Just Kitchen Holdings Corp.

Management Discussion and Analysis

For the Year Ended September 30, 2022

The following management discussion and analysis (the "**MD&A**"), prepared as of January 27, 2023 should be read together with the audited consolidated financial statements for the year ended September 30, 2022 and related notes attached thereto (the "**Financial Statements**"), which are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

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

- business objectives and milestones;
- adequacy of financial resources;
- growth of sales in Taiwan, Hong Kong, the Philippines, Malaysia and Thailand;
- expansion of business to other jurisdictions, and
- any expectations regarding meeting or sustaining profitability.

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

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

Description of Business

Just Kitchen Holdings Corp. (the **"Company**" or "**Just Kitchen**") is primarily an operator of ghost kitchens specializing in the development and marketing of proprietary and franchised delivery-only food brands for customers ("**B2C**") and businesses ("**B2B**"). The Company currently operates in Taiwan, Hong Kong, the Philippines, Malaysia and Thailand and has signed an agreement that will allow Just Kitchen to sell several of its proprietary food brands in Japan via TGAL, Japan's largest virtual restaurant operator. Where appropriate, Just Kitchen utilizes a hub-and-spoke operating model, which features advanced food preparation taking place at larger hub kitchens and final meal preparation taking place at smaller spoke kitchens located in areas with higher population densities. The Company combines this operating model with online and mobile application-based food ordering via its proprietary mobile food ordering app and other third-party ordering apps. Delivery is fulfilled by third-party delivery companies, to minimize capital investments and operating expenses and reach more customers in underserved markets. Operating inside a science park or a private corporation's facility, accessible for walk-in on site staff customers to dine in, pick up, and no delivery fees is Just Kitchen's B2B service offering. These employee staff and food court locations are currently operated by the Company in major science and technology park in Taiwan. The Company's other business, Just Market, is an e-commerce grocery delivery platform that allows customers to purchase groceries for delivery or add select grocery items to meals ordered through Just Kitchen.

Additionally, Just Kitchen has developed a proprietary technology stack, JKOS™ , an open-ended API platform which enables all external and internal operations to be seamlessly connected together. The JKOS™ technology stack comprises a lightweight POS system specifically designed to streamline cloud kitchen operations, an automated franchisee onboarding program, B2B web ordering module for Just Kitchen's B2B clients, supply chain integration for optimized supply chain management, a data analysis tool for accurate tracking of variables such as brand performance, labor costs, and inventory turnaround time, and 'JK University', an online staff training and development tool which can be deployed at any of the Company's own locations or franchisee locations.

The Company's head office address is at Suite 1430 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6. The registered and records office address is at Suite 1500 - 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. On April 7, 2021, the Company received final receipt from the British Columbia Securities Commission for its long-form non-offering prospectus. On April 15, 2021, the Company began trading on the TSX Venture Exchange (the "**TSX-V**") under the trading symbol JK.

As of September 30, 2022, the Company was holding 100% equity interest in the following wholly owned subsidiaries:

1. Just Kitchen Co. Ltd. ("**JK Taiwan**"), a company incorporated on June 6, 2019 under the laws of Taiwan;
2. Just Kitchen Hong Kong Corp. Limited (**"JKHK"**) from the date of incorporation on November 24, 2020;
3. Star Kitchen Co. Ltd ("**Star Kitchen**") from the date of incorporation on January 17, 2021 to the date of disposal on July 1, 2022;
4. Just Kitchen (USA) Inc. ("**JK USA**") from the date of incorporation on February 18, 2021;
5. Just Kitchen Concepts Pte Ltd.("**JKSGD**") from the date of incorporation on January 28, 2022;
6. Just Kitchen Philippines Inc. ("**JKP**") from the date of incorporation on March 2, 2022;
7. Just Kitchen Malaysia SDN BHD, ("**JKM**") from the date of incorporation on January 27, 2022; and
8. Just Kitchen Thailand ("**JKTH**") from the date if incorporation on April 4, 2022.

As of September 30, 2022, the Company holds a 51% interest in Just Kitchen TDG. Inc ("**JK TDG JV Co.**") as a joint venture pursuant to a Shareholders Agreement. JK TDG JV Co. was incorporated in the Philippines on August 20, 2021 and was inactive until the date of acquisition by the Company on November 4, 2021.

Overview of Cloud Kitchens

A cloud kitchen, ghost kitchen, or virtual kitchen is a kitchen that is used to provide meals for online delivery only and acts as the production center for meals ordered through delivery apps. Just Kitchen's business model is designed to increase the efficiency of the typical cloud kitchen infrastructure by having a main "**hub**" kitchen where the meals are pre-prepared, blast chilled and then sent to the "**spoke**" kitchens, which finish the meals for delivery. The smaller spokes complement the main hub and are located in high traffic areas extending the geographical reach of the Company's customer base, reducing preparation and delivery times, and thereby improving the quality and consistency of customer orders.

Cloud kitchens can be considered food manufacturing factories, where food and meals are manufactured and then shipped to the final consumer. Considering cloud kitchens as factories as opposed to restaurants shifts the paradigm to one in which the manufacturer is focused on providing quality consistent output at the lowest possible cost without worrying about how or where the product is consumed by the customer, and thus removing the key constraint posed by their physical location.

