HAPPY BELLY FOOD GROUP INC.

.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2023

(Expressed in Canadian Dollars)

INTRODUCTION

This management discussion and analysis ("**MD&A**"), prepared on April 17, 2024, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023 and 2022. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of Happy Belly Food Group Inc. (the "**Company**" or "**Happy Belly.**").

Management of the Company is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, are complete and reliable. The Company's Board of Directors (the "**Board**") follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Company's Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filing on www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions or results "will", "may", "could", or "should" occur or be achieved. The forward-looking statements may include statements regarding capital expenditures, timelines, strategic plans or other statements that are not of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties, and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, uncertainty of estimates in capital and operating costs, the need to obtain additional financing to develop projects and uncertainty as to the availability and terms of future financing; uncertainty regarding changes in laws, regulations and guidelines; and uncertainty as to timely availability of licenses, permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions, which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as at April 17, 2024 and are subject to change after this date and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is a significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties, and other factors such as those described above. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com or by requesting further information from the Company's head office in Vancouver.

Company Background

Happy Belly Food Group Inc. (previously Plant & Co. Brands Ltd.) (the "Company" or "Happy Belly") was incorporated pursuant to the Canada Business Corporations Act on November 24, 2014. On August 12, 2019, the Company changed its name from Cannvas MedTech Inc. to Eurolife Brands Inc. On December 4, 2020, the Company changed its name from Eurolife Brands Inc. to Plant & Co. Brands Ltd. On September 1, 2022, the Company changed its name from Plant & Co. Brands Ltd. to Happy Belly Food Group Inc.

On June 23, 2017, the Company continued from the federal jurisdiction to the jurisdiction of British Columbia. The Company's corporate office is located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia V6J 4M6.

Happy Belly is a leading consolidator and accelerator of emerging food brands. Happy Belly's portfolio includes Heal Lifestyle (smoothies and acai Bowls), Lettuce Love Cafe, Holy Crap Foods (cereals and oatmeals), Pirho Fresh Greek Grill, Joey Turks Island Grill, Rosie's Burgers and Lumber Heads Food Co. The Company also provides consulting services to third party Quick Service Restaurants ("QSR") and Consumer Product Goods ("CPG") companies via its Next Level Partners division.

The Company shares trade on the CSE under the symbol "HBFG" and on the OTCQB market exchange in the US as "VGANF".

Company Operations

Happy Belly is a consolidator and accelerator of emerging food brands that has a portfolio consisting of two operating divisions; Quick Service Restaurants and Consumer Product Goods. The Company has made acquisitions in the food sector over the past three years. These acquisitions established a foundation to which Happy Belly can grow and scale its operations. Happy Belly's M&A strategy has been to acquire accretive businesses with revenue generating assets that allow the overall Company to grow its business organically, and by continuing to acquire additional assets that provide synergies, while expanding the product base and geographical footprint of the business.

Our Board of Directors is comprised of individuals with a wealth of knowledge in the QSR and CPG sectors. Alex Rechichi, Sean Black and Mark Rechichi from the Crave It Restaurant Group (founders of Mucho Burrito, Extreme Pita and other successful business ventures), and Kevin Cole (20+ years building consumers package goods businesses), Happy Belly is well situated to accelerate revenue and earnings per share. Happy Belly intends to further improve operations through the development and execution of multiple brand and channel strategies within this same resource pool, including leveraging shared distribution within our current network. Happy Belly plans to add additional brands and businesses to the QSR division in 2024 and beyond. Currently, Happy Belly operates five QSR brands and two CPG brands within the Company's portfolio.

Quick Service Restaurants

Heal Lifestyle – On May 9, 2022, Happy Belly acquired a 50% controlling interest in Heal Lifestyle Inc, which owns the operating business of Heal Wellness. As of December 31, 2023 Heal Wellness operates six restaurants across the Ontario region. An additional eighteen franchise agreements have been executed across the 3 provinces (Ontario, Alberta and British Columbia). The first franchised location opened March 16, 2024 in Toronto, Ontario.

Heal Wellness was created with the mission to provide fresh and healthy, quick serve wellness foods including acai smoothie bowls, smoothies, and super-seed grain bowls. All smoothie bowls are made with real fruit including rich superfoods such as acai, pitaya, goji berries, chia seeds and more.

