# FACEDRIVE INC.

## Management's Discussion & Analysis of Financial Condition as at December 31, 2021 and Results of Operations for the Years Ended December 31, 2021 and 2020

## FACEDRIVE INC.
## MANAGEMENT'S DISCUSSION & ANALYSIS
## For the years ended December 31, 2021 and 2020

May 2, 2022

The following 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 year ended December 31, 2021, ("**Fiscal 2021 or the year**"), the year ended December 31, 2020 ("**Fiscal 2020 or the comparative year**"), three months ended December 31, 2021 ("**Q4 2021 or the quarter"),** and three months ended December 31, 2020 **(**"**Q4 2020 or the comparative quarter**"). 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, 2021 and 2020.

Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") 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 the Company 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 the Company'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. The Company 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. The Company 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 the Company'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 the Company 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 the Company 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 under the *Business Corporations Act* (Alberta) on January 18, 2018 as "High Mountain Capital Corporation" ("**High Mountain**"). On September 16, 2019, Facedrive Inc. amalgamated with 2696170 Ontario Inc. ("**Subco**"), a wholly-owned subsidiary of High Mountain, to form 5021780 Ontario Inc., also a wholly-owned subsidiary of High Mountain. On December 31, 2019, High Mountain 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.".

The Corporation's head office and registered office is located at 44 East Beaver Creek, Suite 16, Richmond Hill, Ontario L4B 1G8 with its primary place of business being at 100 Consilium Place, Suite 400, Scarborough, Ontario M1H 3E3. The Corporation is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Common Shares are listed and posted for trading on the TSXV under the trading symbol "FD".

*Services and Offerings - Overview*

The Company is an integrated ESG technology platform offering on-demand and subscription-based mobility and delivery services aimed at bringing people together, through conscientious commerce, and moving the world forward. The Company's vision was inspired by a number of global megatrends identified by its founders: 1) widespread adoption of environmental, socially-conscious and governance-oriented (ESG) consumer behaviour (particularly among the Y and Z generations, the future of global economic consumption) including an increased emphasis on social issues as a factor in commercial decision-making; 2) international movement towards environmentally-conscious legislation and policy (for example, the Paris Accord, the European Union's target that all vehicles in production be electric by 2030 and the Canadian Federal Government's later announcement mandating 2035 as a transition date (Transport Canada, June 29 2021); 3) corporate and institutional adoption of said ESG principles (e.g. automotive industry manufacturers and other institutions including Canadian Schedule "A" Banks and top-tier Canadian telecommunications giants committing hundreds of millions of dollars towards ESG-related initiatives), and 4) the modern gig economy, reflecting a decline in traditional ownership models in favour of shared, subscription-based or on-demand solutions.

Based on these global megatrends, the Company carries out its vision by building a one-of-a-kind system that aggregates conscientious users through a series of connected offerings (serving as various entry points) and enables them to buy, sell, lease or invest with the same platform. The Company's offerings generally fall into two categories: 1) Subscription-based Offerings and 2) On-Demand Offerings. All services are ultimately powered by the Company's data, analytics, and machine learning engine, EcoCRED to better capture, analyse, parse and report on key data points that will measure the Company's impact on carbon reductions and offsets.

*Subscription-Based Offerings*

The Company's Subscription-Based Services are led by its flagship STEER EV business unit, which allows consumers (typically on a monthly recurring subscription basis) to choose from a diverse fleet of automobiles that includes a range of premium luxury, comfort and entry-level electric vehicles (EV) – without the hassles that come with long-term ownership or daily rental. Subscription Services also include health technology services and related offerings. The Company has been pleased with the success of its operations in Toronto and Washington, DC as two operational centers with strong utilization and subscriber growth rates, and intends to aggressively expand in North America into the targeted markets that have been identified for expansion. The Company anticipates this expansion translating into strong and organic monthly recurring revenue results and ultimately significant year-over-year revenue growth from its business-to-consumer (B2C) operations. Following this, the goal is to further expand, in the medium term, into electric charging and smart-community infrastructure.

*On-Demand Offerings*

On-Demand Services include the Company's various mobility offerings catering to both businesses and consumers. This includes the Company's rideshare platform, its food delivery service, its delivery-as-a-service (DaaS) business, and its fast-growing business-to-business offering "B2B Marketplace". B2B Marketplace provides for the sale and delivery of just-in-time supplies to restaurants allowing them to not only reduce their inventory and storage costs, but also choose from among the Company's environmentally conscious supply options. This increased adoption of environmentally conscious options will then be reflected in the carbon reduction and offset numbers that the Company will be tracking and reporting through its EcoCRED engine. As of today, the Company estimates that approximately 1 in 5 independent restaurants in Ontario have an account on the Company's Foods and B2B Marketplace platform, a 20 percent penetration that the Company feels provides sound footing for its next stages of expansion. These next stages will include the launch of the Company's new "super-app" which will bring all affiliated On-Demand offerings onto the same platform with a view to streamlining both their operational footprint and the end-user experience.

*ESG and Data Driven Intelligence*

The Company is experiencing an increasing number of users and businesses transacting on its EcoCRED platform. EcoCRED, driven by data analytics, will take on a pivotal role in analysing the collected datasets related to general consumer behavior, consumption patterns, carbon impacts and offsets. First acquired from a wholly-owned subsidiary of Exelon Corporation in April, 2021, EcoCRED has become the Company's ESG big-data analytics machine for all carbon impacts and offsets coming through its platform. The goal is to power all of the Company's On-Demand and Subscription-Based services through EcoCRED to automatically capture carbon reductions and offsets created in real-time. This will include offsets created by the Company's EV subscription service and its B2B Marketplace (e.g., the materials used and purchased). The Company is also working closely with industry-leading consultants to better understand all carbon reductions and offsets in the context of global industry standards. The Company intends to not only further integrate key sustainability metrics and statistics into its user interface (as it currently does for consumers on its mobile app), but also to the broader market.

