FACEDRIVE INC.

Management's Discussion & Analysis of Financial Condition as at September 30, 2021 and Results of Operations for the Three and Nine Months Ended September 30, 2021 and 2020

FACEDRIVE INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the three and nine months ended September 30, 2021 and 2020

November 29, 2021

The following interim Management's Discussion & Analysis ("**MD&A**") provides information concerning the financial conditions and results of operations of Facedrive Inc. (the "**Company**", "**Facedrive**", "**we**", "**us**" or "**our**") which includes its subsidiaries, for the three months ended September 30, 2021 ("**Q3 2021 or the quarter**"), the three months ended September 30, 2020 ("**Q3 2020 or the comparative quarter**"), the nine months ended September 30, 2021 (the "**YTD**"), and the nine months ended September 30, 2020 (the "**Prior YTD**"). This MD&A should be read in conjunction with our audited consolidated financial statements, including the related notes thereto, for the fiscal years ended December 31, 2020 and 2019, and the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2021 and 2020 (the "**Q3 2021 Interim Statements**").

Our Q3 2021 Interim Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") applicable to the preparation of condensed interim financial statements, including International Accounting Standards ("**IAS**") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). Our fiscal year is the 12-month period ending December 31.

All amounts in this MD&A are in Canadian dollars, unless otherwise indicated. All information presented has been rounded to the nearest hundred dollars, unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information or forward-looking statements (collectively referred to as "**forward-looking information**") which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Facedrive or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this MD&A, such information uses such words as "may", "would", "could", "will", "intend", "predict", "aim", "seek", "potential", "expect", "believe", "plan", "anticipate", "estimate" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. This information reflects Facedrive's current expectations regarding future events and operating performance and speaks only as of the date of this MD&A. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed below. Facedrive believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. Facedrive assumes no obligation to publicly update or revise forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws or regulations. These forward-looking statements include, among other things, statements relating to Facedrive's revenue streams and financial performance, future growth and profitability of the Company, the impact of the COVID-19 pandemic on the Company's business operations, financial condition and results of operations, the Company's ability to maintain or adjust its capital, the Company's ability to finance its future cash requirements through debt and/or equity and the ability of the Company to manage its credit risk through financially stable institutions and payment collection platforms.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of Facedrive to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including those factors discussed under the heading "Financial Risk Management Objectives and Policies" in this MD&A. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time.

Although Facedrive has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. As such, there can be no assurance that forward-looking information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty in them. Furthermore, unless otherwise stated, the forward-looking information contained in this MD&A is made as of the date of this MD&A and we have no intention and undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

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COMPANY OVERVIEW

Facedrive Inc. was incorporated on January 18, 2018, under the *Business Corporations Act* (Alberta) as High Mountain Capital Corporation and was continued on December 31, 2019, under the *Business Corporations Act* (Ontario). The Company's corporate headquarters is located at 44 East Beaver Creek, Suite 16, Richmond Hill, Ontario L4B 1G8.

The Company was previously classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the TSX Venture Exchange ("**TSX-V**"). The principal business of the Company as a CPC was to identify and evaluate assets or businesses with a view to potentially acquiring such assets or businesses, or an interest therein, by completing a transaction, the purpose of which was to satisfy the related conditions of a "qualifying transaction" under the applicable rules of the TSX-V.

On May 17, 2019, the Company, 2696170 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of the Company, and Facedrive Inc. (the "**Private Company**"), a private company, entered into an amalgamation agreement pursuant to which, among other things, the Private Company amalgamated with Subco to form 5021780 Ontario Inc., a wholly owned subsidiary of the Company, and each shareholder of the Private Company received 0.473538 common shares of the Company (with each common share of the Company constituting, a "**Share**") for every one share of the Private Company held (the "**RTO**"). Immediately prior to the RTO, the Company effected a consolidation of its common shares on a 50-to-1 basis. In connection with the RTO, the Company changed its name from "High Mountain Capital Corporation" to "Facedrive Inc.". The RTO was completed on September 16, 2019 and the Company's common shares resumed trading on the TSX-V under the trading symbol "FD" on September 19, 2019. The RTO resulted in the issuance of 8,886,578 common shares and constituted a "reverse take-over" of the Company as the former Private Company shareholders acquired a majority of the outstanding common shares. All common share numbers in this paragraph are presented on a pre-Forward Split (as defined below) basis.

On October 9, 2019, the Company completed a forward split of its common shares on the basis of 10 new common shares ("**Shares**") for each one common share outstanding (the "**Forward Split**"). Prior to the Forward Split, the Company had 9,016,453 common shares issued and outstanding. Immediately following the Forward Split, the Company had 90,164,530 Shares issued and outstanding.

On December 31, 2019, the Company completed an amalgamation and continuance from a company incorporated under the *Business Corporations Act* (Alberta) to a company continued under the *Business Corporations Act* (Ontario) under the name "Facedrive Inc.".

Facedrive's Services and Offerings - Overview

Facedrive is a multi-faceted "people-and-planet first" tech ecosystem offering socially-responsible services to local communities with a strong commitment to doing business fairly, equitably and sustainably. As part of this commitment, Facedrive's vision is to fulfil its mandate through a number of services and offerings that either leverage existing technologies of the Company or have synergies with existing lines of business. Currently, these main services and offerings include:

- an eco-friendly rideshare business ("**Facedrive Rideshare**");
- a food-delivery business ("**Facedrive Foods**"), which includes a complementary business line involving the sale and delivery of various restaurant industry supply items on a business-to-business basis;
- an electric and hybrid vehicle subscription business ("**Steer**");
- a contact-tracing and health services business ("**Facedrive Health**");
- an e-commerce business ("**Facedrive Marketplace**"); and
- a e-social platform focused on driving socially-productive engagement among people ("**Facedrive Social**").

Facedrive Rideshare offers a wide variety of environmentally and socially responsible solutions in the Transportation as a Service (TaaS) space, planting thousands of trees based on user consumption and offering choices between electric, hybrid and conventional vehicles (including, more recently, electric and hybrid vehicles on a subscription basis through Steer). Facedrive Foods offers contactless delivery of a wide variety of foods right to consumer's doorsteps, with a focus on doing so in a socially and environmentally-conscious manner. Facedrive Social strives to keeping people engaged in a socially-conscious and meaningful way in a physically-distanced world through its

EcoCRED, HiQ Social App and other e-socialization applications that invite users to interact based on common interests (such as climate change, sports, and trivia) and by offering gamification and mutual community support features. Facedrive Health strives to develop and offer innovative technology solutions to the most acute health challenges including its proprietary TraceSCAN wearable technology ("**TraceSCAN**") for contact tracing.

Facedrive's development of its business and operations during the current financial year to date consist of the following:

- On February 2, 2021, the Company completed a non-brokered private placement of 1,518,518 Shares issued at a price of $13.50 per Share for aggregate gross proceeds of $20,499,993 (the "**2021 Private Placement**"). The Company incurred finder's fees of $224,600 in connection with this financing.

- On February 11, 2021, the Company entered into agreement with respect to a $2,500,000 grant via the Province of Ontario's *Ontario Together Fund* ("**OTF**") to help fund the development and deployment of TraceSCAN technology. On February 17, 2021, the Company received an initial tranche of $1,500,000 of OTF funding.

- On March 8, 2021, the Company announced that key executives of the Company voluntarily agreed with the Company to extend the lock-up period of an aggregate of approximately 46.57 million Shares owned by them. Sayan Navaratnam – Chairman, CEO and largest shareholder of the Company – extended his lockup period for all the Shares that he owns (both directly and indirectly) by two years to March 31, 2023, meaning all of his Shares will only gradually begin releasing from lock-up on that date over 18 months (at a rate of 15 percent every 90 days). Similarly, Junaid Razvi, Executive Vice President and Suman Pushparajah, Chief Operating Officer (with all of the aforementioned, including Mr. Navaratnam, being "**Key Executives**") also extended their lockup period in respect of all Shares held by them (both directly and indirectly) by one year to March 31, 2022, meaning all such Shares will only gradually begin releasing from lock-up on that date (at a rate of 15 percent every 90 days) over 18 months.

- On April 7, 2021, the Company appointed two new members to Facedrive's Board of Directors. The new members of the Board of Directors are Susan Uthayakumar and Suman Pushparajah. Concurrent with these appointments to the Board of Directors, Mr. Jay Wilgar resigned from the Board. The Company also appointed Suman Pushparajah as an officer of the Company. He was appointed as the Company's Chief Operating Officer.

- On April 14, 2021, the Company announced that it had completed the acquisition of 100% of the ownership interest of EcoCRED, LLC ("**EcoCRED**"), from Exelorate, a wholly-owned subsidiary of Exelon Corporation (NASDAQ:EXC). Facedrive acquired 100% of the ownership interest of EcoCRED in exchange for aggregate consideration of USD$1,000,000 satisfied through the issuance of 38,936 Shares. EcoCRED is a sustainability platform created to engage and empower consumers and businesses to build eco-friendly habits, increase awareness of sustainability, and to purchase verified, science-backed carbon offsets. EcoCRED, is platform includes an online application for mobile phones and tablets (the "**EcoCRED Platform**") that estimates users' daily carbon footprint based on their living habits, such as how they commute, the type of food they consume, their heating and air conditioning habits and the type of vehicle they drive. It suggests simple tasks and useful lifestyle tips to help educate its users and, if incorporated into their daily routine, help reduce their carbon footprint. Facedrive's objective is to develop the platform into a revenue-generating asset such that the platform will be further developed, further piloted in a commercial test market, and then become fully commercialized within the next 18 to 24 months in Canada and the United States. Meanwhile, in the nearer term, Facedrive's ancillary plan is to utilize the EcoCRED App to help introduce and integrate current and future users of the EcoCRED app to the Company's other "people-and-planet first" offerings such as Facedrive Rideshare, Facedrive Foods, Facedrive Health, Facedrive Marketplace and Facedrive Social. The EcoCRED App is part of the Facedrive Social line of business.

- On April 30, 2021, the Company appointed Mujir Muneeruddin as an officer of the Company. He was appointed as Executive Vice President of M&A and Strategy and Chief Legal Officer.

- On May 19, 2021, the Company announced that it has successfully launched Steer, the Company's electric and hybrid vehicle subscription service, in Toronto, Ontario. Prior to this launch, Steer was operating only in the United States.

- On May 26, 2021, the Company announced that EcoCRED will be part of a pilot project partnering with The Maryland-National Capital Park and Planning Commission, Department of Parks and Recreation in Prince George's County and Pepco, to help the county's residents reduce their carbon footprint and build eco-friendly habits.

- On July 8, 2021, the Company announced that it will deploy TraceSCAN (its wearable based contact-tracing platform) among staff members of TO Live (a City of Toronto agency managing and operating three of Toronto's most iconic theatres) pursuant to a sales and support engagement.

- On July 16, 2021, the Company announced that TraceSCAN (its wearable contact-tracing platform) has been selected for deployment by Eden Lodge Nursery School, located in Bridgetown, Barbados pursuant to a sales and support engagement.

- On August 3, 2021, the Company announced that it has launched a distribution, training and collection program for the Government of Canada's COVID-19 rapid antigen tests for small and medium sized organizations.

- On August 26, 2021, the Company announced changes to its senior management team with Sayan Navaratnam having provided notice of his intention to step down as Chief Executive Officer and Chairman of the Board of Directors (the "Board") effective September 1, 2021. Similarly, Bill Kanters, a member of the Board, provided notice of his intention to resign as of September 1, 2021 and Fairy Lee also provided notice of her intention to transition out of her role as Chief Financial Officer of the Company. Suman Pushparajah, the Company's current Chief Operating Officer and also a Director of the Company, was promoted to the role of Chief Executive Officer while Junaid Razvi, a founder of the Company and also a Director, was appointed as the Company's new Chairman of the Board as of September 1, 2021. Mujir Muneeruddin, Executive Vice-President of M&A and Strategy and Chief Legal Officer of the Company, was appointed as a Director of the Company on September 1, 2021 to fill the vacancy on the Board created by the departure of Mr. Navaratnam.

- On September 1, 2021, the Company announced that the amended lock-up agreement extensions that were entered into by the Company's early-stage investors including members of senior management would be further amended to revert back to the terms found in those persons' original lock-up agreements which allows for more shares to be released from lock-up on an earlier schedule.

- On October 29, 2021, the Company announced that Paul Zed retired from the Company's Board of Directors effective October 30, 2021. The vacancy created by Mr. Zed's retirement from Facedrive has not yet been filled. The composition of the Company's Audit Committee is now Hamilton Jeyaraj, Suman Pushparajah and Susan Uthayakumar. The composition of the Company's Governance, Compensation, and Nomination committee is now Junaid Razvi, Mujir Muneeruddin and Hamilton Jeyaraj.

Facedrive's COVID-19 Internal Response

In March 2020, the World Health Organization declared the outbreak of a Novel Coronavirus, SARS-CoV-2, also known as "COVID-19", which has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, had, and continue to have, an impact on the operations of the Company.

Since the beginning of the pandemic, the provincial and municipal governments of Ontario, the primary jurisdiction where the Company has operations, have imposed lockdowns and other restrictions at certain periods in order to curb infection rates. These lockdowns and restrictions have impacted the demand for the Company's ride sharing business as non-essential travel has been reduced. During the nine-months ended September 30, 2021, the Company has not noted any indicators of impairment as a result of COVID-19, however, due to the delay in the commercial launch of the Company's car-pooling platform (HiRide, as defined below), the Company recognized an impairment loss for the period ended December 31, 2020 as a result of post-secondary schools closing their classrooms and being subject to physical distancing requirements. The Company has responded to the COVID-19 pandemic by launching new, or expanding existing, services, features, or health and safety requirements on an expedited basis, particularly those relating to the delivery of food.

In light of the evolving nature of COVID-19, including new variants, and the uncertainty it has produced around the world, the Company does not believe it is possible to predict with precision the pandemic's cumulative and ultimate impact on its future business operations, liquidity, financial condition, and results of operations. In addition, the Company cannot predict the impact the COVID-19 pandemic will have on its business partners and third-party vendors, and the Company may be adversely impacted as a result of the adverse impact its business partners and third-party vendors suffer. Additionally, concerns over the economic impact of the COVID-19 pandemic have caused volatility in financial markets, which may adversely impact the Company's stock price and the Company's ability to access capital markets.

Going Concern

At September 30, 2021, the Company had working capital of $4,912,273 (December 31, 2020: $1,000,237), an accumulated deficit of $50,403,477 (December 31, 2020: $27,283,039), incurred losses during the nine months period ended September 30, 2021 amounting to $23,120,438 (2020: $12,029,165), and used cash in operating activities during the nine months period ended September 30, 2021 of $15,853,406 (2020: $7,747,940). Although the Company has been successful in the past obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company. During August 2021, management of the Company determined the existence of material uncertainties regarding the adequacy of the Company's expected future working capital and the Company's ability to complete a successful financing in the short term on terms acceptable to the Company, such that these uncertainties may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

ANALYSIS OF RESULTS OF OPERATIONS – THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

The following section provides an overview of our financial performance during the three-months ended September 30, 2021 compared to the three-months ended September 30, 2020.