Lettuce Love Cafe - On October 11, 2022, Happy Belly acquired 100% controlling interest of Lettuce Love Cafe. The one restaurant location operates in the southern district of Burlington, Ontario. There are currently six franchise agreements executed in the province of Ontario, with the first franchised location planned to open in Q2 2024 (Toronto, Ontario).

Lettuce Love Cafe is a plant based restaurant and provides a menu of nourishing ingredients and gluten-free meals. Ingredients are sourced from sustainable non-GMO sources.

Pirho Fresh Greek Grill – On May 18, 2023, Happy Belly acquired 50% controlling interest of Pirho Grill Franchising. There are currently three restaurants operating in the Ontario region, with another four franchise agreements executed in Ontario.

Pirho Fresh Greek Grill is a gourmet bowls, wraps, and pitas fast casual Greek restaurant with the fresh wholesome tastes of Greece and its delicious traditional foods.

Joey Turks Island Grill – Opened in Hamilton, Ontario on November 27, 2023. Joey Turks Island Grill is a Caribbean fast casual dining concept and is 100% owned and operated by Happy Belly. On April 3, 2024, Happy Belly signed a franchise agreement to open the second Joey Turks Island Grill restaurant in Scarborough, Ontario. Opening date is planned for Q3 2024.

Rosie's Burgers – On November 13, 2023, Happy Belly acquired 50% controlling interest in Rosie's Burgers. There are currently 2 restaurant locations operating in the Ontario region.

Rosie's Burgers is a boutique fast casual restaurant brand serving original recipe smash burgers, poutine, onion rings, milkshakes and more.

CPG Brands

Holy Crap Foods – 100% acquired by the Company in February 2021. Holy Crap Foods is a line of high-fiber, plant-based super-seed cereals and oatmeals that helps you maintain good gut health. When you have a healthy gut, it impacts your total well-being and is proven to help your mental health. Based on this premise, the strategy of this brand is to implement both a B2B as well as a B2C revenue model to reach more consumers and accelerate growth.

Holy Crap Foods has increased its retail distribution by adding several new retailers to its portfolio, which have contributed to growth, and an increase of retail presence across Canada.

Lumber Heads Food Co. - On February 1, 2022, Happy Belly acquired a 50% controlling interest in Lumber Heads Food Co. Lumber Heads Food Co. offers an incredible tasting and handcrafted plant-based Kettle Corn snack food. Their products are peanut and nut free, gluten free, dairy free and allergen free. The company has earned a reputation for high quality and great customer service from a growing and loyal customer base. The acquisition allows Happy Belly to assist Lumber Heads in growing its business and support its growing product line of plant-based foods.

Other

Next Level Partners - The Company has created a consulting division, Next Level Partners, which is focused on providing strategic consultation services and development for third party owned QSR and CPG businesses.

Company Highlights and Outlook

The Company has completed several key initiatives and transactions that have enhanced overall operations over the past three years. The Company has expanded its offering, diversified its business, created economies of scale within the operations and enhanced its financial growth plans while reducing costs.

- In 2023, Happy Belly announced the execution of franchise agreements by the various subsidiaries:
    - Heal Wellness with eighteen franchised locations in Ontario, Alberta and British Columbia.
    - Lettuce Love with six franchised locations in Ontario.
    - Pirho Fresh Greek Grill with four franchised locations in Ontario.

- On October 27, 2023, Happy Belly announced that it has entered into a franchise acquisition agreement to acquire Smash Burger Brands Rosie's Burgers, a boutique QSR restaurant brand serving smash burgers and related food products.

- On July 24, 2023, Happy Belly announced that it has closed its non-brokered private placement issuing 645 unsecured convertible debentures for gross proceeds of $645,000.

- On July 20, 2023, Happy Belly announced that it has signed an area development agreement for the province of British Columbia for the opening of 30 franchise restaurants of HEAL Wellness, a fresh smoothie bowls, acai bowls, smoothies, and delicious breakfast waffles quick serve restaurant.

- On July 18, 2023, Happy Belly announced that it has signed an area development agreement for the province of British Columbia for the opening of 20 franchise restaurants of Pirho Fresh Greek Grill, a gourmet bowls, wraps, and pitas fast casual Greek restaurant with the fresh wholesome tastes of Greece and its delicious traditional foods.

- On July 7, 2023, Happy Belly announced that it has entered the Caribbean fast casual sector with the launch of its 100% wholly owned subsidiary brand, Joey Turks Island Grill.

