Management Discussion and Analysis of Financial Condition and Results of Operations

For the three and nine months ended December 31, 2023

This Management's Discussion and Analysis ("**MD&A**") is intended to help the reader understand the condensed consolidated interim financial statements of Coho Collective Kitchens Inc. (the "**Company**" or "**Coho**") and includes its wholly-owned subsidiaries. This information has been prepared as of February 29, 2024.

The following MD&A is intended to assist in the understanding of the trends and significant changes in the financial condition and results of Coho for the three months and nine months ended December 31, 2023. This MD&A was written to comply with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* and Form 51-102F1 *Management Discussion and Analysis.*

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended December 31, 2023 and 2022, and with the audited consolidated annual financial statements for the year ended March 31, 2023 and 15 months ended March 31, 2022, along with related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), and all amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain information contained herein contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “outlook”, “prospects”, “strategy”, “intends”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

The forward-looking information contained herein represents our expectations as of the date of this MD&A. The Company does not have any policies to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada Forward-looking information in this MD&A relates to but is not limited to:

- the Company's expansion across Canada;
- the Company's business plans including the construction of additional locations, the creation of additional offerings, and the development of bespoke software offerings;
- use of available funds, including the proceeds raised in connection with the Offering;
- the growth of the Ghost Kitchen industry in the future;
- business objectives and milestones; and
- adequacy of financial resources.

We have based the forward-looking information largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond our control, include, but are not limited to: the assumption that additional offerings and that any additional financing needed will be available on reasonable terms; our ability to successfully market our products to customers and members; expectations regarding trends and competitive conditions in the our industry; no material changes to the regulatory environment in which we operate; the assumption that we will be able to increase our capacity and that such added capacity will enable us to increase sales volume; the assumption that our operating costs will not increase materially; our ability to maintain, enhance, and grow our appeal within our addressable market; our ability to attract and retain key personnel; and the impact of competition. Forward-looking information regarding treatment by governmental authorities assumes no material change in regulations, policies, or the application of the same by such authorities.

Actual results could differ materially from those anticipated in these forward-looking information as a result of the risk factors set forth below and elsewhere in this MD&A:

- our reliance on key personnel;
- protection of our intellectual property rights;
- the effect of competition on our business;
- government regulation of the food industry creating risks and challenges;
- the effect of product labelling requirements;
- price of raw materials;
- consumer trends;
- our supply chain management;
- availability of suppliers of raw materials;
- limited or disrupted supply of key ingredients;
- failure to successfully develop and scale technological platforms (or to do so in a cost efficient manner);
- the effect of climate change

- consolidation in the food retail business;
- cybersecurity;
- food safety and consumer health;
- brand value;
- reputation risk;
- disruption at any of our facilities;
- failure to successfully establish our future facility in Vancouver;
- failure to expand production capacity;
- risks associated with leasing commercial and retail space;
- effect of product innovation;
- failure to retain current members and/or recruit new members;
- litigation risk;
- third party reliance for shipping and payment processing;
- failure to meet social responsibility metrics;
- speculative nature of investment risk;
- our history of losses;
- liquidity and future financing risk;
- additional funding requirements and risks;
- dividend risk;
- increased costs of being a publicly traded company;
- general global economic risk;
- labour shortages;
- fuel/energy cost increases;
- member credit risk and insolvency;
- availability of sufficient insurance coverage at an affordable price;
- conflicts of interest; and
- the other factors discussed under "*Risk Factors*".

This list of factors should not be construed as exhaustive. All subsequent forward-looking information attributable to our Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein.

OVERVIEW

Description of Business

Coho Commissary:

Coho Commissary is a growth stage, community-driven, commercial real estate, and food technology company. Coho's principal business activities involve providing private and shared kitchen and production space to food-based businesses in Canada. The Company specializes in offering commercial commissary/Ghost Kitchens, defined herein as private kitchens available for rent to food-based businesses. Coho serves as a turnkey solution for a diverse range of clients, from startups to restaurant groups, seeking efficient and cost-effective kitchen solutions.

Each customer, referred to as a "Member", is a revenue-generating company that has signed a membership agreement with Coho for an agreed-upon term. The concept aligns with the rapidly growing trend in the food-delivery industry, catering to delivery-only and virtual restaurant concepts known as "Ghost Kitchens."

Coho currently serves over 140 food-based businesses across eight locations in British Columbia. The Company is experiencing growing demand within its existing Member base and maintains a long and expanding waitlist of potential Members. In response to this demand, Coho is actively entering into new lease agreements for additional locations, referred to as the "Growth Locations." These new sites will provide additional square footage, enabling the Company to meet the increased demand and expand its reach. Coho plans to launch the Growth Locations across Canada over the next 12-18 months.

Coho distinguishes itself through a high-touch approach to supporting Member businesses. The Company aims to increase lifetime value, identify and support high-potential, scalable brands, and turn Members into brand advocates. Coho's mission is to nurture dreams, supercharge businesses, and innovate in the food and beverage industry. The Company's services include access to shared kitchen facilities, marketing services, pre-negotiated deals with suppliers, and business consultation services. Coho's model allows Members to avoid costly buildouts of physical facilities, mitigating uncertainties related to build-time, permits, and health authority approvals. Coho plays a pivotal role in helping Members navigate the challenges traditionally associated with the legacy restaurant industry, known for its high costs and low margins.

Purebread. Bakery Inc. (“Purebread”):

In addition to Coho Commissary, the business portfolio now includes Purebread, a thriving cafe and retail establishment. Purebread is dedicated to crafting exceptional bakery products, providing delightful cafe services, and offering unique retail experiences. With a commitment to quality and innovation, Purebread has become a beloved destination for food enthusiasts seeking a diverse range of artisanal baked goods and a cozy cafe atmosphere.

Purebread's offerings include an array of handcrafted pastries, artisanal bread, delectable desserts, and specialty coffee. The cafe environment invites customers to savor these delights while enjoying a warm and inviting ambiance. The retail section complements the cafe experience, allowing customers to take home their favorite Purebread creations or explore unique gifts.

This strategic addition of Purebread to Coho's business portfolio further strengthens the Company's position in the market. It aligns with Coho's commitment to providing comprehensive solutions across various segments of the food-based business landscape. The acquisition of Purebread enhances Coho's ability to support and cater to the evolving needs of its Members while bringing exceptional culinary experiences to a broader audience.

Corporate History

The Company was incorporated under the *Business Corporations Act* (British Columbia) on June 7, 2019, under the name "Coho Collective Kitchens Inc.". Our head office is located at 1623 Pandora Street, Vancouver, British Columbia V5L 0B1 and our registered and records office is located at 2900 – 550 Burrard Street, Vancouver, British Columbia V6C 0A3.

