Veji Holdings Ltd.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2024

Veji Holdings Ltd.
905 West Pender Street, 6th Floor,
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VEJI HOLDINGS LTD. MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2024

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A") AS OF AUGUST 26, 2024 TO ACCOMPANY THE FINANCIAL STATEMENTS OF VEJI HOLDINGS LTD. (THE "COMPANY" OR "VEJI") FOR THE THREE MONTHS ENDED JUNE 30, 2024.

This MD&A is dated August 26, 2024.

The following MD&A should be read in conjunction with the unaudited financial statements for the three months ended June 30, 2024 and the audited financial statements for the fifteen months ended March 31, 2024 which were prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. The Company's unaudited condensed consolidated interim financial statements for the three months March 31, 2023 include a ''Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements'' disclosure. All financial amounts are stated in Canadian currency unless stated otherwise. On February 1, 2024, the Company completed a one-for-twenty-five share consolidation of all outstanding common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the share consolidations. All share and per share data presented have been retroactively adjusted to reflect the share consolidations unless otherwise noted. On December 27, 2023, the Company changed its financial year end from December 31 to March 31 to better align the timing of the Company's financial reporting obligations with the availability of the Company's service providers.

Additional information relating to the Company and its operations is available under the Company's SEDAR profile at www.SEDARplus.ca.

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. The Company was not able to obtain sufficient financing to continue operations and during the quarter ended December 31, 2022, the Company completed the wind down of operations and exited the plant-based sales and distribution business. The Company currently has not active operations and is evaluating strategic alternatives that may include the acquisition of assets or businesses.

To date, the Company has not generated positive cash flows from operations. As at June 30, 2024 the Company had an accumulated deficit of $15,580,802 and a working capital deficit of $108,135. In addition, 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. These events and conditions indicate a material uncertainty that may cast 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.

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" and on the OTCQB Market (the "OTCQB") under trading symbol, "VEJIF".

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 accounts receivable. The Company is currently evaluating strategic alternatives.

COMPANY HIGHLIGHTS

On April 4, 2024, the Company announced the resignation of Kory Zelickson, from his positions as a director and CEO of the Company, and Dharamvir Gill, from his positions as a director, COO, President and Secretary of the Company. The Company appointed Stephen Wall as the CEO of the Company and Ryan Hounjet as Chair of the Audit Committee.

On April 5, 2024, the Company settled an aggregate of $112,500 in debt through the issuance of 1,874,998 common shares of the Company at a price of $0.06 per share. All securities issued in connection with the Debt Settlement are subject to a statutory hold period of four months and one day from the date of issuance. $65,000 of the debt was held by companies wholly-owned by Amar Purewal and Ryan Hounjet, who are both directors of the Company.

On May 2, 2024, the Company settled a debt of $73,272 owing to a creditor through the issuance of 1,332,220 common shares at a price of $0.055 per common share.

SELECTED QUARTERLY INFORMATION

The table below presents selected quarterly financial information for the three months ended June 30, 2024 and June 30, 2023:

	Three Months ended June 30, 2024	Three Months ended June 30, 2023
General and administrative	$ 70,087	$ 77,345
Other operating expenses	$ -	$ (7,552,846)
Total operating expenses	$ 70,087	$ (7,475,501)
Operating income/(loss)	$ (70,087)	$ 7,475,501
Net income/(loss)	$ (70,087)	$ 7,474,744
Basic and diluted net income/(loss) per share	$ (0.01)	$ 3.96
Total assets	$ 43,578	$ 23,388

RESULTS OF OPERATIONS FOR THREE MONTHS ENDED JUNE 30, 2024

During the three months ended June 30, 2024, the Company was continuing to evaluate strategic alternatives. The Company reported a net loss of $70,087 compared to a net income of $7,474,744. The net loss during the current period was due general and administrative expenses related to professional fees, consulting fees, and listing fees to maintain the Company. The decrease in net income from the prior period was due to a gain on derecognition of financial liabilities as a result of the settlement and write down of other debt and liabilities incurred in the prior quarter.