- On June 29, 2023, Happy Belly announced that it will reprice 2,000 convertible debentures originally issued to investors pursuant to private placements that closed on June 30, 2022 and July 11, 2022 from a conversion price of $0.25 per common share being the conversion price if the Debentures are exercised in the second year, to a conversion price of $0.20 per share.

- On June 28, 2023, Happy Belly announced that it has signed its first client to its advisory arm that specializes in the development and growth of early-stage companies needing strategic and operational guidance to scale their businesses. Clients of our *Next Level Partners* program provide predictable contract revenue for Happy Belly, an important step forward on our path to profitability.

- On May 18th, 2023, Happy Belly & Pirho Fresh Greek Grill executed a Franchise Acquisition Agreement whereby a new 50:50 joint venture company was created to hold the franchising rights of Pirho Fresh Greek Grill Restaurants. The joint venture company will hold and operate all franchisor activities, such as the collection of franchisee royalties and franchising fees and hold all global franchising rights, brand assets, intellectual property and brand trademarks. For 50% ownership of the joint venture company, Happy Belly has issued to the joint venture company $250,000 worth of common stock based on the last 10-day VWAP for a total of 1,562,500 shares. Happy Belly has also obtained the rights to acquire the remaining 50% of the business at its optionality.

- On May 16, 2023, Happy Belly announced that it has launched an advisory arm of Happy Belly that will specialize in the development and growth of early-stage restaurant and CPG companies that need strategic, operational and financial guidance to grow and scale their businesses. The Next Level Partners division will focus on Strategy, Growth Acceleration, Operational Efficiency, Capital Allocation and M&A Readiness for brands that need support and guidance to get their brand to the next level.

- In April 2023 the Company executed a binding Letter of Intent for the acquisition of a 50% interest in KOA Natural Foods, a hand-crafted snack manufacturer based out of Ontario.

- In April 2023 the Company announced expansion plans for its Heal Wellness brand which included a 30-unit development agreement in Alberta and development plans in Ontario.

- In April 2023, the Company closed on a non-brokered private placement of unsecured convertible debentures for gross proceeds of $1,000,000. The Convertible Debentures have a term of 5 years and pay interest at a rate of twelve percent per annum payable quarterly and are convertible at the holder's option into common shares of the Company every three months, prior to March 30, 2028, into common shares at a conversion price equal to $0.30 per common share.

- On October 11, 2022, the Company completed an asset purchase agreement for substantially all of the assets and property of 2563434 Ontario Incorporated (“Lettuce Love Cafe acquisition”).

- In July 2022, the Company closed two tranches of a non-brokered private placement of unsecured convertible debentures for total gross proceeds of $2,000,000. The Debentures have a term of 24 months, and pay interest at a rate of twelve percent per annum payable quarterly after the closing date of June 30, 2022, for the first tranche of $1,295,000 and July 8, 2022 for the second tranche of $705,000, maturing on the date that is the second anniversary of the first date that the Debentures are issued and are convertible at the holder's option into common shares of the Company every three months after the Closing Date, but prior to the Maturity Date, into common shares at a conversion price equal to (a) $0.20 per common share if converted in the first 12 months after the Closing Date; or (b) $0.25 per common share if converted after the first 12 months after the Closing Date, provided that not less than 25% of the outstanding principal, and any interest amounts owed, is converted.

- In May 2022, Sean Black joined the Happy Belly team as Chief Investment Officer. Mr. Black has led the growth and franchise development of the CraveIT, MTY and Extreme Brands portfolios. Mr. Black has held the position of Chief Development Officer at CraveIT Restaurant Group since 2014. In 2021, CraveIT Restaurant Group sold its interest in The Fresh Plant Powered restaurant brand and The Burgers Priest restaurant brand, including its 27 corporately owned stores, to Recipe Unlimited, a formerly publicly traded company on the Toronto Stock Exchange. From 2013 to 2014, Mr. Black held the executive level position of Chief Development Officer at MTY Food Group. Prior to MTY, Mr. Black was the Chief Development Officer of Extreme Brands, which was acquired by MTY in 2013.

- On May 5, 2022, the Company acquired a 50% controlling interest in Heal Lifestyle Inc. (“Heal Wellness”), which operates three Heal Wellness plant-based Quick Serve Restaurants in southern Ontario. A joint venture company was set up and Happy Belly issued 2,777,777 common shares to the joint venture for the purchase of its ownership interest.