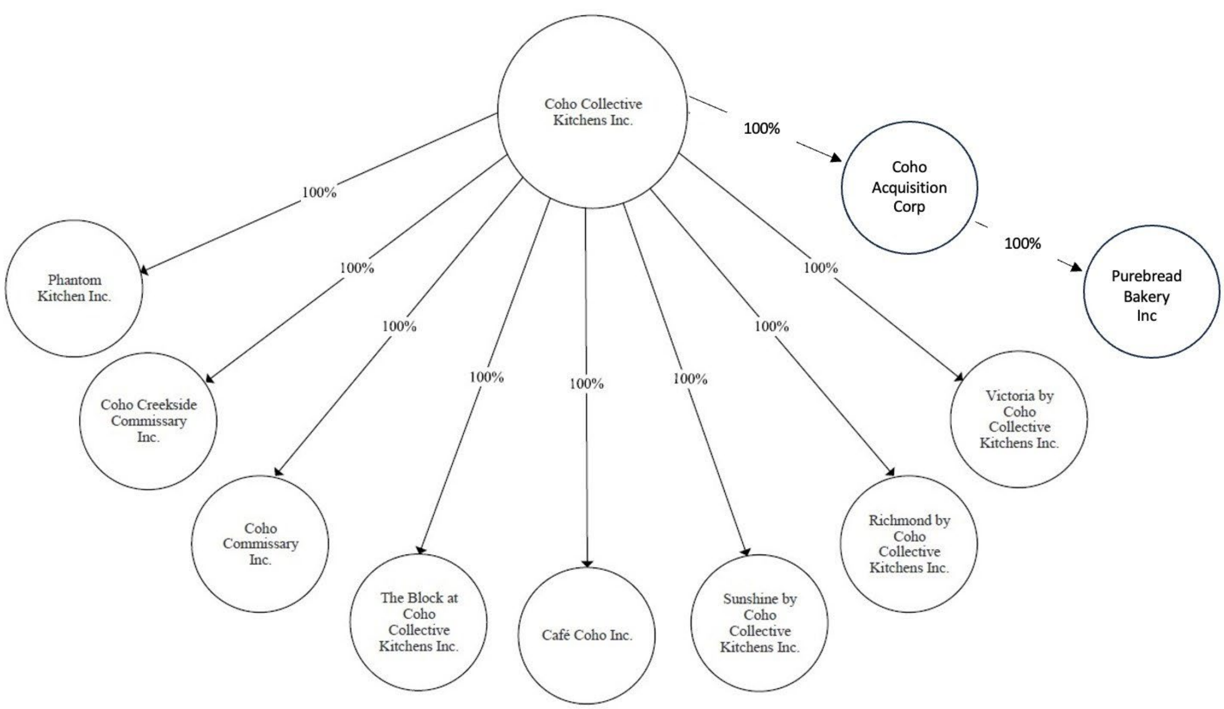
Intercorporate Relationships

We have ten wholly-owned subsidiaries which were incorporated pursuant to the *Business Corporations Act* (British Columbia) to provide flexibility for intercorporate organizational needs as they arise. The wholly-owned subsidiaries, all of which are operating entities as at December 31, 2023, were incorporated on the following dates:

1. Coho Commissary Inc. – January 14, 2018
2. Coho Creekside Commissary Inc. – October 22, 2018
3. The Block at Coho Collective Kitchens Inc. – May 28, 2019
4. Cafe Coho Inc. – September 25, 2019
5. Sunshine by Coho Collective Kitchens Inc. – January 19, 2021
6. Richmond by Coho Collective Kitchens Inc. – May 31, 2021
7. Phantom Kitchen Inc. – June 22, 2021
8. Victoria by Coho Collective Kitchens Inc. – January 5, 2022
9. Coho Acquisition Corp. – May 26, 2023
10. Purebread [(1)] – September 25, 1997

(1) Purebread was acquired on September 20, 2023 and is a wholly owned subsidiary of Coho Acquisition Corp.

The following organizational chart illustrates the intercorporate relationships of the Company:



Corporate Reorganizations

Several of the above entities came into existence before June 7, 2019. However, it was on this date that Coho was incorporated. Following the incorporation, the preexisting entities were brought in as wholly-owned subsidiaries. Prior to this date, the Commissary, Block, and Creekside locations operated independently.

Industry Overview

Virtual Kitchen Market Overview

Coho operates in the flourishing global Ghost Kitchen market, valued at $51.9 billion USD in 2020. This industry is rapidly evolving and attracting substantial attention and funding, as evidenced by notable companies such as Cloud Kitchens, Kitchen United, Reef Technologies (based in the United States of America), and JustKitchen (based in Taiwan).

Ghost Kitchens, also known as "cloud kitchens" or "virtual kitchens," provide a transformative solution for food businesses by offering large commercial kitchen facilities without the capital expenditures associated with traditional brick-and-mortar establishments. Coho's diverse membership spans from small consumer packaged goods ("CPG") manufacturers selling at markets to larger restaurant businesses streamlining their operations. The platform accommodates over 100 members across various food production categories, including farmers market vendors, bakers, CPG producers, and restaurants. A notable segment within Coho's membership comprises virtual-only restaurants, leveraging third-party delivery partners like UberEats, DoorDash, and SkipTheDishes—the fastest-growing segment for Coho.

Ghost Kitchens have reshaped the dynamics of the food industry, capitalizing on the increasing demand for delivery-only concepts. Coho's strategic positioning aligns with this trend, allowing its members to meet the rising consumer demand for delivery food while benefiting from shared kitchen spaces.

The advantages of Ghost Kitchens over traditional models include increased efficiency in delivery-only concepts, overcoming challenges related to retail and industrial rent, credit facilities, and city permitting. Moreover, the model addresses the challenge of accessing qualified talent, a pertinent issue in the hospitality sector. By reducing labor requirements for its members, Coho's Ghost Kitchen model proves effective in mitigating staffing challenges faced by the industry.

Anticipating sustained momentum, Coho is well-positioned to capitalize on the growing demand for food delivery while facilitating its members in addressing evolving consumer needs.

Bakery and Cafe Retail Industry Overview:

In a strategic move to enhance its presence in the Bakery and Cafe Retail industry, Coho recently acquired Purebread. This sector is characterized by dynamic trends and consumer preferences, providing ample opportunities for growth and innovation.

Purebread’s specialization in crafting premium baked goods aligns seamlessly with the escalating consumer demand for high-quality and artisanal offerings in the Bakery and Cafe Retail industry. The market is witnessing a surge in consumer preferences for unique flavors, locally sourced ingredients, and experiential dining, and the combined business is poised to capitalize on these evolving dynamics.