*Recent Development of Business*

The Company's development of its business and operations during 2021 and the current financial year to date consists 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 grant of up to $2,500,000 via the Province of Ontario's *Ontario Together Fund* ("**OTF**") to help fund the development and deployment of the TraceSCAN technology. On February 17, 2021, the Company received an initial tranche of $1,500,000 of OTF funding with the remaining $1,000,000 being subject to the Company taking delivery of 160,000 units and an audit of the costs incurred by July 5, 2021 ("**Project Completion Date**"). For more information on the OTF Funding, please see "*Subsequent Events – Ontario Together Fund*".

  On April 7, 2021, the Company appointed two new members to its 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, the Company's Chief Operating Officer at the time, as an Officer of the Company.

- 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). The Company 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 now the Company's interactive carbon credits analytics, trading and education platform, and the Company's intention is for its entire platform to ultimately be powered by it. Another function of EcoCRED as an application is 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 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. The Company'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, the Company'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 offerings.

- 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 had successfully launched Steer, the Company's electric and hybrid vehicle subscription service, in Toronto, Ontario. Prior to this launch, Steer had been operating only in the United States.

- On May 26, 2021, the Company announced that EcoCRED would 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 August 3, 2021, the Company announced that it had 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 Chief Operating Officer at the time 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 had been 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 allowed 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 the Company has not yet been filled. The composition of the Company's Audit Committee is now Hamilton Jeyaraj, Susan Uthayakumar and Junaid Razvi.

- On February 14, 2022, the Company announced a change in its senior management team with Nastassia Law resigning as the Company's Chief Financial Officer, effective March 4, 2022 and, Mr. Jason Xie, MBA, CPA, FCPA and AICPA, replacing her in such capacity. For more information, please read Subsequent Events – Change of Chief Financial Officer.

- On March 1, 2022, the Company completed a non-brokered private placement of 7,343,750 units, with each unit consistent of one Share and one warrant, issued at a price of $0.64 per unit for aggregate gross proceeds of $4,700,000. For more information, please read Subsequent Events – Private Placements.

- On April 8, 2022, the Company completed a non-brokered private placement of 29,661,016 units, with each unit consistent of one Share and one warrant, issued at a price of $0.59 per unit for aggregate gross proceeds of $17.5 million. For more information, please read Subsequent Events – Private Placements.

- On April 20, 2022, the Company announced its plans for a corporate name change to "STEER Technologies Inc." including a restyling of most offerings to "STEER", a brand that the Company acquired from a wholly-owned subsidiary of Exelon Corporation in September, 2020. For more information, please read Subsequent Events – Name change to STEER.

*COVID-19 Internal Response*

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (or "COVID-19") as a pandemic. The Company has responded to the COVID-19 pandemic by launching new, or expanding the existing services, features, or health and safety requirements on an expedited basis, particularly those relating to the delivery of food. COVID-19 has impacted the global economy and may continue to result in significant business disruptions. Since the beginning of the pandemic, the government of Ontario, the primary jurisdiction the Company has operations in, has imposed lockdowns at certain periods in order to curb infection rates. These lockdowns and restrictions, leading to reduction in non-essential travel and school closing, have adversely impacted the demand for the Company's ridesharing business and is a contributing factor to the impairment of the Company's car-pooling platform, HiRide, during the years ended December 31, 2021 and December 31, 2020. It is assumed that the pandemic could continue to materially affect the Company's business, results of operations and financial condition in the future, although the full extent of its direct or indirect impact on the Company's business cannot be comprehensively estimated at this time due to the uncertain nature of the COVID-19 virus. 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 its ability to access capital markets.

*Going Concern*

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

As of December 31, 2021, the Company had working capital deficiency of $660,526 (December 31, 2020: working capital surplus of $795,737) and a deficit of $56,593,792 (December 31, 2020: $27,283,039), and incurred losses during the year ended December 31, 2021 amounting to $29,310,753 (2020: $17,319,043). The continuation of the Company as a going concern is dependent on its ability to achieve positive cash flows from operations, obtain the necessary equity or debt financing to continue with its planned market expansion, and ultimately attain and maintain profitable operations. In March and April 2022, the Company completed two separate private placements raising aggregate gross proceeds of $22,200,000 (for more information, please read "*Subsequent Events – Private Placements*"). Although the Company has been successful in the past in 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. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not give effects to any adjustments to the carrying values of recorded assets and liabilities, revenue and expenses, the consolidated statements of financial position classifications used and disclosures that might be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

## SELECTED FINANCIAL INFORMATION

The following table summarizes the Company's recent results of operations for the periods indicated. The selected consolidated financial information set out below has been derived from the Company's audited consolidated financial statements and related notes.

| | Year ended December 31, 2021 (1) ($) | Year ended December 31, 2020 (Restated)(2) ($) | Year ended December 31, 2019 (3) ($) |
|---|---|---|---|
| Net revenue (1) | 25,416,461 | 3,934,354 | 599,104 |
| Income (loss) from operations | (29,332,474) | (18,127,560) | (4,556,729) |
| Net income (loss) | (29,310,753) | (17,319,043) | (6,942,357) |
| Income (loss) per share | (0.31) | (0.19) | (0.08) |
| Total assets | 29,532,877 | 28,586,661 | 5,842,021 |
| Total non-current liabilities | 8,816,705 | 7,639,923 | 472,038 |
| Cash dividends declared | - | - | - |

Notes:

(1) Net loss increased for the year ended December 31, 2021, as compared to the prior year, primarily due to the growth of the Company and the costs associated with such growth. The increase in net revenue was mainly attributable to the expansion of Steer, the electric vehicle subscription business acquired in September, 2020, Food Hwy, the food delivery business acquired in October, 2020 and general growth among these acquisitions. Net loss for year ended December 31, 2021 would have been $26,639,300 if we exclude the non-cash portion of share-based compensation. For the year ended December 31, 2021, the total non-cash portion of share-based compensation was $2,671,500, which was included in general & administrative expenses in the amount of $2,641,900, operational support in the amount of $16,300, research and development in the amount of $9,000, and sales and marketing expenses in the amount of $4,300.

