



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2021

Accompanying the
Unaudited Condensed Interim Consolidated Financial Statements March 31, 2021

NHS Industries Ltd.
Unit 114B – 8988 Fraserton Court
Burnaby, BC V5J 5H8

This Management's Discussion & Analysis ("MD&A"), prepared as of May 29, 2021, is intended to be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the period ended March 31, 2021 and the audited financial statements for the year ended December 31, 2020, and related notes thereto, which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of NHS Industries Ltd. ("NHS", the "Company", "we", or "our") for the period ended March 31, 2021 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the period ended March 31, 2021 (the "Financial Statements").

For additional information please visit the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our real estate holdings, among others, including those identified in the Risk Factors section. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. The Company does not undertake any obligation to update such forward-looking information, whether because of new information, future events or otherwise, except as expressly required by applicable securities law.

Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to completion of site preparation, ability to secure financing on commercially acceptable terms, availability of contractors, suppliers and materials to complete the planned commissary kitchen construction, and planned improvements at the Langley site and the completion of these on schedule and on budget, planned occupancy by tenant-growers, commencement of operations, the risks inherent in an agricultural business, the variability of the weather and conditions needed to raise successful crops, the ability to mitigate the risk of loss through appropriate insurance policies, and the current uncertainty regarding local, provincial and federal legislation respecting legalized marijuana.

These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements.

NHS OPERATIONS

NHS was incorporated under the *Business Corporations Act* (British Columbia) under incorporation number BC0627073 on May 4, 2001 and changed its name to “NHS Industries Ltd.” on September 17, 2010. NHS amalgamated with 0998955 B.C. Ltd. on August 13, 2014 to become “NHS Industries Ltd.,” then a wholly owned subsidiary of New Age Farm Inc. and now its former parent (“**New Age Farm**”). The Company’s head office is located at Unit 114B – 8988 Fraserton Court, Burnaby, BC V5J 5H8. NHS and New Age Farm have completed a plan of arrangement as approved by the sole shareholder of NHS and by the New Age Farm shareholders at New Age Farm’s 2016 shareholder meeting (the “**Arrangement**”) and NHS has been separated and spun out from New Age since then.

The Company completed its listing requirement and commenced trading of its common shares on the CSE on April 5, 2018 under the symbol “NHS”.

Trends

Other than as disclosed in this MD&A, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development and NHS’ Business

NHS owns an agricultural property in Langley, BC (the “**Langley Site**”) where NHS intends to grow its agricultural land bank and to operate farming campuses in Canada that provide turnkey farming operations for its tenant-growers engaged in the production, processing and sale of luxury crops and value-added food products. NHS’ turnkey operations are designed to provide tenant-growers with the entire infrastructure they require to operate a successful agribusiness for the crops of their choice. Additional processing facilities will be available for the tenant-growers and outside growers to use to process crops into finished products. This will provide for consistency in methodology; making the most efficient and expedient use of the greenhouse facilities; that the greenhouse environment is optimally controlled for all tenant-growers crops’ needs; to provide optimal chance of success to the tenant-grower and for NHS so that all members reap maximum benefits from the crop.

The Langley Site



The Langley Site is a five and a half acre agricultural property located in Langley, BC with a 48,000 square foot greenhouse facility on site, capable of growing 2.4 million 4” potted plants per year; in place peat soil available for sale; and a residential property that is currently leased. The site is fully Agricultural Land Reserve-approved for an agribusiness

During the year ended December 31, 2020, the Company is still waiting for the reply from the ALR board regarding converting the Langley property into non-farm use but has already started seeking other potential projects or opportunities.

The Company has acquired all of the issued and outstanding shares of Plenty-Full Food Services Ltd. ("Plenty-Full") in February 2020, a privately held meal preparation start-up company based in Richmond, BC. The acquisition will accelerate the Company's strategic plans to expand into the food services industry and to build a potential food facility from its Langley farm property. The Company will provide public announcements on when Plenty-full will commence to provide it's ready to eat food products to the general public.

