THE PLANTING HOPE COMPANY INC.

Management's Discussion and Analysis
For the three and six months ended June 30, 2022

The following Management's Discussion and Analysis (MD&A) of the consolidated financial results of The Planting Hope Company Inc. is as at and for the three and six months ended June 30, 2022.

This MD&A is dated as of **August 24, 2022** and should be read in conjunction with the Company's June 30, 2022 unaudited condensed interim consolidated financial statements and December 31, 2021 audited consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Planting Hope Company Inc. ("TPHC") was incorporated on November 19, 2020 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) as Campio Capital Corp. and changed its name to The Planting Hope Company Inc. on May 7, 2021. On August 25, 2021, TPHC completed the acquisition of Planting Hope Brands, LLC (formerly Spinning Wheel IP, LLC) ("PHB"), referred to as a reverse takeover ("RTO") herein. The consolidated financial results include the accounts of the TPHC and its wholly-owned subsidiary, PHB, together referred to herein as the "Company".

The Company's shares trade on the TSX Venture Exchange under the symbol "MYLK" and on the OTCQB Venture Market under the symbol "MYLKF". The Company's shares are also eligible for electronic clearing and settlement through the Depository Trust Company in the United States.

The functional currency of TPHC is the Canadian dollar ("CAD"); the functional currency of PHB is the United States dollar ("USD"). The presentation currency of the Company is the USD. In this MD&A, unless otherwise noted, all dollar amounts are expressed in USD.

Throughout this MD&A and in other materials disclosed by the Company, we adhere to IFRS, however the Company also employs certain non-IFRS and other financial measures to analyze financial performance, financial position, and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other issuers. The non-IFRS and other financial measures should not be considered to be more meaningful than financial measures which are determined in accordance with IFRS. Please refer to "Non-IFRS and Other Financial Measures" sections at the end of this MD&A for further information.

Additional information regarding the Company, including the Company's June 30, 2022 unaudited condensed interim consolidated financial statements and December 31, 2021 audited consolidated financial statements, Annual Information Form, and other filings is available on the Company's profile at www.sedar.com or on the Company's website at www.plantinghopecompany.com.

Throughout the following discussion, the three and six months ended June 30, 2022 may be referred to as "Q2 2022" and "6 months June 2022", respectively, or "the 2022 periods" collectively. The comparative three and six months ended June 30, 2021 may be referred to as "Q2 2021" and "6 months June 2021", respectively, or "the 2021 periods" collectively. The fiscal year ended December 31, 2021 may be referred to as "FY 2021".

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events of the Company's future performance, business prospects or opportunities. All statements other than statement of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", anticipate", "plan", "target", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "intend", "could", "might", "should", "believe", and similar expressions. The Company has based these forward-looking statements on its current expectations and projections about future events and financial, business and industry trends that it believes might affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- Business objectives and milestones; and
- Adequacy of the financial resources.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed elsewhere herein and any other of the Company's public filings, and include the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop the business, access to adequate services and supplies, economic conditions, foreign currency exchange rates, interest rates, access to equity and debt markets and associated costs of funds, availability of a qualified work force, that the Company is able to procure inventory and supplies in sufficient quantities and on a timely basis, and that the Company maintains our ongoing relations with it business partners and governmental authorities. While the Company considers these material factors and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base their decisions on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

DESCRIPTION OF BUSINESS

The Company's mission is to develop, launch and scale nutritious, sustainable, and delicious plant-based consumer packaged foods and beverages in grocery retail, foodservice, ecommerce, and alternative channels in the United States and Canada with the goal of eventually expanding into other global retail marketplaces. The Company strives to operate as a diverse, ethical and sustainable producer of nutritious, plant-based foods and snacks. The Company has three mission pillars:

- Nutrition – delivering strong nutritional benefits from food and beverages, including protein and complete protein (all 9 essential amino acids).
- Sustainability – striving to use the most "planet-friendly" ingredients, packaging and supply chain.
- Representation – building out a team and network of partners that bring forward representation of groups traditionally underrepresented in food & beverage and public companies (including women and ethnic and other minorities), and in doing so better reflect the core consumer base leading the adoption of innovative new plant-based food & beverage products.

PHB operations are based at our Chicago, IL headquarters (4710 N. Sheridan Road, Chicago, IL 60640). The Company develops, produces, markets, and distributes branded plant-based food and beverage products including:

- Hope and Sesame® Sesamemilk: sesame-based plant milk products that provide vegan alternatives to dairy-based milk products and leverage food technology and complex process development to innovate unique, nutritious, delicious, and sustainable plant-based milk products.
- RightRice® Veggie Rice: 'rice' grains made from a combination of lentils + chickpeas + peas + rice, a unique product innovation which performs and tastes like rice and provides 11g of complete protein (a Good Source of Protein) and 6g of dietary fiber (an Excellent Source of Fiber) per serving. That's more protein and fiber than quinoa, with 40% fewer carbohydrates than white rice, one of the world's most heavily consumed grains.
- Mozaics™ Real Veggie Chips: popped potato snacks with real vegetables (peas, beans) as the principal ingredients. A low-calorie, nutritious salty snack that eats like a potato chip, Mozaics™ provide a high-quality great tasting plant-based snack.
- Veggicopia® Real Veggie Snacks: breakthrough shelf-stable dip cups - as delicious as refrigerated dips but with 24x the shelf-life, no refrigeration required (which makes the products more sustainable and eliminates food waste), plus other portable, long shelf-life vegetable snacks like single-serving brine-free Greek snacking olives.

The Company currently does not have any manufacturing operations but instead has developed a network of GFSI certified contract manufacturers to produce our products under our brands and to create specific recipes and formulations. Some proprietary ingredients are provided to these contract manufacturers 'white labeled' so as to additionally protect intellectual property. In addition to the Company's full-time sales and marketing teams, the Company has also established a network of third-party sales agents, brokers, and distributors to sell our products directly to distributors, retailers and foodservice partners.

BUSINESS HIGHLIGHTS FOR THE 6 MONTHS JUNE 2022

Acquisition of RightRice® Business Assets

On January 14, 2022, the Company closed the arm's-length acquisition of certain RightRice® ("RR") business assets (the "Acquisition") from Betterer Foods, Inc. This acquisition added a high-potential line of innovative and differentiated grain alternative products to the Company's growing portfolio of plant-based, planet-friendly, highly-nutritious brands.

The aggregate purchase price of $6,875,904 was comprised of $4,000,000 in cash funded at closing, with the balance payable under two unsecured promissory notes bearing interest at 5% per annum.