SUMMARY OF QUARTERLY RESULTS

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

	Quarter ended Jun. 30, 2024	Quarter ended Mar. 31, 2024	Quarter ended Dec. 31, 2023	Quarter ended Sep. 30, 2023
Revenue	$ -	$ -	$ -	$ -
Cost of goods sold	$ -	$ -	$ -	$ -
Gross profit/(loss)	$ -	$ -	$ -	$ -
Gross margin %	-	-	-	-
Selling and distribution	$ -	$ 2,400	$ -	$ -
General and administrative	$ 70,087	$ 24,914	$ 115,959	$ 64,906
Other operating expenses	$ -	$ -	$ 66,070	$ (4,158)
Total operating expenses	$ 70,087	$ 27,314	$ 182,029	$ 60,749
Operating income/(loss)	$ (70,087)	$ (27,314)	$ (182,029)	$ (60,749)
Net income/(loss)	$ (70,087)	$ (27,377)	$ (182,036)	$ (61,658)

Basic and diluted net income/(loss) per share	$ (0.01)	$ (0.01)	$ (0.08)	$ (0.03)
Total assets	$ 43,578	$ 76,399	$ 10,342	$ 30,867
Total non-current financial liabilities	$ -	$ -	$ -	$ -
Dividends	$ -	$ -	$ -	$ -

	Quarter ended Jun. 30, 2023	Quarter ended Mar. 31, 2023	Quarter ended Dec. 31, 2022	Quarter ended Sep. 30, 2022
Revenue	$ -	$ -	$ 27,739	$ 535,843
Cost of goods sold	$ -	$ -	$ 57,725	$ 593,288
Gross profit	$ -	$ -	$ (29,987)	$ (57,445)
Gross margin %	-	-	(108.1%)	(10.7%)
Selling and distribution	$ -	$ -	$ (9,185)	$ 196,663
General and administrative	$ 77,345	$ 29,596	$ 90,763	$ 623,932
Other operating expenses	$ (7,552,846)	$ 172,704	$ 64,183	$ 4,407,610
Total operating expenses	$ (7,475,501)	$ 202,300	$ 145,761	$ 5,228,205
Operating loss	$ 7,475,501	$ (202,300)	$ (175,748)	$ (5,285,649)
Net loss	$ 7,474,744	$ (205,684)	$ (164,097)	$ (5,310,714)
Basic and diluted net loss per share	$ 3.96	$ (0.18)	$ (0.14)	$ (4.64)
Total assets	$ 23,388	$ 59,367	$ 267,992	$ 494,335
Total non-current financial liabilities	$ -	$ -	$ -	$ 1,646,000
Dividends	$ -	$ -	$ -	$ -

During the quarter ended December 31, 2022, the Company completed its exit from the plant-based sales and distribution business. Hence, revenues starting from the quarter ended March 31, 2023 to June 30, 2024 were $nil.

The Company continued to incur quarterly operating losses during 2022 and 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). The Company received approval of the Division I proposal from the Supreme Court of British Columbia (Vernon Registry) during the quarter ended June 30, 2023. As a result, the Company recorded a gain on derecognition of financial liabilities. Excluding this gain, the Company would have incurred a net loss for the quarter. The Company currently has no commercial operations and is continuing to evaluate strategic alternatives.

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 strategic alternatives. However, 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:

	Three months ended June 30, 2024	Three months ended June 30, 2023
Net cash used in operating activities	$ 54,896	$ 59,305
Net cash used in financing activities	$ -	$ 2,624
Net decrease in cash	$ 54,896	$ 61,929
Effect of exchange rate changes on cash	$ -	$ 20,604
Cash, beginning of period	$ 61,318	$ 58,793
Cash, end of period	$ 6,422	$ 17,468
Working capital deficit	$ (108,135)	$ (145,307)

For the three months ended June 30, 2024, the net cash used in operating activities was $54,896 compared to the prior period net cash used in operating activities of $59,305. The decrease in cash usage was due to a reduction in operating expenses.