On March 11, 2021, the Company consolidated all of its issued and outstanding common shares (the "**NHS Shares**") on the basis of one (1) post-consolidated NHS Share for every four (4) pre-consolidated NHS Shares (the "**Consolidation**"). The Consolidation resulted in the number of issued and outstanding NHS Shares being reduced from 96,163,602 NHS Shares to 24,040,897 NHS Shares. The Company has outstanding warrants to purchase 8,000,000 NHS Shares reserved for issuance, equal to 2,000,000 NHS Shares on a post Consolidation basis and also has outstanding incentive stock options to purchase 3,850,000 NHS Shares reserved for issuance, equal to 962,500 NHS Shares on a post Consolidation basis.

On March 31, 2021, the Company acquired 100% ownership of a food production company, Be Good Plant based Foods Ltd., from arms-length parties in exchange of 22,050,000 common shares of the Company at total fair value of \$7,166,250. One million common shares were also issued as finder's fee with respect to this acquisition at total fair value of \$325,000. Be Good Plant Based Foods currently is launching its plant based chicken, pork and beef products as well as is investing in the research and development of keto-friendly plant based candy products . The company is launching its e-commerce platform with eight initial plant-based meat SKU's including: chicken tenders, chicken nuggets, pork cutlets, beef burgers and more.

More information about Be Good can be found at www.begoodfoods.net and at www.instagram.com/begoodfoodco.

Following the acquisition of Be Good, the Company has become an agri-food holdings company focused on innovative products and technologies in the food services industry including its wholly owned BE Good plant based foods line up of plant-based chicken, pork and beef products as well as is currently investing in the research and development of keto-friendly plant-based candy products.

On April 20, 2021, the Company announced a non-brokered private placement (the "**Private Placement**") of 7,000,000 units (the "**Units**") at a price of \$0.22 per Unit, for gross proceeds of \$1,540,000. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of \$0.30 per share, for a period of two years from the date the Units are issued.

If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$0.60 per

share for 10 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice.

On May 13, 2021, the Company amended the terms of its previously announced non-brokered private placement to ten million units at a price of 20 cents per unit for gross proceeds of \$2.0 million. Each unit is composed of one common share and one share purchase warrant. Each Warrant will entitle the holder to purchase one additional common share of the Company at an escalating exercise price over two years as follows: For a period of 12 months from the date of closing, the Unit Warrants will be exercisable at \$0.30 per share. Thereafter, for a period of 12 months, the Unit Warrants will be exercisable at \$0.45 per share.

In the event that the closing price of the Company's common shares is at or above \$0.60 per share for 5 consecutive days, the Company may provide notice (the "Acceleration Notice") to the holders of the Warrants by way of press release that the expiry date of the Warrants has been accelerated and that Warrants not exercised within 30 days of the date of the Acceleration Notice will expire.

QUARTERLY RESULTS

Three Months of Operations to March 31, 2021

Interest expenses & finance charge of \$10,669 was recognized in 2021 vs. \$6,046 in 2020. The main reason of the large increase in 2021 was due to the catch-up interest charged by the former CEO on the loan still payable to him since December 31, 2020.

Amortization expenses in 2021 were \$10,791 which was comparable to \$11,427 during the same period in 2020.

The Company incurred professional fees of \$5,900 in 2021 which was higher than the amount of \$1,350 incurred in 2020 by \$4,550 as a result of more legal fees was incurred with respect to the acquisition of Be Good. Consulting fees of \$4,800 was incurred in 2021 vs. \$67,000 in 2020 or a significant decrease of \$62,200 by 93%. The management of the Company has agreed to substantially decrease their consulting fees amidst of Covid-19 until further time. The director fees incurred in 2021 of \$24,000 was slightly higher than the amount incurred in 2020 of \$16,000.

The Company incurred office, utility, property taxes and miscellaneous expenses of \$2,250 in 2021 vs. \$3,022 in 2020, a slight decrease of \$772.

The Company incurred transfer agent & filing fees of \$Nil in 2021 vs. \$2,390 in 2020 mainly due to timing in recording reimbursement.

The Company's investment in a Limited Partnership has recognized a fair value adjustment of write up of \$231,250 in the last quarter as at March 31, 2021.

The Company's subsidiary, Plenty-full Food Services Corp., has applied for and received the CEAB loan from the government and recognized the non-interest bearing portion as government grant of \$12,494. The Company also recognized an accretion expense of \$1,061 on this CEBA loan in 2021 vs. \$Nil in 2020.