➢ On February 1, 2022, pursuant to a share purchase agreement, the Company acquired 51% of the issued and outstanding common shares of Lumber Heads Food Co. in exchange for providing an interest free loan of $75,000 to Lumber Heads Food Co. Lumber Heads Food Co. is a boutique plant-based snack food manufacturer based in Ontario.

FINANCIAL PERFORMANCE
SELECTED FINANCIAL INFORMATION

	For the Three Months Ended		For the Year Ended	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
Total sales	**1,229,352**	995,178	**5,070,922**	2,734,496
Other income	**344,359**	16,583	**382,928**	49,461
Total sales and other income	**1,573,711**	1,011,761	**5,453,850**	2,783,957
EBITDA*	**(121,293)**	(852,374)	**(673,483)**	(1,938,646)
Net loss for the period	**(418,450)**	(595,353)	**(1,784,637)**	(2,230,300)
Net loss per share-basic	**(0.00)**	(0.01)	**(0.02)**	(0.03)
Total comprehensive loss	**(438,740)**	(1,100,957)	**(1,829,333)**	(2,742,952)
Capital expenditures	**129,824**	48,266	**353,200**	106,694

	As at December 31, 2023	As at December 31, 2022
Total assets	**5,853,248**	4,282,839
Total liabilities	**6,413,602**	3,496,134
Working capital	**795,255**	894,418

* Refer to "Non-IFRS measures" section of the MD&A

RESULTS OF OPERATIONS

The following paragraphs provide information about the results of the Company's on-going operations for the three months and year ended December 31, 2023.

Revenue

Revenue is primarily generated from the sale of food products through the Company's QSR and CPG segments. For the three months and year ended December 31, 2023, total sales and other income increased 56% and 96% respectively over the corresponding periods of 2022. The increase was primarily a result of the organic and inorganic growth of Heal Wellness, since the Company's acquisition in May 2022, and the Lettuce Love acquisition that closed in October 2022.

Net Loss for the period-end

For the three months and year ended December 31, 2023, the net loss decreased 60% and 33% respectively from the corresponding periods of 2022. The decreases in the net loss were driven primarily by the quarter over quarter improvements in top line sales, improved gross profit in the QSR and segment, which were partially offset by increased financing costs, general and administrative expenses.

General and administrative expense

The following table provides a breakdown of general and administrative expenses:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Legal and accounting	**207,734**	135,018	**513,385**	352,708
Advertising and marketing	**200,487**	75,680	**427,621**	291,914
Investor relations	**336**	86	**336**	3,086
Consulting	**78,296**	77,646	**243,172**	213,604
Management	**104,027**	81,076	**374,396**	394,109
Office and sundry	**9,164**	81,850	**283,285**	294,448
Business development	**51,071**	64,741	**187,436**	160,881
Salaries and wages	**389,187**	299,078	**1,454,181**	842,703
Total general and administrative	**1,040,302**	815,175	**3,483,812**	2,553,453

In fiscal 2023, the Company realized significant revenue growth (96% year over year), driven by organic sales growth and three new restaurant openings (2 Heal Wellness restaurants and Joey Turks Island Grill). Such revenue growth increased general and administrative expenses for the three months and year ended December 31,2023 by 28% and 36% respectively, as compared to the same periods of 2022. The increases were driven by legal and professional fees associated with the acquisitions and openings of Pirho Fresh Greek Grill, Rosie's Burgers and Joey Turks Island Grill, marketing investments across brands, as well as salaries and wages to offset new restaurant openings and overall sales growth.

Depreciation and amortization expense

Amortization expense for the three months and year ended December 31, 2023, were $112,058 and $440,872 respectively compared to $120,206 and $537,667 in the corresponding periods of 2022.

Capital expenditures

The following table shows the Company's capital additions for the period ended December 31, 2023:

	Capital expenditures	**Asset dispositions**
Computer equipment	7,458	-
Furniture and fixtures	139,946	-
Leasehold improvements	205,796	-
ROU assets	1,253,269	(301,606)
Total property and equipment additions	1,606,469	(301,606)

BUSINESS UNIT PERFORMANCE

The Company has two operating segments: Quick Service Restaurants and Consumer Product Goods. The QSR segment includes Heal Wellness, Lettuce Love Cafe, Pirho Fresh Greek Grill, Rosie's Burgers and Joey Turks Island Grill. The CPG segment includes Holy Crap Foods, and Lumber Heads Food Co.