Revenue

Revenue for Q3 2021 was $8,371,000, an increase of $8,104,600 as compared to $266,500 in Q3 2020. During Q3 2021, the Company generated substantially all of its revenue from Facedrive Foods and Steer.

Facedrive Foods

The Company's revenues attributable to Facedrive Foods' food delivery and restaurant supplies business activities were $7,379,900 in Q3 2021 as compared to $2,000 in Q3 2020. Facedrive Foods' food delivery revenues include revenues from food delivery services, restaurant commissions and merchandise sales. The increase was due to the acquisition of certain assets from Foodora Canada Inc. ("**Foodora Canada**") which was completed in July 2020 (the "**Foodora Transaction**") and the acquisition of Food Hwy Canada Inc. ("**Food Hwy**") which was completed in October 2020 (the "**Food Hwy Transaction**"). Facedrive Foods is primarily a food delivery platform that connects restaurants (national chains, local businesses and ethnic restaurants) with driver partners and consumers. Facedrive Foods offers contactless food delivery options and enable individuals and businesses to more easily comply with pandemic-related safety protocols, benefitting both consumers and businesses. Following the acquisition of Food Hwy, a Canada-based food delivery service with particularly strong ties within the Chinese-Canadian community, Facedrive increased its operational capabilities and market presence, and benefited from onboarding Food Highway's highly skilled team that had over six years of expertise – both operational and technical – in the field.

Facedrive Foods was initially established as a project within Facedrive in April 2020. On July 9, 2020, the Company completed the Foodora Transaction by acquiring assets from Foodora Canada including its customers list (and customers, subject to their consent), along with 5,500 restaurant partners previously served by Foodora Canada (the "**Foodora Lists**"), in exchange for cash consideration of $500,000. The Company's primary objective with the Foodora Transaction was not to purchase an operating business (which it was not) but rather, to gain entry into the food delivery market.

The total number of restaurant partners whose data and information (including customer contact information, menus, information pertaining to sales and top-selling items) the Company gained access to pursuant to the acquisition of the Foodora Lists was 5,500. Under Foodora Canada's vendor contracts, no opt-in consent was required to transfer such data and information to Facedrive, as a result, these restaurants were migrated to the Facedrive Foods platform. In 2020, the Company announced that it would gain immediate access to Foodora Canada's hundreds of thousands of customers. However, this access was subject to customer consent and opt in. In an attempt to obtain such consent, Foodora Canada sent six opt-in communications to all of Foodora Canada's customers and approximately 44,000 customers provided their express consent to have their personal information shared with Facedrive and thereby become users with accounts on the Facedrive Foods platform. Although the Company had completed the Foodora Transaction, it did not have a fully functional food delivery platform until it completed the acquisition of Food Hwy. The Food Hwy Transaction was completed on October 1, 2020 when the Company issued an aggregate of 487,142 Shares with a fair value of $3,538,575 as consideration for acquiring Food Hwy.

Facedrive Foods has been able to capitalize on the dramatic shift in consumer and business behavior in the wake of the COVID-19 pandemic, and was fulfilling, on average, 4,200 orders per day for the nine months ended September 30, 2021 in 19 cities across Canada. Facedrive Foods serves local communities by supporting local restaurants and enabling drivers to generate revenue when demand for rideshare is low. Facedrive Foods prides itself on its thorough driver onboarding and training processes, unique safety features such as daily driver temperature checks and integration of contact-tracing technology, extended delivery radius to cater to remote and underserved communities, and the recently-introduced grocery delivery and subscription services.

After the Foodora Transaction and the Food Hwy Transaction, due to a variety of reasons, the number of restaurant partners was not equal to the sum of the restaurant partners of each separate entity prior to the applicable transaction. However, on account of some of the restaurant partners being located outside of the Company's transportation service grid, coupled with a decline in the number of restaurant partners due to COVID-19 related financial hardship, the Company experienced some attrition in the number of former Foodora restaurants that became restaurant partners of the Company. Subsequently, when the Company acquired restaurant partners as a result of the Food Hwy Transaction it turned out that many of the restaurant partners were already restaurant partners of the Company as a result of the Foodora Transaction. As a result of these circumstances, the number of restaurant partners grew from zero as at June 30, 2020 to 4,258 as at December 31, 2020 and as at September 30, 2021, Facedrive Foods had 5,470 restaurant partners.

Regarding registered users, as a result of the Foodora Transaction the Company was able to obtain the consent of approximately 44,000 customers from the Foodora List to open and activate accounts with Facedrive Foods. Unlike with the restaurant partners from the Foodora Canada transaction, due to privacy law requirements, the express consent of each individual customer was required in order to effectively transfer their account information from Foodora Canada to Facedrive Foods. The number of registered users grew again upon the completion of the Food Hwy Transaction on October 1, 2020 and, as a result, by December 31, 2020 Facedrive Foods had 238,621 registered users. As of September 30, 2021, Facedrive Foods had 321,552 registered users.

Merchandise sales

The Company provides two sub-platforms for users to purchase merchandise that is socially conscious from various partners or suppliers. Facedrive Marketplace is one of the Company's such sub-platforms and Facedrive Foods is the other. To date, the majority of the Company's merchandise sales have been through the Facedrive Foods platform.

Facedrive Marketplace operates as an online store where the items that are selected for sale in the online marketplace are typically either eco-friendly and/or sustainably manufactured or otherwise linked to support for social causes. Facedrive Marketplace targets the socially-conscious consumer, who is typically also an ideal candidate to whom the

Company can cross-sell and cross-market its various other offerings. During 2020, merchandise sales by Facedrive Marketplace was under development and it began to generate initial revenues in Q4 2020. During Q3 2021, the Company still considers Facedrive Marketplace as being generally a pre-revenue project and under development. Accordingly, to better understand the Company's operations and the progress that was made during Q3 2021, please see the table regarding Facedrive Marketplace in the section below entitled "Discussion of Pre-Revenue Operations" below, which table provides information about: (i) the status of the Company's project; (ii) the expenditures made on the project during the quarter; and (iii) the anticipated timing and costs to take the project to the next stage of the project plan.

Facedrive Foods also provides a platform for merchandise sales. In addition to the sale and delivery of food items from the Company's restaurant partners (as described in the section above), Facedrive Foods' platform has been expanded in 2021 to include the sale and delivery of various restaurant industry supply items on a business-to-business basis. Such items include numerous restaurant industry items ranging from general tableware items and commercial kitchen items and supplies to restaurant meal ingredients and condiments. This merchandise inventory is procured, owned and warehoused by Food Hwy (a wholly-owned subsidiary of the Company) and then, once purchased by a restaurant or similar business utilizing a feature found in the Facedrive Food app, the merchandise is delivered by the Company to its business customer.

During Q3 2021, the Company's total revenue from merchandise sales was $5,516,600, as compared to $2,000 in Q3 2020. The increase in revenue was mainly due to the acquisition of FoodHwy in October 2020 and the expansion of Facedrive Foods' business activities into business-to-business restaurant industry merchandise in 2021. The Company's merchandise sales through the platform of Facedrive Foods had 3,877 partners and was fulfilling orders at the rate of over 5,000 per month as of September 30, 2021.

Ridesharing

Total revenue for Ridesharing in Canada was $75,500 in Q3 2021, as compared to $76,000 in Q3 2020. The Company's gross fees from Ridesharing were $228,700 in Q3 2021, representing a decrease from $315,400 from Q3 2020. This decrease is primarily attributable to a decrease in the number of rides during the COVID-19 global pandemic. The Company expects demand to gradually normalize and grow as the pandemic ends. Total number of rides was 15,400 in Q3 2021, representing a decrease from 23,800 rides in Q3 2020. The average gross receipt per ride was $14 (2020 - $13) and the average net revenue per ride that was earned by the Company was $4 (2020 - $3). The gross receipt is revenue earned by the Rideshare driver, not the Company. The Company earns a fee for acting as a platform provider and intermediary between the driver and the user.

The Company saw growth in the number of Ridesharing drivers and users in Canada during the nine months of 2021. The number of registered Ridesharing drivers in Canada has grown as follows: 20,662 as of September 30, 2021 (with 4,327 being fully approved to operate); 16,872 as of September 30, 2020 (with 3,928 being fully approved to operate). Registered Ridesharing drivers only become fully approved to operate after satisfying a car inspection, background check and receiving any requisite approvals from the jurisdictions in which they intend to operate. The number of registered Ridesharing users in Canada has grown to 78,292 as of September 30, 2021 compared to 56,870 as of September 30, 2020 (an increase of over 30%).

On March 31, 2020, the Company completed the acquisition (the "**HiRide Acquisition**") of HiRide Share Ltd, ("**HiRide**") a socially responsible ride-sharing and car-pooling business primarily targeted to long-distance travel and long-distance commuters such as university and college students. HiRide was a new business that became part of Ridesharing in 2020. The HiRide business experienced a severe decline in activity primarily as a result of government-imposed lock downs and restrictions as a result of COVID-19. During the three months ended September 30, 2021, the launch of the car-pooling platform was delayed again as a result of post-secondary institutions not fully re-opening. Accordingly, the Company has fully written off the HiRide Platform and brand name and has recognized an impairment charge of $67,800.

Vehicle subscription service

Total revenue from the Company's vehicle subscription service was $798,900 in Q3 2021, and $174,200 in the Q3 2020. The increase was attributable to the Company's acquisition (the "**Steer Acquisition**") of Steer, a specialized electric and hybrid vehicle subscription businesses from Exelorate Enterprises, LLC ("**Exelorate**"), a wholly-owned subsidiary of Exelon Corporation (NASDAQ:EXC). The Steer Acquisition was completed in September 2020 and the launch of the Steer vehicle subscription service platform in Toronto occurred in February 2021. The number of Steer vehicle subscription customers in the United States and Canada was 121 and 16 respectively as at September 30, 2021. The Company leases the hybrid and electric-vehicle automobiles that are utilized by Steer and its subscribers. Lease payments, maintenance and insurance expenses are borne by the Company. Steer's customers pay only the monthly subscription fee for use of the vehicles.

TraceSCAN sales

Total revenue from TraceSCAN sales was $17,800 in Q3 2021, and $12,800 in Q3 2020. Since the Company's TraceSCAN projects are in the piloting and proof of concept stage with various potential customers, only nominal amounts of revenue were earned from TraceSCAN sales in Canada during Q3 2021. The Company plans to continue the commercialization of the TraceSCAN device during 2021, including in respect of further uses and markets for the device.

TraceSCAN technology is made up of: hardware; firmware; a database; a web-based dashboard/notification system; gateways; and a gateway application. All programming and software development, including development of user interfaces and dashboards, integration with larger systems such as health networks, building security systems and software security, have been developed by Facedrive in Ontario in collaboration with alumni and participants from with the University of Waterloo and are proprietary to the Company. Facedrive's firmware is locally developed while its interfaces run on hardware currently sourced from China and other countries.

During 2020, TraceSCAN was under development. To better understand the Company's operations and the progress that was made during Q3 2021, please see the table regarding Facedrive TraceSCAN in the section entitled "Discussion of Pre-Revenue Operations" below, which provides information about: (i) the status of the Company's project; (ii) the expenditures made on the project during the quarter; and (iii) the anticipated timing and costs to take the project to the next stage of the project plan.

Facedrive Social

Facedrive Social strives to keep people connected in an increasingly disengaged world while also enabling them to do their part for the planet. While the Company does not currently foresee any of its Facedrive Social projects to be immediate drivers of significant revenue, the Company feels Facedrive Social plays an important role in helping the Company attract and aggregate socially-conscious users onto its platform, where the Company can cross-sell other products and offerings.

As a result of the above, during 2020 and 2021, Facedrive Social and its main projects remained pre-revenue and under development. The Company recently centralised much of its technology, back-end systems and human resources on Facedrive Social with a view to striking greater operational and capital efficiency. The Company is now confident that Facedrive Social offerings can now be offered and developed in a more streamlined, unified fashion, as opposed to each project operating as standalone sub-autonomous units.

Offerings within Facedrive Social include its EcoCRED App, which estimates users' daily carbon footprint based on their living habits, such as how they commute, the type of food they consume, their heating and air conditioning habits and the type of vehicle they drive. EcoCRED suggests simple tasks and useful lifestyle tips to help educate its users and, if incorporated into their daily routine, help reduce their carbon footprint. In the near term, Facedrive's plan is to utilize the EcoCRED App to help introduce and integrate current and future users of the EcoCRED App to the Company's other "people-and-planet first" offerings. Other Facedrive Social offerings include: HiQ Social App, an e-socialization platform that allows users to interact based on common interests and by offering gamification and mutual community support features; and HiPanda, an online application that was developed in tandem with the University of Waterloo's Engineering Wellness Program to raise awareness of mental health issues faced by the younger demographic during the pandemic, and to help bridge the gap between individuals and wellness coordinators' hectic schedules.

For a more detailed discussion regarding these Company projects as it relates to Q3 2021, please see the tables below in the section entitled "Discussion of Pre-Revenue Operations" below. These tables provide information about: (i) the status of the Company’s pre-revenue projects; (ii) the expenditures made on the projects during the quarter; and (iii) the anticipated timing and costs to take the projects to the next stage of the project plans.

Cost of Revenue

Cost of revenue for Q3 2021 was $7,951,700, representing an increase from $395,900 in Q3 2020. Cost of revenue primarily consists of direct costs associated with merchandise, TraceSCAN and its supply chain, payouts to Facedrive Foods’ drivers, depreciation, payment processing charges, delivery for merchandise sales, automobile leasing and maintenance costs, insurance expenses, as well as credit card losses. Total payouts to drivers for Facedrive Foods was $1,286,400 in Q3 2021, as compared to $Nil in Q3 2020. The increase was the result of the acquisition of Food Hwy and the introduction of food delivery services subsequent to the second quarter in fiscal 2020. Total depreciation related to vehicle subscription services for Steer was $508,400, as compared to $162,700 in Q3 2020. Total payment processing fees were $372,100, representing an increase from $28,500 quarter over quarter. The overall increase in payment processing fees were primarily attributable to an increase in revenue. Total delivery expenses for merchandise sales was $340,600 in Q3, 2021, as compared to $Nil in Q3, 2020. The increase was attributable to Facedrive Foods’ platform expansion in 2021 to include the sale and delivery of various restaurant industry supply items on a business-to-business basis. Total other automobile costs related to vehicle subscription services for Steer was $236,500, as compared to $89,900 in Q3 2020. The increase was attributable to the timing of the acquisition of the Steer vehicle subscription business in the United States in September 2020 and the launch of the Steer vehicle subscription in Canada in February 2021. The insurance expenses was $149,600 in Q3, 2021, as compared to $81,300 in Q3, 2020.

The cost of goods sold from Facedrive’s merchandise sales (including both Facedrive Marketplace and Facedrive Foods’ merchandise sales) and TraceSCAN was $4,988,400 in Q3 2021 as compared to $10,300 in Q3 2020. This increase is attributable to Facedrive Foods’ expanded offerings in 2021 which includes business-to-business restaurant industry merchandise and supplies and the Company launching Facedrive Marketplace and TraceSCAN sales in 2020.

Total cost of revenue payable to Connex Telecommunications Inc., a related company (“**Connex**”), was $15,500 in Q3 2021, as compared to $Nil in the Q3 2020. See “Related Party Transactions” below.