Rental income in 2021 was \$24,286 vs. \$Nil in 2020. A new tenant has taken over the lease of the facility in April 2020 on a month to month basis.

The Company commenced to accrue interest revenue on the loans receivable at 8% annually in 2020 and recognized loan interest revenue of \$8,000 in 2021 and 2020.

The Company recognized loss resulted from the consideration paid in excess of net assets acquired from acquisition of Be Good in the amount of \$7,464,059 vs. \$Nil in 2020.

The Company did not recognize any gain on settlements of debts in 2021 vs. \$360,700 gain in 2020.

SELECTED ANNUAL INFORMATION

The following financial data, which has been prepared in accordance with IFRS, is derived from the Company's financial statements. These sums are being reported in Canadian dollars and did not change as a result of the adoption of policies concerning Financial Instruments.

	Year ended		
	December 31, 2020	December 31, 2019	December 31, 2018
Total Revenue	\$ 104,896	\$ 98,528	\$ 114,412
Interest income	32,009	1,385	126
Expenses	391,812	877,056	632,022
Net income (loss)	(395,288)	(778,528)	(517,610)
Total assets	1,904,908	1,780,168	2,442,592
Total long-term liabilities	562,595	555,428	577,628
Net income (loss) per share (basic and diluted)	(0.02)	(0.09)	(0.02)

SELECTED QUARTERLY INFORMATION

The following table summarizes the results of operations for the eight recent quarters.

	March 31,	December 31,	Three months ended	
	2021	2020	September 30, 2020	June 30, 2020
Total Revenue	\$ 32,286	\$ 31,957	\$ 32,286	\$ 32,216
Interest income	8,000	8,000	8,000	8,000
Expenses	(7,292,364)	(83,349)	(59,362)	(59,996)
Net income (loss)	(7,260,078)	(537,704)	(27,076)	(27,780)
Net income (loss) per share and diluted loss per share	(0.30)	(0.02)	(0.0012)	(0.008)

	March 31,	December 31,	Three months ended	
	2020	2019	September 30, 2019	June 30, 2019
Total Revenue	\$ 8,437	\$ 24,305	\$ 24,422	\$ 25,386
Interest income	8,009	19	137	1,099
Expenses	(188,835)	173,872	150,182	153,131
Net loss	197,272	(149,567)	(125,760)	(127,745)
Net loss per share and diluted loss per share	0.012	(0.004)	(0.004)	(0.004)

LIQUIDITY

The Company is a startup agricultural based company and has a small regular source of income and may have incidental interest income it may earn on funds invested in short-term deposits. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so. The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately, the attainment of profitable operations and positive cash flows. The Company's loans, lease payments and debt covenants are in good standing as of the date of this MD&A.

In March 2019, the Company issued 1,300,000 (pre-consolidated 5,200,000) common shares at \$0.18 (pre-consolidated \$0.045) per share for services provided by the CEO of the Company.

In January 2020, the Company settled total payables of \$545,000 by issuing 2,725,000 (pre-consolidated 10,900,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated \$0.05) per share which has significantly improved its liquidity position.

In February 2020, the Company invested in a limited partnership by issuing 1,250,000 (pre-consolidated 5,000,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated \$0.05) per share. This LP is purposed to invest in different assets backed projects or cash flow businesses. The Company does not intend to have immediate liquidity from this investment but is looking to benefit from the investment in form of distribution of profits in the mid-term between 1 to 3 years.

Rent collected from the tenant will continue to offset the carrying cost of the mortgage and the existing longtime tenant intends to remain. The tenant is responsible for the incidental costs of operating the property (power, water, etc.) and this contributes to a lowered overhead cost of carrying the Langley Property.

As part of its financial planning, management intends to pursue further equity financing to meet its working capital requirements and is reasonably confident that it will be able to continue to fund the Company in this manner. The Company intends to work with a financial advisor to assist with raising funds to meet short term and long term goals as well as to develop an ongoing long term plan to keep the company in operation until revenues are sufficient to support the operations. However, should the Company be unsuccessful in raising capital through equity financing, it may need to consider borrowing funds from one or more directors or shareholders. At this time, the Company has no plans to borrow money and there have been no promises or arrangements made to fund the Company in this manner.