Cloud kitchens offer the following advantages over traditional restaurants:

1. **Low operational cost.** One of the expenses to consider for traditional restaurants is real estate, which generally accounts for approximately 10% of restaurant expenses. This cost can be decreased by cloud kitchens, as they can operate from locations with less expensive real estate, occupy less space as there is no restaurant associated with the kitchen, and save on front of house staff and marketing costs among other items. Cloud kitchens also manufacture standardized items, which further reduces cost and food spoilage.
2. **Low set up and introduction cost.** Cloud kitchens can be established, introduce new products and alter their menus at a considerably lower cost and can thus experiment with new ideas and menu items in a quick and cost-effective manner.
3. **Automation.** With a focus on limited menus and limited items, product manufacturing can be standardized in cloud kitchens as it would be in manufacturing.
4. **Increased efficiency.** Using custom built spaces and optimizing processes specifically for delivery allow cloud kitchens to run efficiently. Ingredients can be batch prepared for several different menu items and brands concurrently, and kitchens can be designed to prioritize the speed of preparation and the process of handing over meals to delivery drivers.
5. **Digital brand awareness without high marketing spend.** Cloud kitchen brands can gain quick exposure through delivery apps without incurring the high cost of marketing that typical restaurants incur.
6. **Access to user data and real-time adaptability.** Cloud kitchens are designed with a technological focus, which means that they are well-suited to optimize processes, ordering and staff scheduling based on consumer behavior. The menu can be changed, altered and adapted easily to suit demand and increase margins all based on the data collected from consumers.

The driving factors for the cloud kitchen market are the growing acceptance of online food distribution services, reducing the need for physical infrastructure and equipment, rising living and urbanization standards, and introductory low cost.

Business Highlights

1. On June 6, 2019, JK Taiwan acquired kitchen equipment and other assets that were used to create its first hub kitchen in Taipei, Taiwan.
2. On November 27, 2019, the Company's founder acquired 100% equity interest in JK Taiwan.
3. On January 1, 2020, the Company entered into an agreement with Uber Eats (the "**Uber Eats Agreement**") which governs Just Kitchen's participation on the proprietary mobile application made available by Uber Eats or its affiliates. The Uber Eats Agreement sets out the terms on which Uber Eats makes the food and beverages made by the Company available on the Uber Eats platform. In Q3 2021, the Company also started to deliver meals to its customers using Food Panda online ordering platform and delivery services.
4. In July 2021, the Company started operating its first ghost kitchen location in Hong Kong.
5. In October 2021, the Company launched the Just Kitchen Operating System ("**JKOS**"), software that integrates with third party devices and applications for ordering food. JKOS increases the number of the Company's sales channels and offers its expanding portfolio of delivery-only food brands and menus to the growing number of customers who are interacting with smart technologies that are different than mobile phones and computers, such as televisions and fashion accessories.
6. In November 2021, the Company entered into an agreement with TDG Ventures Inc. to form and operate ghost kitchens under the "Just Kitchen" brand (and other related brands) (the "Brands") and distribute Just Kitchen products and offerings in the Philippines. Under this agreement, the Company owns a 51% interest in JK TDG JV Co. operating in the Philippines.
7. In April 2022, the Company's 51% owned JK TDG JV Co. has signed an agreement to open its first two ghost kitchen locations in the Philippines's capital city of Manila.
8. In June 2022, the Company announced the opening of two new ghost kitchen locations in Malaysia, in the high-density areas of Petaling Jaya and Bukit Bintang, which will utilize GrabFood, Foodpanda, and Shopee Food as delivery service partners.

9. In August and September 2022, the Company expanded its in-house brands to Bangkok, Thailand via GrabKitchen. GrabKitchen is providing the physical kitchen on a Kitchen-as-a-Service (“**KaaS**”) basis, which is eliminating the need for capital expenditures and long-term kitchen lease arrangements.

10. In November 2022, the Company announced a set of new B2B and direct-to-consumer (“**D2C**”) commercial arrangements. Through the evolution of the ghost kitchen as “**Direct Spoke**”, Just Kitchen expects to enter new markets and neighborhoods with more of a multi-channel offering. The Direct Spoke concept serves B2B clients and makes food items available to retail customers on a D2C basis, while also continuing to work with delivery service providers (“**DSPs**”) in the normal course of business.

11. As of the date of this MD&A, the Company was operating 29 ghost kitchen locations in Taiwan, Hong Kong, the Philippines, Malaysia and Thailand.

Overall Performance

1. The Company’s revenue for the year ended September 30, 2022 (“**current period**”) was $18,968,696 (year ended September 30, 2021 - $11,926,094).

2. Net loss for the year ended September 30, 2022 was $17,517,291 (year ended September 30, 2021 - $11,237,581) or $0.23 (year ended September 30, 2021 - $0.21) per common share.

3. As at September 30, 2022, the Company had total assets of $13,132,128 (September 30, 2021 - $27,937,911) consisting of $5,670,874 (September 30, 2021 - $22,635,037) of current assets and $7,461,254 (September 30, 2021 - $5,302,874) of non-current assets.

4. As at September 30, 2022, the Company had total liabilities of $6,388,719 (September 30, 2021 - $6,352,757) consisting of $4,205,928 (September 30, 2021 - $4,373,799) of current liabilities and $2,182,791 (September 30, 2021 - $1,978,958) of non-current liabilities.

Operating Outlook:

Until early 2021, the Company was focused on expanding rapidly within the Asian market. This strategy has resulted in the Company building an efficient ghost kitchen operational model which can be applied to its expansion strategy within Southeast Asia. The Company believes Southeast Asia is the largest and most economically addressable market for a ghost kitchen operator, based on key factors including current and forecasted demand, higher population densities relative to alternative markets, and lower operating costs compared to alternative markets.