General and Administration Expenses

General and Administrative expenses for Q3 2021 were $1,703,800, up from $1,096,000 in Q3 2020. Total legal and accounting fees were $600,300 for Q3 2021 as compared to $252,100 in Q3 2020. These increases were primarily attributable to the fees associated with operating as a public company and the Company’s aforementioned intentions to further expand and grow Facedrive’s lines of business. In addition, total expenses for fees payable to TSX-V, our transfer agent and other third parties were $70,100 for Q3 2021, as compared to $115,500 in Q3 2020.

Total share-based compensation expenses recognized related to stock options and restricted share units granted to directors and officers of Facedrive were $27,700 for Q3 2021, as compared to $354,100 in Q3 2020. Total share-based compensation expenses recognized related to restricted share units granted to advisors and consultants were $483,400 in Q3 2021, as compared to $Nil in Q3 2020. The Company recognized stock options and restricted share units granted to directors and officers of Facedrive were $86,000 and offset with the reversal of $58,300 in Q3 2021 in connection with former directors who resigned in April 2021 and August 2021.

Total insurance expenses increased to $107,400 in Q3 2021, compared to $21,100 in Q3 2020. The increase was attributable to the increase in directors’ and officers’ insurance premiums since the renewal in October 2020. Total salaries and benefits for general and administrative staff members increased from $68,900 for Q3 2020 to $356,400 in Q3 2021. The increase was primarily attributable to the Company’s expansion and the additional headcount that was required for the growth. We anticipate an increase in share-based compensation expenses continuing in 2021 as we intend to recruit and expand management and employee ranks in line with the Company’s intentions to continue growing Facedrive’s services and product offerings. We also anticipate further significant increases to accounting, legal and professional fees in upcoming quarters associated with our growth strategy which we anticipate continuing to include strategic acquisitions as and when appropriate and the Company’s aforementioned intentions to further grow, enhance and diversify Facedrive’s services and product offerings. Any such increases to professional fees will be reflected in our General and Administrative expenses going forward.

During the three months period ended September 30, 2021, the Company paid $22,000 (2020 - $107,200) in legal fees to Abrahams LLP. Mr. Mujir Muneeruddin, an officer and director of the Company, is the Chairman of that law firm. Payments made by the Company to Abrahams LLP are for the various legal services provided to the Company by several lawyers and law clerks at the firm, which includes lawyers and law clerks operating in Ontario, Canada (other than Mr. Mujir Muneeruddin). As of November 1, 2020, Mr. Muneeruddin has not provided services to the Company through Abrahams LLP since, upon that date, he transitioned to a full time internal role with the Company. As such, since that date, Abrahams LLP does not bill the Company for any work provided by Mr. Muneeruddin. See "Related Party Transactions". Total general and administration expenses payable to Mujir Muneeruddin Professional Corporation, a related company, was $60,000 in Q3 2021, as compared to $Nil in Q3 2020. See "Related Party Transactions".

Operational Support Expenses

Operational support expenses increased to $3,255,500 in Q3 2021, from $846,900 in Q3 2020. Much of this increase was due to a substantial expansion in our general operations (i.e. related salaries and benefits) and incremental operational support associated with our newly acquired businesses. Total salaries and benefits for the Company's technical operations and support staff were $2,426,800 in Q3 2021, an increase of $1,854,100 compared to $572,700 in Q3 2020 primarily due to the increase in employee headcount. The increased headcount occurred primarily for the benefit of our Facedrive Foods operations, but also to strengthen other Facedrive services.

Total telephone, internet and data expenses increased to $333,350 in Q3, 2021 from $149,500 in the Q3, 2020. This increase was attributable to an uptick in the number of users on our different platforms. Total operational support expenses payable to Connex, was $14,900 in Q3 2021, as compared to $18,300 in the Q3 2020. Total operational support expenses payable to 10328545 Canada Inc., a related company controlled by the Company's current Chief Executive Officer, was $Nil in Q3 2021, as compared to $32,000 in Q3 2020. See "Related Party Transactions" below.

Research and Development Expenses

Research and development expenses increased to $668,200 in Q3 2021, as compared to $490,500 in Q3 2020. Research and development expenses included payments to consultants and salaries and benefits. Total salaries and benefits related to research and development personnel were $383,400 in Q3 2021, as compared to $141,100 in Q3 2020. The increase was primarily driven by the Company consolidating more research and development functions in-house as opposed to outsourcing to third party providers. We continue to increase the functionality of our platforms and business units and improve efficiencies in attracting and retaining users, downloaders, drivers and riders in Facedrive Rideshare and Facedrive Foods. For Facedrive Health, the Company (along with alumni and participants from the University of Waterloo and its Faculty of Engineering) has developed the TraceSCAN wearable technology for contact tracing and the Company will continue to upgrade and test the Company's proprietary product and technology. In addition, the Company has consolidated and centralised all technology, back-end and human resources in Facedrive Social, its e-socialization platforms that invites users to interact based on common interests and facilitate people doing their part for the planet. Total consulting fees were $284,900 in Q3 2021, as compared to $349,500 in Q3 2020. Total fees payable to Connex was $Nil in the quarter, as compared to $16,000 in the comparative quarter. See "Related Party Transactions" below.

Sales and Marketing Expenses

Total sales and marketing expenses for the Company's user and prospective user incentive programs were $1,349,500 in Q3 2021, as compared to $833,200 in Q3 2020. The year-over-year increase was primarily attributable to the increase in promotion for Facedrive Foods launched in the third quarter of fiscal 2020. The Company plans to continue to invest in sales and marketing to grow the number of platform users and increase our brand awareness.

Derecognition of investment in Tally Technology Group Inc.

On October 27, 2021, Tally served a notice of default to the Company, alleging that the Company had defaulted on the terms of the Options and 727,273 of the Company's Initial Tally Preferred Shares will be converted into common shares of Tally and, together with the Initial Tally Common Shares, will be returned to Tally for cancellation.

While management is of the opinion that the notice is without merit as an Amended Agreement removed any obligations upon which Tally might claim default, the Company has derecognized the Tally investment as at September 30, 2021 due to the uncertainty surrounding the outcome of the ongoing negotiation with Tally regarding the notice of default. As at November 24, 2021, no civil litigation has commenced and the parties currently seek to resolve the situation amicably.

Net Loss

The Company incurred a net loss of $9,930,200 in Q3 2021 compared to a net loss of $3,874,200 in Q3 2020. The increase in net loss was primarily attributable to the derecognition of long-term investment of $3,489,900 and the growth and development of the Company and the costs associated with such growth and development, as described above.

ANALYSIS OF RESULTS OF OPERATIONS – NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

The following section provides an overview of our financial performance during the nine months ended September 30, 2021 ("**YTD Period**") compared to the nine months ended September 30, 2020 ("**Prior YTD Period**").

Revenue

Revenue for the YTD Period was $17,443,300, an increase of $16,695,300 compared to $748,000 in the Prior YTD Period. The Company currently generates substantially all of its revenue from its vehicle subscription services, food delivery service and merchandise sales. Total revenues for Facedrive Foods including food delivery and restaurant commission were $6,964,100 as compared to $2,000 in the Prior YTD Period. The increase was attributable to the timing of the acquisition of the Foodora Assets which was completed in July 2020 and the acquisition of Food Hwy which was completed in October 2020.

Total revenue from Facedrive's merchandise sales was $7,917,200 in the YTD Period, compared to $8,600 in the Prior YTD Period. In 2021, Facedrive Foods added a complementary business line involving the sale and delivery of various restaurant industry supply items on a business-to-business basis which drove the majority of the increase.

Total revenue for ridesharing was $234,700 in the YTD Period, as compared to $400,500 in the Prior YTD Period. This year-over-year decrease was primarily attributable to the decrease in general demand for ridesharing as a result of the COVID-19 global pandemic. Total revenue from the vehicle subscription service (Steer) was $2,057,700 in the YTD Period, as compared to $174,200 in the Prior YTD Period. The increase is primarily attributable to the timing of the Steer Acquisition in the third fiscal quarter in 2020. Total revenue from TraceSCAN sales was $144,300 in the YTD Period, and $12,750 in the Prior YTD Period. The Company launched Facedrive Health in July 2020.

The revenue for Facedrive social was $125,205 in the YTD Period, as compared to $Nil in the Prior YTD Period. the increase is attributable to the EcoCRED App project launched in April, 2021. Total revenue from licensing arrangements was $Nil for the YTD Period, as compared to $150,000 in the Prior YTD Period as the license agreement has since expired.

Cost of Revenue

Cost of revenue for the YTD Period was $16,668,200, representing an increase from $769,800 in the Prior YTD Period. Cost of revenue primarily consists of direct costs associated with merchandise, TraceSCAN and supply chain, payouts to Facedrive Foods' drivers, depreciation, payment processing charges, delivery for merchandise sales, automobile leasing and maintenance costs, insurance expenses, as well as other credit card losses.

Cost of revenue primarily consists of payouts to Facedrive Foods' drivers, depreciation, payment processing charges, insurance expenses, automobile costs, as other credit card losses. Total payouts to drivers for Facedrive Foods was $4,716,100 in the YTD Period, as compared to $Nil in the Prior YTD Period. The increase was the result of the timing of the acquisition of Food Hwy and the introduction of food delivery services. Total depreciation related to vehicle subscription services (Steer) was $1,434,700, as compared to $162,700 in the Prior YTD Period. Total automobile costs were $534,800, as compared to $89,900 in the Prior YTD Period. Total insurance expenses were $388,300 in the YTD Period, as compared to $280,600 in the Prior YTD Period. These increases were attributable to the acquisition of the Steer vehicle subscription business in the United States in September 2020 and the launch of the Steer vehicle subscription business in Canada in February 2021. Total payment processing fees were $1,162,200, representing an increase from $116,200 in the Prior YTD Period. The overall increase in payment processing fees were primarily attributable to an increase in revenue. Total delivery for merchandise sales was $521,600 in the YTD Period, as compared to $Nil in the Prior YTD Period. The cost of goods sold from the sale of merchandise, TraceSCAN and supply chain sales was $7,607,700 in the YTD Period, compared to $13,900 in the Prior YTD Period. The majority of the cost of goods sold from the sale of merchandise is attributed to Facedrive Foods' expanded offerings in 2021 for the sale of industry merchandise and supplies.

Total cost of revenue payable to Connex, was $15,500 in the YTD Period, compared to $Nil in the Prior YTD Period. See "Related Party Transactions" below.

General and Administration Expenses

General and administration expenses, consisting primarily of share-based compensation, legal and accounting fees and salaries and benefits, for the YTD Period were $5,442,600, up from $2,411,200 in the Prior YTD Period. Total legal and accounting fees were $1,686,700 in the YTD Period as compared to $533,900 in the Prior YTD Period. These increases were primarily attributable to the Company's increased focus on enhancing its regulatory compliance and corporate governance framework including its cooperation with a continuous disclosure review commenced in 2020 by staff of the Corporate Finance Branch of the Ontario Securities Commission (the "**OSC Review**") as well as a wider business and regulatory footprint and ongoing acquisition and investment activity in the YTD Period.

Total salaries and benefits for general and administrative staff members were $1,091,400 in the YTD Period as compared to $136,900 in the Prior YTD Period. The increase was primarily attributable to the Company's expansion and the additional headcount that were required.

Total share-based compensation expenses recognized related to stock options and restricted share units granted to directors and officers of Facedrive were $Nil for the YTD Period, as compared to $1,005,000 in the Prior YTD Period. Total share-based compensation expenses related to restricted share units granted to advisors and consultants were $1,656,400 as compared to $Nil in the Prior YTD Period. The Company recognized stock options and restricted share units granted to directors and officers of Facedrive were $298,900 and offset with the reversal of $366,200 in the YTD Period in connection with former directors who resigned in April 2021 and August 2021. We anticipate an increase in share-based compensation expenses as we intend to recruit and expand management and employee ranks in line with the Company's intentions to continue growing Facedrive's lines of business. We also anticipate a further significant increase to accounting, legal and professional fees associated with operating as a public company and the Company's aforementioned intentions to further expand and grow Facedrive's lines of business and to continue enhancing its regulatory compliance and governance framework. Any such increases as to professional fees will be reflected in our general and administration expenses going forward.

During the period ended September 30, 2021, the Company paid $70,800 (2020 - $195,100) in legal fees to Abrahams LLP. Mr. Mujir Muneeruddin, an officer and director of the Company, is the Chairman of that law firm. Payments made by the Company to Abrahams LLP are for the various legal services provided to the Company by several lawyers and law clerks at the firm, which includes lawyers and law clerks operating in Ontario, Canada (other than Mr. Mujir

Muneeruddin). As of November 1, 2020, Mr. Muneeruddin has not provided services to the Company through Abrahams LLP since, upon that date, he transitioned to a full time internal role with the Company. As such, since that date, Abrahams LLP does not bill the Company for any work provided by Mr. Muneeruddin. See "Related Party Transactions". Total general and administration expenses payable to Mujir Muneeruddin Professional Corporation, a related company, was $180,000 in the YTD Period, as compared to $Nil in the Prior YTD Period. See "Related Party Transactions".

Operational Support Expenses

Operational support expenses increased to $8,905,400 in the YTD Period, from $1,602,200 in the Prior YTD Period. The year-over-year increase was primarily attributable to the substantial expansion in our general operations (i.e. related salaries and benefits) and incremental operational support associated with our newly acquired assets and businesses. Total salaries and benefits were $6,897,100 in the YTD Period, as compared to $984,400 in the Prior YTD Period, an increase of $5,912,700, primarily due to the increase in employee headcount described above. The increased headcount occurred primarily in respect of Facedrive Foods operations but also as a result of other expanding Facedrive services.

Total telephone, internet and data expenses increased to $845,800 in the YTD Period from $371,900 in the Prior YTD Period. This increase was attributable to an uptick in the number of users on our different platforms. Total operational support expenses payable to Connex, was $54,300 in the YTD Period, as compared to $52,400 in the Prior YTD Period. Total operational support expenses payable to 10328545 Canada Inc., a related company controlled by the Company's current Chief Operating Officer, was $Nil in YTD 2021, as compared to $94,700 in Prior YTD Period. See "Related Party Transactions" below.

Research and Development Expenses

Research and development expenses increased to $1,477,800 in the YTD Period, as compared to $1,014,400 in the Prior YTD Period. The research and development expenses were primarily related to fees paid to third parties providing services and product development to the Company. The expenses were primarily related to fees paid to third parties providing services and product development to the Company in the amount of $750,500 in the YTD Period, as compared to $727,700 in the Prior YTD Period. The overall increase was primarily driven by the Company consolidating more research and development functions in-house as opposed to outsourcing to third party providers. To this end, total salaries and benefits were $727,300 in the YTD Period, as compared to $286,700 in the Prior YTD Period and the increase in expenses was primarily attributable to the increase in the employee headcount described above. We continue to increase the functionality of the Facedrive platform and improving efficiencies in attracting and retaining drivers and riders. Total fees payable to Connex was $30,300 in the YTD Period, as compared to $16,000 in the Prior YTD Period. See "Related Party Transactions" below.