As of the date of this discussion, the Company currently has two subsidiaries, Plenty-full Food Services Corporation and Be Good Plant Based Food Inc.

CAPITAL RESOURCES

There are no known trends or expected fluctuations in the Company's capital resources, including expected changes in the mix and relative cost of such resources.

During the year ended December 31, 2019, the 2nd mortgage holder demanded the repayment of the 2nd mortgage plus full interest and as a result, the Company repaid \$770,000 with interest to the mortgage holder and will need to seek additional equity financing in order to continue its current or other future businesses.

In March 2019, the Company also issued 1,300,000 (pre-consolidated 5,200,000) common shares at a fair value of \$0.18 (pre-consolidated \$0.045) per share for a total of \$234,000 to the CEO of the Company for his services provided to the Company.

In January 2020, the Company settled total payables of \$545,000 by issuing 2,725,000 (pre-consolidated 10,900,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated \$0.05) which has significantly improved its liquidity position. In addition, the Company also issued 1,250,000 (pre-consolidated 5,000,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated \$0.05) per share as an investment into a limited partnership, as a founding limited partner, which is related to the Company's officers and directors.

In February 2020, the Company issued 11,406,000 (pre-consolidated 45,624,000) common shares at a fair value of \$400,232 and acquired 100% of Plenty-full Food Services Corporation and commenced in the central kitchen business.

The Company completed the consolidation of its common shares in March 2021 with outstanding common shares of 24,040,897.

In March 2021, the Company completed its acquisition of 100% of Be Good Plant Based Foods Ltd. ("Be Good"), by issuing 22,050,000 common shares to the holders of 100% of Be Good shares, on a pro rata basis, in exchange for their 22,050,000 Be Good common shares. The Company also issued 1,000,000 common shares as finder's fee with respect to the Be Good acquisition.

OFF BALANCE SHEET ARRANGEMENTS

As at March 31, 2021, the Company had no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company plans to become an agri-food holdings company focused on innovative products and technologies in the food services industry including its wholly owned BE Good plant based foods line up of plant-based chicken, pork and beef products as well as is currently investing in the research and development of keto-friendly plant-based candy products. The Company will also continue to develop its Plenty-full business in synergy with Be Good.

TRANSACTIONS WITH RELATED PARTIES

Three Months of Operations to March 31, 2021

The Company commenced accruing consulting fees and director fees to each of the directors in December 2018. During the period ended March 31, 2021, total consulting fees of \$4,500 (2020 - \$67,000) and directors fees of \$21,000 (2020 - \$16,000) have been accrued and recognized. On

February 27, 2020, the Company granted a total of 3,000,000 stock options to the CEO, CFO and CSO and recognized share based compensation of \$59,634 to these parties.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

	<u>Consulting</u>			<u>Total</u>
<u>March 31 2020</u>	<u>Fees</u>	<u>Director Fees</u>	<u>Share compensation</u>	<u>Management</u>
				<u>Compensation</u>
Robert Nygren, CEO & Director	\$ 11,000	\$ 2,000	\$ 19,878	\$ 32,878
Anthony Chan, CFO & Director	\$ 20,500	\$ 6,000	\$ 19,878	\$ 46,378
Ming Chiang, CSO & Director	\$ 5,500	\$ 2,000	\$ 19,878	\$ 27,378
Carman Parente, Former Director	\$ 30,000	\$ 6,000	\$ -	\$ 36,000
David Johnson, Former Director	\$ -	\$ -	\$ -	\$ -
Lorraine Pike, Former Director	\$ -	\$ -	\$ -	\$ -
	\$ 67,000	\$ 16,000	\$ 59,634	\$ 142,634
<u>March 31 2021</u>				
Robert Nygren, CEO & Director	\$ 1,500	\$ 6,000	\$ -	\$ 7,500
Anthony Chan, CFO & Director	\$ 1,500	\$ 6,000	\$ -	\$ 7,500
Ming Chiang, CSO & Director	\$ 1,500	\$ 6,000	\$ -	\$ 7,500
Carman Parente, Former Director	\$ -	\$ 3,000	\$ -	\$ 3,000
David Johnson, Former Director	\$ -	\$ -	\$ -	\$ -
Lorraine Pike, Former Director	\$ -	\$ -	\$ -	\$ -
	\$ 4,500	\$ 21,000	\$ -	\$ 25,500