Each of these operating segments is managed separately as each requires different capabilities, technologies, marketing approaches and other required resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in stand-alone sales of identical goods or services.

Quick Service Restaurants

The following table show the results of operations for the Quick Service Restaurant segment:

	For the Three Months Ended		For the Year Ended	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
Revenue	**895,061**	640,111	**3,723,592**	1,687,155
Cost of goods sold	**370,574**	295,340	**1,553,752**	844,399
Gross Margin	**524,487**	344,771	**2,169,840**	842,756

Gross Margin %	**59%**	54%	**58%**	50%
General and administrative	**391,665**	332,649	**1,777,129**	960,778
Other income	**(25,826)**	(32,373)	**(47,379)**	(53,822)
Segmented EBITDA gain/(loss)	**158,648**	44,495	**440,090**	(64,200)
Interest, depreciation and amortization	**(157,199)**	(608,139)	**(482,582)**	(838,795)
Segmented gain/(loss)	**1,449**	(563,644)	**(42,492)**	(902,995)

In the three months and year ended December 31, 2023 the revenues in the QSR segment increased 40% and 121% respectively as compared to the corresponding period of 2022. The increase was driven by the organic and inorganic growth of Heal Wellness and Lettuce Love Cafe since acquiring both brands in 2022. Furthermore, two new restaurant openings for Heal Wellness occurred in late Q2 2023.

The QSR segment had an EBITDA gain of $158,648 for the three months ended December 31, 2023 compared to an EBITDA gain of $44,495 in the same periods in 2022. For the year ended December 31, 2023, the Company had segmented EBITDA gain of $440,090 compared to an EBITDA loss of $64,200 in the prior year. The QSR segment of Happy Belly continues to demonstrate strong revenue and EBITDA growth quarter over quarter and year over year.

Consumer Product Goods

The following table show the results of operations for the Consumer Product Goods segment:

	For the Three Months Ended		**For the Year Ended**	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
Revenue	**288,168**	355,067	**1,301,207**	1,047,341
Cost of goods sold	**209,599**	251,737	**863,198**	683,586
Gross Margin	**78,569**	103,330	**438,009**	363,755
Gross Margin %	**27%**	29%	**34%**	35%
General and administrative	**132,213**	114,570	**445,253**	471,653
Other income	**(2,449)**	(6,936)	**(7,674)**	(13,717)
Segmented EBITDA gain/(loss)	**(51,195)**	(4,304)	**430**	(94,181)
Interest, depreciation and amortization	**(52,641)**	(68,887)	**(177,101)**	(272,580)
Segmented loss	**(103,836)**	(73,191)	**(176,671)**	(366,761)

The CPG segment of the Company is comprised of the Holy Crap Foods brand producing breakfast cereals and Lumber Heads Food Co. producing snack foods. In the three months and year ended December 31, 2023 the revenues from the CPG segment decreased 19% and increased 24% respectively as compared to the corresponding period of 2022.

The CPG segment had an EBITDA loss of $51,195 for the three months ended December 31, 2023 compared to a loss of $4,304 in the same period in December 31, 2022. For the year ended December 31, 2023, the Company has a segmented EBITDA gain of $430 compared to an EBITDA loss of $94,181 in the prior year. The CPG segment of Happy Belly will continue to accelerate growth, improve operating margins and optimize expenses in order to achieve continuous positive EBITDA in the future.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for the eight quarters ending December 31, 2023:

Quarter Ended	Total Revenue	Comprehensive Loss for the Period ($)	Loss per Share-Basic ($)
31-Dec-23	1,573,711	(438,740)	(0.00)
30-Sep-23	1,507,229	(492,111)	(0.00)
30-Jun-23	1,320,763	(424,188)	(0.00)
31-Mar-23	1,052,147	(474,294)	(0.00)
31-Dec-22	1,028,064	(1,100,958)	(0.01)

30-Sep-22	815,582	(639,746)	(0.01)
30-Jun-22	615,629	(587,599)	(0.01)
31-Mar-22	324,682	(414,649)	(0.00)
31-Dec-21	220,376	(4,645,268)	(0.04)

LIQUIDITY AND CAPITAL RESOURCES

Cash and Working Capital

The Company's cash on hand as at December 31, 2023, is $1,269,045 versus $1,101,960 at December 31, 2022, due to the $1,645,000 in cash collected as part of the convertible debenture issuance on April and July 2023, offset by negative cash flow from operating activities. The Company's working capital is $795,255 on December 31, 2023 (2022 - $894,418). As at the date of this MD&A, Management believes the Company has sufficient working capital to meet its ongoing financial obligations for the coming year.