Diverging from the Ghost Kitchen model, which predominantly focuses on delivery-only concepts, the Bakery and Cafe Retail industry introduces a physical presence through brick-and-mortar establishments. This hybrid approach positions the newly formed entity to cater to both the increasing demand for delivery services and the enduring appeal of in-person dining experiences.

The acquisition strategically expands Coho and Purebread's footprint, providing access to a broader consumer base through Purebread's existing network of physical locations. In an industry where ambiance and convenience play pivotal roles, this expanded market presence enhances the overall competitiveness of the combined business.

Additionally, the Bakery and Cafe Retail industry shares certain challenges with the Ghost Kitchen market, such as difficulties in securing suitable retail and industrial facilities. Purebread's established presence contributes valuable insights and experience, reinforcing Coho's ability to navigate and overcome these challenges effectively.

As the Ghost Kitchen industry continues to experience sustained momentum due to the growing preference for food delivery, the combined business strategically leverages this trend. Coho's operational efficiencies, coupled with Purebread's brand reputation and product portfolio, position the Company for sustained growth and success in the competitive landscape of the Bakery and Cafe Retail industry.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial data for the indicated period:

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Nine months Ended December 31, 2023	Nine months Ended December 31, 2022
	$	$	$	$
Revenue	4,130,173	723,703	6,656,419	1,923,310
Net loss	(1,849,010)	(1,310,857)	(4,686,892)	(4,601,810)
Basic and diluted loss per share	(0.02)	(0.02)	(0.05)	(0.06)
Adjusted EBITDA (1)	68,384	(574,034)	(848,198)	(2,030,847)
Total assets	28,948,606	12,866,911	28,948,606	12,866,911
Total current liabilities	10,704,845	3,882,099	10,704,845	3,882,099
Total non-current liabilities (2)	19,816,025	8,889,359	19,816,025	8,889,359

Notes:

(1) Defined as earnings (or loss) from operations before interest, taxes, depreciation and amortization, adjusted for share based compensation, accretion and non-recurring transaction costs, and is a non-IFRS measure discussed in the "Adjusted EBITDA" section.

(2) Non-current liabilities are comprised of lease obligation, other loans, convertible debentures, Term Facility and vendor take-back note.

During the three and nine months ended December 31, 2023, revenue increased to $4,130,173 and $6,656,419, compared to $723,703 and $1,923,310 in the three and nine months ended December 31, 2022. The increase in revenue for the three and nine months ended December 31, 2023 was driven by: (i) strong retail revenue generated from the Company's subsidiary, Purebread, and (ii) increased rental revenue from the Company's existing and newly opened shared kitchen facilities during fiscal year 2024.

During the three and nine months ended December 31, 2023, the Company incurred a net loss of $1,849,010 and $4,686,892, compared to $1,310,857 and $4,601,810 in the three and nine months ended December 31, 2022. The increase in net loss was primarily due to increased interest, amortization, and non-recurring transaction costs, which were offset by operating income sourced from Purebread subsequent to its acquisition.

As at December 31, 2023, the Company had cash of $59,708 (March 31, 2023 - $249,737), receivables of $143,488 (March 31, 2023 - $206,807), inventory of $204,653 (March 31, 2023 - $nil) and prepaid expenses of $1,881,981 (March 31, 2023 - $610,608). The increase in current assets to $1,382,500 (March 31, 2023 - $710,564) was primarily due to inventory obtained from the acquisition of Purebread and an increase in prepaid expenses related to the acquisition of Purebread, offset by a decrease in cash.

Property and equipment as at December 31, 2023 was $6,890,807 (March 31, 2023 – $4,718,007). The increase in property and equipment during the nine months ended December 31, 2023 was primarily due to: (i) the opening of the Company's East Hastings location, and (ii) equipment and leasehold improvements acquired from the Company's acquisition of Purebread on September 20, 2023.

The Company has signed lease agreements for its commercial kitchens. The fair value of the right-of-use assets and lease obligations were determined by discounting future lease payments at the incremental borrowing rates applicable on the date of acquisition. Right-of-use assets as at December 31, 2023 were $10,263,260 (March 31, 2023 – $7,206,455). The increase in right-of-use assets was primarily due to lease agreements obtained from the Company's acquisition of Purebread on September 20, 2023.

Goodwill and other intangibles as at December 31, 2023 was $9,504,709 (March 31, 2023 - $nil), resulting from the Company's acquisition of Purebread on September 20, 2023.

Given the nature of the business, there are substantial non-current assets including right-of-use assets on the balance sheet and amortization of these assets has a substantial impact on the income statement and statement of cash flows.

The Company had current liabilities of $10,704,845 as at December 31, 2023 (March 31, 2023 – $5,372,884). Non-current liabilities, which include the non-current portion of lease obligations, other loans, convertible debentures, Term Facility and vendor take-back note as at December 31, 2023 were $19,816,025 (March 31, 2023 - $8,928,853).

Shareholders' equity is comprised of share capital of $18,457,138 (March 31, 2023 - $14,916,334), other reserves of $2,516,554 (March 31, 2023 - $1,217,102), subscriptions received in advance of $25,000 (March 31, 2023 - $nil) and deficit of $22,570,956 (March 31, 2023 - $17,443,559).

Working capital, which is comprised of current assets less current liabilities, was $(9,322,345) as at December 31, 2023, compared to a working capital of $(4,662,320) as at March 31, 2023. The decrease in working capital position as at December 31, 2023, compared to March 31, 2023, was primarily due to an increase in: (i) trade payables and accrued liabilities, and (ii) current portions of lease obligations, other loans and convertible debentures.

In connection to the Company's acquisition of Purebread on September 20, 2023, the Company entered into a letter of agreement with the Bank of Montreal ("BMO"), setting out the terms under which BMO provided a senior secured $5,500,000 non-revolving Term Facility (the "Term Facility") to the Company. As at December 31, 2023, the remaining balance due on the Term Facility is $5,344,988 (March 31, 2023 - $nil).

The weighted average number of common shares outstanding for the three and nine months ended December 31, 2023 were 115,639,405 and 95,909,528, compared to 84,285,042 and 79,974,616 for the three and nine months ended December 31, 2022.

ADJUSTED EBITDA (NON-IFRS MEASURE)

Adjusted EBITDA is a metric used by management which is defined as earnings (or loss) from operations before interest, taxes, depreciation and amortization, adjusted for share based compensation, accretion and non-recurring transaction costs.