<u>March 31 2021</u>	<u>Accounts</u>	<u>Accrued liabilities</u>	<u>Accrued liabilities</u>	<u>Loans Receivable</u>
	<u>Payable</u>	<u>Director Fees</u>	<u>Consulting Fees</u>	<u>(Payable)</u>
Robert Nygren, CEO & Director	\$ 45,150	\$ -	\$ -	\$ -
Anthony Chan, CFO & Director	\$ 8,077	\$ -	\$ -	\$ -
Ming Chiang, CSO & Director	\$ 41,475	\$ -	\$ -	\$ -
Carman Parente, Former Director	\$ 11,050	\$ 60,000	\$ -	\$ (187,130)
David Johnson, Former Director	\$ 5,200	\$ -	\$ -	\$ -
Lorraine Pike, Former Director	\$ 5,200	\$ -	\$ -	\$ -
A company controlled by the CFO	\$ -	\$ -	\$ -	\$ 408,000
Due to related party - Be Good	\$ -	\$ -	\$ -	\$ (500)
	\$ 116,152	\$ 60,000	\$ -	\$ 217,790

During the year ended December 31, 2018, the Company advanced a loan in the amount of \$400,000 to a limited partnership managed by a company controlled by the CFO of the Company as a general partner with no beneficial interest. This loan is non-interest bearing, non-secured with no fixed terms of repayment. On December 31, 2019, a company controlled by the CFO assumed this loan from the limited partnership and converted the loan into a secured promissory note payable to the Company maturing on December 31, 2022, with interest payable at an annual rate of 8% and personal guaranteed by the CFO. As at March 31, 2021, interest revenue of \$8,000 (March 31, 2020 - \$8,000) has been accrued and received by the Company on this note receivable.

As at March 31, 2021, loan payable of \$187,130 (December 31, 2020 - \$182,210) is due to the a former Director of the Company, a non-secured loan, interest bearing at an annual rate of 10.80%, compound quarterly, with no fixed terms of repayment. During the period ended March 31, 2021, total interest of \$4,920 (2020 - \$Nil) was charged by this former related party who had commenced charging catch-up interest in the last quarter of 2020.

During the year ended December 31, 2020, the Company settled total debts owing to the President and a Director of the Company in the amount of \$221,000 by issuing 1,105,000 (pre-consolidated 4,420,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated price of \$0.05) per share and recognized gain on debt settlements of \$154,700. The Company also settled total debts owing to the CFO and a Director of the Company in the amount of \$116,000 by issuing 580,000 (pre-consolidated 2,320,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated price of \$0.05) per share and recognized gain on debt settlements of \$81,200. In addition, a total amount of debts of \$208,000 owing to two former directors of the Company has been assigned to several arms-length parties and these debts have been settled by the Company by issuing 1,040,000 (pre-consolidated 4,160,000) common shares of the Company at deemed price of \$0.20 (pre-consolidated price of \$0.05) per share and recognized gain on debt settlements of \$124,800.

During the year ended December 31, 2020, the Company also invested in a limited partnership with the general partner being related by common officers in the amount of \$250,000 by issuing 1,250,000 (pre-consolidated 5,000,000) common shares of the Company at a deemed price of \$0.20 (pre-consolidated price of \$0.05) per share. The investment was fair valued adjusted to \$406,260 as at March 31, 2021.

Notes

1. Carman Parente ceased to be a director of the Company since February 15, 2021.
2. Anthony Chan was appointed CFO and became a director effective as of November 30, 2016.
3. David A. Johnson ceased to become a director in December 2019.
4. C. Lorraine Pike ceased to become a director in January 2020.
5. Robert Nygren became a director in January 2020.
6. Ming Chiang became a director in February 2020.

OUTSTANDING SHARE DATA

Authorized share capital:

Unlimited common shares without par value

Issued and Outstanding:

As of the date of this MD&A the Company has 47,090,897 common shares outstanding.