With the change in the sentiment in the public equity markets in recent months, the Company has and is continuing to make some significant pivots in its strategy to adapt to this new environment. The Company is transitioning from a focus on top line growth, to a focus of reducing top line growth in favor to profitability. To achieve this new focus, the Company has closed underperforming operations, reduced capex by not opening any new B2C kitchens and focusing on improving efficiency in existing kitchens and its B2C operations, lowered headcount, and implementing initiatives such as reducing marketing costs and lowering general and administrative expenditures and head office count, to manage both short and long-term liquidity and to establish a path towards profitability. As of September 30, 2022, the Company had cash and cash equivalents of $2,764,552. Although reduced in recent months through the initiatives discussed above the Company continues to have a material monthly cash burn which continues to reduce its cash position and has strained its short-term liquidity. As of the date of this MD&A, the Company believes it only has sufficient cash on hand and available liquidity to meet its future operating expenses for approximately the next 2 months. The Company is currently evaluating financing options in order to extend its cash runway and there is no guarantee that the Company will be able to raise sufficient capital to extend its cash runway or on terms that will not be detrimental to its current shareholders. This presents a material liquidity risk.

Moving forward, the Company is aggressively reducing its expenditures while trying to maintain current revenue levels to reach profitability. The Company continues to implement several key strategies to reduce Capex and Opex and improve margins including:

Reducing COGS (Cost of Goods Sold):

- Consolidated purchasing – consolidating food purchasing to ensure supply chains are more streamlined and cost-effective

- Adjusting pricing in line with inflation – small price increases on menu items to be introduced gradually to ensure margins are not negatively impacted by rising inflation

Focusing on B2B clients that provide higher margins:

- The Company has secured several contracts with large corporate enterprises with 4,000+ employees (Hsinchu Science Park and the Taoyuan Environmental Science and Technology Park in Taiwan). These contracts provide ideal market conditions including:
    - Large, captive audiences – most employees stay on-site for meals which can include breakfast, lunch, dinner, and snacks
    - No delivery commission – employees order from kiosks within the office building and eat on premises, eliminating the need for delivery via third party partners
    - No rent or utilities costs for the Company
    - Higher margins – average spends are considerably higher in these environments, delivery and operating fees are lower

Effective cost cutting:

- Analyzing performance of each location
    - Identifying and closing unprofitable or poorly performing locations
    - Optimizing each location to improve financial performance
    - Licensing signature brands to other ghost kitchens to reduce Capex / Opex
- HQ personnel reduction
    - 10% reduction thus far, expected to implement another 10% in near future
- Renegotiating existing occupancy contracts
    - Converting occupancy contracts from flat rate to a percentage of sales where possible

Focusing on driving store level profitability:

- Cutting down less efficient labour hours
- More part-time hires in comparison to full time employees, to drive store level labour costs down
- More sustainable growth, making sure each store is profitable before opening new locations

Focusing on high margin market(s):

- Strategic focus on development in locations where margins are high (i.e., 20+%)
- Concentrating on expanding operations at lower Capex/Opex locations including, but not limited to, the Philippines and Malaysia

Building alternative and recurring revenue streams:

- Just Kitchen has developed a robust portfolio of signature brands that cover both Asian and Western cuisines, which it plans to license to other ghost kitchen operators. The Company expects to collect a percentage of each franchised brand's monthly sales
- The JKOS^{TM} tech stack (full-scale F&B management platform designed specifically for ghost kitchens), is being deployed to new B2B partners and ghost kitchen operators wishing to sell Just Kitchen's signature brands. JKOS^{TM} is expected to allow the Company to rapidly and cost effectively scale up its operations and to take on more franchisee opportunities. JKOS^{TM} uses data analysis to identify suitable locations in new markets, while its Virtual Training System ensures brand consistency and throughout each market. Real-time broadcasting and a robust data library allow for review and progress tracking by HQ, resulting in a more expeditious, real-time, cost-effective onboarding process.

Key Performance Indicators

Key performance indicators that the Company uses to manage its business and evaluate its financial results and operating performance include: revenue, revenue per kitchen location, expenses and net income (loss). The Company evaluates its performance on these metrics by comparing its actual results to management budgets and forecasts.

Summary of Quarterly Results

The table below summarizes selected financial data for the Company's last eight quarters:

	Quarter Ended September 30, 2022	Quarter Ended June 30, 2022	Quarter Ended Mar 31, 2022	Quarter Ended Dec 31, 2021	Quarter Ended Sept 30, 2021	Quarter Ended June 30, 2021	Quarter Ended Mar 31, 2021	Quarter Ended Dec 31, 2020
Number of kitchens	29	28	28	21	20	17	14	10
Revenue from retail customers	$4,042,436	$4,671,630	$4,662,519	$3,810,720	$4,288,432	$3,171,851	$1,975,110	$1,667,633
Revenue from business customers	$548,927	$499,682	$376,819	$355,963	$155,314	$175,046	$249,171	$243,537
Total Revenue	$4,591,363	$5,171,312	$5,039,338	$4,166,683	$4,443,746	$3,346,897	$2,224,281	$1,911,170
Number of retail deliveries	257,474	313,883	321,914	265,749	269,721	214,744	128,400	117,800
Average retail delivery size	$15.70	$14.88	$14.48	$14.34	$15.90	$14.77	$15.38	$14.16
Net loss	$(3,953,817)	$(4,549,714)	$(5,442,157)	$(3,571,603)	$(3,440,775)	$(2,836,847)	$(2,530,157)	$(2,429,802)
Comprehensive loss	$(4,054,584)	$(4,463,121)	$(4,826,520)	$(3,671,888)	$(3,592,632)	$(2,915,959)	$(2,387,038)	$(2,402,328)
Basic loss per share	$(0.05)	$(0.06)	$(0.07)	$(0.05)	$(0.05)	$(0.05)	$(0.06)	$(0.06)
Diluted loss per share	$(0.05)	$(0.06)	$(0.07)	$(0.05)	$(0.05)	$(0.05)	$(0.06)	$(0.06)