(2) Net loss increased for the year ended December 31, 2020, as compared to the prior year, primarily due to the growth of the Company and the costs associated with such growth. The increase in net revenue was mainly attributable to Steer, the newly acquired electric vehicle subscription business, and Food Hwy, the newly acquired food delivery business during the year ended December 31, 2020. Net loss for year ended December 31, 2020 would have been $10,739,500 if we exclude the non-cash portion of share-based compensation. For the year ended December 31, 2020, the total non-cash portion of share-based compensation was $6,579,500, which was included in general & administrative expenses in the amount of $1,692,600, operational support in the amount of ($45,800) and sales and marketing expenses in the amount of $4,932,700.

(3) On September 16, 2019, the Company completed a qualifying transaction to go public and be listed on the TSX Venture Exchange. The loss from operations was primarily due to listing expenses of $2,376,100 attributable to the Transaction. The total non-cash portion of the listing expenses was $1,853,200. Excluding the listing expenses associated with the Transaction, net loss for the year ended December 31, 2019, would have been $4,566,300. Total assets increase was attributable to the issuance of Shares during the year ended December 31, 2019.

## ANALYSIS OF RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2021 AND 2020

The following section provides an overview of our financial performance during the year ended December 31, 2021, ("**Fiscal 2021**") compared to the year ended December 31, 2020 ("**Fiscal 2020**").

### Revenue

Revenue for Fiscal 2021 was $25,416,500, an increase of $21,482,100 as compared to $3,934,400 in Fiscal 2020. During the year, the Company generated substantially most of its revenue from Electric Vehicle Subscription (Steer) and On-Demand business divisions, led by its food delivery and restaurant supplies businesses.

*Foods*

The Company's revenues attributable to its food delivery and restaurant supplies business activities ("**Foods**") were $21,694,500 in Fiscal 2021 as compared to $2,472,300 in Fiscal 2020. Food delivery revenues include revenues from food delivery services, restaurant commissions and B2B Marketplace. 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**"). Foods is primarily a food and supply delivery platform that connects restaurants (national chains, local businesses and ethnic restaurants) with suppliers, driver partners and consumers. Foods offers contactless food delivery options and enables individuals and businesses to more easily comply with pandemic-related safety protocols, benefitting both consumers and businesses. Following the acquisition of FoodHwy, a Canada-based food delivery service, the Company increased its operational capabilities and market presence, and benefited from onboarding Food Hwy's highly skilled team that had over six years of expertise – both operational and technical – in the field.

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, 3,910 orders per day as at December 31, 2021 in 19 cities across Canada. Foods serves local communities by supporting local restaurants and enabling drivers to generate revenue when demand for rideshare is low. 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.

*Merchandise sales*

Foods provides the platform for the Company's business-to-business Marketplace. In addition to the sale and delivery of food items from the Company's restaurant partners (as described in the section above), 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 ("**B2B Marketplace**"). 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 the Company and then, once purchased by a restaurant or similar business utilizing a feature found in the Foods app, the merchandise is delivered by the Company to its business customer.

B2B Marketplace provides for the sale and delivery of just-in-time supplies to restaurants so that they can not only reduce their inventory and storage costs, but also choose from among the Company's environmentally conscious supply options. One of the Company's goals is to use its increasing market share as a means to sell (and encourage the purchase of) enough of its environmentally conscious supplies so as to utilize the economies of scale to reduce the cost for businesses to purchase them from the Company. This increased adoption of environmentally friendly options will then be reflected in the carbon reduction and offset numbers that the Company plans to track and report through EcoCRED. As of today, the Company estimates that approximately 1 in 5 independent restaurants in Ontario have accounts on the Company's Foods and B2B Marketplace platform, a 20 percent market penetration that the Company feels provides sound footing for its next stages of expansion.

During Fiscal 2021, the Company's total revenue from merchandise sales was $15,680,000, as compared to $78,000 in Fiscal 2020. The increase in revenue was mainly due to the acquisition of Food Hwy in October 2020 and the expansion of Foods' business activities into business-to-business restaurant industry merchandise in 2021. The Company's B2B Marketplace had 2,586 partners through the platform of Foods and was fulfilling over 6,445 orders per month as of December 31, 2021.

*Ridesharing*

Total revenue for the Company's ridesharing business in Canada was $196,500 in Fiscal 2021, as compared to $512,000 in Fiscal 2020. The Company's gross fees from Ridesharing were $782,900 in the year, representing a decrease from $1,708,000 from the comparative year. 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 60,240 in Fiscal 2021, representing a decrease from 136,200 rides in Fiscal 2020. The average gross receipt per ride was $14 (compared to $13 in Fiscal 2020), and the average net revenue per ride earned by the Company was $4 ($3 in 2020). 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 Fiscal 2021. The number of registered Ridesharing drivers in Canada has grown as follows: 21,292 as of December 31, 2021 (with 4,943 being fully approved to operate); 10,376 as of December 31, 2020 (with 3,275 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.