Balance as of January 1, 2019		7,328,933	\$3,362,507
January, 2019	Additional spin-out shares	30,967	\$ Nil
March, 2019	Shares to a director for service	1,300,000	\$ 234,000
January, 2020	Settlement of debts	2,725,000	\$ 184,300
February, 2020	Investment in a limited partnership	1,250,000	\$ 250,000
February, 2020	Acquisition of Plenty-full	11,406,000	\$ 400,232
March, 2021	Acquisition of Be-Good	22,050,000	\$7,166,250
March, 2021	Finder's fee – Be Good Acquisition	1,000,000	\$ 325,000
Balance May 29, 2021		47,090,900	\$11,922,288

Stock Options:

As of the date of this MD&A the Company has 962,500 stock options issued and outstanding.

Warrants:

As of the date of this MD&A the Company has 2,000,000 warrants issued and outstanding in connection with the closing of the recent private placements.

CONTINGENCIES

Except for the commitments mentioned in Liquidity subsection (a), there is no other contingency outstanding as of date of this discussion.

SUBSEQUENT EVENTS

On April 20, 2021, the Company announced a non-brokered private placement (the "**Private Placement**") of 7,000,000 units (the "**Units**") at a price of \$0.22 per Unit, for gross proceeds of \$1,540,000. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of \$0.30 per share, for a period of two years from the date the Units are issued.

If during the exercise period of the warrants, but after the resale restrictions on the shares have expired, the Company's shares trade at or above a weighted average trading price of \$0.60 per share for 10 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice.

On May 13, 2021, the Company amended the terms of its previously announced non-brokered private placement to ten million units at a price of 20 cents per unit for gross proceeds of \$2.0 million. Each unit is composed of one common share and one share purchase warrant. Each Warrant will entitle the holder to purchase one additional common share of the Company at an escalating exercise price over two years as follows: For a period of 12 months from

the date of closing, the Unit Warrants will be exercisable at \$0.30 per share. Thereafter, for a period of 12 months, the Unit Warrants will be exercisable at \$0.45 per share.

In the event that the closing price of the Company's common shares is at or above \$0.60 per share for 5 consecutive days, the Company may provide notice (the "Acceleration Notice") to the holders of the Warrants by way of press release that the expiry date of the Warrants has been accelerated and that Warrants not exercised within 30 days of the date of the Acceleration Notice will expire.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

These Financial Statements are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The Financial Statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The Financial Statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Please see the Company's unaudited condensed interim consolidated financial statements for the period ended March 31, 2021 and the audited consolidated financial statements for the year ended December 31, 2020 for a summary of significant accounting policies and estimates.

RISKS AND UNCERTAINTIES

Plant Growing, Warehousing and Processing Industry

The plant growing, warehousing and food processing industry involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the development of such facilities may result in substantial rewards, marketing will also play a significant role in developing the Company and its level of success. Major expenses may be required to establish the facilities to be accepted in the marketplace. It is impossible to ensure that the current facilities and market strategy planned by the Company will result in profitable commercial sales. Whether the Company will be commercially viable depends on a number of factors, some of which are the particular attributes of the industry the facilities is geared toward and the existing infrastructure, as well as competitors strategies and market factors. Some of these factors are cyclical and government regulated, including regulations relating to agriculture and food processing procedures and protocols.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Agriculture and food processing operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the public

health sectors inherited in the agriculture and food processing industry. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that are unforeseeable or beyond the company's control and their consequent liability.

Some of these risks include the following:

The Company is largely dependent on the success of constructing and marketing its warehousing and processing facilities and cannot be certain that its facilities will be successfully commercialized. NHS currently has minimal revenue from renting out its greenhouse facility. The successful addition of agriculture and food warehousing / processing facilities will also augment its ability to rent out unused greenhouse space and facilities. There is no guarantee that it will ever have marketable facilities. There are risks in design, development and manufacture of agriculture and food warehousing / processing facilities which may have adverse effect on public's health.

If a significant portion of these development efforts are not successfully completed, required regulatory approvals are not obtained, or any approved facilities are not commercially successful, the company's business, financial condition, and results of operations may be materially harmed.

The Company's facilities may never achieve market acceptance even if the company obtains regulatory approvals.