For the three months ended June 30, 2024, the net cash used in financing activities was $nil compared to the prior period of $2,624. During the prior period, the Company made repayments on its outstanding loans and borrowings.

As at June 30, 2024, the Company had no commitments for capital expenditures.

As at June 30, 2024, the Company had working capital deficit of $108,135, inclusive of cash and cash equivalents of $6,422 as compared to a working capital deficit of $145,307, inclusive of cash of $17,468, as at June 30, 2023.

Loans and Borrowings

The Company had the following loans and borrowings outstanding:

	June 30, 2024	March 31, 2024
Short-term debt:		
Due to related party	$ 26,252	$ 26,252
Third party loan	$ -	$ 73,273
Total short-term debt	$ 26,252	$ 99,525

Short-term Debt

The Company was advanced amounts totaling $26,252 by a former director and greater than 10% shareholder of the Company. The advances are non-interest bearing and repayable on demand.

On July 17, 2023, the Company entered into a non-interest bearing loan agreement with a third party totaling $73,373 for a term of the earlier of one year or the completion of a successful equity financing of $250,000 or more. This loan was settled through the issuance of 1,332,220 common shares during the quarter ended June 30 2024.

Capital Stock

The authorized capital of the Company consists of an unlimited number of common shares without par value of which 7,249,660 are outstanding as of June 30, 2024. 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. On February 1, 2024, the Company, effected a share consolidation of 1 new share for 25 old shares. All share and per share data presented have been retroactively adjusted to reflect the share consolidations unless otherwise noted. On February 23, 2024, the Company closed a non-brokered private placement (the "Private Placement") of 1,700,000 common shares at a purchase price of $0.05 per Common Share, for gross proceeds of $85,000. Finder's fees consisting of 170,000 common shares and 170,000 finder's warrants were issued in connection with the Private Placement. Each finder's warrant is exercisable at $0.05 for a period of 18 months from the date of issuance.

On April 5, 2024, the Company settled an aggregate of $112,500 in payables through the issuance of 1,874,998 common shares of the Company at a price of $0.06 per share. All securities issued in connection with the settlement of payables are subject to a statutory hold period of four months and one day from the date of issuance. $65,000 of the payables was held by companies wholly-owned by Amar Purewal and Ryan Hounjet, who are both directors of the Company.

On May 2, 2024, the Company settled a third party loan of $73,273 through the issuance of 1,332,220 common shares at a price of $0.055 per common share.

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 26, 2024	June 30, 2024	March 31, 2024
Common shares outstanding	7,249,660	7,249,660	4,042,442
Warrants outstanding	470,000	470,000	470,000
Stock options outstanding	98,750	98,750	98,750
Stock options exercisable	98,750	98,750	98,750

Note:

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.
Reflecting the Share Consolidation of one (1) new common share without par value for every twenty-five (25) existing common shares without par value effective February 1, 2024.

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.

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:

	Three Months ended June 30, 2024	Three Months ended June 30, 2023
Management wages	$ -	$ -
Consulting fees	$ 30,500	$ -
Share based compensation	$ -	$ 1,579

As at June 30, 2024, the Company owed Kory Zelickson, a greater than 10% shareholder and former Chief Executive Officer and former director a total of $26,252 for funds and loans advanced by Mr. Zelickson. The Company owes two directors a total of $3,250 and the Chief Financial Officer at total of $20,000 for services provided.

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 financial statements as at and for the fifteen months ended March 31, 2024 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 financial statements for the fifteen months ended March 31, 2024.

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 June 30, 2024, the Company had cash of $6,422 and accounts receivable of $16,594 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 June 30, 2024, the Company had net working capital deficit of $108,135. The Company expects to improve its working capital through the issuance of equity or debt. 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.

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.

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.

Ongoing Costs and Obligations
The Company expects to incur 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
The Company is evaluating strategic alternatives which includes potential acquisitions. The ability to realize the benefits of such acquisitions depend 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.

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 25% 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.

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.