Non-IFRS Measures

Adjusted EBITDA is a financial measure that does not have a standardized meaning under IFRS. Adjusted EBITDA is defined as earnings before interest expense, depreciation, amortization, and stock-based compensation. As there is no standardized method of calculating Adjusted EBITDA, it may not be directly comparable with similarly titled measures used by other companies. The Company considers Adjusted EBITDA to be a relevant indicator for measuring trends in performance and its ability to generate funds to service its debt and to meet its future working capital and capital expenditure requirements. Adjusted EBITDA is not a generally accepted earnings measure and should not be considered in isolation or as an alternative to net income (loss), cash flows or other measures of performance prepared in accordance with IFRS.

The following is a reconciliation of Adjusted EBITDA to net loss:

	Quarter Ended Sept 30, 2022	Quarter Ended June 30, 2022	Quarter Ended Mar 31, 2022	Quarter Ended Dec 31, 2021	Quarter Ended Sept 30, 2021	Quarter Ended June 30, 2021	Quarter Ended Mar 31, 2021	Quarter Ended Dec 31, 2020
Loss for the period	(3,953,817)	(4,549,714)	(5,442,157)	(3,571,603)	(3,440,775)	(2,836,847)	(2,530,157)	(2,429,802)
Interest expense	33,114	30,945	30,760	33,102	23,315	28,400	26,581	23,673
Depreciation expense	796,187	502,149	454,612	366,509	312,177	259,208	223,735	169,178
Amortization expense	18,980	19,099	19,932	19,946	-	-	-	-
EBITDA Loss	(3,105,536)	(3,997,521)	(4,936,853)	(3,152,046)	(3,105,283)	(2,549,239)	(2,279,841)	(2,236,951)
Stock-based compensation	629,740	626,071	333,172	566,635	481,838	493,047	533,166	861,696
Adjusted EBITDA Loss	(2,475,796)	(3,371,450)	(4,603,681)	(2,585,411)	(2,623,445)	(2,056,192)	(1,746,675)	(1,375,255)

Results of Operations

Year ended September 30, 2022 (“2022”) compared with September 30, 2021 (“2021”)

Net loss for 2022 was $17,517,291 or $0.23 loss per common share compared to $11,237,581 or $0.21 loss per common share in 2021. The main reasons for the increase in net loss from 2021 to 2022 are (i) overall increase in business activities and (ii) increase in general and administrative costs from $8,357,680 in 2021 to $10,965,047 in 2022, mainly due to salaries increasing from $1,605,283 in 2021 to $3,412,261 in 2022, professional fees increasing from $916,285 in 2021 to $1,042,967 in 2022 and advertising and marketing increasing from $1,407,414 in 2021 to $2,220,286 in 2022 due to overall increase in business activities.

Significant differences between 2022 and 2021 results of operations are as follows:

Revenue

Revenue for the 2022 was $18,968,696 compared with $11,926,094 in the same period in 2021. Revenues continue to grow as the Company opens new kitchen locations, increases its brand relationships and grows its customer base. As of September 30, 2022, the Company was selling meals from 29 locations in Taiwan, Hong Kong, Philippines and Malaysia compared to 20 locations during the same period in 2021.

Operating Expenses

Operating expenses for 2022 were $22,138,323 compared with $13,660,343 in 2021 due to an increase in the number of kitchen locations and revenue. The Company’s operating costs have been elevated throughout 2021 and 2022 in relation to its growth in Taiwan and expansion into Hong Kong, Singapore, Malaysia, the Philippines and Thailand. However, the Company anticipates its operating costs will decrease in relation to revenue as it streamlines its portfolio of kitchens and focuses on entering and expanding into low-cost countries while increasing its higher-margin B2B operations. Operating costs consist of the following:

	September 30, 2022	September 30, 2021
Delivery and processing costs	$ 3,908,768	$ 2,560,293
Food and beverage costs	8,928,344	5,512,712
Rent and utilities	1,301,767	604,809
Repairs and maintenance	351,789	278,398
Salaries and benefits	5,458,271	2,868,610
Selling costs	2,189,384	1,835,521
	$ 22,138,323	$ 13,660,343

1. Delivery and processing costs were $3,908,768 in 2022 compared with $2,560,293 in 2021. The increase in costs is due to increase in revenue.
2. Food and beverage costs increased from $5,512,712 in 2021 to $8,928,344 in 2022 because of increased revenue. In 2022, the Company’s sales are mainly to retail customers.
3. Rent and utilities costs increased from $604,809 in 2021 to $1,301,767 in 2022 because of increase in number of kitchen locations from 20 in 2021 to 29 in 2022. The majority of the kitchen locations in 2021 were opened later in the fiscal year of 2021, also more rent expenses were recognized as variable lease payments, short term and low value lease expenses according to their rent periods.
4. Repairs and maintenance costs increased from $278,398 in 2021 to $351,789 in 2022 because of increase in number of kitchen locations.
5. Salaries and benefits increased from $2,868,610 in 2021 to $5,458,271 in 2022 because of a significant ramp up in operations and associated staffing requirements for the increased number of kitchens.
6. Selling costs increased from $1,835,521 in 2021 to $2,189,384 in 2022 because of increased marketing efforts and the increased number of kitchen locations which result in increased fixed and variable costs.