As the business assets of RR were determined to meet the definition of a business as defined under IFRS 3 Business Combinations, the Acquisition was accounted for as business combination. The purchase price was allocated to the fair value of assets acquired and liabilities assumed on the acquisition date as follows:

	Previously reported	Adjustment to estimates	Revised
Fair value of consideration:			
Cash	$ 4,000,000	$ –	$ 4,000,000
Promissory notes	2,875,904	–	2,875,904
	$ 6,875,904	$ –	$ 6,875,904
Fair value of net assets:			
Working capital	$ 1,441,459	$ (318,838)	$ 1,122,621
Intangible assets	3,679,000	–	3,679,000
Goodwill	1,755,445	318,838	2,074,283
	$ 6,875,904	$ –	$ 6,875,904

The preliminary estimates of the fair value of net assets acquired were made by management at the time of preparation of these unaudited condensed interim consolidated financial statements based on available information and may be adjusted as the amounts subject to estimates are finalized.

Bought-Deal Public Offering

On March 15, 2022, the Company closed a bought-deal public offering ("the Offering") of 10,062,500 subordinate voting shares of the Company ("SVS") at a price of CAD $0.80 per SVS for gross proceeds of approximately $6,287,589 (CAD $8,050,000), including 1,312,500 SVS shares issued to the Agent following the exercise of their over-allotment option. The Agent received a cash fee of $503,007 (CAD $644,000) equal to 8% of the gross proceeds of the Offering plus a $66,391 (CAD $85,000) advisory fee. The Company incurred $218,724 of other share issue costs.

Key Growth Achievements in Q2 2022 and first 6 months of 2022:

Financial Growth:

During Q2 2022, the Company achieved the following growth versus Q2 2021:

- Earned $3.3 million of gross revenues, an increase of 276% over Q2 2021 gross revenues.
- Earned $2.4 million of net revenues, an increase of 193% over Q2 2021 net revenues.

During the 6 months ending June 2022, the Company achieved the following growth versus the 6 months ending June 2021:

- Earned $5.9 million of gross revenues, an increase of 282% over gross revenues for the 6 months ending June 2021.
- Earned $4.9 million of net revenues, an increase of 250% over net revenues for the 6 months ending June 2021.

Additional Growth:

- Closed the Acquisition of the RightRice® business assets for $6.9 million

- Continued ecommerce growth, with more than 12,000 customers purchasing product through Amazon.com in Q2 2022, and 36% repeat customers during that period.

Achievements in the first half of 2022 include:

- Augmented the management team to support the growth initiatives with the right skills and talent, with the following five new team additions: Vice President of Ecommerce, Operations Manager, Sales Director – Natural Channel, Sales Director – Grocery Channel, Product & Culinary Development Chef. Three former employees were transitioned.
- Since the beginning of 2022, the Company has achieved more than 3,700 new grocery retail doors and more than 9,600 new Total Distribution Points ("TDP") in key retailers, including Sprouts Farmers Market, The Fresh Market, Fresh Thyme Market, and others. Aggregate grocery retail TDP is now more than 49,000 placements across product lines and brands.
- Continued ecommerce growth, with more than 12,000 customers purchasing product through Amazon.com in Q2 2022, and 36% repeat customers during that period.
- Rollout of Hope and Sesame® Barista Blend sesamemilk into independent cafés and foodservice. Initial production of Barista Blend was run in first quarter of 2022, and then introduced to the trade through a series of coffee industry and food industry trade shows beginning in February 2022. Thus far café/barista, distributor, and consumer reception has exceeded expectations, and Barista Blend started shipping to cafés via a network of food service distributors in Q2 2022. To date Barista Blend has launched in seven foodservice distributors across the United States and Canada.
- The opportunity for sesamemilk in cafés is strong: most carry oat milk, soy milk, and almond milk, but have significant concerns about almond milk's taste, performance, and sustainability. There is a clear opportunity to displace almond milk in favor of sesamemilk in the café channel, which is already beginning to occur in initial markets. The sales potential for Hope and Sesame® Barista Blend sesamemilk in cafés represents a significant revenue opportunity as well as an opportunity to drive marketing awareness. The trial and consumer marketing that occurs through cafés carrying Hope and Sesame® Sesamemilk is a key strategy for increasing awareness and sales velocity for sesamemilk at grocery and ecommerce retailers. Per Company research and market surveys, currently plant milks account for 40%-50% of the 'milk' usage in independent cafes, indicating a $2+ billion market for plant milks at the 31,000 independent cafés in the United States alone[1].
- The launch of the Hope and Sesame® Non-GMO shelf-stable product line is complete, both replacing and expanding on the former Organic Hope and Sesame® products and packaging/branding. The new Hope and Sesame® 48 oz refrigerated line has been launched, with initial distribution into more than 400 Kroger retail grocery stores in the United States. We have continued to expand our distribution of Hope and Sesame® shelf-stable sesamemilk and refrigerated sesamemilk into regional grocery retailers including Stop & Shop, Giant Company, Woodman's Markets, Gristedes, and Roche Bros.
- With the return of in-person food trade shows post-COVID, many of which had been dormant since 2019, the Company decided to invest in attending and exhibiting at industry trade shows in 2022. In Q1 2022, the Company showcased its brands at: Plant-Based World Expo (NYC/December 2021), Winter Fancy Food Show (Las Vegas/February 2022), CoffeeFest NYC (NYC/March 2022), Natural Products Expo West (Anaheim, CA/March 2022). In Q2 2022, the Company exhibited at Specialty Coffee Expo (Boston/April 2022), CHFA West (Vancouver/April 2022), National Restaurant Association Show (Chicago/May 2022), Sweets and Snacks Expo (Chicago/May 2022), UNFI Holiday Show (Mohegan Sun/June 2022), Summer Fancy Food Show (NYC/June 2022), the KeHE Distributor Show (Chicago/June 2022), and CoffeeFest Chicago (June 2022).
- Mozaics™ Non-GMO Real Veggie Chips relaunched in sustainable packaging film in Q4 2021 to ecommerce channels, replacing previous Organic product and branding. The new Mozaics™ chips are now available through distributors and to retailers. Non-GMO Mozaics™ have been added to multiple UNFI distribution warehouses in both 0.75 oz snack and 3.5 oz retail sizes, setting the stage for growth into additional grocery retailers and foodservice.

[1] https://www.ibisworld.com/industry-statistics/number-of-businesses/coffee-snack-shops-united-states/

- Growth in alternative channels like QVC: In 2022, both RightRice® and Mozaics™ have been established as recurring items showcased on live TV on QVC, and Veggicopia olives made their successful debut in June 2022. The products sold on QVC are unique assortments of products otherwise available in grocery retailers, providing live marketing to millions of customers during each 7-8 minute QVC segment, while generating revenue and margin-accretive sales.
- The acquisition of RightRice® Veggie Rice has provided significant growth opportunities for the Company. RightRice® products are currently offered nationwide in more than 8,000 doors across conventional and natural product retailers including: Kroger, Wegmans, Whole Foods Market and more. Since acquiring RightRice®, we have added upwards of 1,500 doors to the distribution, including through leading Southeastern U.S. retailer Publix. RightRice® has established strategic food service distribution with quick service restaurants like CAVA, which is a channel for further expansion, as well through menu additions to college/university and business foodservice operations looking to add cost-effective, nutritious plant-based alternatives.
- Given the interest in media outlets in the story of Planting Hope and its brands, the Company enlisted a new PR agency focusing on earned media in the consumer, business, and trade press in Q2 2022, and saw a significant lift in national and regional media attention with important publications in the United States, including The Washington Post, Good Morning America, Consumer Reports, and others reporting on sesamemilk as an up-and-coming new food trend. Hope and Sesame® has continued to garner awards from top industry groups, including the Best Product Award at CoffeeFest Chicago 2022 for its Barista Blend Sesamemilk, which also was recognized as a finalist for Best Product at the national Specialty Coffee Association show.

