other expenses of $249,737 (2021 - $127,652). During the year, the Company initially incurred additional costs related to the operations of Veg Essentials and VEDGEco. However, during the third quarter of 2022, the Company curtailed operations, exited a lease and reduced headcount as it exited the plant-based sales and distribution business. As a result, the Company incurred lower compensation and contract services, professional services, software and information technology, and supplies during the year. However, the reduction in expenses were offset by additional lease rental costs related to the operations of VEDGEco, bad debt, and settlement of an infringement claim brought against it by Lettuce Holdit Ltd. and Freshii Inc.
- Realized and unrealized foreign exchange loss of $31,017 (2021 – $37,877)
- Loss on remeasurement of warrant liability of $nil (2021 - $3,117,856). At the point of completing a listing in November 2021, the exercise price of the warrants issued on September 2, 2020 increased to $0.60 from $0.004 and the exercise price of the warrants issued September 11, 2020 increased to $1.00 from $0.04. Company remeasured the fair value of these warrants to be $3,117,856 which was recorded as a loss on remeasurement of warrant liability.
- Gain on remeasurement of lease obligation of $nil (2021 - $2,726). Subsequent to the acquisition of Veg Essentials in 2021, the Company entered into a new lease agreement for our facility in Wisconsin.
- Loss on disposal of asset of $21,411 (2021 - $1,155). Due to winding down operations and exiting the plant-based sales and distribution business, the Company disposed of assets.
- Loss on write down of intangibles of $1,485,675 (2021 – $nil). Intangibles were deemed to be impaired due to the company exiting the direct-to-consumer and business-to-business operations.
- Loss on write down of goodwill of $4,774,205 (2021 - $nil). Goodwill was deemed to be impaired due to the company exiting the direct-to-consumer and business-to-business operations.
- Loss on derecognition of assets of $52,556 (2021 – $nil). Due to winding down operations and exiting the plant-based sales and distribution business, the Company wrote off assets deemed to no longer have any economic value.

- Loss on derecognition of right of use asset $145,200 (2021 - $nil) and gain on derecognition of lease obligation $157,570 (2021 - $nil). The Company provided termination notice of its lease agreement and exited its Wisconsin facility.
- Gain on remeasurement of contingent consideration $1,844,281 (2021 - $nil). Due to the voluntary termination of key employees and the discontinuation of B2B operations, management has determined that no milestones will be met and determined the fair value of the contingent consideration to be nil.
- Unrealized gain on short-term investments $10,714 (2021 - $nil). Unrealized gain is the result of measuring the value the common shares of PlantX Life Inc. at fair value.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected quarter financial information for the last eight fiscal quarters:

	Quarter ended Dec. 21, 2022	Quarter ended Sep. 30, 2022	Quarter ended Jun. 30, 2022	Quarter ended Mar. 31, 2022
Revenue	$ 27,739	$ 535,843	$ 1,223,540	$ 1,547,795
Cost of goods sold	$ 57,726	$ 593,288	$ 670,605	$ 959,758
Gross profit/(loss)	$ (29,986)	$ (57,445)	$ 552,935	$ 588,037
Gross margin %	(108.1%)	(10.7%)	45.2%	38.0%
Selling and distribution	$ (9,184)	$ 196,663	$ 599,939	$ 1,015,784
General and administrative	$ 90,763	$ 623,932	$ 1,706,099	$ 1,987,713
Other operating expenses	$ 74,896	$ 4,407,610	$ 25,204	$ 503
Total operating expenses	$ 156,475	$ 5,228,205	$ 2,331,242	$ 3,004,000
Operating gain/(loss)	$ (186,461)	$ (5,285,649)	$ (1,778,307)	$ (2,415,963)
Net loss	$ (174,811)	$ (5,310,714)	$ (1,861,462)	$ (2,488,276)
Basic and diluted net income/(loss) per share	$ (0.01)	$ (0.19)	$ (0.07)	$ (0.09)
Total assets	$ 267,992	$ 494,335	$ 7,770,237	$ 8,190,052
Total non-current financial liabilities	$ -	$ 1,646,000	$ 2,034,880	$ 1,967,017
Dividends	-	-	-	-