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Nine months Ended December 31, 2023	Nine months Ended December 31, 2022
	$	$	$	$
Net loss	(1,849,010)	(1,310,857)	(4,686,892)	(4,601,810)
Amortization	594,476	380,882	1,443,498	928,281
Accretion	17,118	9,480	48,171	38,184
Interest	615,818	231,572	1,183,181	650,998
Share based compensation	131,702	114,889	333,107	224,982
Non-recurring transaction costs (1)	558,280	-	830,737	728,518
Adjusted EBITDA	68,384	(574,034)	(848,198)	(2,030,847)

Notes:

(1) Non-recurring transaction costs include professional fees associated with the Company's acquisition of Purebread on September 20, 2023 and initial public offering completed on June 9, 2022.

The operating results of Purebread have been included in the Company's condensed consolidated interim financial statements from September 20, 2023 to December 31, 2023. For the three and nine months ended December 31, 2023 adjusted EBITDA was $68,384 and $(848,198), compared to $(574,034) and $(2,030,847) in the three and nine months ended December 31, 2022. The increase in adjusted EBITDA was attributed to: (i) the contribution of profits from Purebread's operations subsequent to its acquisition on September 20, 2023, (ii) revenue growth from the Company's new and existing shared kitchen facilities, and (iii) the Company's continuing focus to streamline administrative functions and reduce operating expenses.

RESULTS OF OPERATIONS

The comparative three and nine months ended December 31, 2022 results in the table below were prior to the acquisition of Purebread on September 20, 2023. The operating results of Purebread have been included in the Company's condensed consolidated interim financial statements from September 20, 2023 to December 31, 2023. The following table shows the revenue and gross profit generated by location for the three and nine months ended December 31, 2023 and 2022:

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Nine months Ended December 31, 2023	Nine months Ended December 31, 2022
	$	$	$	$
Revenue				
Block	294,955	277,588	897,782	851,313
Café	-	45,517	-	113,388
Commissary	94,899	95,035	276,316	291,689
Collective	9,950	-	31,375	-
Creekside	-	40,297	8,147	116,447
East Hastings	25,710	-	49,615	-
Sunshine	298,111	283,753	1,152,030	534,684
Pandora	133,568	8,000	348,373	8,000
Phantom	-	-	-	-
Purebread	3,211,534	-	3,663,226	-
Richmond	-	-	-	-
Victoria	34,789	7,789	88,366	7,789
White Rock	26,657	-	141,189	-
Total Revenue	4,130,173	723,703	6,656,419	1,923,310

Cost of Sales (Retail)	884,143	85,007	1,270,853	252,437
Gross Profit	3,246,030	638,696	5,385,566	1,670,873

During the three and nine months ended December 31, 2023, revenue increased to $4,130,173 and $6,656,419, compared to $723,703 and $1,923,310 in the three and nine months ended December 31, 2022. The increase in revenue for the three and nine months ended December 31, 2023, was driven by: (i) strong retail revenue generated from the Company's recently acquired subsidiary, Purebread, and (ii) increased rental revenue from the Company's existing and newly opened shared kitchen facilities during fiscal year 2024.

	Three Months Ended December 31, 2023	**Three Months Ended December 31, 2022**	**Nine months Ended December 31, 2023**	**Nine months Ended December 31, 2022**
	$	$	$	$
Operating Expenses				
Advertising and promotion	10,269	18,419	46,635	62,514
Amortization	594,476	380,882	1,443,498	928,281
Accretion	17,118	9,480	48,171	38,184
Interest	615,818	231,572	1,183,181	650,998
Occupancy cost	682,617	211,124	1,235,852	596,000
Office and miscellaneous	165,696	55,313	365,058	176,883
Professional fees	669,993	153,953	1,574,905	1,218,146
Salaries and benefits	1,957,235	680,763	3,398,490	2,072,046
Share based compensation	131,702	114,889	333,107	224,982
Subcontractor	40,443	19,260	65,736	60,979
Supplies	209,673	73,898	377,825	243,670
Total Operating Expenses	**5,095,040**	**1,949,553**	**10,072,458**	**6,272,683**

During the three and nine months ended December 31, 2023, total operating expenses increased to $5,095,040 and $10,072,458, compared to $1,949,553 and $6,272,683 for the three and nine months ended December 31, 2022. This increase was primarily due to an increase of amortization, interest, occupancy cost, professional fees, and salaries and benefits.

Amortization: During the three and nine months ended December 31, 2023, amortization increased to $594,476 and $1,443,498, compared to $380,882 and $928,281 in the three and nine months ended December 31, 2022. The increase was driven by: (i) additions to property and equipment at the Company's shared kitchen locations and Purebread locations, and (ii) additions to right-of-use assets attributable to the Company's new shared kitchen locations and Purebread locations.

Interest: During the three and nine months ended December 31, 2023, interest increased to $615,818 and $1,183,181, compared to $231,572 and $650,998 in the three and nine months ended December 31, 2022. The increase was driven by: (i) additions to lease obligations attributable to the Company's new shared kitchen locations and Purebread locations, and (ii) the BMO Term Facility and vendor take-back note associated with the Purebread acquisition.

Occupancy cost: During the three and nine months ended December 31, 2023, occupancy cost increased to $682,617 and $1,235,852, compared to $211,124 and $596,000 in the three and nine months ended December 31, 2022. The increase was comprised of rental, repairs and maintenance costs, and utilities associated with the opening of new shared kitchen locations, and the addition of Purebread's production facility and operating locations.

Professional fees: During the three and nine months ended December 31, 2023, professional fees increased to $669,993 and $1,574,905, compared to $153,953 and $1,218,146 in the three and nine months ended December 31, 2022. The increase in professional fees was primarily due to an increase in non-recurring transaction costs associated with the Company's acquisition of Purebread on September 20, 2023, along with the associated BMO Term Facility and vendor take-back note financings.

Salaries and benefits: During the three and nine months ended December 31, 2023, salaries and benefits increased to $1,957,235 and $3,398,490, compared to $680,763 and $2,072,046 in the three and nine months ended December 31, 2022. The increase in salaries and benefits was primarily driven by the addition of front-of-house and production staff, resulting from the Company's acquisition of Purebread on September 20, 2023.

SUMMARY OF QUARTERLY RESULTS

	Quarter Ended December 31, 2023	**Quarter Ended September 30, 2023**	**Quarter Ended June 30, 2023**	**Quarter Ended March 31, 2023**
	$	$	$	$
Revenue	4,130,173	1,633,917	892,329	627,769
Total operating expenses	5,095,040	2,932,848	2,044,570	2,048,021
Net loss	(1,849,010)	(1,574,790)	(1,253,698)	(1,469,508)
Net loss per share	$(0.02)	$(0.02)	$(0.02)	$(0.02)

	Quarter Ended December 31, 2022	**Quarter Ended September 30, 2022**	**Quarter Ended June 30, 2022**	**Quarter Ended March 31, 2022**
	$	$	$	$
Revenue	723,703	656,295	543,312	546,124
Total operating expenses	1,949,553	2,346,191	1,976,939	1,387,287
Net loss	(1,310,857)	(1,798,290)	(1,492,663)	(875,687)
Net loss per share	$(0.02)	$(0.02)	$(0.02)	$(0.02)

The general trend of increasing revenue and operating expenses relates to the opening of additional locations over time, in addition to the Company's acquisition of Purebread on September 20, 2023, as noted in the "Results of Operations" section above.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

On December 31, 2023, the Company held cash of $59,708 compared to $249,737 on March 31, 2023.