OUTLOOK AND GROWTH

The Company continues to effectively execute on its business plan for 2022, including expanding core products in key channels, and setting up new products and distribution that will achieve scale in 2023.

Key growth priorities for the second half of 2022:

- Expand retail placements and distribution for all brands, with a focus on expansion for Hope and Sesame® Sesamemilk, Mozaics™ Real Veggie Chips, and RightRice® Veggie Rice.
- Increase velocity across grocery distribution for all brands, through strategic marketing, trial, and awareness, and measurable, ROI-focused marketing efforts.
- Expand the Hope and Sesame® Barista Blend into regional distributors and independent cafés.
- Expand consumer awareness of sesamemilk, driving trial, adoption, and usage though cafés with the aim of heightening demand in grocery retail stores.
- Expand ecommerce business by relaunching streamlined brand sites, including a combined ecommerce site across brands enabling cross-selling. Scale direct to consumer (D2C) business, Amazon.com presence and revenue, and expand presence and sales on third party ecommerce marketplaces, both B2C (consumer) and B2B (wholesale).
- Capitalize on demonstrated Canadian retailer and consumer interest through launching Canadian-compliant dual-language packaging on Hope and Sesame® (shelf-stable Non-GMO product, including Barista Blend), Mozaics™, and RightRice® products, all of which are slated to launch in Canada in Q3 2022.
- Explore international expansion opportunities to markets outside of the United States and Canada, capitalizing on interest from international markets and distributors.
- Expand operating team with key hires across Sales, Marketing, Finance, and Operations to drive and support growth and scaling.
- Implement internal infrastructure solutions (including NetSuite ERP system) to prepare for rapid scaling.
- Expand foodservice distribution, placements, and opportunities across products, diversifying revenue streams from grocery retail to add scale and margin.

- Gain additional retailer and foodservice interest in the brands by exhibiting at key trade shows in the United States and Canada.
- Refine sales broker mix to effectively target key growth areas, channels, and market support needs

SUMMARY OF FINANCIAL INFORMATION

(expressed in $USD)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Revenues	3,344,517	889,787	5,875,260	1,536,959
Net revenues	2,480,929	819,376	4,481,453	1,417,070
Net income (loss)	1,149,329	(924,912)	427,533	(1,390,258)

(expressed in $, except shares outstanding)	June 30 2022	December 31 2021	December 31 2020
Current assets	5,738,014	6,969,780	589,503
Current liabilities	9,330,113 (3)	11,381,984 (3)	3,717,598
Working capital deficit (1)	(3,592,099)	(4,412,204)	(3,128,095)
Add back:			
Derivative liability	714,274	7,084,160	–
Convertible notes	3,299,443	2,804,864	–
Adjusted working capital surplus (deficit) (1)	421,618	5,476,820	(3,128,095)
Total assets	11,801,140	7,591,605	601,538
Non-current financial liabilities (1)	446,363	496,367	15,517
Share capital	28,137,198	22,636,830	9,022,788
Total SVS equivalent shares outstanding (2)	92,365,128	82,300,948	– (2)

(1) "Working capital surplus (deficit)" and "Adjusted working capital surplus (deficit)" are capital management measures. "Non-current financial liabilities" is a supplemental financial measure. See "Non-IFRS and Other Financial Measures" for additional disclosures.

(2) The results prior to the completion of the RTO are those of PHB which is an LLC with no issued share capital.

(3) Current liabilities at June 30, 2022 includes a $714,274 (December 31, 2021 – $7,084,160) derivative liability and $3,299,443 (December 31, 2021 – $2,804,864) of convertible notes. See "Liquidity and Capital Resources – Convertible Notes" for more information.

PERFORMANCE REVIEW

(expressed in $USD)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Net income (loss)	1,149,329	(924,912)	427,533	(1,390,258)
Add back:				
Interest and accretion	383,822	63,733	740,215	121,288
Amortization	133,758	–	245,468	–
Depreciation	35,410	2,153	72,352	4,258
EBITDA (1)	1,702,319	(859,026)	1,485,568	(1,264,712)
Deduct:				
Total other income	(3,869,715)	(52,093)	(6,096,991)	(125,238)
Adjusted EBITDA (1)	(2,167,396)	(911,119)	(4,611,423)	(1,389,950)

(1) "EBITDA" and "Adjusted EBITDA" are supplemental financial measures. See "Non-IFRS and Other Financial Measures" for additional disclosures.

EBITDA for the 2022 periods is higher than the 2021 periods due primarily to the effect of the change in fair value of financial instruments recognized in the 2022 periods (included in total other income) and due to an increase in gross profit as noted below.

Adjusted EBITDA for Q2 2022 is lower than Q2 2021 due to an increase in selling, general and administrative expenses partially offset by an increase in gross profit.

(expressed in $USD)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Revenues	3,344,517	889,787	5,875,260	1,536,959
Trade spend	(757,743)	(57,354)	(1,253,207)	(101,739)
Spoilage and cash discounts	(105,845)	(13,057)	(140,600)	(18,150)
Net revenues	2,480,929	819,376	4,481,453	1,417,070
Trade spend as a % of revenues (2)	23%	6%	21%	7%
Cost of goods sold	(1,556,183)	(417,813)	(2,777,770)	(656,160)
COGS as a % of revenues (2)	47%	47%	47%	43%
Gross profit	924,746	401,563	1,703,683	760,910
Net income (loss)	1,149,329	(924,912)	427,533	(1,390,258)

(2) "Trade spend as a % of revenues" and "COGS as a % of revenues" are supplemental financial measures. See "Non-IFRS and Other Financial Measures" for additional disclosures.

Revenues

The drivers of revenue in the 2022 periods include:

- Completion of the Acquisition in January 2022 and new revenues from the sale of RightRice® products
- Launch of the Hope and Sesame® Barista Blend product with the first run in January 2022. Since then, the Company has brought on more than seven distributors to take this new product to independent foodservice channels
- Retail launch of our Hope and Sesame® refrigerated products into Kroger and other regional retailers
- Hope and Sesame® Non-GMO product launched and related sales.
- Mozaics™ sales to UNFI customers
- Increased sales of Mozaics™, RightRice®, and Veggicopia® brands on e-commerce platforms

Overall, through June 2022, as planned, revenue is based on retail distribution and scaling into grocery retail, foodservice, and ecommerce with ongoing growth accounts.