Sales and Marketing Expenses

Sales and marketing expenses for the YTD Period were $4,923,900, as compared to $6,623,900 in the Prior YTD Period. The decrease was primarily attributable to the fair value of share-based compensation paid for services provided by Medtronics to the Company in the aggregate amount of $4,932,700 for the Prior YTD Period, Total expenses for user incentives and marketing expenses were $3,340,000 for the YTD Period, as compared to $757,400 in the Prior YTD Period. This increase was primarily attributable to the increase in promotion for Facedrive Foods launched in the third quarter of fiscal 2020.

Derecognition of investment in Tally Technology Group Inc.

On October 27, 2021, Tally served a notice of default to the Company, alleging that the Company had defaulted on the terms of the Options and 727,273 of the Company's Initial Tally Preferred Shares will be converted into common shares of Tally and, together with the Initial Tally Common Shares, will be returned to Tally for cancellation.

While management is of the opinion that the notice is without merit as an Amended Agreement removed any obligations upon which Tally might claim default, the Company has derecognized the Tally investment as at September 30, 2021 due to the uncertainty surrounding the outcome of the ongoing negotiation with Tally regarding the notice of default. As at November 24, 2021, no civil litigation has commenced and the parties currently seek to resolve the situation amicably.

Net Loss

The Company incurred a net loss of $23,120,400 in the YTD Period, as compared to a net loss of $12,029,200 in the Prior YTD Period. The increase in net loss is primarily attributable to the derecognition of long-term investment of $3,489,900 and the growth of the Company and the costs associated with growth in operations and its overall business footprint, as described above. The Company is also of the position that the general trend of less ridership, on account of physical-distancing and other policies enacted by the Provincial Government in the face of COVID-19, also led to an increase as to the Company's net loss in the YTD Period.

Discussion of Pre-Revenue Operations

Issuers that have significant projects that have not yet generated revenue are required to describe each project, including the Company's plan for the project and the status of the project relative to that plan, and expenditures made during the period and how these relate to anticipated timing and costs to take the project to the next stage of the project plan. The following tables provide this information for each of the Company's main projects that were pre-revenue projects in Q3 2021. Information is provided for: (i) the HiRide Application; (ii) Facedrive Social (including EcoCRED, HiQ Application project and HiPanda App); (iii) the TraceSCAN project; and (iv) the Facedrive Marketplace project.

HiRide Application:

	Q3 2021
The status of the project:	With continuing restrictions related to COVID-19, and the consequential closing of in-class learning at post-secondary schools, operations in HiRide have been temporarily suspended.
The expenditures made on the project during the quarter:	Due to HiRide operations being suspended, the Company did not track expenses directly attributable to the HiRide project during this quarter. Efforts and resources were borrowed and shared amongst many of the Company's business units. However, given that operations have been temporarily suspended due to COVID-19, the Company estimates that expenditures during the quarter on this project were between $0 and $10,000 from a cost accounting perspective.
The anticipated timing and costs to take the project to the next stage of the project plan:	As at the end of Q3 2021, the next stage or anticipated milestone of the project was a full-launch at universities and schools once a full re-opening occurs. While the timing of such reopening has remained elusive (as it has been since the onset of the global pandemic COVID-19), it does plan to operationally combine HiRide with Rideshare going forward with a view to seeking greater operational and capital efficiency. The Company does not anticipate this consolidation requiring any further funding above and beyond existing operational support expenses that the Company is already incurring and reporting.

Facedrive Social:

	Q3 2021
The status of the project:	The Company focused its efforts on centralizing its technology, back-end and human resources with a view to striking greater operational and capital efficiency as to Facedrive Social ("FD Social Consolidation"), given the commonalities among each (EcoCRED HiQ, and HiPanda). The Company does not currently anticipate Facedrive Social being a source of significant revenue growth in the near to intermediate term but, rather, as a conduit for the Company to attract and aggregate socially-conscious users with a view to generating opportunities to cross-sell other of the Company's offerings.
The expenditures made on the project during the quarter:	For much of Q3 2021, resources expended were borrowed from, and spread across, many different other campaigns and projects within the Company. As such, expenditure figures are not separately tracked. Going forward, the Company plans to track expenses related to each of EcoCRED, HiQ and HiPanda under the banner of Facedrive Social.
The anticipated timing and costs to take the project to the next stage of the project plan	As at the end of Q3 2021, one anticipated next stage is expected to occur in Q4 2021 when the Company rolls out an updated version of the EcoCRED App and pursues a pilot project partnering with the Maryland-National Capital Park and Planning Commission, Department of Parks and Recreation in Prince George's County and Pepco, to help the county's residents reduce their carbon footprint and build eco-friendly habits. The specific timing and anticipated costs to achieve this next milestone are yet to be determined as the implementation plan for the next phase of the pilot project is under discussion within the Company and with its external partners. Despite the Company's efforts and confidence, there can be no assurance that the pilot project will result in commercial success. In light of the FD Social Consolidation, the Company is evaluating its strategy for Facedrive Social as a whole. The Company believes that factors such as the extent to which social-distancing and other pandemic protocols remain in effect will impact the manner and intensity of its approach with respect to other parts of Facedrive Social. For example, with stadiums and arenas in many sports now allowing close to full attendance, the impact of this on user behaviour on the HiQ social app needs to be evaluated and approached accordingly. As such, the Company does not currently have concrete plans to expend significant resources on HiQ or HiPanda (which may be sensitive to schools' fulsome re-opening of in-person attendance) as it evaluates these new circumstances and the new "normal" of post-pandemic policy and market conditions among many of Facedrive Social's targeted segments.

The TraceSCAN Project:

	Q3 2021
The status of the project:	The Company has a number of key pilot and proof of concept partnerships and continued working with these partners on testing and improving TraceSCAN. The Company also continued to further develop and finalize its TraceSCAN V2 devices, which have been slowed by global chipset shortages that the Company had anticipated being released in the third quarter of 2021. As the chipset shortage is a global macroeconomic trend entirely outside the control of the Company, there can be no assurance that the chipsets necessary for final production and rollout of the V2 devices will be available within such a timeframe.
The expenditures made on the project during the quarter:	The Company did not track expenses directly attributable to the TraceSCAN project during this quarter. Efforts and resources were borrowed and shared amongst many of the Company's business units. However, the Company estimates that the expenditures during the quarter on this project were between \$400,000 and \$500,000 from a cost accounting perspective.
The anticipated timing and costs to take the project to the next stage of the project plan:	As at the end of Q3 2021, the next stage or anticipated milestone of the project is Q4 2021, the point at which the Company anticipates having completed its key pilot with a hospital, to track COVID spread within the hospital. It is anticipated that the pilot will generate enough data to validate the risk assessment capabilities of TraceSCAN. With the Company's V2 Wellness wearable, our testing continues in collaboration with our university partners. The Company remains resolute that the impact of COVID will continue to be felt for years to come and this will change the way people function. The health and wellness of individuals is paramount and they need to be able to access the services they require and Facedrive Health believes it has a role to play in making these services accessible. However, the anticipated timing and costs to achieve this next milestone is yet to be determined by the types, size and profile of the supply agreements and purchase orders that the Company is able to successfully achieve and the feedback received.

The Facedrive Marketplace Project

	Q3 2021
The status of the project:	The project is functional and has products listed for distribution on the part of third-party vendors. The project remains focused on acquiring vendors and driving more traffic to its site, but is not yet anticipated to generate significant revenues at this time.
The expenditures made on the project during the quarter:	Resources expended were borrowed from, and spread across, many different other campaigns and projects within the Company. As such, expenditure figures are not separately tracked.
The anticipated timing and costs to take the project to the next stage of the project plan	The Company intends to grow its vendor and product base, and is aiming to reach a critical mass for each. The Company anticipates having such critical mass in Q1 2022, but there is no guarantee that such critical mass for vendors and products will have a direct correlation with any significant level of sales.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the results of our operations for the eight most recently completed fiscal quarters:

(Unaudited)	**Q3 2021 ($)**	**Q2 2021 ($)**	**Q1 2021 ($)**	**Q4 2020 ($)**	**Q3 2020 ($)**	**Q2 2020 ($)**	**Q1 2020 ($)**	**Q4 2019 ($)**
Revenue	8,371,021(1)	5,527,525 (2)	3,544,716 (3)	3,186,378(4)	266,460(5)	93,615(6)	387,901(7)	234,525(8)
Net loss	(9,930,182) (1)	(7,559,851) (2)	(5,630,405) (3)	(5,289,878)(4)	(3,874,179)(5)	(6,656,844)(6)	(1,498,142)(7)	(1,525,810)(8)
Basic and diluted loss per Share	(0.10)	(0.08)	(0.06)	(0.06)	(0.04)	(0.07)	(0.02)	(0.02)

Notes:

(1) Net loss increased for the three months ended September 30, 2021 as compared to the prior quarter, was primarily due to the derecognition of a long-term investment in Tally Technology Group Inc. in the amount of $3,489,916, For the three months ended September 30, 2021, the total share-based compensation expense was $511,100, and was included in general & administrative expenses.

(2) Net loss increased for the three months ended June 30, 2021 as compared to the prior quarter, was primarily due to the growth of the Company and the costs associated with the increase in cost of revenue in the amount of $1,976,200 and the increase in operational support in the amount of $1,273,100. For the three months ended June 30, 2021, the total share-based compensation expense was $279,800, and was included in general & administrative expenses.

(3) Net loss increased for the three months ended March 31, 2021 as compared to the prior quarter, was primarily due to the growth of the Company and the costs associated with the increase in cost of revenue in the amount of $912,100 and the increase in general and administration in the amount of $865,200. For the three months ended March 31, 2021, total share-based compensation expense was $798,200, and was included in general & administrative expenses.

In accounting for Food Hwy acquisition, the Company did not assess the associated deferred income tax liability that should have been recognized on the recognition of Food Hwy's intangible assets at the time of acquisition (with an associated increase to goodwill), and consequently any deferred income tax recovery which would have been recognized upon the amortization of the deferred income tax liability. To correct for the error, the Company has restated the consolidated statement of financial position as at December 31, 2020 to reflect the recognition of the deferred income tax liability of $248,000, the increase to goodwill of $685,000 and the impact to deficit for the recognition of the associated deferred income tax recovery of $437,000. As a result, deferred income tax recovery in Q1 2021 should have been $248,000, and net loss decreased by $248,000. See "Prior Period Errors" below.

(4) Net loss increased for the three months ended December 31, 2020 as compared to the prior quarter, was primarily due to the growth of the Company and the costs associated with the increase in cost of revenue in the amount of $2,315,100, the increase in operational support in the amount of $1,225,400 and the increase in sales and marketing in the amount of $1,476,500. The increase in revenue was mainly attributable to Food Hwy, the newly acquired food-delivery business on October 1, 2020. For the three months ended December 31, 2020, total share-based compensation expense was $551,700, and was included in general & administrative expenses. In accounting for Food Hwy acquisition, the Company did not assess the associated deferred income tax liability that should have been recognized on the recognition of Food Hwy's intangible assets at the time of acquisition (with an associated increase to goodwill), and consequently any deferred income tax recovery which would have been recognized upon the amortization of the deferred income tax liability. To correct for the error, the Company has restated the consolidated statement of financial position as at December 31, 2020 to reflect the recognition of the deferred income tax liability of $248,000, the increase to goodwill of $685,000 and the impact to deficit for the recognition of the associated deferred income tax recovery of $437,000. See "Prior Period Errors" below.

(5) Net loss decreased for the three months ended September 30, 2020 as compared to the prior quarter, was primarily due to the decrease in Sales and Marketing expenses attributable to the consulting agreement with Medtronics Online Solutions Ltd. ("**Medtronics**") in the amount of $4,932,696. This decrease was partially offset by an increase in general & administrative, operational support, and research & development expenses due to the growth of the Company and the costs associated therewith. The increase in revenue was mainly attributable to Steer, the newly acquired electric-vehicle subscription business. For the three months ended September 30, 2020, total share-based compensation expense was $354,100, and was included in general & administrative expenses. During the year-end audit process and in connection with the OSC Review, in order to reflect the consequences of the continuing COVID-19 pandemic and its impact on the short-term reduction in demand for commuting as a result of university and college students and their schools transitioning to a learn-from-home and/or online classroom environment, the Company took an impairment charge of $350,000 related to the book value of the Company's intangible assets related to HiRide. This impairment charge represented approximately two-thirds of the book value of these intangible assets, reducing the book value to $169,506 as at December 31, 2020. As

the indicators were present during the quarter ended September 30, 2020, the impairment charge should have been recorded in Q3 2020. As a result, impairment of intangible assets in Q3 2020 should have been higher by $350,000 and net loss also increased by $350,000. The net loss for the nine months ended September 30, 2020 was impacted by this error as well as the error set out in Note 4 below (the negative $2,700,000 change in the Medtronics share based compensation expense in Q2 2020 and the $350,000 impairment charge in Q3 2020). The cumulative effect of these errors on the net loss for the nine months ended September 30, 2020 was that net loss decreased by $2,350,000.

(6) Net loss increased for the three months ended June 30, 2020 as compared to the prior quarter, primarily due to the increase in Sales and Marketing expenses attributable to the consulting agreement with Medtronics in the amount of $4,932,696. The decrease in revenue was attributable to the decrease in ridership as a result of the COVID-19 global pandemic. For the three months ended June 30, 2020, total share-based compensation was $5,291,600, which we included in sales and marketing expenses in the amount of $4,932,696 and general & administrative expenses in the amount of $358,900. Earlier in 2020, the Company reported that the expense related to the share-based compensation paid to Medtronics was determined to be $7,632,700; however, during the year-end audit process and in connection with the OSC Review, the Company determined that it had made an error with respect to the computation of the fair value of the Shares issued to Medtronics and recorded a higher expense than it should have. The Company remedied this accounting error by discounting the value of such Shares by 35.6% in order to reflect and recognize the lock-up restrictions and therefore a liquidity discount that was included in the terms of the issuance of these locked-up Shares. Net loss for the second quarter of 2020 was restated to $6,656,844 from $9,356,844.

(7) Net loss decreased for the three months ended March 31, 2020 as compared to the prior quarter, primarily due to an increase in interest income of $7,800 and unrealized foreign exchange gains of $120,900 attributable to the promissory note receivable completed in October 2019. The increase in revenue was attributable to an increase in riders. For the three months ended March 31, 2020, total share-based compensation was $246,200, and was included in general & administrative expenses. In addition, total sales and marketing expenses were $574,900, compared to $587,000 for the three months ended December 31, 2019. Sales and marketing expenses for the three months ended March 31, 2020 consisted primarily of rider discounts, advertising, promotions and incentives to drivers. The Company plans to continue to invest in sales and marketing to grow the number of platform users and increase its brand awareness.

(8) Net loss decreased for the three months ended December 31, 2019 as compared to the prior quarter, primarily due to the decrease in listing expenses of $2,376,000 attributable to the RTO completed in September 2019. The increase in revenue was attributable to an increase in riders. For the three months ended December 31, 2019, total share-based compensation was $337,700, and was included in general and administration expenses. In addition, there was an increase in sales and marketing expenses of $148,500 for the three months ended December 31, 2019. Sales and marketing expenses for the three months ended December 31, 2019 consisted primarily of rider discounts, advertising, promotions and incentives to drivers. The Company plans to continue to invest in sales and marketing to grow the number of platform users and increase its brand awareness.