*Vehicle subscription service*

The Company's Subscription-Based Services are led by its flagship STEER EV business unit, which allows consumers (typically on a monthly recurring subscription basis) to choose from a diverse fleet of automobiles that includes a range of premium luxury, comfort and entry-level electric vehicles (EV) – without the hassles that come with long-term ownership or daily rental. The Company has been pleased with the success of its operations in Toronto and Washington, DC, with strong utilization and subscriber growth rates, and intends to expand into various targeted North American markets that its analytics and research have helped identify. The Company anticipates this expansion translating into strong organic revenue growth on a year-over-year basis from its business-to-consumer (B2C) operations.

Total revenue from the Company's vehicle subscription service was $2,804,700 in Fiscal 2021, and $738,800 in Fiscal 2020. The increase was attributable to the Company's acquisition (the "**Steer Acquisition**") of Steer, a specialized electric and hybrid vehicle subscription business 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 Company typically leases the hybrid and EV 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.

Going forward, the Company sees its EV subscription business as a key part of its focus on Subscription-Based and On-Demand product and service offerings which are, in turn, key in the current gig economy. The Company also expects that subscription revenues, being recurring in nature, will allow it to better predict and accurately forecast associated future revenues.

*TraceSCAN sales*

Total revenue from TraceSCAN sales was $280,000 in Fiscal 2021, and $52,500 in Fiscal 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 the year. The Company plans to continue the commercialization of the TraceSCAN device during 2022, 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, has been carried out by the Company in Ontario in collaboration with alumni and participants from with the University of Waterloo, and is proprietary to the Company. The Company's firmware is locally developed while its interfaces run on hardware currently sourced from China and other countries.

During 2021, TraceSCAN was under development. To better understand the Company's operations and the progress that was made during Fiscal 2021, please see the table regarding 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. For more information, see "*Company Overview – Recent Developments of Business"* above.

*Social*

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 many Social projects to be immediate drivers of significant revenue, the Company feels 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.

The Company recently centralised much of its technology, back-end systems and human resources on Social with a view to striking greater operational and capital efficiency. The Company is now confident that the 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 Social include its EcoCRED App, the Company's ESG Data Intelligence machine, which also has an interactive carbon credits analytics, trading and education component for consumers. Among other enterprise and consumer-oriented functions, EcoCRED 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, the Company'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 ESG offerings. In the long term, the Company's intention is for its entire platform to be powered by EcoCRED such that all offerings have sophisticated ESG analytics integrated into both their back-end (to assist the Company with better tracking and performing under its ESG mandate) and front-end (i.e., user experience, awareness and education) functions. Total revenue generated from EcoCRED App was $251,235 in Fiscal 2021, as compared to $Nil in Fiscal 2020.

For a more detailed discussion regarding these Company projects as it relates to Fiscal 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 Fiscal 2021 was $27,428,300, representing an increase from $3,228,300 in Fiscal 2020. Cost of revenue primarily consists of direct costs associated with merchandise, TraceSCAN and its supply chain, payouts to Foods' drivers, depreciation, payment processing charges, delivery for merchandise sales, automobile leasing and maintenance costs, insurance expenses, inventory provision, as well as credit card losses.

Total payouts to drivers for Foods was $6,006,300 in Fiscal 2021, as compared to $1,201,900 in Fiscal 2020. The increase was the result of the timing of the acquisition of FoodHwy and the introduction of food delivery services. Total depreciation related to vehicle subscription services (Steer) was $1,957,600, as compared to $641,900 in the comparative year. Total automobile costs were $795,200, as compared to $260,300 in the comparative year. Total insurance expenses were $544,800 in Fiscal 2021, as compared to $386,700 in Fiscal 2020. 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 $1,550,100 in Fiscal 2021, representing an increase from $436,300 in Fiscal 2020. The overall increase in payment processing fees was primarily attributable to an increase in revenue. Total delivery expenses for merchandise sales were $1,057,600 in Fiscal 2021, as compared to $Nil in Fiscal 2020. The increase was attributable to Foods' platform expansion in 2021 to include the sale and delivery of various restaurant industry supply items on a business-to-business basis.

The cost of goods sold from the sale of merchandise, TraceSCAN and supply chain sales was $14,830,700 in Fiscal 2021, compared to $102,900 in Fiscal 2020. The majority of the cost of goods sold from the sale of merchandise is attributed to Foods' expanded offerings in 2021 for the sale of industry merchandise and supplies.

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

**General and Administration Expenses**

General and Administrative expenses for Fiscal 2021 were $7,352,400, up from $3,605,200 in Fiscal 2020. Total legal and accounting fees were $1,896,000 for Fiscal 2021 as compared to $846,200 in Fiscal 2020. 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 on account of expanded operations and activities in Fiscal 2021.

Total share-based compensation expenses recognized related to stock options and restricted share units granted to directors and officers of the Company were $646,656 in Fiscal 2021, as compared to $1,204,372 for Fiscal 2020. Total share-based compensation expenses recognized related to restricted share units granted to advisors and consultants were $1,945,200 in Fiscal 2021, as compared to $516,400 in Fiscal 2020. Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $15,400 in Fiscal 2021, as compared to $Nil for Fiscal 2020. The Company recognized stock options and restricted share units granted to directors and officers of the Company were $1,069,100 and offset with the reversal of $387,800 in the year in connection with former directors who resigned in 2021. The Company recognized stock options and restricted share units granted to advisors and consultants of the Company were $1,993,000 and offset with the reversal of $47,800 in the year in connection with former advisors who were terminated in 2021.

Total salaries and benefits for general and administrative staff members increased from $274,400 for Fiscal 2020 to $1,574,900 for Fiscal 2021. The increase was primarily attributable to the Company's expansion and the additional headcount that was required for growth.