General and Administrative Expenses

General and administrative expenses for 2022 were $10,965,047 (2021 - $8,357,680) and consisted of the following costs:

	September 30, 2022	September 30, 2021
Advertising and marketing	$ 2,220,286	$ 1,407,414
Consulting	580,041	778,226
Insurance	71,500	32,771
Listing and filing	105,925	177,522
Office and administration	518,208	422,090
Professional fees	1,042,967	916,285
Rent and utilities	154,541	81,807
Repairs and maintenance	217,424	153,310
Salaries and benefits	3,412,261	1,605,283
Selling costs	461,158	402,496
Stock-based compensation	2,155,618	2,369,747
Travel	25,118	10,729
	$ 10,965,047	$ 8,357,680

1. Advertising and marketing increased from $1,407,414 in 2021 to $2,220,286 in 2022 because of increased efforts to promote a larger number of operating kitchens to a larger consumer base and an increase in overall business activities.
2. Consulting decreased from $778,226 in 2021 to $580,041 in 2022 due to renegotiating agreements with various parties.
3. Insurance increased from $32,771 in 2021 to $71,500 in 2022, due to an increase in annual Directors and Officers insurance premiums.
4. Listing and filing expenses decreased from $177,522 in 2021 to $105,925 in 2022. The Company completed its public listing on the TSX-V in Q3 2021, therefore costs incurred subsequently are smaller and relate to the maintenance of its public listing status.
5. Office and administration increased from $422,090 in 2021 to $518,208 in 2022 due to an increase in overall business activities.
6. Professional fees increased from $916,285 in 2021 to $1,042,967 in 2022 because of increased audit engagement associated with local regulatory compliance, outsourcing bookkeeping and human resource services, and legal fees associated with international business expansions.
7. Repairs and maintenance costs increased from $153,310 in 2021 to $217,424 in 2022 because of increase in number of kitchen locations.
8. Salaries and benefits increased from $1,605,283 in 2021 to $3,412,261 in 2022 because of an increase in overall business activities.
9. Selling costs increased from $402,496 in 2021 to $461,158 in 2022 because of business expansion.
10. Stock based compensation decreased from $2,369,747 in 2021 to $2,155,618 in 2022. Reduction in the stock based compensation is due to forfeiture of stock options, performance warrants and RSUs resulting in reversal of previously recorded stock based compensation on unvested stock options, performance warrants and RSUs. The stock-based compensation relates to fair value of performance warrants granted in May 2020 as well as stock options and restricted share units ("RSUs") granted during the year ended September 30, 2022, and the year ended September 30, 2021.

Research & Development ("R&D") Expenses

R&D expenses for 2022 were $503,614 (2021 - $239,927) and consisted of the following costs:

	September 30, 2022		September 30, 2021	
Salaries and benefits	$	449,618	$	132,203
Office and administration		53,996		107,724
	$	503,614	$	239,927

R&D expenses relate to new market development, development of JKOS IT system functions, new menu items and consist of salaries and benefits, food costs, materials, supplies and office and administration.

Depreciation and Amortization Expenses

Depreciation and amortization expenses for 2022 were $2,197,414 (2021 - $964,298) and consisted of the following costs:

	September 30, 2022		September 30, 2021	
Depreciation of property and equipment	$	724,944	$	281,070
Amortization of intangible assets		77,957		-
Depreciation of right-of-use assets		1,394,513		683,228
	$	2,197,414	$	964,298

1. Depreciation of property and equipment increased from $281,070 in 2021 to $724,944 in 2022, because of additional kitchen equipment purchased in 2021 and 2022.
2. Amortization of intangible assets increased from $Nil in 2021 to $77,957 in 2022 because of a software system purchase for the Company's online application in Q4 2021.
3. Depreciation of right-of-use assets increased from $683,228 in 2021 to $1,394,513 in 2022, because of additional right-of-use kitchen leases.

Other Income and Expenses

Other income and expenses consisted of the following:

	September 30, 2022		September 30, 2021	
Interest revenue	$	110,401	$	26,528
Interest expense		(127,921)		(101,969)
Foreign exchange gain (loss)		(615,025)		108,211
Share of loss of investment accounted for using equity method		(116,832)		-
Other income		67,788		25,803
Net other income (expenses)	$	(681,589)	$	58,573

1. Interest revenue increased from $26,528 in 2021 to $110,401 in 2022 due to interest received from funds held in a high interest savings account.
2. Interest expense increased from $101,969 in 2021 to $127,921 in 2022 which consists of $6,076 (2021 - $24,895) of interest expense accrued on promissory notes payable and $122,011 (2021 - $76,962) of interest expense recorded on leases and $(166) in 2022 (2021 - 112) of other interest expense and adjustment.
3. Foreign exchange loss increased from a $(108,211) in 2021 to a $615,025 in 2022 due to fluctuation of foreign currencies to CAD.

4. Share of loss of investment accounted for using equity method increased from $Nil in 2021 to $116,832 in 2022 due to accounting for 51% of losses from JK TDG JV Co operations in the Philippines commencing in Q2 2022.
5. Other income increased from $25,803 in 2021 to $67,788 in 2022 due to receiving government subsidy in Hong Kong area because of Covid 19.

Liquidity and Capital Resources

To date, the Company has financed its operations through private placements and internally generated cash flows from revenue. As of September 30, 2022, the Company had cash and cash equivalents of $2,764,552. Although reduced in recent months through the initiatives discussed above the Company continues to have a material monthly cash burn which continues to reduce its cash position and has strained its short-term liquidity. As of the date of this MD&A, the Company believes it only has sufficient cash on hand and available liquidity to meet its future operating expenses for approximately the next 2 months. The Company is currently evaluating financing options in order to extend its cash runway and there is no guarantee that the Company will be able to raise sufficient capital to extend its cash runway or on terms that will not be detrimental to its current shareholders. This presents a material liquidity risk.