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	Quarter ended Dec. 31, 2021	Quarter ended Sep. 30, 2021	Quarter ended Jun. 30, 2021	Quarter ended Mar. 31, 2021
Revenue	$ 938,404	$ 226,252	$ 315,680	$ 241,305
Cost of goods sold	$ 525,603	$ 173,804	$ 285,867	$ 214,512
Gross profit	$ 412,802	$ 52,448	$ 29,813	$ 26,793
Gross margin %	44.0%	23.2%	9.4%	11.1%
Selling and distribution	$ 990,359	$ 687,089	$ 1,318,625	$ 744,007
General and administrative	$ 1,364,144	$ 1,657,363	$ 1,586,180	$ 1,243,083
Other operating expenses	$ 3,126,303	$ 12,003	$ 8,140	$ 6,667
Total operating expenses	$ 5,480,806	$ 2,356,456	$ 2,912,945	$ 1,993,757
Operating loss	$ (5,068,004)	$ (2,304,008)	$ (2,883,132)	$ (1,966,964)
Net loss	$ (5,091,896)	$ (2,308,682)	$ (2,884,044)	$ (1,967,046)
Basic and diluted net loss per share	$ (0.21)	$ (0.11)	$ (0.14)	$ (0.14)
Total assets	$ 8,565,104	$ 1,309,637	$ 1,659,978	$ 2,418,093
Total non-current financial liabilities	$ 1,989,154	$ 500,000	$ -	$ -
Dividends	-	-	-	-

Quarterly revenues have generally increased since our commercial launch in November 2020 as the Company built brand awareness around the ShopVejii marketplace along with its acquisition strategy to become the leading marketplace for sustainable local and national plant-based brands. In addition, with growth in revenues, the Company has been able to achieve greater economies of scale, which has led to improvement in gross margins.

However, revenues for the quarter ended June 30, 2022 decreased from the quarter ended March 31, 2022 as a result of the Company focusing on sales to customers with more favorable unit economics as part of its integration plan. Revenues further decreased in the quarter ended September 30, 2022 as a result of the company reducing operations due to a lack of working capital. During the quarter ended December 31, 2022, the completed its exit from the plant-based sales and distribution business.

Net loss for the quarter ended December 31, 2021 included a non-cash loss on remeasurement of warranty liability of $3,117,856. Excluding the loss on remeasurement of warranty liability in the fourth quarter of 2021, the Company's net loss has generally improved since the second quarter of 2021. This is the result of the Company optimizing its organization for sustainable future growth through initiatives such as headcount reductions, scaling back marketing and advertising to optimize funnel conversion, and launching same-day local shipping and other shipping alternatives to reduce freight costs after launching its marketplace platform in November 2020 and setting up its operations through the second quarter of 2021. Despite the improved operational performance and greater economies of scale with the acquisitions of Veg Essentials and VEDGEco, the Company was not able to secure sufficient funding to support the growth of the business. Hence, the company recorded an impairment of intangibles and goodwill during the quarter ended September 30, 2022 as the Company scaled down operations during the quarter. During the quarter ended December 31, 2022, the Company completed the wind down of operations and exited the plant-based sales and distribution business. In addition, the Company filed with the Supreme Court of British Columbia (Vernon Registry) a Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada). Subsequent to year end, the Company received approval of the Division I proposal from the Supreme Court of British Columbia (Vernon Registry).

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective in managing its capital structure is to ensure sufficient liquidity to finance its operations and growth opportunities. To date, the Company has relied upon the issuance of equity securities and long-term debt to fund its activities. The Company will continue to need access to equity and debt capital to pursue its business plan. While the Company raised additional capital in the first and second quarter of 2022 through advances and loans from an existing shareholder and working capital loans, the Company was not able to secure additional funding in the third quarter of 2022. There is no guarantee that equity and debt may be available, and if available, they may not be on terms that management finds are in the interest of the Company.