Trade Spend

Trade spend consists of expenditures for slotting for new distribution and in-store promotional programs, including end cap end-of-aisle displays and periodic discounting to drive trial and pantry-loading to maximize consumption. As expected, trade spend as a percentage ("%") of revenue increased in the 2022 periods as the Company shifted its efforts to expanding distribution into more retailers and providing additional in-store support to increase trial and velocity on current retailer placements. In addition, retailers returned to 'business as usual' post COVID-driven disruptions, including scheduled category reviews and execution of in-store promotions.

Trade spend as a % of revenue was lower in the 2021 periods as the majority of revenues earned in the 2021 periods were derived from the non-retail programs and distribution like the Airline program, which do not have retailer trade spend associated with them. The Airline program was designed to drive consumer trial as well as revenue and included a significant marketing expense to support that distribution.

Cost of Goods

Cost of goods sold ("COGS") includes several different cost elements depending on the brand and its supply chain. COGS includes raw ingredients, toll processing and/or kitting, packaging materials and transportation as applicable, including freight for inbound packaging material and ingredients.

COGS as a percentage of revenues is impacted by the volume of product produced and sold, and the variability of supply chain costs. COGS performance is dynamic and influenced by a number of factors such as commodity and freight pricing, third party agreements, labor rates, and the management of global supply chains.

COGS also varies by product and product line. Currently, the Company designs our products to target COGS between 47% and 63% across products and brands (and a resulting gross margin before trade spend of 53%-37%). To date in 2022, average COGS as a percentage of revenue has been 47%, which is reflective of the sales product mis for that period. COGS performance is reflective of the complete supply chain (design, production, fulfillment, etc.), and also reflects the lifecycle of the product. Frequently at the early stage of the product life the COGS as a percentage of revenue is higher than the designed goal level. As the product matures and the volumes increase there are improvements in the COGS that are expected and earned. COGS are reviewed and managed; when COGS falls outside of expectations by product or brand, the Company evaluates the production/supply chain alternatives to address and navigate any cost challenges. COGS can vary significantly by product line, and take longer to reach scale margin, depending on the product, MOQ, and other start-up inputs at early stages.

While current COGS, averaged across products and brands, are staying within the range of expectations, the Company is beginning to incur price increases related primarily to ingredient costs, labor rate increases, inflation, and freight, and expects these to continue throughout 2022 given current world events and supply chain disruptions. However, the Company is proactively getting in front of these costs where possible by (1) adjusting formulations to include alternative ingredients or sources for those with realized or anticipated supply chain issues (ingredient costs); (2) expanding co-manufacturing, warehousing and 3PL distribution relationships (labor/efficiency); (3) and proactively sourcing better freight costs (freight costs). The strategies and solutions are targeted at reducing and/or maintaining costs at current levels over the next 12-24 months. The Company continues to monitor COGS and pricing relationships; should there be a longer-term COGS increase anticipated or observed, the Company will evaluate whether a product price increase is viable while maintaining sales velocity.

Selling, General and Administrative Expenses

(expressed in $USD)	Three months ended June 30		Six months ended June 30	
	2022	**2021**	**2022**	**2021**
Payroll and recruiting	905,132	391,049	1,764,433	661,370
Professional fees	391,975	102,700	1,576,609	155,134
General office expenses	233,159	128,663	427,568	212,953
Outbound freight	319,126	61,438	664,462	118,157
Advertising and marketing	1,242,750	628,832	1,882,034	1,003,246
Selling, general and administrative	3,092,142	1,312,682	6,315,106	2,150,860

The Company will continue to scale selling, general and administration expenses in line with its growth plans in 2022, with the exception of professional fees. Professional fees incurred in the 6 months June 2022 included significant one-time accounting, legal and advisory fees related to the Acquisition and Offering completed in January and March 2022, respectively. Other noted variances are explained below:

- Payroll and recruiting expenses are higher in the 2022 periods than in 2021 periods due to the additions of headcount to support the growth of the Company. The additional team members included the following: Chief Sales Officer, Chief Financial Officer, Senior Vice President of Marketing, Operations Manager, Product & Culinary Development Chef, Warehouse Manager, Sales Director – Conventional Grocery, and Senior Accountant. In addition to these necessary hires, the Company also took on two additional RightRice® team members in connection with the Acquisition including, Operations Manager, and Foodservice, and Sales Director – Natural Accounts who will work across all brands.
- General office expenses are higher in the 2022 periods than in 2021 periods due to increased warehouse costs incurred from the addition of the RightRice® brands and the Company's efforts to build inventory to ensure product availability. Technology costs also increased due to the Company's focus on building out its direct-to-consumer e-commerce platforms that have gone live during Q2 2022. Further, technology and professional service expense are increasing in 2022 as a result of the Company's NetSuite project/implementation.
- Outbound freight costs are higher in the 2022 periods than in 2021 periods due to the expansion of refrigerated sesamemilk as an ongoing product line across retailers, and ongoing freight cost increases for both dry trucking and container shipments. Sesamemilk refrigerated products require more expensive refrigerated warehousing and shipping. Dry freight costs have increased across all products, for inbound and outbound freight for ingredients and finished goods due to rising fuel prices, lower available capacity due to trucker shortages, and (where applicable),

rising costs of international container shipments. Additionally, the acquisition of RightRice® this year also adds to the increased freight numbers.

- Advertising and marketing expenses are higher in the 2022 periods than in 2021 periods as the Company is placing major emphasis and attention on customer acquisition and retention. This includes efforts to increase the Company's social media presence, attendance at major trade show and events, customer reports and data for trending and performance, website development, fees and advertising expenses associated with e-commerce platforms. QVC has been a major focus for sales growth, but also with the increase in sales are the increase in commissions due. In Q1-Q2, 2021 no trade shows were attended. However, in 2022, the Company has attended several large trade shows and also focused on barista associated events.

Interest and Accretion

During Q2 2022 and the 6 months June 2022, the Company recognized $383,822 and $740,215 (Q2 2021 and the 6 months June 2021– $63,733 and $121,288), respectively, of interest and accretion.

Interest and accretion are higher in the 2022 periods than in the 2021 periods due primarily to interest and accretion on convertible notes issued in the second half of 2021, imputed interest related to leases entered into in Q1 2021, interest and accretion on the promissory notes issued as consideration for the Acquisition, and interest on the credit facility with CircleUp Credit Advisors LLC obtained in May 2022. See "Liquidity and Capital Resources – Convertible Notes", "Liquidity and Capital Resources – Promissory Notes" and "Liquidity and Capital Resources – Credit Facility".

Amortization and Depreciation

During Q2 2022 and the 6 months June 2022, the Company recognized $133,758 and $245,468 (Q2 2021 and the 6 months June 2021– $nil), respectively, of amortization expense and $35,410 and $72,352 (Q2 2021 and the 6 months June 2021– $2,153 and $4,258), respectively of depreciation expense.

Amortization relates to the intangible assets acquired as part of the Acquisition of RightRice® business assets. Amortization is recognized on a straight-line basis over the estimated useful lives which is 10 years for customer relationships and 5 years for brand name and technology assets.