We anticipate an increase in share-based compensation expenses continuing in 2022 as we intend to recruit and expand management and employee ranks in line with the Company's intentions to continue growing the Company's services and product offerings. We also anticipate further significant increases to accounting, legal and professional fees in upcoming quarters. The Company expects these increases to be 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 the Company's services and product offerings. Any such increases to professional fees will be reflected in our General and Administrative expenses going forward.

In Fiscal 2021, the Company paid $70,800 (2020 - $278,900) in legal fees to Abrahams LLP. Mr. Mujir Muneeruddin, an officer and director of the Company. Mr. Mujir Muneeruddin 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 has not billed 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, were $25,400 in Fiscal 2021, as compared to $87,400 in Fiscal 2020. See "Related Party Transactions".

**Operational Support Expenses**

Operational support expenses increased to $11,755,000 in Fiscal 2021, from $3,764,400 in Fiscal 2020. 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 continued business expansion.

Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $16,300 in Fiscal 2021, as compared to $Nil for Fiscal 2020. Total salaries and benefits for the Company's technical operations and support staff were $8,795,400 in Fiscal 2021, an increase of $6,334,100 compared to $2,461,300 in Fiscal 2020, primarily due to the increase in employee headcount mentioned above. The increased headcount occurred primarily for the benefit of our Foods operations, but also to strengthen the Company's other services.

Total telephone, internet and data expenses increased to $1,060,400 in Fiscal 2021 from $611,600 in the Fiscal 2020. This increase was attributable to an uptick in the number of users on our different platforms. Total operational support expenses payable to Connex Telecommunications Inc., a related company ("**Connex**"), was $59,200 in Fiscal 2021, as compared to $71,200 in Fiscal 2020. Total operational support expenses payable to Dynalync 2000 Inc., a related company ("**Dynalync**"), was $Nil in Fiscal 2021, as compared to $17,000 in Fiscal 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 Fiscal 2021, as compared to $146,600 in Fiscal 2020. See "Related Party Transactions" below.

**Research and Development Expenses**

Research and development expenses increased to $2,079,100 in Fiscal 2021, as compared to $1,444,200 in Fiscal 2020. Research and development expenses included payments to consultants, salaries and benefits and share-based compensation. The overall increase was primarily driven by the Company consolidating more research and development functions in-house to build up the competitive advantage on tech as we continue to increase the functionality of our platform and improving efficiencies in attracting and retaining drivers and users. To this end, total salaries and benefits related to research and development personnel were $1,115,600 in Fiscal 2021, as compared to $465,000 in Fiscal 2020. The increase in expenses was primarily attributable to the increase in the employee headcount described above. Total fees paid to third parties providing services and product development to the Company in the amount of $954,500 in Fiscal 2021, as compared to $979,200 in Fiscal 2020. Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $9,000 in Fiscal 2021, as compared to $Nil in Fiscal 2020. Total fees payable to Connex was $30,300 in the year, as compared to $16,000 in the comparative year. See "Related Party Transactions" below.

**Sales and Marketing Expenses**

Sales and marketing expenses for Fiscal 2021 were $2,999,200, as compared to $8,933,600 in Fiscal 2020. These decreases were 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 in Fiscal 2020, compared to $Nil in Fiscal 2021. Total share-based compensation expenses recognized related to stock options and restricted share units granted to employees of the Company were $4,300 in Fiscal 2021, as compared to $Nil in Fiscal 2020.

From time to time, the Company's subsidiary, 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. However, during the course of the Company's engagement of an independent national accounting firm to help with a review of Foods' 2021 sales and marketing expenses concurrent with an ongoing Continuous Disclosure Review involving staff of the Corporate Finance Branch of the Ontario Securities Commission ("**OSC**") which first commenced in 2020, the Company identified certain entries in originally filed continuous disclosure documents that became the subject of revision. Thereby, the Company implemented an accounting or disclosure change on a retroactive basis. For more information, please see the Company's press release dated February 28, 2022.

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 arrived at with the help of independent consultants regarding the Company's incentives and discounts, the Company has determined that the amount that should be appropriately recognized as market-wide promotions and discounts is $4,969,000 for Fiscal 2021. Since these market-wide promotions are to be presented net of revenue, they do not appear as an expense, and are therefore reflected on a net of revenue basis for Fiscal 2021. Total sales and marketing expenses for the Company's user incentive programs were $1,119,000 in Fiscal 2021, as compared to $2,177,200 in Fiscal 2020.

Total salaries and benefits related to sales and marketing personnel were $373,500 in Fiscal 2021, as compared to $Nil in Fiscal 2020.The increase was primarily due to the increase in employee headcount and greater internalization of key marketing functions. Total sales and marketing expenses payable to the 10328545 Canada Inc., a related company controlled by the Company's current Chief Executive Officer, was $Nil in Fiscal 2021, as compared to $1,000 in Fiscal 2020. See "*Related Party Transactions*".

**Investment in Tally Technology Group Inc.**

On October 27, 2021, Tally Technology Group Inc. ("**Tally**") served a notice of default ("**Notice**") to the Company, alleging that the Company had defaulted on the terms of earlier agreements and, as a result, 727,273 of the Company's preferred shares of Tally would be converted into common shares of Tally and, together with certain of the Company's existing common shares of Tally, would be returned to Tally for cancellation.