Recent Financings

1. On April 7, 2021, upon the Company receiving final receipt from the British Columbia Securities Commission for its long-form non-offering prospectus and TSX-V approval for the listing of its common shares, 15,798,795 subscription receipts raised on December 10, 2020, December 21, 2020 and March 16, 2021 at $0.50 per subscription receipt for aggregate gross proceeds of $7,899,397 were converted into common shares of the Company without payment of any further consideration
2. On June 15, 2021, the Company closed its supplemental prospectus offering of 12,963,000 shares at $1.35 per share for gross proceeds of $17,500,050. The Company issued 777,780 finder's warrants and paid $1,050,003 in commissions. In addition, legal, regulatory and other cash costs associated with the supplemental prospectus offering totaled $105,633.
3. On June 30, 2021, the Company closed a private placement of 2,906,765 shares at $1.35 per share for gross proceeds of $3,924,133 The Company issued 53,334 finder's shares and paid $153,725 in commissions. In addition, legal, regulatory and other cash costs associated with the private placement totaled $108,173.

Cash

As of September 30, 2022, the Company had cash of $2,764,552 compared with $20,796,767 of cash as of September 30, 2021.

Cash Used in Operating Activities

Cash used in operating activities during the year ended September 30, 2022 was $13,637,931 compared with $7,300,946 of cash used in operating activities during the year ended September 30, 2021 (" 2021"), which consisted of (i) $12,904,834 (2021- $7,818,116) of decrease in cash operating expenses net of revenue, (ii) $122,011 (2021- $76,962) of interest expense paid on leases, $20,834 (2021 - $31,808) of interest expense paid on promissory note payable and (iii) $(590,252) (2021- $625,940) of changes in non-cash working capital.

Cash Used in Investing Activities

Cash used in investing activities during the year ended September 30, 2022 was $2,581,030 (2021- $2,015,702), and consisted of: $1,853,328 (2021- $1,775,163) related to the kitchen equipment purchased for new spoke kitchens, $727,702 (2021- $Nil) cash investment under equity method, and $Nil (2021: $240,539) related to the purchase of computer software.

Cash Used / Generated from Financing Activities

Cash used from financing activities during the year ended September 30, 2022 was $2,392,294 compared with $29,667,793 of cash generated during the year ended September 30, 2021 ("2021"), and consisted of: (i) payment of lease liabilities of $1,145,256 (2021- $609,008), (ii) $115,788 repayment of promissory notes payable (2021: $216,249)), (iii) $18,750 (2021- $32,286,921) of cash raised from issuance of common shares and (iv) $Nil (2021-$1,793,871) of cash paid for share issuance costs, (v) $1,150,000 related to restricted cash used to secure financing in Taiwan (2021: $Nil),.

Working Capital

As at September 30, 2022, the Company had working capital of $1,464,946 compared with a working capital of $18,261,238 as of September 30, 2021. Decrease in working capital is due to increase in overall business activities.

Liquidity Outlook

The Company's cash position varies based on the amount of capital raised via private placements, the amount of capital invested and reinvested into the growth of the business. During the severe economic downturn in 2022 and associated lack of available funding in the capital markets, the Company has worked on transitioning from a focus on top line growth, to a focus of reducing top line growth in favor to profitability by reducing costs. To achieve this new focus, the Company has closed underperforming operations, reduced capex by not opening any new B2C kitchens and focusing on improving efficiency in existing kitchens and its B2C operations, lowered headcount, and implemented initiatives such as reducing marketing costs and lowering general and administrative expenditures and head office count, to manage both short and long-term liquidity and to establish a path towards profitability. As of September 30, 2022, the Company had cash and cash equivalents of $2,764,552. Although reduced in recent months through the initiatives discussed above, the Company continues to have a material monthly cash burn which continues to reduce its cash position and has strained its short-term liquidity. As of the date of this MD&A, the Company believes it only has sufficient cash on hand and available liquidity to meet its future operating expenses for approximately the next 2 months. The Company is currently evaluating financing options in order to extend its cash runway and there is no guarantee that the Company will be able to raise sufficient capital to extend its cash runway or on terms that will not be detrimental to its current shareholders. This presents a material liquidity risk.

The Company's objective when managing capital is to maximize returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements. In managing the Company's capital structure, the Company's management reviews monthly and quarterly financial information and provides regular reports to the board of directors.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2022, the Company is still in the process of building its business, opening new virtual kitchens, and building its brand and customer base. The Company's continuation as a going concern is dependent upon its ability to achieve profitable operations and raise additional financing through issuing equity or debt to meet current and future obligations. In assessing whether the going concern assumption is appropriate and whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, management considers all available information about the future which is at least, but not limited to, twelve months from the end of the reporting period.

As at September 30, 2022, the Company had a working capital of $1,464,946, an accumulated deficit of $31,275,552 and for the year ended September 30, 2022, the Company incurred a net loss of $17,517,291, and net cash outflows from operations of $13,630,037. Although the Company has previously been successful in obtaining financing in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

As of September 30, 2022, the Company's related parties and key management personnel consists of the Company's directors and executive officers.