Depreciation is higher in the 2022 periods than in the 2021 periods due to depreciation of right-of-use assets related to leases entered into in Q4 2021.

Other Income and Expenses

During Q2 2022 and the 6 months June 2022, the Company recognized $nil and $30,821 (Q2 2021 and the 6 months June 2021– $nil), respectively, for the loss on settlement of promissory notes (see "Liquidity and Capital Resources – Promissory Notes"), $3,870,982 and $6,332,668 (Q2 2021 and the 6 months June 2021– $nil), respectively, of income for the change in fair value of financial instruments (see "Liquidity and Capital Resources – Convertible Notes"), $76,330 and $242,349 (Q2 2021and the 6 months June 2021– $nil), respectively, of equity-based payment expense related to stock options granted in January 2022, and $75,714 and $38,144 (Q2 2021 and the 6 months June 2021– $nil), respectively, of foreign exchange income.

During the comparative periods Q2 2021 and the 6 months June 2021, the Company recognized $nil and $72,405, respectively, of government income related to the low interest benefit on the $197,314 U.S. Government sponsored Paycheck Protection Program loan ("PPP Loan") obtained in February 2021 and forgiven in August 2021 and$52,093 and $52,833 of other income primarily related to the forgiveness of accounts payable.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not meet our financial obligations as they become due. The Company manages its liquidity risk through management of our capital structure and annual budgeting of our revenues, expenditures and cash flows.

The Company's June 30, 2022 unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize our assets and discharge our liabilities in the normal course of business. During the 6 months June 2022, the Company generated net income $427,533 and reported $5,619,746 of cash flows used by operations. As at June 30, 2022, the Company had an accumulated deficit of $29,327,220 (December

31, 2021 – $29,754,753) and a working capital deficit of $3,592,099 (December 31, 2021 – $4,412,204). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue.

The Company continues to be in the building stage of our business, establishing new distribution of our brands, developing and launching new products, making strategic accretive acquisitions where advisable, establishing a marketing strategy that reaches and builds a consumer community with high demand for our products, and building a shared services organization and supply chain to effectively serve consumer demand. Ultimately, growth of the business and implementing a path to profitability over the next two years will support the Company's going concern success and is a key focus for Management. Management considers all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

Promissory Notes

As part of the consideration for the Acquisition completed on January 14, 2022, the Company issued two promissory notes. The first unsecured promissory note ("Promissory Note 1") in the amount of $2,000,000 was fully due and payable (including all accrued interest) on the earlier to occur of (i) the date of the closing of any offering of securities of the Company (whether by way of a prospectus offering or on a private placement basis), which offering may be completed in one or more tranches, raising aggregate gross proceeds of not less than US $4,000,000 and (ii) March 31, 2022, the maturity date. The second unsecured promissory note ("Promissory Note 2") in the amount of $1,000,000 is fully due and payable (including all accrued interest) on January 14, 2023.

The issue date fair value of the promissory notes was determined to be $2,875,904 based on expected cash flows discounted at a rate of 15%.

Promissory Note 1 plus $17,260 of accrued interest was paid on March 18, 2022, following the completion of a bought-deal public offering and the Company recognized a $30,821 loss on settlement of promissory notes in the June 30, 2022 consolidated statement of income (loss) and comprehensive income (loss).

A continuity of promissory notes is summarized in the following table:

Issued	$	3,000,000
Issue date fair value adjustment		(124,096)
		2,875,904
Accretion		66,611
Repayment		(2,000,000)
Loss on settlement		30,821
Balance, June 30, 2022	$	973,336

Credit Facility

On May 16, 2022 the Company entered into a non-dilutive revolving line of credit agreement (the "Credit Facility") with CircleUp Credit Advisors LLC to support the Company's growth. The Credit Facility has a credit limit of $2,500,000 at a simple interest rate of 10.25% per annum, offers an advance rate on eligible accounts receivable (75%), purchase orders (65%), and inventory (50%), is secured against the assets of PHB and is in place for 18 months to November 4, 2023. A fee of $65,625 equal to 1.75% of the maximum amount of the Credit Facility is assessed annually and paid via proceeds from eligible accounts receivable which are first applied against the annual fee until fully repaid and next against accrued and unpaid interest. Proceeds from eligible accounts receivable in excess of the annual fee and accrued interest are paid to the Company. The annual fee is amortized to interest and accretion expense on a straight-line basis.

Amount drawn	$	1,413,000
Annual fee		65,625
Fee repayments		(33,007)
Remaining balance of annual fee		32,618
Accrued interest		13,284
Balance, June 30, 2022	$	1,458,902

As at June 30, 2022, the balance drawn on the Credit Facility was $1,413.000. During the six months ended June 30, 2022, the Company recognized $13,284 (six months ended June 30, 2021 – $nil) of related interest expense and $5,469 of annual fee amortization in the consolidated statement of income (loss) and comprehensive income (loss).

Convertible Notes

As at December 31, 2021 and June 30, 2022, the Company had CAD $4,845,000 of unsecured convertible notes (the "Notes") outstanding. The Notes accrue a simple rate of interest at 2% per annum, payable semi-annually, mature on November 12, 2022 and are convertible at CAD $0.34 per SVS if converted prior to the maturity date or CAD $0.28 if automatically converted on the maturity date. As the Notes do not have a fixed conversion price, they do not meet the fixed-for-fixed criteria, and the fair value of the conversion feature is classified as a derivative liability.

A continuity of the Notes is summarized in the following table:

		Principal amount (CAD)		Debt portion (USD)		Derivative liability (USD)
Balance, December 31, 2021	$	4,845,000	$	2,804,864	$	7,084,160
Accretion		–		546,924		–
Fair value adjustment		–		–		(6,332,668)
Foreign exchange		–		(52,345)		(37,218)
Balance, June 30, 2022	$	4,845,000	$	3,299,443	$	714,274

Government Loan

As at June 30, 2022, the Company had a government loan with an amortized cost of $20,250 (December 31, 2021 – $18,530) outstanding. The loan was obtained in 2020 pursuant to a long-term Economic Injury Disaster Loan ("EIDL") agreement with the U.S. Small Business Administration ("SBA") in the amount of $150,000. The SBA EDIL is secured by assets of the Company, bears interest at a rate of 3.75% per annum, requires monthly principal and interest payments have yet to commence and matures on June 22, 2050.