Cash Used in Operating Activities

For the three months and year ended December 31, 2023, cash used in operating activities were ($173,564) and $722,923 respectively as compared to $128,908 and $1,618,200 in the respective period of 2022. Cash used in operating activities was used for general operating activities across the QSR and CPG business segments.

Outstanding Share Data

The Company shares trade on the CSE under the symbol "HBFG" and on the OTCQB market exchange in the US as "VGANF". As at December 31, 2023, the Company had 110,503,835 shares issued and outstanding (December 31, 2022 – 107,207,198).

The following is a summary of the share transactions:

	Number	Amount ($)
Balance at December 31, 2022	107,207,198	35,757,040
Share exchange - corporate acquisitions	**3,286,637**	**500,000**
Share issuance – exercise of warrants	**10,000**	**2,000**
Balance at December 31, 2023	**110,503,835**	**36,259,040**

Share Purchase Warrants

A continuity of the share purchase warrants is summarized as follows:

	December 31, 2023		December 31, 2022	
	Number of warrants	**Weighted average exercise price $**	Number of warrants	Weighted average exercise price $
Warrants outstanding, beginning of year	**30,200,000**	**0.20**	54,832,660	0.25
Exercised	**(10,000)**	**0.20**	(272,000)	0.25
Expired/forfeited	**(200,000)**	**0.75**	(24,360,660)	0.30
Warrants outstanding, end of year	**29,990,000**	**0.20**	30,200,000	0.20

As at December 31, 2023, the Company had outstanding warrants as follows:

Expiry date	Exercise price	Remaining life(years)	Warrants outstanding	Warrants exercisable
June 18, 2024	0.20	0.5	2,990,000	2,990,000
June 18, 2026	0.20	2.5	27,000,000	5,200,000
	0.20		29,990,000	8,190,000

Stock Options

The Company has a stock option plan and restricted share units plan that allows it to grant options to its directors, officers, employees, and consultants, provided that the aggregate number of options granted shall not at any time exceed 15% of the total number of issued and outstanding common shares of the Company.

A summary of the Company's stock option transactions is presented below:

	December 31, 2023		December 31, 2022	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Options outstanding, beginning of year	**7,585,000**	**0.28**	9,870,000	0.27
Granted	**1,050,000**	**0.20**	185,000	0.38
Expired	**(7,525,000)**	**0.28**	(2,420,000)	0.26
Cancelled/ forfeited	**-**	**-**	(50,000)	0.50
Options outstanding, end of year	**1,110,000**	**0.21**	7,585,000	0.28

On April 20, 2023, the Company issued 1,000,000 performance options to its President and CEO as part of his compensation package. Each option entitles the holder to acquire one share at a price of $0.20 for a period of five years from their date of issue and vest upon the occurrence of the vesting triggers noted below:

Number of options vested	**Vesting trigger**
192,593	On issuance
100,000	$0.50[(1)]
101,852	$0.75[(1)]
200,000	$1.00[(1)]
201,852	$1.50[(1)]
203,703	$2.00[(1)]

Note: (1) Closing price of the common shares on the Canadian Securities Exchange (or any other stock exchange that the Common Shares may trade) required to trigger vesting of the performance options.

The share options outstanding as at December 31, 2023 are as follows:

Grant date	Number of options outstanding	Exercise price $	Expiry date
April 1, 2022	60,000	0.25	April 1, 2024
February 8, 2023	50,000	0.30	February 8, 2025
April 20, 2023	1,000,000	0.20	April 20, 2028
	1,110,000	0.21	

The Company recognized $55,972 (2022 - $5,110) in share-based compensation on performance options during the year. The fair value of options was estimated using the Black-Scholes Option Pricing Model based on the date of grant and using the following assumptions:

Grant date	Risk-free interest rate	Expected stock price volatility	Expected life	Fair value option price $
April 1, 2022	2.34%	155%	2	0.07
February 8, 2023	3.92%	94%	2	0.06
April 20, 2023	3.15%	134%	5	0.16

RELATED PARTY TRANSACTIONS

The Company incurred the following transactions with companies that are controlled by directors and related parties of the Company:

	Year ended December 31, 2023	Year ended December 31,2022
	$	$
Consulting and other fees*	**488,834**	426,548
Share-based compensation	**52,713**	-
	541,547	426,548

*Consulting and other fees include annual compensation for CEO, CIO and CFO.