Name/Personal Corporation	Relationship	Nature of Transaction
Jason Chen	CEO/Director	Management salaries, RSUs, Stock based compensation.
ArkOrion Enterprises Inc. (Adam Kniec)	CFO and Corporate Secretary since November 25, 2020	Consulting fees, RSUs and stock-based compensation
The Wuster Inc. (Kent Wu)	Director. Former COO (ceased January 22, 2022)	Consulting fees, RSUs and stock-based compensation
Yang Liu	Chief of Staff since November 24, 2020	Management salaries, RSUs and stock-based compensation
John Yu	Chief Marketing Officer since November 24, 2020	RSUs and stock-based compensation
Chelmer Consulting Corp (Darren Devine)	Director since November 24, 2020	Consulting fees and stock-based compensation
JR Management Corp. (Darryl Cardey)	Director since November 24, 2020	Consulting fees and stock-based compensation
Kai Huang	Director since November 24, 2020	RSUs and stock-based compensation
Freddie Liu	Director since November 24, 2020	RSUs and stock-based compensation
Edward Wright	Director since November 8, 2021	Director's fees and stock-based compensation

As of September 30, 2022, the Company's related parties and key management personnel consists of the Company's director, executive officers, and companies with which they are involved as directors and officers. Key management personnel are those persons that have authority and responsibility for planning, directing, and controlling the activities of the Company, directly and indirectly. As of September 30, 2022, the Company's key management personnel consisted of the Company's directors and senior management (Chief Executive Officer, Chief Financial Officer, Chief of Staff, Chief Marketing Officer and Corporate Secretary). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors.

Details are as follows:

Nature of Transactions		September 30, 2022		September 30, 2021
Consulting fees	$	406,000	$	462,427
Salaries and benefits		508,980		357,040
Stock based compensation – performance warrants		931,854		1,130,676
Stock based compensation – stock options		58,408		375,078
Stock based compensation – RSUs		541,140		578,689
	$	2,446,382	$	2,903,910

(a) During the year ended September 30, 2022, the Company recorded $406,000 (year ended September 30, 2021 - $462,427) of consulting fees to the Company's Directors, CFO, COO, and Corporate Secretary.

(b) During the year ended September 30, 2022, the Company recorded $508,980 (year ended September 30, 2021 - $357,040) of salaries to the Company's Director and CEO, CSO and CTO.

(c) During the year ended September 30, 2022, the Company recorded $33,387 (period ended September 30, 2021 - $Nil) of revenue from companies with a Director in common, being the Company's CEO. As at September 30, 2022, balance of $35,056 (period ended September 30, 2021 - $Nil) is included in accounts receivable.

(d) During the year ended September 30, 2022, the Company recorded $13,796 (year ended September 30, 2021 - $5,685) of royalty expense on certain brand foods to a company with a Director in common, being the Company's CEO.

(e) During the year ended September 30, 2022, the Company purchased $Nil (year ended September 30, 2021- $48,482) of food products from a company with a Director in common, being the Company's CEO. As at September 30, 2022, balance of $41,612 (year ended September 30, 2021 - $40,012) is included in accounts payable and accrued liabilities.

(f) Commitments

(i) As of September 30, 2022, the Company has an employment agreement with the Company's CEO for an indefinite term with basic annual compensation of $216,000. As part of the compensation, the Company also granted to the employee 7,100,000 Performance Warrants. In case of termination of the employment agreement by the Company without cause, or by the employee for cause, the employee is entitled to receive a severance payment equal to twelve (12) months of basic salaries and immediate vesting of Performance Warrants. In case of change of control, the employee is entitled to receive a severance payment equal to twenty-four (24) months of basic salaries and immediate vesting of Performance Warrants.

(ii) As of September 30, 2022, the Company has a consulting agreement with a company controlled by the Company's CFO. The contract calls for monthly fees of $10,000 until January 2022 and $13,500 thereafter and expires on April 30, 2023. In case of termination of the consulting agreement by the Company for reasons other than for an event of default, the consultant is entitled to receive early termination fees equal to six (6) months of fees. In case of change of control, a compensation equal to twelve (12) months of fees is payable upon termination.

(iii) As of September 30, 2022, the Company has 2 consulting agreements with 2 companies controlled by the Company's 2 directors. Each contract calls for monthly fees of $5,000 and expires on May 1, 2022. Unless terminated in writing, these contracts automatically renew for additional 12-month periods. In case of termination of the consulting agreement by the Company for reasons other than for an event of default, the consultant is entitled to receive early termination fees equal to six (6) months of fees. In case of change of control, a compensation equal to twelve (12) months of fees is payable upon termination.

The above transactions occurred in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Critical Accounting Estimates and Use of Judgment

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Significant estimates and judgments made by management that have a significant effect on the amounts recognized in these consolidated financial statements are as follows:

Impairment of non-financial assets

Management is required to used judgment in determining the grouping of assets to identify their cash generating units ("**CGUs**") for the purposes of testing fixed assets for impairment. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed for fixed asset and definite life intangible assets.

The recoverable amounts of CGUs and individual assets is required to be determined based on the higher of fair value less costs to sell or value-in-use calculations. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are anticipated residual value of equipment, expected financing revenue from leasing of the equipment and future operating and financing costs. Changes to these assumptions will affect the recoverable amounts of CGUs and individual assets and may then require a material adjustment to their related carrying value.

Leases

The Company has to make certain assumptions in estimating the present value of future lease payments and the estimated useful lives of the related assets. Key assumption includes the determination of discount rates.

In determining the carrying amount of the right-of-use asset and corresponding lease liabilities, the Company is required to estimate the incremental borrowing rate specific to each portfolio of leased assets with similar characteristics if the interest rate in the lease is not readily determined. Management determines the incremental borrowing rate using comparable interest rates that would be obtained if a financing was obtained from an independent financial institution to finance acquisition of a similar type of assets.