Working capital, which is comprised of current assets less current liabilities, was $(9,322,345) as at December 31, 2023, compared to a working capital of $(4,662,320) as at March 31, 2023. The Company has, to date, financed growth through equity financing, credit facilities, shareholder loans, and convertible debentures.

Working capital is subject to the timing of collection of receivables and the payment of payables and expenses.

As at December 31, 2023, the Company had loans due to the Company's CEO of $4,031 (March 31, 2023 - $19,062), due to the Company's COO and a company controlled by the COO of $7,839 (March 31, 2023 - $35,666), and due to the Company's CMO of $24,000 (March 31, 2023 - $nil). The loans are unsecured, non-interest bearing and due on demand.

Cash Flow Analysis

Cash used in operating activities during the nine months ended December 31, 2023, was $1,993,720 compared to $2,560,554 during the nine months ended December 31, 2022. Cash used in operating activities during the nine months ended December 31, 2023, decreased due to the following:

- **Net loss**: During the nine months ended December 31, 2023, net loss decreased to $4,747,112 from $4,601,810 during the nine months ended December 31, 2022.
- **Items not involving cash**: During the nine months ended December 31, 2023, items not involving cash provided cash of $2,729,107, compared to cash provided of $1,660,355 during the nine months ended December 31, 2022. The increase in cash provided from items not involving cash was driven by increases in: (i) amortization of property equipment, (ii) amortization of right-of-use assets, (iii) interest, and (iv) share based compensation during the nine months ended December 31, 2023.
- **Changes in working capital and other items:** During the nine months ended December 31, 2023, changes in working capital and other items provided cash of $24,285, compared to cash provided of $380,901 during the nine months ended December 31, 2022. The decrease in cash provided from changes in working capital and other items was driven by increases in (i) inventory and (ii) prepaid expenses, offset by (i) a decrease in receivables, (ii) an increase in trade payables and accrued liabilities, and (iii) an increase in deposits.

Cash used in investing activities during the nine months ended December 31, 2023, was $3,749,246, compared to $2,260,347 during the nine months ended December 31, 2022, primarily due to the cash paid for the acquisition of Purebread and an increase in purchase of property and equipment, offset by an increase in payables related to capital expenditures.

Cash provided by financing activities during the nine months ended December 31, 2023, was $11,052,937, compared to $4,771,317 during the nine months ended December 31, 2022. The increase in cash provided by financing activities during the nine months ended December 31, 2023, was due to increases in cash from (i) increased subscriptions received in advance, (ii) proceeds from convertible debentures and loan advances, and (iii) Term Facility advances, offset by decreases in cash from (i) decreased proceeds from share issuances net of share issuance costs, (ii) increased loan repayments, (iii) Term Facility repayments (iv) increased lease obligations, and (v) increased shareholder repayments.

The following table details the remaining contractual maturities, including lease payments at the respective reporting dates of the Company's non-derivative financial liabilities, which are based on contractual non-discounted cash flows and the earliest date the Company can be required to pay:

	Maturity			
	Within 1 year	**1-5 years**	**Greater than 5 years**	**Total**
Trade payables and accrued liabilities	$ 5,063,258	$ -	$ -	$ 5,063,258
Deposits	329,099	-	-	329,099
Lease obligation	2,037,670	6,962,695	9,341,709	18,342,074
Loans from shareholders	35,870	-	-	35,870
Other loans	3,958,496	650,277	-	4,608,773
Convertible debentures	217,067	1,463,312	-	1,680,379
Term Facility	-	5,344,988	-	5,344,988
Vendor take-back note	-	1,500,000	-	1,500,000
	$ 11,641,460	**$ 15,921,272**	**$ 9,341,709**	**$ 36,904,441**

Capital Resources

On September 20, 2023, the Company announced the closing of its acquisition of Purebread. Under the Purchase Agreement, Coho Acquisition Corp., Coho's wholly owned subsidiary, acquired all of the issued and outstanding securities of Purebread from the Vendors (the "**Acquisition**").

In order to complete the Acquisition, Coho Acquisition Corp. entered into a letter of agreement with the Bank of Montreal ("**BMO**"), setting out the terms under which BMO provided up to $5,900,000 in senior secured credit facilities (the "**Facilities**"). The Facilities consist of a $5,500,000 non-revolving Term Facility, a $300,000 revolving facility, and a $100,000 corporate credit card facility. In addition, the Company closed a brokered private placement of 26,445,186 units of the Company (each a "**Unit**") at a price of $0.17 per Unit, for aggregate gross proceeds of $4,495,682.

Purebread is one of Canada's fastest growing and most respected independent bakery and cafe businesses. Purebread's existing team currently operates seven locations and will work with Coho following the closing of the Acquisition ("**Closing**"). Following Closing, it is expected that Purebread's existing team will continue to operate the brand under its current name, with plans to expand operations nationally. Coho sees the Acquisition as an opportunity for Purebread and Coho to leverage their resources, infrastructure, and expertise to accelerate their combined growth and profitability.

The Company has, to date, financed growth through equity financing, credit facilities, shareholder loans, and convertible debentures.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its business. The Company's board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external financing or borrowings to fund the expansion of its manufacturing facilities. 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 are no restrictions on the Company's capital.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2023, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at December 31, 2023, the Company had loans due to the Company's CEO of $4,031 (March 31, 2023 - $19,062), due to the Company's COO and a company controlled by the COO of $7,839 (March 31, 2023 - $35,666), and due to the Company's CMO of $24,000 (March 31, 2023 - $nil). The loans are unsecured, non-interest bearing and due on demand.

For the nine months ended December 31, 2023, the Company recorded $352,500 (December 31, 2022 - $379,012) in key management compensation to the Company's CEO, COO, CFO, CMO, and former CCO.

