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MANAGEMENT DISCUSSION & ANALYSIS

This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements of CENTR Brands Corp. (the "Company") for the nine months ended February 29, 2020 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The MD&A should be also be read in conjunction with the annual financial statements for the period from incorporation on September 17, 2018 to May 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated.

Further information about the Company, its operations and other continuous disclosure is available through filings with the securities regulatory authorities in Canada under the Company's profile at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management of the Company as well as assumptions made by and information currently available to the Company. When used in this document, the words "*anticipate*", "*believe*", "*estimate*", "*expect*" and similar expressions, as they relate to the Company or management of the Company, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued development of the Company's beverages. These statements speak only as at the date they are made and are based on information currently available and on the then-current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the performance of the Company's business and operations; the intention to grow the business and operations of the Company; applicable laws, regulations and any amendments thereof; the competitive and business strategies of the Company; the general economic, financial market, regulatory and political conditions in which the Company operates; risks associated with economic conditions, dependence on management; and other risks described in this MD&A and described from time to time in documents filed by the Company with Canadian securities regulatory authorities. Many factors could cause the actual results, performance or the Company's achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, expectations and assumptions concerning the success of the operations of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks described above and other factors beyond the Company's control. Consequently, all forward-looking statements made in this MD&A are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to in this MD&A should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Overview

The Company was formed under the British Columbia Business Corporations Act ("BCBCA") on September 26, 2012 upon completion of the Amalgamation pursuant to the Plan of Arrangement with Ravencrest Resources Inc. ("Ravencrest"), a CNSX listed company, under the terms of an Arrangement Agreement among Ravencrest, River Wild Exploration Inc. ("Former River Wild"), a private British Columbia company, and 0943173 B.C. Ltd. ("SubCo"), a wholly-owned subsidiary of Ravencrest, pursuant to which the parties agreed to complete a plan of arrangement under sections 288 to 299 of the BCBCA whereby Former River Wild and SubCo would amalgamate to form the Company (the "Amalgamation"). The Arrangement was approved by the Ravencrest shareholders on August 9, 2012 and final court approval from the Supreme Court of British Columbia to the Arrangement was obtained on August 14, 2012.

On April 1, 2019 the Company completed the acquisition of all of the share capital of CBD Lifestyle Corp. (the "Transaction"), which was incorporated under the laws of the Province of Ontario on September 17, 2018. Prior to the acquisition, CBD Lifestyle Corp. was an operational entity. In connection with the Transaction, the Company changed its name from River Wild Exploration Inc. to CENTR Brands Corp. Today, the Company is focused on the creation and launch of a range of non-alcoholic beverages, including a global brand for the cannabidiol (CBD) infused beverage industry.

The Company's first product, called "CENTR", is a sparkling, low-calorie, CBD beverage that the Company launched in the United States in the summer of 2019. The Company expects to launch further projects over the course of the next year. The Company is led by Chief Executive Officer and Director Joseph Meehan, with Arjan Chima as President & CFO and Director and Anton Drescher and David Young as fellow Directors.

Overall Performance

As of today's date, the Company continues its marketing of CENTR in the U.S. To support sales development and growth, the Company has built a team of seven sales representatives based in: California, Arizona, Colorado, and Ohio. The Company expects to continue to drive national consumer demand and interest for CENTR in fiscal 2020, expanding its sales footprint nationally as profitable sales dictate.

Overall sales performance in the next year continues to be strongly correlated to clarification of a national regulatory structure for CBD-infused beverages in the U.S. As of today's date, the U.S. Food & Drug Administration (the "FDA") continues to evaluate the regulatory frameworks that apply to CBD-related products, including those that are intended for non-drug uses. Other important issues include determining how and when the FDA will provide guidance on a national framework for CBD regulation. The FDA has been clear in its public guidance that there is a need for further study and high quality, scientific information about the safety and potential uses of CBD.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Discussion of Operations

The Company's initial beverage product, CENTR, commenced sales in fiscal Q1 2020. During this period, the Company both focused on and used the proceeds of the financings that it has completed to date for (i) the continued development of the CENTR brand, (ii) marketing of the CENTR brand, (iii) growth of its already-established sales and marketing team in the U.S., (iv) continued introduction of the CENTR brand concept and product to potential distribution and retail sales partners in the U.S., and (v) further production of CENTR.