The following table summarizes the Company's cash flow, cash on hand and working capital:

	Year ended December 31, 2022	Year ended December 30, 2021
Net cash used in operating activities	$ (2,369,595)	$ (6,825,353)
Net cash provided by (used in) investing activities	$ 206,153	$ (554,314)
Net cash provided by financing activities	$ 2,176,143	$ 7,429,183
Net change in cash	$ 12,701	$ 49,516
Effect of exchange rate changes on cash	$ (144,153)	$ (3,688)
Cash, beginning of period	$ 143,021	$ 97,193
Cash, end of period	$ 11,569	$ 143,021
Working capital deficit	$ (7,577,180)	$ (2,765,400)

For the year ended December 31, 2022, the net cash used in operating activities was $2,369,595 compared to prior period net cash used in operating activities of $6,825,353. The decrease in cash usage was mainly due to higher sales volume, working capital management, synergies and economies of scale achieved from the acquisitions of Veg Essentials and

VEDGEco, the Company's focus on the unit economics of customer orders, and the reduction of expenditures due to the Company exiting the plant-based sales and distribution business.

For the year ended December 31, 2022, the net cash provided by investing activities was $206,153 compared to the prior period net cash used in investing activities of $554,314. The decrease in cash usage was mainly attributable to the redemption of a short-term investment in the current period and proceeds from the sale of its domain, VeganEssentials.com and certain associated intellectual property and assets to PlantX Life Inc. In addition, in the prior period there was payment of a deposit for the acquisition of Veg Essentials and investment in a new website.

For the year ended December 31, 2022, the net cash provided by financing activities was $2,176,143 compared to the prior period net cash provided by financing activities of $7,429,183. The decrease was mainly attributable to proceeds from common shares issued in the prior period offset by loans from a related party being received in the current period as outlined in "Loans and Borrowings" section of this MD&A.

As at December 31, 2022, the Company had no commitments for capital expenditures.

As at December 31, 2022, the Company had working capital deficit of $7,577,180, inclusive of cash and cash equivalents of $11,569 as compared to a working capital deficit of $2,765,400, inclusive of cash of $143,021, as at December 31, 2021.

Loans and Borrowings

The Company had the following loans and borrowings outstanding:

	December 31, 2022	December 31, 2021
Short-term debt:		
Working capital loans	$ 183,115	$ 226,360
Unsecured loan	$ 736,104	$ 497,573
Revolving grid note	$ 679,426	$ 515,665
Due to related party	$ 185,674	$ -
Current portion of long-term debt	$ 2,146,000	$ 500,000
Total short-term debt	$ 3,930,319	$ 1,739,598
Long-term debt	$ 2,146,000	$ 500,000
Less: Current portion	$ (2,146,000)	$ (500,000)
Total long-term debt	$ -	$ -
Total loans and borrowings	$ 3,930,319	$ 1,739,598

Short-term Debt

Working capital loans related to short term funding advances from financial institutions, whereby in exchange for funding advances, the Company was required to remit to the financial institutions, periodic payments determined on the basis of a percentage of the Company's collections from customers during the same period (the Remittance Rate between 5% to 20%), such that the total amounts remitted by the Company in excess of the advanced amounts, represent an effective financing fee of between 6% to 13% over the remittance period. The working capital loans were secured against the Company's accounts receivable balances underlying the Remittance Rate requirement, together with any cash balance held by the Company in a designed bank account used by the Company with its platform for customers.

Unsecured loan represents various amounts advanced by a former directors of VEDGEco. The unsecured loan was interest free and repayable on demand.

The Revolving Grid Note facility was closed with a former related party of VEDGEco, with the total facility amounting to US$500,000, available to VEDGEco in five equal monthly advances starting September 15, 2021, priced at an interest rate of 10% per annum and maturity on September 14, 2022. This note has matured and a demand letter for repayment of principal and interest was received by the Company. The Company is currently in default of this grid note.