Prior Period Errors

During the preparation of the Company's Q3 2021 financial results and concurrent with the ongoing Continuous Disclosure Review involving staff of the Corporate Finance Branch of the Ontario Securities Commission ("OSC"), the Company identified that the Company made certain errors in originally filed continuous disclosure documents and therefore the Company is implementing an accounting or disclosure change on a retroactive basis (each a "Corrective Disclosure"). The Company has two Corrective Disclosures and these involve: (i) an error related to accounting for deferred income taxes associated with the Company's acquisition of Food Hwy Inc.; and (ii) errors related to the reporting of the end-user discounts that were offered as market-wide promotions by the Company.

<u>Restatement of Previously Filed Financial Information for the Year ended December 31, 2020</u>

Deferred Income Taxes

On October 1, 2020, the Company completed the acquisition (the "Food Hwy Acquisition") of Food Hwy Canada Inc. ("Food Hwy"), a food delivery service, for consideration of $5,038,575. For accounting purposes, the Food Hwy Acquisition was determined to be a "business combination" as substantive processes and assets were acquired as part of the transaction. In accounting for the transaction, the Company did not assess the associated deferred income tax liability that should have been recognized on the recognition of Food Hwy's intangible assets at the time of acquisition (with an associated increase to goodwill), and consequently any deferred income tax recovery which would have been recognized upon the amortization of the deferred income tax liability. This topic was mentioned in the Company's press release dated October 6, 2021 as an unresolved issue involving the Company's Q2 2021 financial statements.

To correct for the error, the Company has restated the consolidated statement of financial position as at December 31, 2020 to reflect the recognition of the deferred income tax liability of $248,000, the increase to goodwill of $685,000 and the impact to deficit for the recognition of the associated deferred income tax recovery of $437,000.

The tables below are intended to provide detailed information about the impact of these restatements on the Company's year-ended December 31, 2020 financial statements, its Q1 2021 financial statements and its Q2 2021 financial statements.

Consolidated Statement of Financial Position as at December 31, 2020

		As previously filed		Restated	Impact
ASSETS					
Current assets					
Cash and cash equivalents	$	3,915,788	$	3,915,788	-
Trade and other receivables		1,809,433		1,809,433	-
Prepaid expenses and deposits		369,741		369,741	-
Inventory		118,345		118,345	-
		6,213,307		6,213,307	-
Deposits		1,042,503		1,042,503	-
Interest receivable		47,152		47,152	-
Promissory note receivable		1,273,200		1,273,200	-
Equipment		20,522		20,522	-
Right-of-use assets		7,937,988		7,937,988	-
Long-erm investment		3,487,451		3,487,451	-
Intangible assets		6,640,994		6,640,994	-
Goodwill		1,238,544		1,923,544	685,000
Total assets	$	27,901,661	$	28,586,661	685,000
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	$	3,597,078	$	3,597,078	-
Customer deposits		227,086		227,086	-
Deferred income		87,511		87,511	-
Due to a related party		334,028		334,028	-
Lease liability – current		967,367		967,367	-
		5,213,070		5,213,070	-
Loans		80,332		80,332	-
Lease liability		7,311,591		7,311,591	-
Deferred income tax liability		-		248,000	248,000
Total liabilities		12,604,993		12,852,993	248,000
SHAREHOLDERS' EQUITY (DEFICIT)					
Capital stock		40,916,526		40,916,526	-
Contributed surplus		2,176,016		2,176,016	-
Accumulated other comprehensive loss		(75,835)		(75,835)	-
Deficit		(27,720,039)		(27,283,039)	437,000
Total shareholders' equity (deficit)		15,296,668		15,733,668	437,000
Total liabilities and shareholders' equity	$	27,901,661	$	28,586,661	437,000

Consolidated Statement of Loss and Comprehensive loss for the Year Ended December 31, 2020

		As previously filed		Restated		Impact
REVENUE	$	3,934,354	$	3,934,354	$	-
Cost of revenue		3,228,263		3,228,263		-
General and administration		3,605,182		3,605,182		-
Operational support		3,764,360		3,764,360		-
Research and development		1,444,153		1,444,153		-
Sales and marketing		8,933,587		8,933,587		-
Amortization		1,010,239		1,010,239		-
Depreciation		76,130		76,130		-
Total operating expenses		22,061,914		22,061,914		-
OPERATING LOSS		(18,127,560)		(18,127,560)		-
Government grants		1,127,130		1,127,130		-
Foreign exchange gain (loss)		(217,610)		(217,610)		-
Interest expenses		(252,680)		(252,680)		-
Interest income		41,663		41,663		-
Gain on lease terminations		23,014		23,014		-
Impairment of intangible assets		(350,000)		(350,000)		-
LOSS BEFORE INCOME TAXES	$	(17,756,043)		(17,756,043)		-
Deferred income tax recovery		-		437,000		437,000
NET LOSS		(17,756,043)		(17,319,043)		437,000
Cumulative translation adjustment		(75,835)		(75,835)		-
NET LOSS AND COMPREHENSIVE LOSS		(17,831,878)		(17,394,878)		437,000
Loss per share – Basic and diluted	$	(0.19)	$	(0.19)	$	-
Basic and diluted		91,952,197		91,952,197		-

Consolidated Interim Statement of Changes in Equity for the Year Ended December 31, 2020

	Number of common shares		Share capital		Contributed surplus		Deficit		Accumulated other comprehensive losses		Total shareholders' equity (deficit)
As previously filed											
Balance, December 31, 2019	**90,164,530**	**$**	**13,843,970**	**$**	**539,169**	**$**	**(9,963,996)**	**$**	**-**	**$**	**4,419,143**
Issuance of share capital	1,609,240		13,617,799		-		-		-		13,617,799
Share issuance costs	-		(288,430)		-		-		-		(288,430)
Acquisition of HiRide	265,957		739,360		-		-		-		739,360
Investment in Tally	151,457		2,326,425		-		-		-		2,326,425
Acquisition of Steer	222,819		2,196,173		-		-		-		2,196,173
Acquisition of Food Hwy	515,370		3,538,575		-		-		-		3,538,575
Share-based payments	800,607		4,942,654		1,636,847		-		-		6,579,501
Net loss and comprehensive loss	-		-		-		(17,756,043)		(75,835)		(17,831,878)
Balance, December 31, 2020	**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,720,039)**	**$**	**(75,835)**		**15,296,668**

Restated

	Number of common shares		Share capital		Contributed surplus		Deficit		Accumulated other comprehensive losses		Total shareholders' equity (deficit)
Balance, December 31, 2019	**90,164,530**	**$**	**13,843,970**	**$**	**539,169**	**$**	**(9,963,996)**	**$**	**-**	**$**	**4,419,143**
Issuance of share capital	1,609,240		13,617,799		-		-		-		13,617,799
Share issuance costs	-		(288,430)		-		-		-		(288,430)
Acquisition of HiRide	265,957		739,360		-		-		-		739,360
Investment in Tally	151,457		2,326,425		-		-		-		2,326,425
Acquisition of Steer	222,819		2,196,173		-		-		-		2,196,173
Acquisition of Food Hwy	515,370		3,538,575		-		-		-		3,538,575
Share-based payments	800,607		4,942,654		1,636,847		-		-		6,579,501
Net loss and comprehensive loss	-		-		-		(17,319,043)		(75,835)		(17,394,878)
Balance, December 31, 2020	**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,283,039)**	**$**	**(75,835)**		**15,733,668**

Impact

Balance, December 31, 2019	-	$ -	$ -	$ -	$ -	$ -
Issuance of share capital	-	-	-	-	-	-
Share issuance costs	-	-	-	-	-	-
Acquisition of HiRide	-	-	-	-	-	-
Investment in Tally	-	-	-	-	-	-
Acquisition of Steer	-	-	-	-	-	-
Acquisition of Food Hwy	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	437,000	-	437,000
Balance, December 31, 2020	**-**	**$ -**	**$ -**	**$ 437,000**	**$ -**	**437,000**

Consolidated Statement of Cash Flows for the Year Ended December 31, 2020

		As previously filed		Restated		Impact
Cash provided by (used in)						
OPERATING ACTIVITIES						
Net loss	$	(17,756,043)	$	(17,319,043)	$	437,000
Items not affecting cash:						
Depreciation and amortization		1,728,306		1,728,306		-
Share-based payments		6,579,501		6,579,501		-
General and administration		25,000		25,000		-
Unrealized foreign exchange loss		207,371		207,371		-
Gain on lease terminations		(41,617)		(41,617)		-
Listing expenses		-		-		-
Interest expenses		(19,668)		(19,668)		-
Government and other grants		(40,000)		(40,000)		-
Impairment of intangible assets		350,000		350,000		-
Deferred income tax recovery		-		(437,000)		(437,000)
Net change in non-cash working capital items:						
Trade and other receivables		(499,304)		(499,304)		-
Prepaid expenses and deposits		(235,847)		(235,847)		-
Interest receivable		(41,663)		(41,663)		-
Deposits		(1,050,591)		(1,050,591)		-
Inventory		(117,697)		(117,697)		-
Accounts payable and accrued liabilities		1,379,960		1,379,960		-
Deferred income		(58,372)		(58,372)		-
Cash used in operating activities		(9,590,664)		(9,590,664)		-
INVESTING ACTIVITIES						
Acquisition of HiRide		(51,549)		(51,549)		-
Cash acquired from HiRide Acquisition		40		40		-
Purchase of property, plant and equipment		(23,322)		(23,322)		-
Purchase of intangible assets		(561,660)		(561,660)		-
Cash acquired in reverse takeover		-		-		-
Investment in Tally		(1,340,600)		(1,340,600)		-
Investment in Food Hwy		(1,500,000)		(1,500,000)		-
Cash acquired from Food Hwy Acquisition		144,425		144,425		-
Investment in promissory note		-		-		-
Cash used in investing activities		(3,332,666)		(3,332,666)		-
FINANCING ACTIVITIES						
Issuance of common shares		13,617,799		13,617,799		-
Share issuance costs		(288,430)		(288,430)		-
Repurchase of common shares		-		-		-
Principal payment of lease liabilities		(333,592)		(333,592)		-
Proceeds from loans		60,000		60,000		-
Repayments to related parties		-		-		-
Cash provided by financing activities		13,055,777		13,055,777		-
Impact of currency translation adjustment on cash		(7,553)		(7,553)		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**124,894**		**124,894**		**-**
Cash and cash equivalents, beginning of period		3,790,894		3,790,894		-
Cash and cash equivalents, end of period	$	**3,915,788**	**$**	**3,915,788**	**$**	**-**

Restatement of Previously Filed Financial Information for the Quarter ended March 31, 2021

End-user Discounts and Market-wide Promotions

From time to time, the Company's subsidiary, Facedrive Foods, provides discounts to end users. The Company records these discounts as being either net of revenue or as sales and marketing expenses depending on the nature of the promotion.

The Company applies a similar revenue recognition and expense allocation policy as compared to other companies in its peer group. The Company's revenue recognition policies and its policies regarding accounting for end-user incentives and discounts is described in the Company's Q3 2021 MD&A, which can be summarized as follows:

- Targeted end-user discounts and promotions. These are incentives offered by the Company to acquire, re-engage or generally increase end-users use of the platform (akin to a coupon) offered to end users who are not customers. Targeted end-user discounts and promotions are presented as sales and marketing expenses. For example, if an end user engages the Company for a fare or service that typically would cost an end user $100 and that end user presents or redeems a promotion coupon or promo code for $10 that was specifically issued by the Company to that specific end user, then the Company will account for $100 of revenue and $10 of sales and marketing expenses.
- End-user referrals. These are credits given to existing end-users for referring new end-users to the Company's platform. End-user referrals are accounted for and presented as sales and marketing expenses. For example, if an end user engages the Company for a fare or service that typically would cost the end user $100 and that end user presents or redeems a promotion coupon or promo code for $10 that was specifically issued by the Company to that specific end user as a result of the end use making a referral to a friend and the Company gaining a new customer, then the Company will account for $100 of revenue and $10 of sales and marketing expenses.
- Market-wide Promotions. These are general discounts offered to the members of the public at large that reduce the end-user's costs. Market-wide promotions are presented net of revenue. For example, if an end user engages the Company for a fare or service that typically costs the end use $100 and that end user presents or redeems market-wide promotion coupon or promo code for $10, then the Company will account for $90 or revenue and $0 of sales and marketing expenses.

During the six-months ended June 30, 2021, the Company estimated that 20% of the discounts offered were market-wide promotions and 80% were targeted end-user promotions. This reasoned estimate was based on Management's familiarity and experiences with the types of different promotions that have historically been offered that have been offered by the Company and were also based upon management's day-to-day familiarity and experience with all of the Company's various promotional programs and an overall consolidated estimate of their effectiveness and uptake. The table immediately below provides information based on Facedrive's historic accounting estimates for incentives and discounts related to Food Hwy:

	Q2 2021	Q1 2021
Gross transaction size from food delivery and commissions	13,056,838	13,014,764
Less:		
Payout to restaurant merchants	(9,937,577)	(9,597,463)
Taxes paid	(152,929)	(164,787)
Food Hwy's gross revenue generated by food delivery prior to any incentives, discounts or other promotional schemes	2,966,332	3,252,514
Less:		
Market-wide promotions	(200,235)	(328,147)
Food Hwy's segmented revenue as included in Facedrive's financial statements	2,766,098	2,924,367
Less:		
Targeted end-user type promotions	(1,482,794)	(1,588,913)
Net cash received	1,283,303	1,335,454

Subsequently during the past few months, management has worked to collect and data mine additional information about the specific uptake and utilization of the Company's incentives and discounts in order to obtain improved accuracy and statistics regarding the utilization of these programs. Based on the Company's new and improved analysis of the data that was created regarding the Company's incentives and discounts, the Company has determined that the amount that should have been recognized as market-wide promotions should have been $1,122,442 for the six-months ended June 30, 2021 rather than $528,382. This is reflected in the table below:

	Q2 2021	Q1 2021
Gross transaction size from food delivery and commissions	13,056,838	13,014,764
Less:		
Payout to restaurant merchants	(9,937,577)	(9,597,463)
Taxes paid	(152,929)	(164,787)
Food Hwy's gross revenue generated by food delivery prior to any incentives, discounts or other promotional schemes	2,966,332	3,252,514
Less:		
Market-wide promotions	(469,557)	(652,885)
Food Hwy's segmented revenue as included on Facedrive's revised financial statements	2,496,775	2,599,629
Less:		
Targeted end-user type promotions	(1,213,472)	(1,264,175)
Net cash received	1,283,303	1,335,454

Since market-wide promotions are to be presented net of revenue and they do not appear as an expense, then there is also a dollar-for-dollar corresponding reduction in Food Hwy's earlier reported targeted end-user promotion expenses for these quarters, with accordingly no change to the Company's net profits or its cash received during these quarters.

In addition to the corrected disclosure regarding the discounts and promotions, the Company should have recognized a deferred income tax recovery of $248,000 (as disclosed above in "Prior Period Errors – Deferred Income Taxes") with a corresponding decrease to the deferred income tax liability, reducing the deferred income tax liability to zero.

The tables below reflect the impact of these misstatements on the previously filed financial statements of the Company.