While management of the Company was of the opinion that the Notice was without merit (as an amended agreement had removed any obligations upon which Tally might claim default), the Company and its advisors felt based on a number of factors that the Company had lost significant influence over Tally investment during the year ended December 31, 2021. These factors included the dilution of interest, loss of board seat, ongoing legal dispute, uncertainty about future cash flows, unobservable inputs not being reflective of market participant assumptions, and restrictions on sale. Accordingly, the Company recognized the difference between the carrying amount of $3,489,916 and the estimated fair value of retained interest as a charge in the consolidated statements of loss and comprehensive loss during the year. However, on April 22, 2022, the Company entered into a second amended agreement with Tally whereby the Company would be able to retain 1,935,618 of Tally's Series Seed Preferred Stock, which have a deemed original issue price of $0.6875, as well as warrants to purchase 250,000 common shares of Tally at $0.01 per share. For more information, please see "*Subsequent Events—Tally Technologies*."

**Net Loss**

The Company incurred a net loss of $29,310,800 in Fiscal 2021 compared to a net loss of $17,319,000 in Fiscal 2020. The increase in net loss was primarily attributable to the fair value loss on investment of $3,489,916 and the growth and development of the Company and the costs associated with such growth and development, 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 Fiscal 2021.

**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, 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 Q4 2021. Information is provided for: (i) the HiRide Application; (ii) Social (including HiQ Application project and HiPanda App); (iii) the TraceSCAN project; and (iv) the Marketplace project.

*HiRide Application:*

| | **Q4 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 of HiRide have been temporarily suspended. The Company has effectively put the HiRide Project on “care and maintenance” until the Company determines it is appropriate to recommence operations at a later, more appropriate, date. |
| **The expenditures made on the project during the quarter:** | Due to the 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 the fact that operations have been temporarily suspended due to COVID-19, the Company estimates that expenditures on this project during the quarter 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:** | The Company plans to monitor the situation and assess the next best steps; however, it has no plans to further expend material resources on account of HiRide at this time. |

*Social:*

| | **Q4 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 Social ("**FD Social Consolidation**”), given the commonalities among the projects (EcoCRED HiQ, and HiPanda). Previously, the Company did not consider Social as being a source of significant revenue growth in the near to medium 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. However, the Company has started to see revenue generate from EcoCRED while it has determined other projects such as HiQ and HiPanda to be on “care and maintenance” until the Company determines it is appropriate to recommence operations on them at a later, more appropriate, date. |
| **The expenditures made on the project during the quarter:** | For much of Q4 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 Social. |
| **The anticipated timing and costs to take the project to the next stage of the project plan** | The Company is assessing the next steps for EcoCRED’s social application. As of right now, the Company is focused on continuing to develop EcoCRED as its ESG analytics and big-data platform through which all major offerings are powered to track and report on carbon emissions, reduction and offsets**.** |

*The TraceSCAN Project:*

| | Q4 2021 |
|---|---|
| **The status of the project:** | The Company has continued to further develop and enhance its TraceSCAN devices, the arrival of which have been slowed by global chipset shortages. These shortages have slowed the ability of the Company to program, develop, and test the devices further to upgrading and improving them in line with market feedback. For more information, please refer to *Company Overview – Recent Development of Business*. The Company is currently assessing, in light of most COVID restrictions being lifted, the best and most productive use for TraceSCAN devices. |
| **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 on this project during the quarter 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:** | The Company is currently assessing, in light of most COVID restrictions being lifted, the best and most productive use for TraceSCAN devices. Once this assessment is complete, the Company plans to determine how much of its resources it plans to expend and the timing of these next steps. |

**SUMMARY OF QUARTERLY RESULTS**

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

| *(Unaudited)* | **Q4 2021 ($)** | **Q3 2021 ($)** | **Q2 2021 ($)** | **Q1 2021 ($)** | **Q4 2020 ($)** | **Q3 2020 ($)** | **Q2 2020 ($)** | **Q1 2020 ($)** |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | 10,310,269 (1) | 7,811,810(2) | 4,521,548 (3) | 2,772,834 (4) | 3,186,378(5) | 266,460(6) | 93,615(7) | 387,901(8) |
| **Net loss** | (6,190,315) (1) | (9,930,182) (2) | (7,559,851) (3) | (5,630,405) (4) | (5,289,878)(5) | (3,874,179)(6) | (6,656,844)(7) | (1,498,142)(8) |
| **Basic and diluted loss per Share** | (0.06) | (0.10) | (0.08) | (0.06) | (0.06) | (0.04) | (0.07) | (0.02) |

Notes:

(1) Net loss decreased for the three months ended December 31, 2021 as compared to the prior quarter, was primarily due to the fair value loss on the investment in Tally Technology Group Inc. in the amount of $3,489,916 in Q3 2021. For the three months ended December 31, 2021, the total share-based compensation expense was $1,082,400, and was included in general & administrative, operational support, research and development and sales and marketing expenses.

(2) Net loss increased for the three months ended September 30, 2021 as compared to the prior quarter, was primarily due to the fair value loss on the 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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.

## ANALYSIS OF RESULTS OF OPERATIONS – THREE MONTHS ENDED DECEMBER 31, 2021 AND 2020

The following section provides an overview of our financial performance during the three months ended December 31, 2021, compared to the three months ended December 31, 2020.

### Revenue

Revenue was $10,310,300 in Q4 2021 as compared to $3,186,400 in Q4 2020. Representing a year-over-year increase of $7,123,900. The increase in revenue was primarily attributable to an increase in revenue from Foods and Steer. Total revenue from Foods including food delivery, restaurant commission and B2B Marketplace sales were $9,168,500 in Q4 2021 as compared to $2,472,300 in Q4 2020. The increase was attributable to the added complementary business line, B2B Marketplace, involving the sale and delivery of various restaurant industry supply items on a business-to-business basis. Total revenue from the vehicle subscription service (Steer) was $747,000 in Q4 2021, as compared to $564,700 in Q4 2020.