As at December 31, 2023, 1,387,500 stock options granted to the Company's directors were outstanding. Each stock option entitles the holder to purchase one common share at an exercise price between $0.11 and $0.50 for a period of five years following the grant date. The fair value of the options granted totaled $154,103 (December 31, 2022 - $83,669) of which $19,285 was recognized as share-based compensation during the nine months ended December 31, 2023 for the vested options (December 31, 2022 - $42,018).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the condensed consolidated interim financial statements, the Company makes estimates and assumptions concerning the future that affected the amounts recorded. Actual results could differ from these estimates. Estimates and assumptions are based on historical experience, expectations of future events and other factors considered by management to be reasonable. The estimates and assumptions that could result in a material impact to the carrying amounts of assets and liabilities are outlined below:

Property and equipment
Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Determination of lease obligation
The recognition of lease obligations include estimates for incremental borrowing rates, lease terms and variable lease payments. In assessing the lease term the Company considers significant leaseholds improvements undertaken, the rates for extension option periods, the costs of lease termination, and the importance of the lease to the operation. These are based on management's best estimate and in this regard may be significantly different from those determined based on future operational results.

Recognition and valuation of deferred tax assets
The recognition of deferred taxes is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of estimation and judgement regarding the future financial performance or the timing of the reverse deferred tax liabilities where deferred tax assets have been recognized.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, net of estimated discounts. The Company considered the terms of the sales contract as well as industry practices, taking into consideration the type of customer, the nature of the transaction and the specific circumstances of each arrangement.

Share-based compensation
The Company measures the cost of share-based compensation transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation, including warrants and performance warrants issued in private placements and consideration for acquisition of Phantom, requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected term, volatility, and forfeiture rate. The expected term is determined based on management's estimate of the period of time between grant date and exercise date. Volatility is determined using a comparable peer group until such time as sufficient trading history is available for the Company's own shares.

Leases
As a lessee: At inception of a contract, the Company assesses whether a contract is, or contains, a lease. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative fair values. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. 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 the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives

received. The right-of-use assets are subsequently depreciated using the straight-line method from the 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 lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term equipment leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

As a lessor: The Company determines at the inception of the lease whether the lease is an operating or finance lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset. If this is the case the lease is considered as finance lease; if not, then it is an operating lease.

Identification and valuation of intangible assets acquired in business combinations
In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, management with assistance from an independent valuation expert develops the fair value using appropriate valuation techniques which are based on a forecast of the total expected future net cash flows. In determining the fair value of the intangible assets at the acquisition date, the Company's significant assumptions include the future net cash flows and in the discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for one year from the acquisition date.

Use of judgements
The preparation of financial statements in accordance with IFRS requires the Company to make judgements, apart from those involving estimates, in applying accounting policies. The most significant judgements applying to the Company's financial statements including the assessment of going concern.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Classification of Financial Instruments:

a. Fair Value of financial instruments

As of December 31, 2023, Coho's financial instruments are comprised of cash, receivables, trade payables and accrued liabilities, deposits, loans from shareholders, other loans, convertible debentures, Term Facility, and vendor take-back note. The fair values of cash, receivables, trade payables and accrued liabilities, deposits, and loans from shareholders approximate their carrying values because of their current nature. As otherwise noted in this MD&A, it is management's opinion that the Company is not exposed to significant foreign exchange, interest or credit risks arising from these financial instruments. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

Coho classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on an observable market date.

As at December 31, 2023, and March 31, 2023, cash is assessed to be a Level 1 instrument. The carrying value of cash, receivables, trade payables and accrued liabilities, deposits, and loans from shareholders approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

b. Credit Risk

Credit risk is the risk of unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and receivables. The Company limits its exposure to credit risk with respect to cash by investing available cash with major regulated financial institutions. The Company's cash is not subject to any external restrictions.

As at December 31, 2023, the Company's receivables were all current. The Company monitors collectability of receivables on an ongoing basis to determine credit risk. As at December 31, 2023, and March 31, 2023, the Company has $nil in allowance for doubtful accounts.

c. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, and arises principally from the Company's trade payables and accrued liabilities, other loans, and convertible debentures. The Company manages its liquidity risk to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2023, the Company had a cash balance of $59,708 (March 31, 2023 - $249,737) to settle current liabilities of $10,704,845 (March 31, 2023 - $5,372,884). Most of the Company's current liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Coho expects to meet its obligations through cash flow from operations, debt, as well as equity financing.

d. Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company continuously monitors interest rates and economic conditions. At December 31, 2023, the Company is exposed to interest rate risk regarding its variable rate loans with outstanding balances totaling $7,279,672. A 1% change in the interest rate on the loans would have a pre-tax impact of $72,797 on net loss for the period.

OUTSTANDING SHARE DATA

The Company had the following shares and securities convertible into shares outstanding at the following dates:

Description	Authorized	Outstanding as at the date of this MD&A	Outstanding as at December 31, 2023	Outstanding as at March 31, 2023
Common Shares	Unlimited	115,745,902	115,687,652	84,285,042
Warrants	Not applicable	19,386,785	19,386,785	1,399,519
Options	Aggregate grant of Options and Restricted Share Units not to exceed 10% of the issued and outstanding Common Shares	5,605,000	5,605,000	4,150,000

Restricted Share Units	Aggregate grant of Options and Restricted Share Units not to exceed 10% of the issued and outstanding Common Shares	3,785,625	3,787,625	2,087,000
Convertible Debentures	Not applicable	1,650	1,650	-

RECENT ACCOUNTING PRONOUNCEMENTS

New Standards, Amendments and Interpretations not yet Adopted

A number of new standards, and amendments to standards and interpretations, are not yet effective for the three and nine months ended December 31, 2023, and have not been early adopted in preparing these condensed consolidated interim financial statements. These new standards, amendments to standards, and interpretations are either not applicable or are not expected to have a material impact on the Company's condensed interim consolidated financial statements.

There are no other IFRS or IFRS Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company.

CHANGES IN ACCOUNTING POLICIES

No new standards, amendments and interpretations which are effective for the three or nine months ended December 31, 2023, were adopted by the Company.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements; and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of the operations and cash flows of the Company, as of the date of and for the periods presented by unaudited interim financial statements.

In contrast to the certificate required under National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**"), the Company will be permitted to utilize the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing the Certificate will not be making any representations relating to the establishment and maintenance of: (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware of inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis. DC&P and ICFR, as defined in NI 52-109, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

The Company's products are subject to extensive regulation by numerous governmental agencies which may restrict the Company's ability to market and sell its products.

RISK FACTORS

An investment in the Coho should be considered highly speculative due to the nature of the Company's business and the present stage of development. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and our business, investors should carefully consider the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in our Company or in connection with our operations.

The following are certain factors relating to our Company's business, which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this MD&A. These risks and uncertainties are not the only ones we are facing. Additional risks and uncertainties not presently known us, or that we currently deem immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Relating to our Business

Reliance on Key Personnel

The Company is strongly depend on the business and technical expertise of our management team and there is little possibility that this dependence will decrease in the near term. Company success will depend in large measure on certain key personnel including Andrew Barnes, Amrit Maharaj, Jennifer Chan, and Michael Yam. The loss of the services of such key personnel could have a material adverse effect on the business and prospects as it may not be able to find suitable individuals to replace them on a timely basis. The contributions of the existing management team to the immediate and near term operations are likely to be of central importance.

Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of management. The amount of time and expertise expended on affairs by each of the management team and directors will vary according to needs. The Company has acquired key-person insurance policies for Andrew Barnes, Amrit Maharaj, Jennifer Chan, and Michael Yam. No further key-person insurance has been secured and there is, therefore, a risk that the departure of any member of management, our board, or any key employee or consultant, could have a material adverse effect on the Company's future.

Protection of Intellectual Property Rights

The Company relies on unpatented proprietary expertise, facility design, recipes and formulations and other trade secrets to develop and maintain competitive position. Success depends, to a significant degree, upon ability to protect and preserve intellectual property. All of employees are subject to confidentiality provisions contained in their employment offers which prohibit them from disclosing information acquired by them during, as a consequence of or in connection with their employment. The Company relies on these agreements to protect intellectual property rights. Nevertheless, trade secrets are difficult to protect.

Competition

The industry the Company operates in is very competitive and the industry has accelerated in the most recent year. The Company faces potential competition from numerous brands that either a) offer virtual kitchen facilities to small to large food producers, or b) operate Ghost Kitchens across multiple locations worldwide. Many of these competitors have substantial financial backing and established brand reputation. Competition is based on facility availability, facility specialization, location, community service offering, customer service orientation, and price. Failure to compete against other similar companies and products could have a material adverse effect on business, financial condition and results of operations.

Failure to Establish Additional Locations

The Company intends to open additional locations to serve as Growth Locations and expand geographically. If the Company is not able to successfully establish these locations, it will forego the operational and financial benefits expected to derive from the short term growth once fully operational.

Disruption at our Facilities

Currently, most of our revenue is driven from our six operating locations. A natural disaster, fire, power interruption, work stoppage or other calamity at these facilities, or at any future facility at which the Company serves its Members and the general public, would significantly disrupt its ability to deliver services and operate as a business. If any material amount of machinery or inventory were damaged, the Company would be unable to meet contractual obligations and cannot predict when, if at all, the Company could replace or repair such machinery, which could materially adversely affect business, financial condition and results of operations.

The COVID-19 Outbreak and its Effect on the Company's Business

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China. COVID-19 has since spread rapidly throughout many countries, and, on March 11, 2020, the World Health Organization declared COVID-19 to be a pandemic. In an effort to contain and mitigate the spread of COVID-19, many countries, including Canada, have imposed unprecedented restrictions on travel. As a result, there have been business closures and a substantial reduction in economic activity in countries that have had significant outbreaks of COVID-19. The Company's business may be impacted by the recent COVID-19 outbreak. It is currently not possible to predict how long the pandemic will last or the time that it will take for economic activity to return to prior levels. The COVID-19 pandemic has resulted in significant financial market volatility and uncertainty in recent months. A continuation or worsening of the levels of market disruption and volatility seen in the past few years could have an adverse effect on the Company's ability to access capital, business, results of operations and financial condition, and on the market price of its Common Shares. The extent of this potential disruption on the Company's business cannot be assessed as the full extent of the outbreak and its impact on the global economy cannot be predicted.

Government Regulation of the Virtual Kitchen Industry Creates Risks and Challenges

The Company's operations are subject to regulation by government agencies including, among others, Vancouver Coastal Health, the City of Vancouver, the District of North Vancouver, and Island Health. These agencies regulate the Company's facility maintenance, product processing, packaging, storage, distribution, advertising, and food safety standards. Facilities are subject to inspection by federal, provincial, and local authorities. The Company strives to maintain compliance with all laws and regulations and maintain all permits and licenses relating to operations. Nevertheless, there can be no assurance that it is in compliance with all such laws and regulations, have all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future. Failure to comply with applicable laws and regulations and permits and licenses could subject us to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect business, financial condition or results of operations.

Price of Raw Materials

Costs of the building supplies, equipment, ingredients and packaging for products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand and changes in governmental trade and agricultural programs. Volatility in the prices of raw materials and other supplies we purchase could increase our cost of sales and reduce our profitability. Moreover, the Company may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If the Company is not successful in managing raw material costs, and unable to increase our prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect business, results of operations and financial condition.

Consumer Trends

The Company is focused on the development, manufacture, marketing and distribution of virtual kitchen facilities. Member demand could change based on a number of possible factors, including local laws, competition, real estate prices, entrepreneurial activity, and shifts in preference for various product attributes. If consumer demand for services and facilities decreases, business and financial condition would suffer. In addition, design of virtual kitchen facilities are subject to evolving Member preferences that we may not be able to accurately predict or respond to. Member trends could change based on a number of possible factors, including economic factors and social trends. A significant shift in Member demand away from facilities and services could reduce sales, which would harm our business and financial condition.

Climate Change

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. If such climate change, or policy measures aimed at reducing climate change, negatively effect raw material costs or electricity costs, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for facilities and services.

Cybersecurity

A compromise of security systems could result in confidential information about employees, Members, their customers, or suppliers being accessed by unauthorized persons. A breach of information security laws and regulations could also adversely affect reputation, financial condition and results of operations. This could result in litigation or the imposition of penalties against the Company. Additionally, a security breach could require that we expend significant additional resources on remediation or improvement. This could include changes in information security systems. Aside from costs, system remediation and improvement could result in a disruption of operations.

Food Safety and Consumer Health

The Company is subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. We manage these risks by maintaining strict and rigorous controls and processes in all our facilities and distribution systems. However, we cannot assure that such systems will eliminate the risks related to food safety. Members could be required to recall certain or a large portion of products in the event of contamination or adverse test results or as a precautionary measure. There is also a risk that not all of the product subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. A product recall could result in significant losses due to its costs, destruction of product inventory and lost sales due to the unavailability of the product or potential loss of current or new Members as a result of an adverse impact on our reputation. In addition, once purchased by consumers, we have no further control over products and consumers may prepare our products in a manner that is inconsistent with our directions which may adversely affect the quality and safety of our products. Any product contamination could subject us to product liability claims, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Any of these events could have a material adverse impact on our business, financial condition and results of operations.

Brand Value

Company success largely depends on its ability to maintain and grow the value of Commissary, Block, Sunshine, Victoria, Pandora, White Rock, Richmond, Collective, and any future brands. Maintaining, promoting and positioning brands and reputation will depend on, among other factors, the success of facility and service offerings, food safety, quality assurance, marketing and merchandising efforts and its ability to provide a consistent, high-quality Member and customer experience. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers or suppliers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of our brand and adversely affect our business, results of operations and financial condition.