Stock-based compensation

The accounting for stock-based compensation requires management to make an estimate of the fair value of the stock-based compensation when granted based on the share price of the Company at the time of the grant as well as estimate around volatility, risk-free interest rates, and the probability of achieving certain vesting conditions.

Interests in Equity-Accounted Investees

Interests in equity-accounted investees comprise of interests in joint ventures. A joint venture is an arrangement in which the Company has joint control, whereby the Company has the right to the net assets of the joint venture arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint ventures are accounted for using the equity method. They are initially recognized at cost. Subsequent to initial recognition, the Company records its share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted since September 30, 2021 that would have a material impact on the Company's consolidated financial statements.

New Accounting Pronouncements Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2022 and have not been applied in the Company's financial statements. Pronouncements that are irrelevant or not expected to have a significant impact have as been excluded.

Amendments to IAS 1

This amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount of timing of recognition. The amendment applies retrospectively for annual reporting periods beginning on or after January 1, 2022. The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

Amendments to IAS 37

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing at 31 December 2021 will be completed before the amendments become effective. The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

Financial Instruments and Other Instruments

As September 30, 2022, the Company's financial instruments consist of cash, accounts receivable, accounts payable and promissory notes payable. The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their respective carrying values due to their short-term maturities. The fair value of promissory notes payable is equal to the carrying value because the underlying market rate did not change.

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

Credit Risk – Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's credit risk consists primarily of cash and accounts receivable. The credit risk is minimized by placing cash with large Canadian, Taiwanese, Hong Kong, Singapore, and Philippines financial institutions. Credit risk is managed through dealing with financially strong counterparties and regular cash collections. The Company's maximum exposure to credit risk is limited to the accounts receivable recognized on the consolidated statement of financial position.

As of September 30, 2022, the Company had a receivable of $315,260 from four customers representing 54% of total trade receivables. As of September 30, 2021, the Company had a receivable of $314,022 from three customers representing 66% of total trade receivables.

Currency Risk – The operating results and financial position of the Company are reported in Canadian dollars. As the Company's main operations are conducted in Taiwan through JK Taiwan using its functional currency, the New Taiwanese dollar ("NTD"), in Hong Kong through JKHK using its functional currency, Hong Kong dollar ("HKD"), in Singapore through JKSG using its functional currency, Singapore dollar ("SGD"), in the Philippines through JKP using its functional currency, Philippine peso ("PHP"), in Malaysia through JKM using its functional currency, Malaysian ringgit ("MYR") and in Thailand through JKTH using its functional currency, Thai Baht ("THB"), the Company is exposed to foreign currency transaction and translation risks. Assets and liabilities are translated based on the Company's foreign currency translation policy.

As at September 30, 2022 and for the year then ended, a 10% decrease in the value of the Taiwanese dollar in relation to the Canadian dollar would have decreased net assets by approximately $245,156 and would have decreased net loss of the Company by approximately $1,051,042. A 10% decrease in the value of the Hong Kong dollar in relation to the Canadian dollar would have decreased net assets by approximately $49,500 and would have decreased net loss of the Company by approximately $137,185. A 10% decrease in the value of the Singapore dollar in relation to the Canadian dollar would have increased net assets by approximately $22,026 and would have decreased net loss of the Company by approximately $72,402. A 10% decrease in the value of the Philippine peso in relation to the Canadian dollar would have decreased net assets by approximately $62,925 and would have decreased net loss of the Company by approximately $11,588. A 10% decrease in the value of the Malaysian ringgit in relation to the Canadian dollar would have decreased net assets by approximately $16,120 and would have decreased net loss of the Company by approximately $14,561. A 10% decrease in the value of the Thai Baht in relation to the Canadian dollar would have decreased net assets by approximately $2,702 and would have decreased net loss of the Company by approximately $2,141.

The Company has not entered into any hedging agreements to mitigate currency risks with respect to foreign exchange rates.

Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due if additional capital is not available to the Company when required. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations, lease and promissory notes payable, and capital expenditures. The Company ensures that sufficient funds are raised from debt or equity financings to meet its operating requirements, after taking into account its existing working capital and expected future revenues. The Company's cash is held with major financial institutions. The Company's cash is not invested in any asset backed deposits or investments.

The following table summarizes amounts and maturity dates of the Company's contractual obligations as of September 30, 2022:

	2022 $	2023 $	2024 $	2025 $	2026 $	Total $
Accounts payable and accrued liabilities	2,846,371	-	-	-	-	2,846,371
Lease liability *	1,470,741	1,198,703	708,571	302,101	57,573	3,737,689
Low-value leases	19,302	18,899	18,010	10,218	3,310	69,739
Promissory notes payable **	91,940	-	-	-	-	91,940
	4,428,354	1,217,602	726,581	312,319	60,883	6,745,739

** Including interest*
*** Excluding interest*

Outstanding Share Data

The following table summarizes the maximum number of common shares potentially outstanding as at September 30, 2022 and as of the date of this MD&A if all share purchase options, restricted share units and performance warrants were converted to common shares:

	As of September 30, 2022	**As of the date of this MD&A**
Common shares	75,181,387	75,181,387
Warrants	756,780	756,780
Performance warrants	10,000,000	10,000,000
Share purchase options	5,120,000	5,120,000
Restricted share units	3,100,000	3,100,000
Fully diluted	94,158,167	94,158,167

Risks and Uncertainties

Details of the risks and uncertainties related to the Company's business are set out in the Company's Prospectus dated March 26, 2021 and the Company's Shelf Prospectus dated May 21, 2021 under the heading "Risk Factors" which is available under the Company's profile at www.SEDAR.com.