**Cost of Revenue**

Cost of revenue for Q4 2021 was $10,755,500, representing an increase from $2,458,500. Total insurance expenses were $148,000 in the Q4 2021, as compared to $74,400 in the Q4 2020. The 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 delivery for merchandise sales was $544,500 in Q4 2021, as compared to $Nil in Q4 2020. The increase was attributable to Foods' platform expansion in 2021 to include the sale and delivery of various restaurant industry supply items on a business-to business basis.

The cost of goods sold from the sale of merchandise, TraceSCAN and supply chain sales was $7,221,900 in Q4 2021, compared to $26,800 in Q4 2020. The majority of the cost of goods sold from the sale of merchandise is attributed to Foods' expanded offerings in 2021 for the sale of industry merchandise and supplies.

**General and Administration Expenses**

General and administrative expenses for Q4 2021 were $1,908,700, as compared to $1,194,000 in Q4 2020. Total legal and accounting fees were $208,300 for Q4 2021 as compared to $313,100 for Q4 2020. Total share-based compensation expenses related to stock options and restricted share units accrued to directors and officers of the Company were $748,600 for Q4 2021, as compared to $161,300 for Q4 2020. This increase was primarily on account of changes to the Board of Directors. Total share-based compensation expenses related to restricted share units granted to advisors and consultants were $288,800 in Q4 2021, as compared to $390,400 in Q4 2020. Total share-based compensation expenses related to stock options and restricted share units accrued to employees of the Company were $15,400 for Q4, 2021, as compared to $Nil for Q4 2020. These increases were primarily attributable to consulting fees for advisory services further to the Company developing strategic partnerships and the continued expansion of services and product offerings. The Company recognized stock options and restricted share units granted to directors and officers of the Company were $809,100 and offset with the reversal of $60,500 in Q4 2021 in connection with former directors who resigned in October 2021. The Company recognized restricted share units granted to advisors and consultants of the Company were $336,600 and offset with the reversal of $47,800 in Q4 2021 in connection with former advisor who was terminated in October 2021.

Total salaries and benefits for general and administrative staff members were $483,600 in Q4 2021 as compared to $137,400 in Q4 2020. The increase was primarily attributable to the Company's expansion and the additional headcount that were required.

**Operational Support Expenses**

Operational support expenses increased to $2,855,200 in Q4 2021, from $2,162,100 in Q4 2020. 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 $1,898,300 in the quarter, as compared to $1,472,700 in the comparative quarter, an increase of $425,600, primarily due to the increase in employee headcount described above. The increased headcount occurred primarily in respect of Foods operations but also as a result of other expanding the Company services.

Total warehouse and labour were $230,000 in Q4 2021, as compared to $Nil in Q4 2020. The increase was attributable to Foods' platform expansion in 2021 to include the sale and delivery of various restaurant industry supply items on a business-to-business basis. Total rent expenses increased to $239,200 in Q4 2021 from $103,800 in Q4 2020 due to the uptick in the number of users on our different platforms. Total operational support expenses payable to Connex, were $5,000 in Q4 2021, as compared to $18,800 in Q4 2020.

**Research and Development Expenses**

Research and development expenses increased to $601,300 in Q4 2021, as compared to $429,700 in Q4 2020. Research and development expenses included payables to consultants, salaries and benefits. Total salaries and benefits related to research and development personnel were $388,300 in Q4 2021, as compared to $178,300 in Q4

2020. These increases were primarily driven by the Company consolidating more research and development functions in-house as opposed to outsourcing to third party providers.

**Sales and Marketing Expenses**

Sales and marketing expenses for Q4 2021 were $412,400, as compared to $2,309,700 in Q4 2020. The year-over-year decrease was primarily attributable to the reclassification of certain sales and marketing expenses in 2021 as being net of revenue.

**Net Loss**

The Company incurred a net loss of $6,190,300 in Q4 2021, as compared to a net loss of $5,289,900 in Q4 2020. The quarter-over-quarter increase was primarily attributable to the increase in cost of revenue of $8,297,000 related to the Foods' platform expansion in 2021. Net loss in Q4 2021 would have been $5,107,900 if we had excluded the non-cash portion of share-based compensation in the amount of $1,082,400, which was included in general & administrative, operational support, research and development and sales and marketing expenses.

## 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:

| | **Fiscal, 2021 ($)** | **Fiscal, 2020 ($)** |
|---|---|---|
| Net cash used in operating activities | (19,886,714) | (9,590,664) |
| Net cash used in investing activities | (446,905) | (3,537,166) |
| Net cash generated from financing activities | 18,857,529 | 13,055,777 |
| Impact of currency translation adjustment on cash | (6,025) | (7,553) |
| **Decrease in cash and cash equivalents** | **(1,482,115)** | **(79,606)** |

***Analysis of Cash Position***

The Company's cash balance as of December 31, 2021 was $2,229,200, as compared to $3,711,300 as of December 31, 2020. Total current assets as at the end of Fiscal 2021 were $9,941,800 (December 31, 2020: $6,008,800), including trade and other receivables of $1,915,300 (December 31, 2020: $1,809,400); prepaid expenses and deposits of $363,900 (December 31, 2020: $369,800) and inventory of $5,433,400 (December 31, 2020: $118,300), with current liabilities of $10,602,300 (December 31, 2020: $5,213,100) resulting in working capital deficiency of $660,526 as at December 31, 2021, as compared to working capital surplus of $795,737 at December 31, 2020.

The increase in inventory was attributable to the growth of B2B Marketplace sales business for Foods, and TraceSCAN sales.