The Company's activities are directed towards the warehousing and processing of agriculture and food. There is no certainty that any expenditure to be made by the Company as described herein will result in market acceptance of the Company's facilities offerings. There is aggressive competition within the agriculture and food warehousing / processing marketplace. The Company will compete with other interests, many of which have greater financial resources than it will have for marketing towards target customers. Significant capital investment is required to achieve commercialization from the current start-up and development stage of the Company.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the business of NHS, as compared with its competitors, depends on the acceptance by their potential clients or customers in the respective industries or sectors. Market acceptance will largely depend on the reputation, marketing strategy, and services and performance of NHS. The success of NHS will depend on the ability to commercialize its products and services and to expand their network clients or market share. NHS will need to expand its marketing and sales operations and establish business relations with other professional services providers and clients in a timely manner.

In order to meet their business objectives, NHS will have to ensure that its services are professional, reliable and cost-effective, and bring the expected return. There can be no assurance that the business and services of NHS will be accepted and recommended.

Competition

The agriculture and food warehousing / processing industries are competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources.

Technological progress and product development may cause the Company's services and facilities offerings to become obsolete or may reduce their market acceptance.

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Growth Management

In executing the business plan of NHS for the future, there will be significant pressure on management, operations, and technical resources. NHS anticipates that its operating and personnel costs will increase in the future. In order to manage their growth, NHS will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Reliance on Key Personnel and Advisors

NHS will rely heavily on its officers. The loss of their services may have a material adverse effect on the business of NHS. There can be no assurance that one or all of the employees of, and contractors engaged by, NHS will continue in the employ of, or in a consulting capacity to, NHS or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, NHS who have access to confidential information will not disclose the confidential information.

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the operations of NHS require them to enter into various agreements with partners, joint venture partners, other businesses partners, equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of their businesses and the successful marketing of their services.

There is no guarantee that those with whom NHS need to deal will not adopt other services providers or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the competitors of NHS in preference to those of NHS.

Government Regulation

Although the activities of NHS are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, marketing or commercialization.

In addition to various trade organizations that the Company will be subject to, the consumer agriculture and food warehousing / processing industry is subject to various federal, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters from regulatory bodies such as Canadian Food Inspection Agency (CFIA), BC FoodSafe Program and

the department of Health Protection in Fraser Health. Regulatory approvals by government agencies on the Company's facilities may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

Although the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

Uninsured Risks

NHS may carry insurance to protect against certain risks in such amounts as they consider adequate. Risks not insured against include key person insurance, as NHS will heavily rely on its officers.

Conflicts of Interest

Certain directors of NHS also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving NHS will be made in accordance with their duties and obligations to deal fairly and in good faith with NHS and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As NHS is at the early stage startup stage, it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from their businesses, NHS may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Operating History and Expected Losses

NHS expects to make investments in order to develop their services, increase marketing efforts, and improve their operations. As a result, startup operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of NHS.

Risks Related as a Going Concern

The ability of NHS to each continue as a going concern is uncertain and dependent upon their ability to achieve profitable operations, obtain additional capital, and receive continued support from their shareholders. Management of NHS will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Potential Liability

NHS are subject to the risk of potential liability claims with respect to their businesses. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by NHS. There is no guarantee that NHS will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide NHS with adequate protection against potential liability.

Coronavirus Global Pandemic Risk

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

With employees, partners and customers across multiple geographies, the Company's management continues to closely monitor developments surrounding the COVID-19 pandemic. The Company's focus is on the safety and well-being of its employees, customers, and partners, and is taking precautions to minimize the spread of COVID-19 in alignment with local government policies and national and international agency recommendations. In consideration of this, interim arrangements have been made to ensure the maintenance of the Company's core operations despite the temporary reassignment of certain sales and contracting personnel.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the period ended March 31, 2021, there has been no significant change in the Company's internal control over financial reporting since last reporting period.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's unaudited condensed interim consolidated financial statements for the period ended March 31, 2021 (together the "**Interim Filings**").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (“**NI 52-109**”), the venture issuer basic certificate 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. Investors should be aware that 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.

OFFICERS AND DIRECTORS

Robert Nygren	CEO & Director
Anthony Chan	CFO & Director
Ming Chiang	CSO & Director
Natasha Sever	Director