Consolidated Statement of Financial Position as at March 31, 2021

		As previously filed		Restated	Impact
ASSETS					
Current assets					
Cash and cash equivalents	$	18,716,166	$	18,716,166	-
Trade and other receivables		1,574,387		1,574,387	-
Prepaid expenses and deposits		2,102,280		2,102,280	-
Inventory		759,497		759,497	-
		23,152,330		23,152,330	-
Deposits		1,030,728		1,030,728	-
Interest receivable		54,603		54,603	-
Promissory note receivable		1,257,500		1,257,500	-
Equipment		255,451		255,451	-
Right-of-use assets		7,564,903		7,564,903	-
Long-erm investment		3,444,447		3,444,447	-
Intangible assets		5,962,232		5,962,232	-
Goodwill		1,227,784		1,912,784	685,000
Total assets	$	43,949,978	$	44,634,978	685,000
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	$	4,045,126	$	4,045,126	-
Customer deposits		290,380		290,380	-
Deferred income		796,239		796,239	-
Due to a related party		195,559		195,559	-
Lease liability – current		994,726		994,726	-
		6,322,030		6,322,030	-
Loans		90,818		90,818	-
Lease liability		7,147,629		7,147,629	-
Total liabilities		13,560,477		13,560,477	-
SHAREHOLDERS' EQUITY (DEFICIT)					
Capital stock		61,123,670		61,123,670	-
Contributed surplus		2,974,194		2,974,194	-
Accumulated other comprehensive loss		(109,919)		(109,919)	-
Deficit		(33,598,444)		(32,913,444)	685,000
Total shareholders' equity (deficit)		30,389,501		31,074,501	685,000
Total liabilities and shareholders' equity	$	43,949,978	$	44,634,978	685,000

Consolidated Statement of Loss and Comprehensive loss for the Three Months Ended March 31, 2021

		As previously filed		Restated		Impact
REVENUE	$	3,869,454	$	3,544,716	$	(324,738)
Cost of revenue		3,370,567		3,370,567		-
General and administration		2,059,249		2,059,249		-
Operational support		2,187,947		2,187,947		-
Research and development		344,435		344,435		-
Sales and marketing		1,954,707		1,629,969		(324,738)
Amortization		663,690		663,690		-
Depreciation		30,174		30,174		-
Total operating expenses		10,610,769		10,286,031		(324,738)
OPERATING LOSS		(6,741,315)		(6,741,315)		-
Government grants		1,084,882		1,084,882		-
Foreign exchange gain (loss)		(49,390)		(49,390)		-
Interest expenses		(187,285)		(187,285)		-
Interest income		9,632		9,632		-
Gain on lease terminations		5,071		5,071		-
LOSS BEFORE INCOME TAXES	$	(5,878,405)		(5,878,405)		-
Deferred income tax recovery		-		248,000		248,000
NET LOSS		(5,878,405)		(5,630,405)		248,000
Cumulative translation adjustment		(34,084)		(34,084)		-
NET LOSS AND COMPREHENSIVE LOSS		(5,912,489)		(5,664,489)		248,000
Loss per share – Basic and diluted	$	(0.06)	$	(0.06)	$	-
Basic and diluted		93,746,852		93,746,852		-

Consolidated interim Statement of Changes in Equity for the Three months Ended March 31, 2021

	Number of common shares		Share capital		Contributed surplus		Deficit		Accumulated other comprehensive losses		Total shareholders' equity (deficit)
Balance, December 31, 2020	**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,720,039)**	**$**	**(75,835)**	**$**	**15,296,668**
Issuance of share capital	1,518,518		20,499,993		-		-		-		20,499,993
Share issuance costs	-		(292,849)		-		-		-		(292,849)
Share-based payments	-		-		798,178		-		-		798,178
Net loss and comprehensive loss	-		-		-		(5,878,405)		(34,084)		(5,912,489)
Balance, March 31, 2021	**95,248,498**	**$**	**61,123,670**	**$**	**2,974,194**	**$**	**(33,598,444)**	**$**	**(109,919)**		**30,389,501**

Restated											
Balance, December 31, 2020 (Restated)	**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,283,039)**	**$**	**(75,835)**	**$**	**15,733,668**
Issuance of share capital	1,518,518		20,499,993		-		-		-		20,499,993
Share issuance costs	-		(292,849)		-		-		-		(292,849)
Share-based payments	-		-		798,178		-		-		798,178
Net loss and comprehensive loss	-		-		-		(5,630,405)		(34,084)		(5,664,489)
Balance, March 31, 2021	**95,248,498**	**$**	**61,123,670**	**$**	**2,974,194**	**$**	**(32,913,444)**	**$**	**(109,919)**		**31,074,501**

Impact											
Balance, December 31, 2020	**-**	**$**	**-**	**$**	**-**	**$**	**437,000**	**$**	**-**	**$**	**437,000**
Issuance of share capital	-		-		-		-		-		-
Share issuance costs	-		-		-		-		-		-
Share-based payments	-		-		-		-		-		-
Net loss and comprehensive loss	-		-		-		248,000		-		248,000
Balance, March 31, 2021	**-**	**$**	**-**	**$**	**-**	**$**	**685,000**	**$**	**-**		**685,000**

Consolidated Statement of Cash Flows for the for the Three Months Ended March 31, 2021

		As previously filed		Restated		Impact
Cash provided by (used in)						
OPERATING ACTIVITIES						
Net loss	$	(5,878,405)	$	(5,630,405)	$	248,000
Items not affecting cash:						
Depreciation and amortization		1,157,375		1,157,375		-
Share-based payments		798,178		798,178		-
Unrealized foreign exchange gain		60,860		60,860		-
Gain on lease terminations		(5,071)		(5,071)		-
Interest expense		12,717		12,717		-
Government and other grants		(11,967)		(11,967)		-
Deferred income tax recovery		-		(248,000)		(248,000)
Net change in non-cash working capital items:						-
Trade and other receivables		234,271		234,271		-
Prepaid expenses and deposits		(1,732,738)		(1,732,738)		-
Interest receivable		(9,606)		(9,606)		-
Deposits		65,116		65,116		-
Inventory		(641,152)		(641,152)		-
Accounts payable and accrued liabilities		450,569		450,569		-
Deferred income		708,195		708,195		-
Cash used in operating activities		(4,791,658)		(4,791,658)		-
INVESTING ACTIVITIES						
Acquisition of HiRide		-		-		-
Cash acquired from HiRide acquisition		-		-		-
Purchase of property, plant and equipment		(239,543)		(239,543)		-
Cash used in investing activities		(239,543)		(239,543)		-
FINANCING ACTIVITIES						
Repayments to related parties		(138,469)		(138,469)		-
Issuance of common shares		20,499,993		20,499,993		-
Share issuance costs		(292,849)		(292,849)		-
Principal payment of lease liabilities		(252,171)		(252,171)		-
Proceeds from loans		20,000		20,000		-
Cash provided by financing activities		19,836,504		19,836,504		-
Impact of exchange rate on cash		(4,925)		(4,925)		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**14,800,378**		**14,800,378**		-
Cash and cash equivalents, beginning of period		3,915,788		3,915,788		-
Cash and cash equivalents, end of period	$	**18,716,166**	$	**18,716,166**		-

Restatement of Previously Filed Financial Information for the Quarter ended June 30, 2021

As addressed above in the sections entitled "Deferred Income Taxes" and "End-user Discounts and Market-Wide Promotions", the Company is making corrective disclosure regarding the previously filed financial information for Q2 2021.

The tables below reflect the impact of this misstatement on the previously filed financial statements of the Company.

Consolidated Statement of Financial Position as at June 30, 2021

		As previously filed		Restated		Impact
ASSETS						
Current assets						
Cash and cash equivalents	$	12,225,316	$	12,225,316	$	-
Trade and other receivables		2,109,185		2,109,185		-
Prepaid expenses and deposits		1,393,698		1,393,698		-
Inventory		2,702,707		2,702,707		-
		18,430,906		18,430,906		-
Deposits		1,017,153		1,017,153		-
Interest receivable		63,164		63,164		-
Promissory note receivable		1,239,400		1,239,400		-
Equipment		218,932		218,932		-
Right-of-use assets		7,756,088		7,756,088		-
Long-term investment		3,394,869		3,394,869		-
Intangible assets		5,944,668		5,944,668		-
Goodwill		1,215,377		1,900,377		685,000
Total assets	$	39,280,557	$	39,965,557		685,000
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	$	6,239,785	$	6,239,785	$	-
Deposits		372,110		372,110		-
Deferred income		93,935		93,935		-
Due to a related party		195,559		195,559		-
Lease liability - current		1,201,232		1,201,232		-
		8,102,621		8,102,621		-
Loans		93,338		93,338		-
Lease liability		7,342,966		7,342,966		-
Total liabilities		15,538,925		15,538,925		-
						-
SHAREHOLDERS' EQUITY (DEFICIT)						-
Capital stock		61,840,501		61,840,501		-
Contributed surplus		3,208,491		3,208,491		-
Accumulated other comprehensive loss		(149,065)		(149,065)		-
Deficit		(41,158,295)		(40,473,295)		685,000
Total shareholders' equity (deficit)		23,741,632		24,426,632		685,000
Total liabilities and	$	39,280,557	$	39,965,557		

shareholders' equity	$	-

Consolidated Statement of Loss and Comprehensive loss for the Three Months Ended June 30, 2021

	As previously filed	Restated	Impact
REVENUE	$ 5,796,847	$ 5,527,525	$ (269,322)
Cost of revenue	5,346,764	5,346,764	-
General and administration	1,679,591	1,679,591	-
Operational support	3,461,044	3,461,044	-
Research and development	465,113	465,113	-
Sales and marketing	2,213,803	1,944,481	(269,322)
Amortization	695,064	695,064	-
Depreciation	92,004	92,004	-
Total operating expenses	13,953,383	13,684,061	(269,322)
OPERATING LOSS	(8,156,536)	(8,156,536)	-
OTHER INCOME (EXPENSES)			
Government grants	909,373	909,373	-
Foreign exchange gain (loss)	(110,245)	(110,245)	-
Interest expenses	(193,782)	(193,782)	-
Interest income	9,260	9,260	-
Gain or Loss on Termination	(17,921)	(17,921)	-
LOSS BEFORE INCOME TAXES	$ (7,559,851)	$ (7,559,851)	$ -
Deferred income tax recovery	-	-	-
NET LOSS	(7,559,851)	(7,559,851)	-
Cumulative translation adjustment	(39,146)	(39,146)	-
NET LOSS AND COMPREHENSIVE LOSS	(7,598,997)	(7,598,997)	-
Loss per share – Basic and diluted	$ (0.08)	$ (0.08)	$ -
Basic and diluted	93,788,556	93,788,556	-

Consolidated Statement of Loss and Comprehensive loss for the Six Months Ended June 30, 2021

	As previously filed	Restated	Impact
REVENUE	$ 9,666,301	$ 9,072,241	$ (594,060)
Cost of revenue	8,717,331	8,717,331	-
General and administration	3,738,840	3,738,840	-
Operational support	5,648,991	5,648,991	-
Research and development	809,548	809,548	-
Sales and marketing	4,168,510	3,574,450	(594,060)
Amortization	1,358,754	1,358,754	-
Depreciation	122,178	122,178	-
Total operating expenses	24,564,152	23,970,092	(594,060)
OPERATING LOSS	(14,897,851)	(14,897,851)	-
OTHER INCOME (EXPENSES)			
Government grants	1,994,255	1,994,255	-
Foreign exchange gain (loss)	(159,635)	(159,635)	-
Interest expenses	(381,067)	(381,067)	-
Interest income	18,892	18,892	-
Gain or Loss on Termination	(12,850)	(12,850)	-
LOSS BEFORE INCOME TAXES	(13,438,256)	(13,438,256)	-
Deferred income tax recovery	-	248,000	248,000
NET LOSS	(13,438,256)	(13,190,256)	248,000
Cumulative translation adjustment	(73,230)	(73,230)	-
NET LOSS AND COMPREHENSIVE LOSS	(13,511,486)	(13,263,486)	248,000
Loss per share – Basic and diluted	$ (0.14)	$ (0.14)	$ -
Basic and diluted	94,522,790	94,522,790	-

Consolidated interim Statement of Changes in Equity for the Six months Ended June 30, 2021

	Number of common shares		Share capital		Contributed surplus		Deficit		Accumulated other comprehensive losses		Total shareholders' equity (deficit)
Balance, December 31, 2020	**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,720,039)**	**$**	**(75,835)**	**$**	**15,296,668**
Issuance of share capital	1,518,518		20,499,993		-		-		-		20,499,993
Share issuance costs	-		(292,849)		-		-		-		(292,849)
Acquisition of EcoCRED	38,936		659,926		-		-		-		659,926
Exercise of options	22,800		56,905		(45,505)		-		-		11,400
Share-based payments	-		-		1,077,980		-		-		1,077,980
Net loss and comprehensive loss	-		-		-		(13,438,256)		(73,230)		(13,511,486)
Balance, June 30, 2021	**95,310,234**	**$**	**61,840,501**	**$**	**3,208,491**	**$**	**(41,158,295)**	**$**	**(149,065)**		**23,741,632**

Restated											
Balance, December 31, 2020 (Restated)	**93,729,980**	**$**	**40,916,526**	**$**	**2,176,016**	**$**	**(27,283,039)**	**$**	**(75,835)**	**$**	**15,733,668**
Issuance of share capital	1,518,518		20,499,993		-		-		-		20,499,993
Share issuance costs	-		(292,849)		-		-		-		(292,849)
Acquisition of EcoCRED	38,936		659,926		-		-		-		659,926
Exercise of options	22,800		56,905		(45,505)		-		-		11,400
Share-based payments	-		-		1,077,980		-		-		1,077,980
Net loss and comprehensive loss	-		-		-		(13,190,256)		(73,230)		(13,263,486)
Balance, June 30, 2021	**95,310,234**	**$**	**61,840,501**	**$**	**3,208,491**	**$**	**(40,473,295)**	**$**	**(149,065)**		**24,426,632**

Restated											
Balance, December 31, 2020 (Restated)	**-**	**$**	**-**	**$**	**-**	**$**	**437,000**	**$**	**-**	**$**	**437,000**
Issuance of share capital	-		-		-		-		-		-

Share issuance costs	-	-	-	-	-	-
Acquisition of EcoCRED	-	-	-	-	-	-
Exercise of options	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	248,000	-	248,000
Balance, June 30, 2021	**-**	**$ -**	**$ -**	**$ 248,000**	**$ -**	**248,000**

Consolidated Statement of Cash Flows for the for the Six Months Ended June 30, 2021