Internet Search Algorithms

In order to attract new Members and customers and retain existing Members and customers, it is important that the Company's brands show up prominently in internet search results. Changes to internet search engines' algorithms or terms of service could cause our website to appear less prominently in search results.

Reputation Risk

Real or perceived quality or food safety and cleanliness concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us or incidents involving our competitors, could cause negative publicity and reduced confidence in us and our products, which could cause harm to our brand, reputation and sales, and could materially adversely affect our business, financial condition and results of operations. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about us, our brand or products on social or digital media could seriously damage our reputation. Without a favorable perception of our brand and products, our sales and profits could be negatively impacted.

Risks Associated with Leasing Commercial and Retail Space

The Company does not own any real estate. Instead, it leases its commissary facilities, office spaces, parking lots, and retail locations. Accordingly, it is subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property and changes in availability of and contractual terms for leasable commercial and retail space. Changes in areas around facilities, that result in reductions in customer foot traffic or otherwise render the location unsuitable could cause revenue to be less than expected.

Effect of Service and Facility Innovation

Company growth in part depends on its ability to develop and market new facilities, services, and improvements to existing locations that appeal to Member preferences. The success of innovation and service offerings is affected by Company ability to anticipate changes in Member preferences, the technical capability of our team in developing and testing facility prototypes, including complying with applicable governmental regulations, the success of our management and sales and marketing team in introducing and marketing new products and positive acceptance by our current and future Membership. Failure to develop and successfully market and sell new facilities and services may inhibit our growth, sales and profitability.

Failure to retain current Members and/or recruit new Members

Company success, and its ability to increase revenue and operate profitably, depends in part on its ability to acquire new Members and retain existing Members, so that they continue to purchase the Company's products. The

Company may fail to acquire or retain customers across our different revenue channels due to negative value and quality perceptions.

Litigation Risk

We may become party to litigation from time to time in the ordinary course of business and this could adversely affect our business. Should any litigation in which we become involved be determined against us, such a decision could adversely affect our ability to continue operating. Even if we are involved in litigation and win, litigation can redirect significant resources. Litigation may also create a negative perception of our brand and the market price for the Common Shares could be impacted by litigation.

Failure to meet expectations of our Company Values & Metrics

Company reputation could be harmed if it take actions that are perceived to be misaligned with our values.

Any harm to reputation resulting from setting these metrics or failure or perceived failure to meet such metrics could impact: employee engagement and retention; the willingness of buyers and sellers and partners and vendors to do business with us; or investors' willingness to purchase or hold our Common Shares, any of which could adversely affect business, financial performance, and growth.

Risks Associated with Acquisitions

Coho will be pursuing a strategy of growth through acquisitions. Acquisitions involve a number of known and unknown risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the business, results of operations and financial condition of the Company. In addition, there can be no assurance that the Company can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the business. An acquisition could also result in a potentially dilutive issuance of equity securities. The failure of the Company to successfully manage its strategy of growth through acquisitions could have a material adverse effect on the Company's business, results of operations and financial condition.

Management of Growth

Coho's operations place significant demands on managerial, financial and human resources. The Company's ability to continue its rate of growth will depend on a number of factors, including the availability of capital, existing and emerging competition and the ability to recruit and train additional qualified personnel. Moreover, as the Company's business grows, the Company will need to devote additional resources to improving its operational infrastructure and continuing to enhance its scalability in order to maintain the performance of its business.

General Risks Relating to our Company

Speculative Nature of Investment Risk

An investment in the Common Shares carries a high degree of risk and should be considered as a speculative investment. We have a limited operating history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future.

History of Losses

The Company has experienced net losses since incorporation. We anticipate that our operating expenses and capital expenditures will increase substantially in the foreseeable future as we continue to invest to increase our commissary facilities, customer base, supplier and distributor network, invest in further virtual kitchen facilities, hire additional employees and enhance our service capabilities. Our expansion efforts may prove more expensive than anticipated, and it may not succeed in increasing sales and margins sufficiently to offset the anticipated higher expenses. We incur expenses in developing our facilities, the supplies to run our shared-kitchen and retail operations, and marketing the facilities and services we offer. In addition, many of our expenses, including the costs associated with our existing and proposed future production facilities, are fixed. Accordingly, we may not be able to achieve or sustain profitability, and we may incur significant losses for the foreseeable future.

Negative Cash Flow

The Company has had negative cash flows from operations. If it is not able to obtain further financing, business operations may fail. The Company had negative cash flow from operating activities of $1,993,720 for the nine months ended December 31, 2023. It had cash in the amount of $59,708 and working capital of $(9,322,345) as at December 31, 2023. It is anticipated that the Company will require additional financing while it operates and expands new business. Consequently, the net proceeds from sales of securities may be used to fund anticipated negative cash flow from operating activities in future periods. There can be no assurance that any financing will be available to us, or if it will be offered on terms and conditions acceptable. The Company's inability to obtain additional financing in a sufficient amount when needed and upon terms and conditions acceptable to us, could have a material adverse effect on the Company. If additional funds are raised by issuing equity securities, dilution to existing or future shareholders will result. If adequate funds are not available on acceptable terms when needed, we may be required to delay, scale back or eliminate the expansion of our new business.

Additional Funding Requirements and Risks

The Company will need to raise funds in the future through equity or debt. The sale of additional equity may result in additional dilution to shareholders and such securities may have rights, preferences or privileges senior to those of the Common Shares. To the extent that the Company relies upon debt financing, we will incur the obligation to repay the funds borrowed with interest and may become subject to covenants and restrictions that restrict operating flexibility. No assurance can be given that additional equity or debt financing will be available or that, if available, it can be obtained on terms favourable to the Company. If sufficient funding is not secured, then we may not able to establish and run a viable business.

Dividend Risk

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain earnings to finance further growth and, where appropriate, retire debt.

Global Economic Risk

Adverse and uncertain economic conditions may impact consumer demand for our facilities and services. Consumers may shift to lower-priced or other perceived value offerings during economic downturns. In addition, consumers may choose to purchase private label products rather than branded products because they are generally less expensive. Our success depends upon, among other things, our ability to maintain and increase sales volume with our existing Members, our ability to attract new customers and our ability to provide products that appeal to Members at the right price. Prolonged unfavorable economic conditions may have an adverse effect on our sales and profitability.

Risks Related to the Common Shares

Share Price Volatility Risk

As a Company listed on the TSX Venture Exchange, external factors outside of our control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the Common Shares. Global stock markets, including the TSX Venture Exchange, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Use of Net Proceeds and Available Funds

Our Board and/or management will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds if they believe it would be in our best interests to do so. Our shareholders may not agree with the manner in which the Board and/or management chooses to allocate and spend the net proceeds. The failure by the Board and/or management to apply these funds effectively could have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.