Contractual Payments

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments:

As at June 30, 2022	Carrying amount	Less than 1 year	1 to 2 years	2 to 5 years	5 years +	Total contractual amount
Accounts payable and accrued liabilities	$ 2,778,860	$ 2,778,860	$ –	$ –	$ –	$ 2,778,860
Promissory notes	973,336	1,000,000	–	–	–	1,000,000
Credit facility	1,458,902	1,458,902	–	–	–	1,458,902
Convertible notes	3,299,443	3,759,894	–	–	–	3,759,894
Due to related parties	5,952	5,952	–	–	–	5,952
Government loans	20,250	1,586	6,362	11,242	130,810	150,000
Lease liability	525,459	73,227	148,811	301,447	127,180	650,665
	$ 9,062,202	$ 9,078,421	$ 155,173	$ 312,689	$ 257,990	$ 9,804,273

RELATED PARTY TRANSACTIONS

- As at June 30, 2022, due to related parties included $5,952 (December 31, 2021 – $59,924) of reimbursable corporate expenses.
- During the 6 months June 2022, $nil (6 months June 2021 – $61,895) of compensation to PHB's founding members was deferred to assist in funding operations. As at June 30, 2022, due to related parties included $nil (December 31, 2021 – $nil) of deferred compensation.
- During the 6 months June 2022, the Company incurred $nil (6 months June 2021 – $16,000) of consulting fees charged by a founding member of PHB and $43,229 (6 months June 2021 – $4,374) of consulting fees charged by the sibling of a founding member. As at June 30, 2022, accounts payable and accrued liabilities included $9,000 (December 31, 2021 – $1,310) due to these related parties.
- A founder of PHB is also a shareholder in another company that sells services to the Company. During the 6 months June 2022, the Company was charged $nil (6 months June 2021 – $8,678) by the related company. As at June 30, 2022, accounts payable and accrued liabilities included $nil (December 31, 2021 – $nil) due to the related company.

SUBSEQUENT EVENTS

On July 29, 2022, the Company granted the following restricted share units ("RSUs") and stock options to purchase SVS of the Company:

- 2,516,434 RSUs to certain directors, officers and employees of the Company. The RSUs have a five-year term from the grant date and vest annually in three equal tranches over three years from the grant date.
- 436,590 stock options to two investor relations advisors. The stock options have a five-year term from the grant date and vest semi-annually in six equal tranches over three years from the grant date. 240,000 stock options are exercisable at CAD $0.50 per SVS and 196,590 stock options are exercisable at $0.44 per SVS.
- 60,000 stock options to a director of the Company exercisable at $0.44 per SVS for a five-year term from the grant date. The stock options vest semi-annually in six equal tranches over three years from the grant date.
- 304,697 stock options to certain employees and contractors of the Company exercisable at $0.44 per SVS for a five-year term from the grant date. The stock options vest quarterly in 12 equal tranches over three years from the grant date.

An RSU entitles the holder to receive one SVS for each RSU after the specified vesting period. Upon settlement, holders will receive (i) one SVS in respect of each vested RSU or (ii) subject to approval of the Company's Board of Directors, a cash payment determined by multiplying the number of RSUs settled by the market price of the Company's shares on the settlement date or (iii) a combination of (i) and (ii).

SHARE CAPITAL

	Equivalent SVS (1)	Warrants (2)	Warrants (3)	Stock options (2)	RSUs (2)
Balance, December 31, 2021	82,300,948	11,518,305	180,000	785,000	–
Issued / granted	10,062,500	–	–	440,000	–
Exercised	1,680	(1,680)	–	–	–
Forfeited	–	–	–	(170,000)	–
Balance, June 30, 2022	92,365,128	11,516,625	180,000	1,055,000	–
Granted	–	–	–	801,287	2,516,434
Balance, date of MD&A	92,365,128	11,516,625	180,000	1,856,287	2,516,434

(1) The Company's share capital consists of SVS and multiple voting shares ("MVS"), with each MVS equivalent to 100 SVS.
(2) Exercisable into SVS
(3) Exercisable into MVS

SELECTED FINANCIAL AND QUARTERLY INFORMATION

Unaudited	Q2 2022 $	Q1 2022 $	**FY 2021 $**	Q4 2021 $	Q3 2021 $	Q2 2021 $	Q1 2021 $	Q4 2020 $	Q3 2020 $
Revenues	3,344,517	2,530,743	**2,664,513**	358,964	768,590	889,787	647,172	175,743	287,337
Net revenues	2,480,929	2,000,524	**2,321,271**	254,412	649,789	819,376	597,694	44,243	155,942
Net income (loss)	1,149,329	(721,796)	**(17,600,388)**	(8,636,430)	(7,573,700)	(924,912)	(465,346)	(549,956)	(447,123)
Basic net income (loss) per share (1)	0.01	(0.01)	**(0.89)**	(0.13)	(0.14)	–	–	–	–

(1) The results prior to the completion of the RTO are those of PHB which is an LLC with no issued share capital.

Significant quarter-over-quarter variances are explained below:

- Q2 2022 net income is due to higher revenues and a positive change in the fair value of financial instruments.
- Revenues and net revenues were higher in Q2 2022 due to continued momentum from new retailer distributors and customers added in Q1 2022 and the latter part of FY 2021 as well increases in the sale of RightRice® products.
- Q1 2022 revenues of $2.5M represent 95% of the total FY 2021 revenues of $2.7M, and growth of 605% over Q4 2021 revenues of $0.4M.
- Q1 2022 net revenues of $2.0M represent 86.2% of the total FY 2021 net revenues of $2.3M, and growth of 686% over Q4 2021 net revenues of $0.3M.
- Q1 2022 net loss represents 4.1% of the FY 2021 net loss (95.9% lower), and 8.4% of the Q4 2021 net loss (91.6% lower), due to higher revenues and the positive change in fair value of financial instruments. Q4 2021's net loss also included substantial one-time charges and non-cash adjustments due to merger and IPO expenses, related accounting adjustments and one-time professional fees.
- Revenues and net revenues were higher in Q1 2022 due to increased sales velocity, new retailer distribution wins (including placement of Hope and Sesame® products in Kroger stores), new revenues from the sale of RightRice® products, and new customers and Publix and QVC, where successful airings on QVC in January 2022 led to recurring return on-air sales segment invitations for both Mozaics™ and RightRice®.
- Revenues and net revenues were lower in Q4 2021 due to both seasonality as retailers focused on Holiday items (in the United States, this seasonality can impact shipments and sales for better-for-you foods between mid-October and mid-December of each calendar year), and to the anticipated winding down of the airline Mozaics™ chips program due to scheduled annual menu changes by the airline.
- Revenues and net revenues increased from Q4 2020 to Q2 2021, with a slight decrease to net revenue in Q3 2021 reflecting the initial impact of limited availability of organic ingredients. The Company has subsequently converted organic product lines to Non-GMO to minimize supply chain risk and cost increases from organic ingredients.
- Net loss increased in Q3 2021 due to the consolidation of results following the RTO and the recognition of one-time merger transaction costs and equity-based compensation.
- Net loss increased in Q2 2021 primarily due to an increase in sales and marketing expenses focused on the airline channel and investments to increase the social media presence for our brands.
- Revenues and net revenues decreased from Q1 2020 to Q4 2020 as the Company was unable to fully service product demand in the first half of 2020 due to COVID-19 resource limitations and distributors prioritizing filling orders to large retailers of major brands to catch up to COVID-based accelerated grocery demand, resulting retail orders being filled at under 25% of demand in Q2 and Q3.
- Net loss increased in Q4 2020 due to the impact of lower revenues and net revenues in the quarter and from retailer cancellation of new product resets due to COVID-19-driven labor shortages.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, trade accounts receivable, accounts payable and accrued liabilities, promissory notes and credit facility. The fair values of those financial instruments approximate their carrying values due to the short-term maturity of those instruments. The fair values of convertible debt, derivative liability and government loans approximate their carrying values as they bear interest at an effective rates or fixed rates consistent with market rates for similar debt.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations. The Company maintains cash in bank deposits which, at times, may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk on cash as it is held with reputable financial institutions in the United States.