The Company was advanced amounts totaling $185,674 by a director of the Company with interest at 10% per annum, payable quarterly and repayable on demand.

Long-term Debt

On September 8, 2021, Kory Zelickson agreed to loan the Corporation $500,000 (the "Shareholder Loan") pursuant to a loan agreement between the Company and Mr. Zelickson dated September 8, 2021. The Shareholder Loan bears interest at a rate of 10% per annum (payable quarterly) and matures on December 8, 2022 with the first interest payment due and payable on December 31, 2021. Notwithstanding the foregoing, in the event the Company completes one or more debt or equity financings to raise aggregate net proceeds of at least $7,000,000, Mr. Zelickson has the option to accelerate the maturity date to the date which is ten business days following the date Mr. Zelickson provides the Company notice of the accelerated expiry date.
On July 27, 2022, the Company entered into an agreement with a director to convert advances of $1,646,000 into a senior secured loan with a maturity date of May 24, 2024 and an interest rate of 10% per annum, payable quarterly.

Capital Stock

The authorized capital of the Company consists of an unlimited number of common shares without par value of which 28,584,626 are outstanding as of December 31, 2022. Holders of the Company's common shares are entitled to vote at all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate ratably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Company. On March 28, 2022, the Company effected a share consolidation of 1 new share for 4 old shares. All share and per share data presented have been retroactively adjusted to reflect the share consolidation unless otherwise noted.

On April 21, 2023, Veji announced that, having received approval from the Supreme Court of British Columbia (Vernon Registry) for its Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada), the Company intends to issue 25,726,146 common shares to its creditors to settle outstanding debt in the approximate amount of $4,000,000. As a result of the issuance of the additional common shares, there are 54,310,772 common shares outstanding as of August 4, 2023.

Long-term Incentive Plan

An employee stock option plan (the "Stock Option Plan") was established by the Company to attract and retain employees, consultants, directors and officers. The plan provides for the granting of stock options to purchase common shares where at any given time the number of stock options reserved for issuance shall not exceed 15% of the Company's issued and outstanding common shares, less any shares reserved for issuance under the restricted share unit plan. Under the plan, stock options generally vest over a period of two years and expire five years from the grant date.

A restricted share unit plan (the "RSU Plan") was established by the Company to attract and retain employees, officers and directors. The RSU Plan provides for a maximum number of common shares available and reserved for issuance shall not exceed 15% of the Company's issued and outstanding common shares, less any shares reserved for issuance under the Stock Option Plan. No RSUs have been granted to date.

Outstanding Share Data

As at	August 4, 2023	December 31, 2022	December 31, 2021[1]
Common shares outstanding	54,310,772	28,584,626	28,584,626
Warrants outstanding	9,026,357	9,026,357	9,026,357
Stock options outstanding	2,468,750	2,468,750	2,790,000
Stock options exercisable	2,446,250	2,175,625	1,342,500
Advisory options	35,375	35,375	35,375
Compensation warrants	120,115	120,115	120,115

Note:

(1) Reflecting the Share Consolidation of one (1) new common share without par value for every four (4) existing common shares without par value effective March 28, 2022.

DIVIDEND POLICY

Since its incorporation, the Company has not paid any dividend on its common shares. The Company's current policy is to retain future earnings to finance its growth. Any future determination to pay dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial condition, results of operations, capital requirements and other such factors as the Board of Directors of the Company may deem relevant.

USE OF PROCEEDS FROM PUBLIC OFFERINGS

On November 1, 2021, the Company completed the offering of Subscription Receipts and Special Warrants which were converted into an aggregate of 3,052,714 Common Shares and 1,526,357 common share purchase warrants (the "Warrants"), with each Warrant being exercisable for one additional Common Share at a price of $2.00 until November 1, 2023. Net Escrowed Proceeds of $1,937,629 were released to the Company upon satisfaction of the Escrow Release Conditions.