		As previously filed		Restated		Impact
Cash provided by (used in)						
OPERATING ACTIVITIES						
Net loss	$	(13,438,256)	$	(13,190,256)	$	248,000
Items not affecting cash:						
Depreciation and amortization		2,407,203		2,407,203		-
Share-based payments		1,077,980		1,077,980		-
Unrealized foreign exchange gain		153,063		153,063		-
Deferred income tax recovery		-		(248,000)		(248,000)
Gain on lease terminations		(19,449)		(19,449)		-
Interest expense		15,237		15,237		-
Government grants (interest free loan)		(11,967)		(11,967)		-
Net change in non-cash working capital items:						-
Trade and other receivables		(302,391)		(302,391)		-
Prepaid expenses and deposits		(1,024,390)		(1,024,390)		-
Interest receivable		(17,342)		(17,342)		-
Deposits		145,023		145,023		-
Inventory		(2,584,361)		(2,584,361)		-
Accounts payable and accrued liabilities		2,611,928		2,611,928		-
Deferred income		8,967		8,967		-
Cash used in operating activities		(10,978,755)		(10,978,755)		-
INVESTING ACTIVITIES						
Acquisition of HiRide		-		-		-
Cash acquired from HiRide acquisition		-		-		-
Purchase of equipment		(949,023)		(949,023)		-
Proceeds from sale of equipment		736,570		736,570		-
Payment for deposits		-		-		-
Cash used in investing activities		(212,453)		(212,453)		-
FINANCING ACTIVITIES						
Repayments to related parties		(138,469)		(138,469)		-
Issuance of common shares		20,499,993		20,499,993		-
Exercise of options		11,400		11,400		-
Deposit received for equity financing		-		-		-
Share issuance costs		(292,849)		(292,849)		-
Principal payment of lease liabilities		(566,408)		(566,408)		-
Proceeds from CEBA loans		20,000		20,000		-
Cash provided by financing activities		19,533,667		19,533,667		-
Impact of exchange rate on cash		(32,931)		(32,931)		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**8,309,528**		**8,309,528**		-
Cash and cash equivalents, beginning of period		3,915,788		3,915,788		-
Cash and cash equivalents, end of period	$	**12,225,316**	**$**	**12,225,316**		-

The information in this "Prior Period Errors" section and in the tables above were provided in accordance with OSC Staff Notice 51-711 (Revised) "Refilings and Corrections of Errors" (March 8, 2018). Shareholders and prospective investors in the Company should refer to and utilize the information in the tables above when considering the financial performance and position of the Company during the year ended December 31, 2020, Q1 2021 and Q2 2021. Due to the corrections that were made as described above, the applicable information in the tables above should be relied upon as compared to the information found in the Company's filings for the year ended December 31, 2020, Q1 2021 and Q2 2021.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company currently manages its capital structure and makes adjustments to it based on cash resources expected to be available to the Company in order to support its future business plans. Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to safeguard its ability to sustain future development of the business, particularly in the face of uncertainty created by the COVID-19 global pandemic. The Company's objective is met by retaining adequate cash reserves – more than usual for the duration of the pandemic – to account for the possibility that cash flows from operations will not be sufficient to meet future cash flow requirements. In order to maintain or adjust its capital structure, the Company may issue Shares through public or private equity financings from time to time.

Cash Flows

The following table presents our cash flows for each of the periods presented:

	For the Nine-Months Ended September 30, 2021 ($)	**For the Nine-Months Ended September 30, 2020 ($)**
Net cash used in operating activities	(15,853,406)	(7,747,940)
Net cash used in investing activities	(538,266)	(1,962,637)
Net cash generated from financing activities	19,302,181	13,269,151
Impact of currency translation adjustment on cash	1,278	11,237
Increase in cash and cash equivalents	**2,911,787**	**3,569,811**

Analysis of Cash Position

The Company's cash balance as of September 30, 2021 was $6,827,600, as compared to $3,915,800 as at December 31, 2020. Total current assets as at the end of the same period were $14,076,000 (December 31, 2020: $6,213,300), including trade and other receivables of $1,886,900 (December 31, 2020: $1,809,400); prepaid expenses and deposits of $1,240,800 (December 31, 2020: $369,700) and inventory of $4,120,800 (December 31, 2020: $118,300), with current liabilities of $9,163,700 (December 31, 2020: $5,213,100) resulting in working capital of $4,912,300 as at September 30, 2021 as compared to working capital of $1,000,200 at December 31, 2020.

The increase in prepaid expenses and deposits was mainly due to the short-term deposits that the Company made during the period for the purchase of inventory in the amount of $1,128,900. The increase in inventory was attributable to the growth of the Merchandise sales for Facedrive Food and TraceSCAN sales.

The Company's current ratio at September 30, 2021 was 1.54 compared to 1.19 at December 31, 2020. The change was primarily attributed to the proceeds received from the issuance of Shares in connection with the non-brokered private placements completed in February 2021 for aggregate gross proceeds to the Company of $20,500,000. The increase in cash balance was offset with the cash used in operating activities in the amount of $15,853,400; purchase of equipment of $1,274,800 and principal payment of lease liabilities of $970,000 for the nine months period ended September 30, 2021. Management expects that the Company will be able to procure and close an external financing in Q1 2022 on terms that that will be acceptable to the Company. This financing, if it occurs, along with an expectation to improve cash management by expense reductions, automation and plans for improving gross profits margins and increasing revenues, is expected to result in the Company having sufficient liquidity and capital resources during the next twelve months. See “Liquidity Risk” below

Cash Flows used in Operating Activities

Cash used in operations of the Company was $15,853,400 for the YTD Period, as compared to $7,747,900 for the Prior YTD Period. This consisted of a net loss of $23,120,400, deferred income tax recovery of $248,000, gain on lease terminations of $7,000 and government and other grants of $12,000 offset by non-cash expenditures of $8,875,300 consisting of derecognition of long-term investment of $3,489,900, impairment of intangible assets of $67,800, depreciation and amortization of $3,710,000, share-based payments of $1,589,100, an unrealized foreign exchange loss of $700 and interest expenses of $17,800. Total share-based compensation expenses for the YTD Period were: (a) to several directors of the Company: $298,900 with the reversal of $366,200 for unvested instruments and (b) to advisors and consultants: $1,656,400. Cash was also used to fund the increase in trade and other receivables of $82,900, the increase in prepaid expenses and deposits of $871,000, the increase in inventory of $4,002,400 and the increase in interest receivable of $32,200, offset by the increase in accounts payable and accrued liabilities of $3,459,900, the increase in deferred income of $7,100 and an increase in deposits of $180,100.

Cash Flows used in Investing Activities

Cash used in investing activities was $538,300 for the YTD Period, as compared to $1,962,600 for the Prior YTD Period. This decrease is largely driven by the cash portion of the Company’s investment in Tally, totalling $1,340,600, and the acquisition of certain assets of Foodora Canada, totaling $561,700 in the Prior YTD Period.

Cash Flows generated from Financing Activities

Cash generated from financing activities was $19,302,200 for the YTD Period, as compared $13,269,200 for the Prior YTD Period. The change was primarily attributed to the proceeds received from the issuance of Shares in connection with the non-brokered private placements completed in February 2021 for aggregate gross proceeds to the Company of $20,500,000. Cash was also used for the principal payment of lease liabilities of $970,000.

At present, the Company has insufficient earnings to fund its operations. As such, a primary source of incoming cash flows for the Company has been equity financings. The primary uses of cash are acquisition expenses and operating expenses, including product research and development. The Company intends to finance its future cash requirements through ordinary course revenue generation, together with a combination of debt and/or equity financings. While the Company has historically been successful in raising capital from equity financings, there can be no assurance that the Company will be able to obtain additional sufficient cash from equity or debt financings on favourable terms, or at all, in the future. Management of the Company is considering various external financing possibilities and expects that the Company will pursue one or more of them in approximately Q1 2022.

SHARE INFORMATION

The Company is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As of the date of this MD&A, there are 95,712,065 Shares and Nil preferred shares issued and outstanding.

RELATED PARTY TRANSACTIONS

Related parties include key management, the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions. Total salaries and benefits paid to the key management personnel of the Company for the three and nine months ended September 30, 2021 were $57,375 and $302,118, respectively (2020 - $58,248 and $100,836). Total share-based compensation paid to the Board of Directors and key management personnel of the Company for the three and nine months ended September 30, 2021 were $85,992 and $298,862, respectively (2020 - $354,092 and $1,043,100). There were no short-term employee benefits, post-employment benefits, other long-term benefits, or termination benefits paid to the directors and key management personnel of the Company for the three and nine months ended September 30, 2021 and 2020. During the nine months period ended September 30, 2021, the Company has accrued $130,000 in fixed director fees to be paid to certain non-executive members of the Board of Directors for the services they provided in 2021 for additional committee work primarily in relation to the OSC's continuous disclosure review of the Company during 2020 and 2021. To minimize any conflict of interest, the amounts of these fees were determined in advance by the Board of Directors in consultation with the Company's legal advisors and the fees are not contingent on the outcome of the OSC's continuous disclosure review.

Terms and Conditions of Transactions with Related Parties

The terms and conditions of transactions with related parties for the three and nine months ended September 30, 2021 include:

- As at September 30, 2021, $51,719 (December 31, 2020 - $18,080) was due to Connex Telecommunications Inc. ("**Connex**"), a related company controlled by Sayan Navaratnam, the Company's former Chairman and Chief Executive Officer. The amount owing was a result of Connex providing consulting and product development services to the Company. The amount owing by the Company to Connex is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Connex for office space and operational support for the three and nine months ended September 30, 2021 were $14,900 and $54,300, respectively (2020 - $18,300 and $52,400), which were included in the Company's income statement as operational support expenses. The total expenses charged to the Company by Connex for product development services for three and nine months ended September 30, 2021 were $15,500 and $45,800, respectively (2020 - $16,000 and $16,000), which were included in the Company's income statement as research and development expenses and cost of revenue.

- As at September 30, 2021, $462,578 (December 31, 2020 $462,578) was due to Dynalync 2000 Inc. ("**Dynalync**"), a related company controlled by Sayan Navaratnam, the Company's former Chairman and Chief Executive Officer. The amount owing was a result of Dynalync providing consulting and product development services to the Company. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. Dynalync did not charge any fees to the Company for the three and nine months ended September 30, 2021 and 2020.

- As at September 30, 2021, $Nil (December 31, 2020, $138,469) was due to Junaid Razvi, one of the initial founders of the Company and currently its Chairman. These amounts were due as a result of Mr. Razvi making certain payments on the Company's behalf and providing initial working capital during 2018. The balances owing were repaid during the nine months ended September 30, 2021.

- As at September 30, 2021, $195,559 (December 31, 2020 - $195,559) was due to Imran Khan, one of the initial founders of the Company. These amounts were due as a result of Mr. Khan making certain payments on the Company's behalf and providing initial working capital during 2018. The balance owing is reflected as a current liability in the Company's trade payables as at September 30, 2021 and is unsecured, non-interest bearing and with no specific terms for repayment.

- As at September 30, 2021 and December 31, 2020, there were no amounts owing to or from 10328545 Canada Inc., a related company controlled by Suman Pushparajah, who became the Company's Chief Operating Officer and member of the Board of Directors on April 7, 2021 and then became the Company's CEO on September 1, 2021. The total expenses charged to the Company by 10328545 Canada Inc. for office space, operational support and sales and marketing for the three and nine months ended September 30, 2021 were $Nil and $Nil, respectively (2020 - $32,000 and $94,700), which were included in the Company's income statement as expenses for operational support and sales and marketing.

- As at September 30, 2021, $65,344 (December 31, 2020, $87,356) was due to Abrahams LLP. Mr. Mujir Muneeruddin, an officer and director of the Company, is the Chairman of that law firm. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Abrahams LLP for legal services for the three and nine months ended September 30, 2021 were $22,000 and $70,800, respectively (2020 - $107,200 and $195,100), which were included in the Company's income statement as expenses for general and administration. Payments made by the Company to Abrahams LLP are for the various legal services provided to the Company by several lawyers and law clerks at the firm, which includes lawyers and law clerks operating in Ontario, Canada (other than Mr. Mujir Muneeruddin). As of November 1, 2020, Mr. Muneeruddin has not provided services to the Company through Abrahams LLP since, upon that date, he transitioned to a full time internal role with the Company. As such, since that date, Abrahams LLP does not bill the Company for any work provided by Mr. Muneeruddin.

- As at September 30, 2021, $45,200 (December 31, 2020, $45,200) was due to Mujir Muneeruddin Professional Corporation, a related company controlled by Mujir Muneeruddin, the Company's Chief Legal Officer and a director of the Company. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Mujir Muneeruddin Professional Corporation for legal services for the three and nine months ended September 30, 2021 were $60,000 and $180,000, respectively (2020 - $Nil and $Nil), which were included in the Company's income statement as expenses for general and administration.

- As at September 30, 2021, $40,000 (December 31, 2020, $Nil) was due to Paul Zed, one of the member of the Board of Directors. Mr. Zed retired from the Company's Board of Directors on October 30, 2021. The amount owing was for the services they provided in 2021 for additional committee work primarily in relation to the OSC's continuous disclosure review of the Company during 2020 and 2021. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Paul Zed for professional fees for the three and nine months ended September 30, 2021 were $Nil and $40,000, respectively (2020 - $Nil and $Nil), which were included in the Company's income statement as expenses for general and administration . The Company anticipates satisfying this debt with an issuance of shares therefor.

- As at September 30, 2021, $50,000 (December 31, 2020, $Nil) was due to William A. Kanters, one of the former directors of the Company. Mr. Kanters resigned from the Board of Directors on September 1, 2021. The amount owing was for the services they provided in 2021 for additional committee work primarily in relation to the OSC's continuous disclosure review of the Company during 2020 and 2021. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by William A. Kanters for professional fees for the three and nine months ended September 30, 2021 were $Nil and $50,000, respectively (2020 - $Nil and $Nil), which were included in the Company's income statement as expenses for general and administration.

- As at September 30, 2021, $40,000 (December 31, 2020, $Nil) was due to Hamilton Jeyaraj, one of the directors of the Company. The amount owing was for the services they provided in 2021 for additional committee work primarily in relation to the OSC's continuous disclosure review of the Company during 2020 and 2021. The amount owing is unsecured, non-interest bearing, with no specific terms for repayment, and is included in the Company's balance sheet as a short-term liability in the Company's trade payables. The total expenses charged to the Company by Hamilton Jeyaraj for professional fees for the three and nine months ended September 30, 2021 were $Nil and

$40,000, respectively (2020 - $Nil and $Nil), which were included in the Company's income statement as expenses for general and administration. The Company anticipates satisfying this debt with an issuance of shares therefor.

All amounts outstanding to related parties are unsecured and non-interesting bearing. There have been no guarantees provided or received for any related party receivables or payables. All transactions with related parties were intended to be carried on the same basis as they would have occurred if the transaction was with an arm's length party.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's primary risk management objective is to protect the Company's balance sheet and cash flow from financial distress. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities and amounts due to related parties. The main purpose of these financial liabilities is working capital for the Company's operations. During the normal course of operations, the Company may become exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Company's board of directors (the "**Board**") that advises on financial risks and the appropriate financial-risk-governance framework for the Company.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at September 30, 2021, the Company is primarily exposed to foreign exchange risk through its United State dollars denominated cash and cash equivalents, promissory note receivable and investment in Tally Technology Group Inc. To date, the Company's automobile subscription business (Steer) in Washington, DC and the EcoCRED app project primarily conduct its business activities in United States dollars. The Company mitigates foreign exchange risk by monitoring foreign exchange rate trends. The Company does not currently hedge its currency risk.