The principal markets for the Company's products are in the United States and Canada, however, a portion of sales are to foreign distributors. Management performs continuing credit evaluations of customers and generally does not require collateral. Historically, the Company has not experienced significant losses related to receivables from individual customers. During the 6 months June 2022, the Company derived approximately 67% of its gross revenues from six customers (6 months June 2021 – 72% from three customers). Significant changes in industry conditions will increase the risk of not collecting receivables. Management believes the risk is generally mitigated by the size and reputation of the companies to which they extend credit.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most significant impact on the reported results and financial position are as follows:

Critical accounting judgments

- Functional currency – The determination of the functional currency for the Company and each of our subsidiaries was based on management's judgment of the underlying transactions, events, and conditions relevant to each entity.
- Going concern – The going concern assessment requires management's judgment on the ability of the Company to achieve positive cash flow from operating activities and/or obtain necessary equity or other financing to execute the Company's business plan.
- Business combination – Judgments are required in determining whether an acquisition constitutes a business combination or asset acquisition based on the criteria in IFRS 3 Business Combinations.
- Leases – The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.
- Impairment – Judgments are required to assess when impairment indicators are evident and impairment testing is required.
- Revenue – The Company makes judgments in determining whether a performance obligation is distinct (i.e. if a service is separately identifiable from other services provided and if the customer can benefit from it). Judgments are required when evaluating when a performance obligation is satisfied, and revenue may be recognized. In making our judgments, management considers when a customer obtains control of the good or service being promised in the contract and whether another entity fulfilling remaining services would need to re-perform work completed to date. Judgments are also used to determine whether the Company acts as principal or agent on certain flow-through

charges to customers, such as freight costs incurred on the shipment of goods. The judgments made include whether the Company or a third party controls the goods or services provided.

- Current and deferred taxes – Tax interpretations, regulations, court rulings and legislation in the various jurisdictions in which the Company operates are subject to change. As such, current and deferred taxes are subject to measurement uncertainty. Management uses judgment to assess deferred tax assets at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings.

Key accounting estimates

- Valuation of trade accounts receivable – The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the number of days trade accounts are overdue and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include sales experience, and historical collection and non-payments.
- Valuation of inventories – The valuation of inventory at net realizable value is based on management's best estimate including historical experience relating to the ultimate selling prices less costs to sell the inventory.
- Government Loans – The Company is required to make certain assumptions in estimating the fair value of the low interest rate loans received from the government. These assumptions include the allocation of value between the future cash flow and carrying value of these loans and the determination of a comparable interest rate that would be obtained if a financing was obtained from in independent financial institution to acquire a similar type of loan.
- Leases – Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.
- Convertible financial instruments – The Company makes estimates relating to the selection of appropriate market rates of interest to discount contractual interest and principal payments of compound financial instruments. There are also estimates related to the fair value of the embedded features which requires determining the most appropriate valuation model and the most appropriate inputs to the valuation model.
- Stock options and warrants – The fair value of stock options and warrants is recognized using the Black-Scholes model, that takes into account the terms and conditions upon which the stock options and warrants were issued. Measurement inputs include the Company's share price on the measurement date, the exercise price of the stock options/warrants, the expected volatility of the Company's shares, the expected life of the stock options/warrants and the risk-free rate of return. The Company estimates volatility based on historical volatilities of publicly traded peer companies. The expected life of stock options/warrants is based on historical experience and estimates of the holder's behaviour. Dividends are not factored in as the Company does not expect to pay dividends in the foreseeable future. For the fair value of stock options, management also makes an estimate of the number of stock options that may be forfeited, and the rate is adjusted to reflect the actual number of stock options that actually vest.
- Deferred taxes – Deferred taxes are based on estimates as to the timing of the reversal of temporary and taxable differences, substantively enacted tax rates and the likelihood of assets being realized.

NON-IFRS AND OTHER FINANCIAL MEASURES

This MD&A includes certain non-IFRS performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by other issuers and may not be comparable to such measures as reported by other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of an issuer's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis and include the following measures:

"Working capital surplus (deficit)" and "Adjusted working capital surplus (deficit)" are capital management measures. Working capital surplus (deficit) is comprised of current assets less current liabilities. Adjusted working capital surplus (deficit) is working capital surplus (deficit) adjusted for current liabilities that will not be settled in cash, such as convertible notes and the related derivative liability. Management believes that working capital surplus (deficit) and adjusted working capital surplus (deficit) are useful measures to assess the Company's capital position and our ability to execute our business strategy. See "Summary of Financial Information" for a reconciliation of working capital surplus (deficit) to current assets and current liabilities and a reconciliation of adjusted working capital surplus (deficit) to convertible notes and derivative liability, being our nearest measures prescribed by IFRS.

"Non-current financial liabilities" is a supplemental financial measure. Non-current financial liabilities is comprised of the non-current portions of government loans and lease liabilities as presented in the Company's consolidated statements of financial position. See "Summary of Financial Information".

"EBITDA" (earnings before interest, taxes, depreciation and amortization) and "Adjusted EBITDA" are supplemental financial measures. The Company uses EBITDA to measure the Company's overall performance. The Company uses Adjusted EBITDA to measure overall performance before certain non-cash items such as equity-based compensation and change in value of financial instruments. See "Performance Review" for the calculation of EBITDA and Adjusted EBITDA.

"Trade spend as a percentage of revenues" is a supplemental financial measure. The Company uses trade spend as a percentage of revenues as a metric that demonstrates the support the Company provides to distributors and retailers for product placement, and to execute promotions at the retailer level to attract new consumers and increase sales of the Company's products**.** See "Performance Review" for the calculation trade spend as a percentage of revenues.

"COGS as a percentage of revenues" is a supplemental financial measure. The Company uses COGS as a percentage of revenues as a tool to improve the predictability and financial performance of each of our product lines through improvements in supply chain management, production efficiencies gained through volume increase and economies of scale, decisions on in-sourcing versus out-sourcing, and a variety of other processes. See Performance Review for the calculation of COGS as a percentage of revenues.

BUSINESS RISKS AND UNCERTAINTIES

A summary of risks and uncertainties relating to the Company's business are provided below. For additional details of these risks and how the Company mitigates such risks, see the Company's most current Annual Information Form, which is available on SEDAR at www.sedar.com.