As at December 31, 2023, the Company had a net amount of $26,760 balance owing and $125,000 convertible debentures payable to the CEO of the Company. An additional $385,000 convertible debentures are payable to individuals related to the CEO of the Company.

ADDITIONAL INFORMATION

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Legal proceedings

As at the current date, management was not aware of any legal proceedings involving the Company.

Commitments - Contingent liabilities

As at the current date, management was not aware of any outstanding contingent liabilities or commitments relating to the Company's activities.

FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of the Company approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum credit risk that the Company is exposed to is the carrying value of the cash and cash equivalents, accounts receivable and other receivables. Credit risk exposure to cash and cash equivalents is minimized substantially by ensuring that cash is held with credible financial institutions. The Company mitigates the credit risk associated with accounts receivable by establishing relationships with creditworthy purchasers. Other receivables mostly relate to amounts receivable from long-term investors in the Company; the Company mitigates the credit risk by only establishing relationships with creditworthy investors.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and business development. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cashflow in the upcoming year will be through equity financing and revenue generation. Cash on hand at December 31, 2023 and expected cashflows for the next 12 months are sufficient to fund the Company's ongoing operational needs. The Company may need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. Liquidity risk is assessed as high.

Based on the contractual obligations of the Company as at December 31, 2023, cash outflows of those obligations are estimated and summarized as follows:

Payment due by year	2024	2025	2026 and beyond	Total
	$	$	$	$
Accounts payable and accrued liabilities	685,004	-	-	**685,004**
HST payable	250,394	-	-	**250,394**
CEBA loan	-	-	120,000	**120,000**
Long-term debt	71,647	27,206	217,337	**316,190**
Lease liabilities	410,609	419,311	2,075,983	**2,905,903**
	1,417,654	446,517	2,413,320	**4,277,491**

*These amounts do not include interest payable.

Market risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest risk as its TD and BDC loans have a variable interest rate. The Company does not believe the exposure to interest rate risk is significant. When assessing interest rate risk, the Company believes 1% volatility is a reasonable measure. The effect of a 1% change in interest rates would have had a $1,260 impact on the Company's net earnings for the year ended December 31, 2023 (2022 – $1,013).

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. Foreign currency risk is assessed as low as the Company has no material expenses denominated in foreign currencies.

Capital risk management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements. The Company has been successful in raising additional capital in the past and intends to continue with the issuance of securities to finance its operations if required.

NON-IFRS MEASURES

Certain financial measures included in this MD&A do not have a standardized meaning prescribed by IFRS and therefore are considered non-IFRS measures; accordingly, they may not be comparable to similar measures provided by other companies.

EBITDA*

The Company has included a non-IFRS non-GAAP performance measure, EBITDA (earnings before interest, taxes, depreciation and amortization). The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

EBITDA is calculated by adding back interest, taxes, depreciation and amortization to the Company's net income/loss. The following table provides a reconciliation of EBITDA to the financial statements.

	For the Three Months Ended		For the Year ended	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
	$	$	**$**	$
Total comprehensive loss	**(438,740)**	(1,100,958)	**(1,829,333)**	(2,742,952)
Add back:				
Financing costs	**205,389**	128,378	**714,978**	266,639
Depreciation and Amortization	**112,058**	120,206	**440,872**	537,667
EBITDA	**(121,293)**	(852,374)	**(673,483)**	(1,938,646)

The Company has made substantial progress with improving its EBITDA across the business. The Company's EBITDA improvement is driven by the rapid sales growth (organic and new restaurant openings), combined with cost synergies and optimizing the operations in both the QSR and CPG segments.

FORWARD-LOOKING INFORMATION

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the current period. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.
Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board supervises the financial statements and other financial information through its audit committee.

This committee's role is to examine the financial statements and recommend that the Board approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

As at the date of this MD&A, the directors of the Company are Shawn Moniz, Alex Rechichi, Mark Rechichi, Sean Black and Kevin Cole.