Overall success and future sales of the CENTR-branded CBD beverage – both regionally and nationally in the U.S. – strongly depends on several factors, including (i) timely dissemination of a positive national regulatory framework for CBD beverages by the FDA (please see "Overall Performance" above), and (ii) continued development of a sizeable and effective distribution channel for CENTR, both currently and thereafter.

Summary of Quarterly Results

Description	**Q3 2020**	**Q2 2020**	**Q1 2020**	**Q4 2019**	**Q3 2019**	**Q2 Sep 17, 2018 to Nov 30, 2018**
Inventory	$528,775	$640,978	$752,947	$ -	$ -	$ -
Revenue	234,670	160,234	19,119	-	-	-
Net and comprehensive loss for the period	(851,207)	(944,803)	(678,450)	(2,645,389)	(415,600)	(66,493)
Net loss and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.09)	(0.31)	(0.05)

Sales of the Company's initial beverage product (CENTR) commenced in August 2019 and sales continued to increase for the three months ended February 29, 2020 as the Company continued to build retail distribution opportunities.

Net and comprehensive loss in Q4 2019 was significantly higher than other quarters as a result of the following:

1) The acquisition of CBD Lifestyle Corp. on April 1, 2019 resulted in listing expenses of $1,109,089.
2) Expenses related to the marketing launch of CENTR in the United States of $267,451.
3) Stock options issued to employees and directors resulted in the Company incurring a share-based compensation expense of $458,358.

Results of Operations

For the three-month period ended February 29, 2020 (Q3 2020)

The Company incurred a net loss and comprehensive loss in Q3 2020 of $851,207 (Q3 2019 - $415,600).

Revenue

Sales in Q3 2020 was $234,670 (Q3 2019 - $Nil) as the Company's initial beverage product, CENTR, continued to build distribution and retail sales opportunities on a state-by-state basis. Sales had not yet commenced in Q3 2019.

Expenses

General and administrative

General and administrative expenses for Q3 2020 was $847,925 (Q3 2019 - $378,335) and significant amounts included the following:

Salaries and benefits of $453,130 (Q3 2019 - $60,174) resulting from the hiring of two new employee (Sales Division Manager and Accountant) and continued employment of nine other employees. The Company had only one employee in Q3 2019.

Consulting fees of $117,467 (Q3 2019 - $260,836) resulting from the continued development of the Company's marketing strategy and the CENTR brand.

Travel and other expenses of $109,486 (Q3 2019 - $9,079) resulting from an increase in travel, inventory storage costs and commissions paid on sales.

Marketing and promotion

Marketing and promotion expenses for Q3 2020 was $119,088 (Q3 2019 - $37,265) and the increase was due to the purchases of point of sale material, branded merchandise and experiential samples.

Share-based compensation

Share-based compensation recognized in Q3 2020 was $5,212 (Q3 2019 - $Nil) for restricted share units with a vesting term of 60 months.

For the nine-month period ended February 29, 2020 compared to the period from incorporation on September 17, 2018 to February 28, 2019

For the nine months ended February 29, 2020, the Company incurred a net loss and comprehensive loss of $2,474,460 (2019 - $482,093).

Revenue

Sales for the nine months ended February 29, 2020 was $414,023 (2019 - $Nil) as the Company's initial beverage product, CENTR, commenced sales in August 2019.

Expenses

General and Administrative

General and administrative expenses for the nine months ended February 29, 2020 was $2,428,308 (2019 - $444,828) and significant amounts included the following:

Salaries and benefits of $1,145,321 (2019 - $60,174) resulting from the hiring of four new employees (National Account Manager, three Sales Division Managers and General Counsel) and continued employment of three employees.

Consulting fees of $606,443 (2019 - $281,836) resulting from the private placements discussed herein, negotiation of the transaction with CBD Lifestyle Corp. and the continued development of the Company's marketing strategy and the CENTR brand.

Travel and other expenses of $313,105 (2019 - $20,360) resulting from an increase in travel, inventory storage costs and commissions paid on sales.

Accounting and legal of $177,558 (2019 - $80,379) resulting from an increase in legal fees relating to general corporate matter.

Office and administrative of $174,090 (2019 - $2,079) resulting from costs incurred for dues, shipping, rent and commercial insurance.

Marketing and promotion

Marketing and promotion expenses for the nine months ended February 29, 2020 was $269,042 (2019 - $37,265) for sponsorships, point of sale material, branded merchandise and experiential samples.

Share-based compensation

During the nine-month period, the Company recorded a share-based compensation expense of $15,636 (2019 - $Nil) for restricted share units with a vesting term of 60 months.