	Actual use of proceeds	Estimated use of proceeds	Variance
General and administrative costs	$ 1,896,971	$ 1,913,917	$ (16,946)
Investor relations and corporate communications	$ 285,420	$ 250,000	$ 35,420

Sales growth, customer acquisition and marketing	$ 526,152	$ 579,000	$ (52,848)
Expenses related to the Prospectus and the acquisition of Veg Essentials	$ 183,274	$ 148,900	$ 34,374
Total	$ 2,891,817	$ 2,891,817	$ -

Item	Funds Available
Working Capital (including net proceeds from the sale of Special Warrants) at September 30, 2021	$ 454,189
Shareholder Loan	$ 500,000
Net Escrowed Funds	$ 1,937,629
Total Available Funds	$ 2,891,817

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangement such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions are summarized below and include transactions with the following individuals or entities:

Key Management Personnel

Key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Remuneration attributed to key management personnel is summarized as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Management wages	$ 354,765	$ 559,566
Directors' fees	$ -	$ -
Share based compensation	$ 63,043	$ 687,165

During the year ended December 31, 2022, the Company incurred salaries and wages of $77,273 (2021 - $27,500) with an individual related to the President and Chief Operating Officer of the Company.

As at December 31, 2022, the Company owed Kory Zelickson, Chief Executive Officer and director a total of $2,331,674 (2021 - $500,000) for funds and loans advanced by Mr. Zelickson.

ACQUISITIONS

On March 16, 2023, Veji entered into a non-binding letter of intent to purchase Bakery Assets from Keto Caveman Café Ltd. The Bakery Assets would leverage Veji's existing expertise in direct-to-consumer and direct-to-business sales and allow the brand to expand across Canada and into the United States.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires the use of judgment and estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These judgements and estimates are based on management's knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about such judgements and estimation is contained in the accounting policies and notes to the consolidated financial statements. See "Critical accounting estimates and judgments" in the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2022 for a full discussion of the applicable critical accounting policies and estimates of the Company.

CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022.

As of July 2021, the Company began offering optional marketing services to third party marketplace vendors. These services include targeted ads, social media marketing, influencer marketing and product features on our website. In March 2022, the Company began to offer fulfillment services through Veji Fulfillment Services "VFS" to marketplace vendors.

Services revenue from strategic partnerships with customers are recognized as the service milestones are performed and is measured at the agreed upon transaction price based on the underlying arrangement which defines the consideration expected to be received.

Future accounting pronouncements
There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that are expected to have a material impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

Credit risk
Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivables. The carrying amount of the Company's financial assets recorded in the consolidated financial statements represents the Company's maximum exposure to credit risk. At December 31, 2022, the Company had cash of $11,569 and accounts receivable of $31,423 comprised of government remittances receivable. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company manages credit risk of its accounts receivable by only extending credit to creditworthy customers. Management believes the credit risk is low.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. Furthermore, the Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments. At December 31, 2022, the Company had net working capital deficit of $7,577,180. The Company expects to improve its working capital through the issuance of equity or debt or the sale of assets. Though there are no assurances that the Company will be able to improve its working capital.

Interest rate risk
Interest rate risk is the risk that cash flows will fluctuate due to changes in market interest rates. While the Company’s financial assets are generally not exposed to significant interest rate risk because of their short term nature, changes in interest rates will have a corresponding impact on interest income realized on such assets.

Foreign exchange risk
Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. Other than Canadian dollar balances, the Company holds balances in cash denominated in US$. Accordingly, the Company is subject to foreign exchange risk relating to such balances in connection with fluctuations against the Canadian dollar. The Company has no program in place for hedging foreign currency risk. As at December 31, 2022, a 10% appreciation of the Canadian dollar relative to the US dollar would have resulted in a decrease in the net loss for the year ended December 31, 2022 of approximately $447,103.

Fair value
The carrying amounts of cash, accounts receivable, short term investment, accounts payable and accrued liabilities do not materially differ from their fair values given their short-term period to maturity.