Based on current exposures as at September 30, 2021, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the Canadian dollar relative to the United States dollar would result in a gain or loss of approximately $518,200 in the Company's consolidated statements of loss and comprehensive loss

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2021, the Company was not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Examples include changes in commodity prices or equity prices. As at September 30, 2021, the Company was not exposed to significant other price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents, trade and other receivables and promissory note receivable. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with financially stable and insured institutions. The Company mitigates its exposure to credit risk from trade and other receivables through a payment collection platform which processes users' pre-authorized credit cards. The Company mitigates exposure to credit risk from its promissory note receivable by performing due diligence on investment opportunities and monitoring the credit worthiness of its borrowers. As payments from users are typically pre-authorized, the risk of credit loss is expected to be minimal. As at September 30, 2021, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far ahead as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions such as those created by the global pandemic COVID-19. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company continuously reviews both actual and forecasted cash flows in order to ensure that the Company has appropriate capital capacity.

At September 30, 2021, the Company had working capital of $4,912,273 (December 31, 2020: $1,000,237), an accumulated deficit of $50,403,477 (December 31, 2020: $27,283,039), incurred losses during the nine months period ended September 30, 2021 amounting to $23,120,438 (2020: $12,029,165), and used cash in operating activities during the nine months period ended September 30, 2021 of $15,853,406 (2020: $7,747,940). Although the Company has been successful in the past obtaining financing, there is no assurance that it will be able to obtain adequate financing or that such financing will be on terms that are acceptable to the Company. During August 2021, management of the Company determined the existence of material uncertainties regarding the adequacy of the Company's expected future working capital and the Company's ability to complete a successful financing in the short term on terms acceptable to the Company, such that these uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Other Business Risks and Uncertainties

The Company's future results may be affected by a number of factors over many of which the Company has little or no control. In addition to the risks set out herein, please see the Company's annual Management's Discussion & Analysis for the years ended 2020 and 2019, as well as the Company's audited annual financial statements for the years ended December 2020 and 2019, each of which has been filed under the Company's profile on SEDAR at www.sedar.com, and the risk disclosures found therein, which are hereby incorporated by reference in this MD&A.

Climate Change

The impact of climate change is already widespread across both human populations and natural ecosystems. Addressing climate change, and the recognizing the urgent need to address greenhouse gas ("**GHG**") emissions because of the role they play in climate change, a real and rapidly growing threat to society and the planet, requires action and long-term commitments by every segment of society, including the business community. Strategies to reduce and mitigate GHG emissions, such as modifying how people and businesses conduct themselves and operate, can be effective in reducing and mitigating GHG and its impact on climate change.

Facedrive believes that businesses that can demonstrate how their product offerings and services can help mitigate the effects of climate change, for example by reducing or mitigating GHG can be successful in creating new product offerings and new markets at the same time. Facedrive believes it has created a unique niche in the rideshare sector, as the Company offers its riders something different among competitors – the opportunity to mitigate the carbon footprint of their ride with carbon offsets. Facedrive Rideshare's "people-and-planet first" approach incentivizes conscientious drivers and passengers to choose a green alternative, that ultimately reduces the carbon footprint of common everyday activities. Facedrive Rideshare was among the first to offer a wide variety of environmentally and socially responsible solutions in the Transportation as a Service (TaaS) space, planting thousands of trees based on user consumption and offering choices between electric, hybrid and conventional vehicles (including, more recently, electric and hybrid vehicles on a subscription basis through Steer). Facedrive Marketplace offers curated merchandise typically created from sustainably sourced materials and linked to social causes. EcoCRED, acquired in April 2021, has developed the EcoCRED App that estimates users' daily carbon footprint based on their living habits, such as how they commute, the type of food they consume, their heating and air conditioning habits and the type of vehicle they drive. It suggests simple tasks and useful lifestyle tips to help educate its users and, if incorporated into their daily routine, help reduce their carbon footprint. In the near term, Facedrive's plan is to utilize the EcoCRED App to help introduce current and future users of the app to the Company's other "people-and-planet first" offerings such as Facedrive Rideshare, Facedrive Foods, Facedrive Health, Facedrive Marketplace and Facedrive Social.

Potential Secondary Market Liability

Pursuant to amendments to the *Securities Act* (Ontario) which took effect on December 31, 2005 (and similar legislation that was enacted in most of Canada's other provinces), a new regime of statutory provisions governing the civil liability of public companies (and of their directors, officers, influential persons, experts and spokespersons) was adopted to give protection to investors who buy or sell corporate securities in the secondary markets during a period when a public company's corporate disclosure obligations are not being met.

Although the statutory secondary market liability provisions that were adopted at the end of 2005 speak of a statutory "right" of action, the prospective plaintiff can only commence a proceeding under these provisions with the leave (i.e. permission) of the court. Leave will be granted only if the court is satisfied that: (i) the action is being brought in good faith; and (ii) there is a "reasonable possibility" that the action will be resolved in favour of the plaintiff.

During Q1 2021, an OSC Review that commenced in 2020 resulted in the Company providing clarifying information in the form of press releases (the "**Clarifying Press Releases**") about the Foodora Transaction, the HiRide Acquisition, the consulting agreement with Medtronics and the status of Facedrive's early stage and non-revenue generating projects during fiscal Q2 and Q3 2020. The Clarifying Press Releases also specifically quantified facts about the growth and demand for the Company's products and services with respect to Foodora Canada, HiRide, TraceSCAN and the Steer Acquisition and a downward re-adjustment of the expense attributed to the fair value of Shares issued to Medtronics, and impairment charge relating to the book value of the Company's intangible assets related to HiRide. For more information, see the Company's press releases dated April 9, 2021 and April 30, 2021. These press releases are available on SEDAR (www.sedar.com) and they are also available through the OSC's Refilings and Errors List webpage (www.osc.ca/en/industry/refilings-and-errors-list). Concurrent with filing of this MD&A, the Company also issued and filed a press release about its Q3 2021 financial results as well as the correction of additional financial statement and MD&A disclosures. Please see "Prior Period Errors" herein as well as the Company's press release dated November 29, 2021. This press release is also expected to be added to the OSC's Refiling and Errors List.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet financing transactions.

PROPOSED TRANSACTIONS

The Company is actively pursuing its plans for continued growth and future profitability through: (i) increases in revenues and profit margins from the Company's existing lines of business; (ii) transitioning the Company's current pre-revenue projects into revenue-generating products and services; and (iii) additional strategic acquisitions to enhance and/or further diversify the Company's lines of business and its products and services. As at the date of this MD&A, there are no prospective merger and/or acquisition transactions that are currently under negotiation nor proposed to be entered into that have reached the threshold of being a "material change" for the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual events may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in net loss and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Significant assumptions regarding the future and other sources of estimation uncertainty that management has made at the financial position reporting date could result in a material adjustment to the carrying amounts of assets and liabilities. All significant estimates and critical judgments, estimates, and assumptions are described in Note 2 of the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2020.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

There were no changes to the Company's significant accounting policies for the three months ended September 30, 2021. However, the Company has enhanced the disclosure of the descriptions of Company's revenue recognition policies to provide better disclosure to enable the readers to better understand the policies and the rationale for the revenue recognition models and how the Company accounts for things like inventive programs that are offered to users and prospective users including discounts, refunds, sales discounts and other promotions as applicable. See Note 3 in the Company's accompanying financial statements for Q3 2021.

Enhanced Explanations Regarding Revenue Recognition Policies and Incentive Expenses

There is a difference between how the Company recognizes revenue for the business activities of Facedrive Foods as compared to Facedrive Rideshare. Facedrive Foods' business model is very different from the business model for Facedrive Rideshare. Accordingly, the accounting treatment of the business and commercial activities also differs.

Under Facedrive Foods' business model, an online retail customer uses the Facedrive Foods app to view available restaurant choices and the menus of those restaurants. Once the customer places their food order, the restaurant is notified. At this point, the restaurant may accept or cancel the order. If the restaurant accepts the order, a notification is sent out by Facedrive to the Facedrive Foods delivery persons (independent contractors) who are on duty at that time for the first available delivery person to accept. The Facedrive Foods' dispatch team actively monitors for any food orders that are pending pickup once the food is prepared. If there are any prepared food orders that have not been picked up by a delivery person, the Company will promptly intervene and call Facedrive Foods delivery persons who are on duty to ensure that one of them picks up the food order and promptly makes the delivery to the customer. Once the food order has been successfully delivered to the customer, the customer's full payment (which is paid and held up front) is released from pending utilizing a payment processing service. The Company pays the restaurant the price of the food order (as per the price on the restaurant's menu), less an amount withheld for the Company's commission fee on the food order (typically 15%). From the perspective of the Company, the majority of the cash collected from the online customer was collected by the Company on behalf of the restaurant. The sale of the food by the restaurant to the online customer is not a sale of food by the Company and it is not recognized as revenue by the Company. However, the commission fee, which is payable by the restaurant to the Company, is revenue that is earned by the Company for providing a service. In addition, the delivery of the food is a service that is provided by the Company. The delivery fee (which is a separate charge and is not included in the menu price for any food) is accordingly earned by the Company. The Company hires and pays the Facedrive Foods delivery person a fee based upon distance travelled to make the delivery. The online customer is not the customer of the Facedrive Foods delivery person. Rather, the online customer is the customer of Facedrive Foods (as well as being a customer of the restaurant) and Facedrive Foods is providing a delivery service to its online customer. The Company is the customer of the Facedrive Foods delivery person, who is retained and paid by the Company.

The following in an example of a hypothetical Facedrive Foods order:
- an online retail customer selects $30 of food from the menu of a restaurant;
- the online customer is charged a delivery fee of $5;

- the food is delivered to the online customer and the customer pays $35;
- the Company recognizes and receives a commission fee from the restaurant of $4.50 (15% of $30);
- the restaurant receives the net proceeds from the sale of the food, totalling $25.50;
- the Company recognizes and receives the delivery fee charge of $5;
- the Company pays its delivery person $4.25 for the services provided to the Company. The $4.25 is accounted for as an expense and forms part of the Company's cost of revenue.
- the net contribution of this food delivery order to the Company's net income amounts to $5.25 (i.e. $5 + 4.50 – 4.25).

From time to time, Facedrive Foods offers incentives in the form of vouchers and coupons to new and existing end-users to encourage new and/or continued use of the platform. Facedrive Foods also offers incentives to existing customers for referring new end-users to the platform. These incentives are considered customer-specific acquisition costs and are recorded as sales and marketing expenses. However, any market-wide incentives, discounts, coupons or similar promotions that are made generally available are recorded as being netted from revenue. These market-wide incentives are not considered expenses of the Company. Accordingly, when the Company records its revenues, such sales discounts are deducted and revenues are presented net of such discounts.

Under Facedrive Rideshare's business model, the rider uses the Facedrive Ridesharing app to request a ride to get to their desired destination. The request is sent to Facedrive Rideshare drivers (independent contractors) who are on duty. The first driver to accept the ride request gets the customer's order. Drivers have the ability to cancel a ride request. The Company does not monitor the progress of requests and pick-ups. If a rider is not picked up, the request is either cancelled by the driver or the rider. In this case, the rider either tries to request a ride again, or will move on to other transportation alternatives. Once the rider has been successfully transported to his or her end destination, the rider's payment is processed. The Company retains approximately 20% of the payment (slight variations as the percentage depends on the type of vehicle and area) and the remainder is paid to the driver. From the Company's perspective, the rider is the driver's customer. The Company simply earns a fee as an intermediary that connects riders with drivers. Unlike with Facedrive Foods, Facedrive Rideshare is not providing any delivery or transportation services to the rider/customer. Accordingly, the Company only recognizes revenue for its rider and driver intermediation services.

Based on our review of IFRS 15.B34-37, it is the Company's view that the Company controls Facedrive Foods' food delivery service for the following reasons:

- The Company has the primary responsibility of fulfilling the promise to deliver the food to the online customer. The Company subcontracts with its Facedrive Foods delivery persons to provide the delivery services to the online customer on behalf of the Company. The Facedrive Foods dispatch team constantly monitors every food order and they actively ensure that the Company's delivery service is provided in a timely manner. This is in contrast to the Facedrive Ridesharing business model where the Company does not have a dispatch team in place to monitor unfulfilled rides and the driver has the discretion to accept or reject a ride. With Facedrive's ridesharing app, the Company's sole involvement is to connect riders and drivers via the Company's online platform.

- The risks related to the delivery aspect of Facedrive Foods' transaction lies with the Company. The Company is responsible for the service. If the end customer is dissatisfied with the delivery (e.g. a driver was rude, food was cold, food spilled during the drive), it has been the Company's practice that the Company is responsible for compensating or reimbursing the end customer. In the ride-sharing business model, the Company does not bear the same risks – the Company has a practice of not providing any refunds for riders once the ride is completed. As such, if a rider is unhappy with the ride provided by a driver, the Company does not bear any responsibility of compensating or reimbursing the rider.

- The Company has discretion in establishing and/or revising the price for the delivery service provided by Facedrive Foods, which is based on distance and area. The Facedrive Foods delivery persons do not have any discretion or influence in regard to the fee that Company charges to its online customer for the food delivery service. The Company then pays the Facedrive Foods delivery person a set fee for delivering the food to the online customer on behalf of the Company, and this fee is typically determined on a per kilometre basis. In the ride-sharing business model, while the Company does facilitate setting the price for the transportation services (which varies with demand surges), the drivers have the discretion of accepting or rejecting the offered transaction price through the platform. In addition, the Company does not pay the drivers a fee as a subcontractor for the Company; rather, the Company earns a service fee akin to a commission based on a percentage of the transaction price between the driver and the rider.

From time to time, Facedrive Rideshare offers incentives in the form of vouchers and coupons to new and existing end-users to encourage new and/or continued use of the platform. Facedrive Rideshare also offers incentives to existing customers for referring new end-users to the platform. These incentives are considered customer-specific acquisition costs and are recorded as sales and marketing expenses. However, any market-wide incentives, discounts, coupons or similar promotions that are made generally available are recorded as being netted from revenue. These market-wide incentives are not considered expenses of the Company. Accordingly, when the Company records its revenues, such sales discounts are deducted and revenues are presented net of such discounts.

SUBSEQUENT EVENTS

Retirement of Director

On October 30, 2021, Paul Zed, a member of the Board, retired from the Company's Board of Directors. The Company is in the process of reviewing potential replacements for Mr. Zed as a member of it's Board of Directors.

Tally Investment

On October 27, 2021, Tally served a notice of default to the Company, alleging that the Company had defaulted on the terms of the Options and 727,273 of the Company's Initial Tally Preferred Shares will be converted into common shares of Tally and, together with the Initial Tally Common Shares, will be returned to Tally for cancellation. Management is strongly of the opinion that the Notice is without merit and is currently reviewing all of its options with U.S. legal counsel and other external advisors. While management is of the opinion that the notice is without merit as an Amended Agreement removed any obligations upon which Tally might claim default, the Company has derecognized the Tally investment as at September 30, 2021 due to the uncertainty surrounding the outcome of the ongoing negotiation with Tally regarding the notice of default. As at November 24, 2021, no civil litigation has commenced and the parties currently seek to resolve the situation amicably.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's other public filings, are available on SEDAR at www.sedar.com. The Company's Shares are listed for trading on the TSX Venture Exchange under the symbol "FD".