- Brand Value – The Company's success largely depends on our ability to maintain and grow our brands. Maintaining, promoting and positioning the Company's brands and reputation will depend on, among other factors, the success of our product offerings, management's ability to respond to customer preference changes, food safety, quality assurance, marketing and merchandising efforts and the Company's ability to provide a consistent, high-quality customer experience.
- Reputation Risk – Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether these potential concerns actually involve the Company or are based on facts, could cause negative publicity and reduced confidence in the Company and the Company's products, which could cause harm to the Company's brand, reputation and sales, and could materially adversely affect the business, financial condition and results of operations.
- Disruption at Production Facilities – A natural disaster, fire, power interruption, work stoppage or other calamity at a partner production facility or at any future facility where the Company produces our products, would significantly disrupt the Company's ability to deliver our products and operate our business. Further, any government action restricting the operations or access to the Company's co-manufacturing facilities or at any future facility would have a material adverse effect on our business.
- Failure to Introduce New Products or Successfully Improve Existing New Products – A key element of management's growth strategy depends on our ability to develop and market new products and improvements to the Company's existing products that meet our standards for quality and appeal to consumer preferences. If the Company is unsuccessful in meeting our objective with respect to new or improved products, the business could be harmed.
- Reliance on Key Personnel – The Company is strongly dependent on the business and technical expertise of our management team and there is little possibility that this dependence will decrease in the near term. The contributions of the existing management team to the Company's immediate and near-term business are likely to be of central importance.
- Product Defect Risk – Selling food for human consumption involves inherent legal and other risks, and there is increasing governmental scrutiny of and public awareness regarding food safety.

- Protection of Intellectual Property Rights – The Company currently relies on unpatented proprietary expertise, recipes and formulations and other trade secrets to develop and maintain our competitive position. The Company's success depends, to a significant degree, upon our ability to protect and preserve our intellectual property.
- Competition – The industry the Company operates in is intensely competitive and the Company faces competition from numerous brands that produce plant-based food and beverage products, including small and large independent companies and large-scale manufacturers.
- Reliance on Customers – If the Company is unable to maintain good relationships with existing customers, our business could suffer. There can be no assurance of continued business relationships with distributors and vendors of the Company's products.
- Consumer Trends and Preferences for Plant-Based and Natural Food Products are Difficult to Predict and May Change – he Company's business is focused on the development, manufacturing, marketing and distribution of plant-based foods and beverages. Consumer demand for these products could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. The Company's success depends, in part, on our ability and our customers' ability to offer products that anticipate the tastes and dietary habits of consumers and appeal to their preferences on a timely and affordable basis. T
- Fluctuation of Quarterly Operating Results – Revenue is difficult to forecast and may fluctuate significantly from quarter to quarter. Delays, reduction in scope or cancellation of orders could materially adversely affect the Company's business, financial condition, and results of operations.
- Supply Chain Management – The Company's supply chain is complex. Insufficient or delayed supply of products threatens the Company's ability to meet customer demands, while over-capacity threatens our ability to generate profits. Accordingly, any failure by the Company to properly manage our supply chain could have a material adverse effect on our business, financial condition, and results of operations.
- Public Health Crises – Public health crises could adversely affect the Company's business. The Company's financial and/or operating performance could be materially adversely affected by the outbreak of public health crises, epidemics, pandemics, or outbreaks of new infectious diseases or viruses, such as the global outbreak of the novel coronavirus disease, COVID-19, and new variants of concern.
- Inability to Achieve and/or Manage Growth – The growth of the Company's business may place a strain on managerial, financial, and human resources. The Company's ability to maintain our rate of growth will depend on several factors.
- Inability to Efficiently Expand Production Network – There is a risk in the Company's ability to effectively scale production processes and effectively manage our supply chain requirements.
- Government Regulation of Food Industry – The production, distribution and sale of the Company's products in Canada, the United States and other countries are subject to various federal, provincial and state regulations, including, but not limited to, food and drug regulations, health and safety laws, environmental statues, as well as various other federal, provincial, state and local statues and regulations applicable to the production, transportation, sale, safety, advertising, labelling and ingredients of our products.
- Impact of Product Marketing and Product Recalls – The success of the Company depends on our ability to build and maintain brand image for existing products, new products and brand extensions. The Company has no assurance that our advertising, marketing, and promotional programs will have the desired impact on our products' brand image and on consumer preference and demand.
- Labelling – Food labelling regulations and resulting debates over word choices and/or packaging label disclosures related to ingredient use, ingredient labels, product nutritional and product attributes and/or composition, use or purpose have become frequent areas of contention and may become the basis for product recalls, consumer class action suits and/or regulatory fines.
- Limited or Disrupted Supply of Key Ingredients – A number of the ingredients in the Company's products are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence.

- Price of Raw Materials – Costs of the ingredients and packaging for the Company's products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand, supply chain disruptions caused by war and political instability, and changes in governmental trade and agricultural programs.
- Significant Business Expenditures – The Company anticipates that our operating expenses and capital expenditures will increase in the foreseeable future as the Company continues to invest to increase our customer base, supplier network, co-manufacturing partners, marketing channels, and distribution, as well as hire additional employees, enhance the Company's technology infrastructure, including ecommerce capabilities for outside sales and internal ERP systems for revenue and inventory management, and develop new products. The Company's expansion efforts may prove more expensive than initially anticipated, and the Company may not succeed in increasing our revenues and margins sufficiently to offset the anticipated higher expenses.
- Availability of Capital – The availability of capital on acceptable terms, including the ability of the Company to raise funds through the issuance of equity or debt securities, obtain credit facilities, renegotiate the terms of our existing convertible debt if necessary and/or repay the principal and interest owing under our existing convertible debt, may impact the Company's ability to fund our business plan and growth strategy.
- Reliance on Information Technology – Information technology helps the Company operate efficiently, interface with customers, maintain financial accuracy and efficiency, and accurately produce our financial statements. If the Company does not allocate and effectively manage to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions or the loss of or damage to intellectual property through security breach.
- Global Economic Risk – Adverse and uncertain events that may affect the prevailing economic conditions, including a global pandemic, climate change, political events, wars, natural disasters or other global events, may impact consumer demand for the Company's products.
- Fluctuations in Foreign Currency Exchange Rates May Adversely Affect Operating Results – The functional currency of TPHC is the CAD; the functional currency of PHB is the USD. The presentation currency of the Company is the USD. However, doing business globally, the Company is exposed to foreign currency exchange rate risk with respect to our sales, expenses, profits, assets and liabilities.
- Litigation Risk – The Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect the business of the Company. Among other matters, businesses in the Company's industry (including the Company itself) are regularly subject to pre-litigation demands or formal litigation proceedings from consumers (including class action litigation making consumer fraud claims related to food labelling) or regulatory agencies regarding labelling or other alleged legal or regulatory violations.
- Climate Change Risk – The Company is focused on maintaining and improving the sustainability of our products. If climate change has a negative effect on agricultural productivity, the Company may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products, such as peas and/or beans.