RISKS AND UNCERTAINTIES

An investment in the Company involves a high degree of risk and should be considered speculative. An investment in the Company should only be undertaken by those persons who can afford the total loss of their investment. The risks and uncertainties below are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. The occurrence of any such risks could harm the Company’s business, results of operations, financial condition and/or growth prospects or cause the Company’s actual results to differ materially from those contained in forward-looking statements it has made in this report.

Forward-looking statements may prove to be inaccurate
The forward-looking information and statements included in this MD&A relating to, among other things, the Company's future results, performance, achievements, prospects, targets, plans, objectives, goals, milestones, intentions or opportunities or the markets in which we

operate is based on opinions, assumptions and estimates made by the Company's management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Company's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that its actual results in the future will be the same, in whole or in part, as those included in this MD&A.

The following is a description of the principal risk and uncertainties that will affect the Company:

Going Concern Risk
The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt or other financing and the achievement of profitable operations. There can be no assurances that the Company will be successful in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Negative Operating Cash Flow
The Company has negative operating cash flow. The failure of the Company to achieve profitability and positive operating cash flows could have material adverse effect on the Company's financial conditions and results of operations. To the extent that the Company has a negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. The Company expects to continue to sustain operating losses in the future. There is no guarantee that the Company will ever be profitable.

Limited Operating History
The Company was incorporated on July 30, 2019. As a result, the Company has a limited operating history upon which its business and future prospects may be evaluated. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals.

Access to Capital
Since its incorporation, the Company has financed its expenditures through offerings of equity and debt securities. The Company will have further capital requirements and other

expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing on reasonable terms or at all to meet the growth needs of its operations.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of quarterly variations in operating results and acquisition or disposition of properties, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Additional Financing

The Company will require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund ongoing operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Profitability of the Company

The Company does not have a history of profitability. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in processes could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

Ongoing Costs and Obligations

The Company expects to incur significant ongoing costs and obligations which could have a material adverse impact on the Company's results of operations, financial condition, and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Acquisition Risks

As part of the Company’s growth strategy, the Company has acquired Veg Essentials and VEDGECo and may complete other strategic acquisitions in the future. The ability to realize the benefits of such acquisitions depends in part on successfully consolidating functions and integrating operations, procedures, and personnel in a timely and efficient manner, as well as on the Company’s ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating these businesses. These integrations require the dedication of substantial management effort, time and resources which may divert management’s focus and resources from other strategic opportunities and from operational matters during the process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect the Company. In addition, achievement of synergies and the realization of growth opportunities depend on many factors, many of which are beyond the Company's control.

Retention and Acquisition of Skilled Personnel

The loss of any member of the Company's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market, and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take a significant amount of time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Legal and Regulatory Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Litigation, complaints, and enforcement actions involving the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Estimates or Judgments Relating to Critical Accounting Policies
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Company's annual financial statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Company. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non financial assets, fair value of biological assets, as well as revenue and cost recognition.

Transactions Engaged in by our Largest Shareholders, our Directors or Officers
Our officers, directors and principal shareholders (greater than 10% shareholders) collectively control approximately 35% of the Company. Subsequent sales of our Common Shares by these shareholders could have the effect of lowering the market price of our Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our directors or officers could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our shareholders may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to drop.

Information Technology

The Company relies on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm its ability to effectively operate the business. The Company is dependent on various information technology systems, including, but not limited to, networks, applications and outsourced services in connection with the operation of the business. A failure of the Company's information technology systems to perform as it anticipates could disrupt the business and result in transaction errors, processing inefficiencies and loss of sales, causing the business to suffer. In addition, the Company's information technology systems may be vulnerable to damage or interruption from circumstances beyond its control, including fire, natural disasters, systems failures, viruses and security breaches. Any such damage or interruption could have a material adverse effect on the business.

Cybersecurity Incidents and Technological Disruptions

A cybersecurity incident or other technology disruptions could negatively impact the business and relationships with customers. The Company uses computers in substantially all aspects of business operations. It also uses mobile devices, social networking and other online activities to connect with employees, suppliers, co-manufacturers, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information.