Liquidity and Capital Resources

As of February 29, 2020, the Company had a cash position of $596,948.

Working capital as of February 29, 2020 was $1,009,944 largely attributable to the February 20, 2020 private placement where the Company issued 2,512,401 common shares for gross proceeds of $1,256,201. Operating activities are expected to generate revenue in the next quarter and beyond. The Company expects that continuing and expanding sales of its beverage will be sufficient to maintain the Company's capacity to meet planned growth. Despite this, and due largely to the costs of the development and launch of our initial beverage and related branding, the Company has limited capital resources and may have to also rely upon the sale of equity and/or debt securities for cash required for acquisitions and to fund the general and administration expenses of the Company. The Company does not presently engage in any investing activities.

Transactions with Related Parties

The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management personnel are defined as the executive officers of the Company and the Board, including the Chief Executive Officer and Chief Financial Officer.

The Company entered into certain transactions with key management personnel during the periods ended February 29, 2020 as follows:

	Nine months ended Feb. 29, 2020	Three months ended Feb. 29, 2020
Salaries and benefits	$ 344,250	$ 114,750

The Company incurred the following transactions with companies having directors and officers in common, including Meehan Ideas Inc., MPM&L Joint Venture and Harbour Pacific Capital Corporation:

	Nine months ended Feb. 29, 2020	Three months ended Feb. 29, 2020
Consulting fees paid to companies controlled by directors of the Company	$ 522,500	$ 117,500
Consulting fees paid to companies controlled by directors of the Company	79,827	20,758
	$ 602,327	$ 138,258

As at February 29, 2020, $135,186 was included in due to related parties for other overhead costs, salaries and office rent rendered by Meehan Ideas Inc., the Chief Executive Officer, The Chief Financial Officer and MPM&L Joint Venture, in the ordinary course of business. These amounts bear no interest and are due on demand.

Financial Instruments

Fair Value of Financial Instruments

The fair value of cash and accounts payable and accrued liabilities approximates their carrying value due to their immediate or short-term nature, unless otherwise noted.

Fair Value Hierarchy

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in level1that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The fair value of cash is measured using a level 1 technique.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s cash is exposed to credit risk. The Company reduces credit risk on cash by placing these instruments with institutions of high credit worthiness. As at February 29, 2020, management of the Company believes the Company’s credit risk is minimal.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company’s financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company’s operations are subject to currency transaction and translation risks.

The Company’s main risk is associated with fluctuations in U.S. dollars as the Company holds cash in Canadian dollars and U.S. dollars. Assets and liabilities are translated based on the foreign currency translation policy.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Company does not hold interest-bearing debt with long-term maturities and therefore does not believe that interest rate risk is significant. The Company does not use derivative instruments to reduce interest rate risk as management of the Company believes that the likely financial impact of interest rate changes does not justify using derivatives.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with the Company’s financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. The Company addresses liquidity risk through equity financing obtained through the sale of common shares and the exercise of warrants and options.

Directors and Officers

The Company’s Board of Directors is as follows:

Joseph E. Meehan
Arjan J. Chima
Anton J. Drescher
David T. Young

The Company's officers are:

Joseph E. Meehan	*Chief Executive Officer*
Arjan J. Chima	*President, Chief Financial Officer and Secretary*

Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As of April 22, 2020, 62,423,601 common shares were issued and outstanding.

On February 20, 2020, the Company issued 2,512,401 common shares (subject to a four-month-and-one-day statutory hold period) of the Company in a private placement for gross proceeds of $1,256,201 for general working capital purposes. This included 1,050,000 common shares purchased by a company controlled by a director of the Company. Finders' fees totalling $53,296 were paid in connection with the financing.

As of April 22, 2020, 5,105,000 restricted share units were outstanding with expiry dates of February 20, 2025.

Subsequent to the quarter-end, 425,600 warrants expired on March 29, 2020 and as of April 22, 2020, there were no warrants outstanding.

Changes in Accounting Policies

New or Revised Standards and Amendments to Existing Standards Not Yet Effective

IFRS 16, Leases ("IFRS 16"), was issued in January 2016, replacing IAS 17, Leases ("IAS 17"). IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12-months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

IFRS 16 was adopted by the Company effective June 1, 2019 under the modified retrospective approach. The Company identified a lease contract related to a vehicle, for which recognition changed under IFRS 16. Management has recognized a right-of-use asset and lease liability related to a vehicle lease on adoption of IFRS 16, with no material impact to deficit on transition.