The Company's current ratio as of December 31, 2021 was 0.94 compared to 1.15 as of December 31, 2020. The change was primarily attributed to the increase in cash used in operating activities in the amount of $19,886,700; purchase of equipment of $1,313,600, and principal payment of lease liabilities of $1,414,600 for Fiscal 2021. The Company has since successfully closed a series of private placement financings in March and April 2022. These financings, along with an expectation to improve cash management by expense reduction, automation and plans for improving gross profits margins and increasing revenues, are expected to result in the Company having sufficient liquidity and capital resources during the next twelve months. See "*Liquidity Risk*" below. Also see, "*Subsequent Events – Private Placements"* below.

***Cash Flows used in Operating Activities***

Cash used in operations of the Company was $19,886,700 for the year ended December 31, 2021, as compared to $9,590,700 for the year ended December 31, 2020. This consisted of a net loss of $29,310,800, deferred income tax recovery of $294,600, gain on lease terminations of $29,600, fair value gain on investment of $13,700 and government and other grants of $12,000 offset by non-cash expenditures of $11,370,300 consisting of fair value loss on investment of $3,489,900, impairment of intangible assets of $67,800, depreciation and amortization of $5,092,600, share-based payments of $2,671,500, an unrealized foreign exchange loss of $28,000 and interest expenses of $20,500. Total share-based compensation expenses for the year ended December 31, 2021 were: (a) to several directors of the Company: $1,069,100 with the reversal of $387,800 for unvested instruments; (b) to several advisors and consultants of the Company: $1,993,000 with the reversal of $47,800 for unvested instruments and (c) to employees of the Company: $45,000. Cash was also used to fund the increase in trade and other receivables of $141,000, the increase in inventory of $5,315,000 and the increase in interest receivable of $36,500, offset by the decrease in prepaid expenses and deposits of $6,000, increase in accounts payable and accrued liabilities of $3,522,100, the increase in deferred income of $313,500 and an increase in deposits of $54,700.

***Cash Flows used in Investing Activities***

Cash used in investing activities was $446,900 for the year ended December 31, 2021, as compared to $3,537,200 for the year ended December 31, 2020. This decrease is largely driven by the cash portion of the Company's Fiscal 2020 investment in Tally, totaling $1,340,600, the acquisition of certain assets of Foodora Canada, totaling $561,700, and the acquisition of Food Hwy Canada Inc, totaling $1,500,000, during 2020.

***Cash Flows generated from Financing Activities***

Cash generated from financing activities was $18,857,500 for the year ended December 31, 2021, as compared $13,055,800 for the year ended 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. Cash was also used for the principal payment of lease liabilities of $1,414,600.

At present, the Company has insufficient earnings to fund its operations. As such, the 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.

On March 1, 2022, the Company completed a Private Placement of 7,343,750 units on a non-brokered basis at a subscription price of $0.64 per unit, for aggregate gross proceeds to the Company of $4,700,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional share at a price of $0.80 per share for a period of 36 months from the date of issuance, subject to customary adjustment provisions. All subscriptions came from directors of the Company.

On April 8, 2022, the Company completed a separate Private Placement of 29,661,016 units on a non-brokered basis at a subscription price of $0.59 per unit, for aggregate gross proceeds to the Company of $17,500,000. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional share at a price of $0.73 each for a period of 36 months.

The Company intends to use the net proceeds from the issuance of all of the private placement units described above for general business development activities and general working capital purposes. For more information, see "*Subsequent Events – Private Placements*".

## 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 132,866,865 Shares and Nil preferred shares issued and outstanding.

## RELATED PARTY TRANSACTIONS

The related party transactions are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. 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.

### Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers. For the years ended December 31, 2021 and December 31, 2020, the compensation awarded to key management personnel is as follows:

| | | **2021** | | **2020** |
|---|---|---|---|---|
| Salaries, service fees and short-term benefits. | $ | 406,740 | $ | 165,333 |
| Director fees | | 130,000 | | - |
| Share based compensations | | 646,656 | | 1,120,469 |
| | **$** | **1,183,396** | **$** | **1,580,131** |

### Related party transactions

During the years ended December 31, 2021 and 2020, the Company incurred office space, operational supports, consulting, and product development expenses for services provided by the following related entities controlled by key officers or directors:

| | **2021** | **2020** |
|---|---|---|

| | | | | |
|---|---|---|---|---|
| Connex Telecommunications Inc. ("**Connex**")[1] | $ | 105,000 | $ | 87,500 |
| Dynalync 2000 Inc. ("**Dynalync**")[2] | | - | | 17,000 |
| 10328545 Canada Inc.[3] | | - | | 147,700 |
| Abrahams LLP[4] | | 70,800 | | 278,900 |
| Mujir Muneeruddin Professional Corporation[5] | | 180,000 | | 40,000 |
| | **$** | **355,800** | **$** | **571,100** |

The above incurred expenses are included in cost of revenues, operational support expenses, and research and development expenses.

**Due to related parties:**

As at December 31, 2020 and 2021 amounts due to related parties include:

| | | **2021** | | **2020** |
|---|---|---|---|---|
| Directors | $ | 130,000 | $ | - |
| Founders | | 195,559 | | 334,028 |
| Entities controlled by key officers or directors | | 562,297 | | 480,658 |
| | **$** | **887,856** | **$** | **814,686** |

Amounts due to directors and entities controlled by key officers or directors are included in accounts payable and accrued liabilities. Amounts due to founders are included as due to related parties. The amounts owing by the Company are unsecured, and non-interest bearing, with no specific terms for repayment.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's primary financial risk management objective is to protect the Company's balance sheet and cash flow. The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, lease liabilities and amounts due to related parties. The main purpose of these financial liabilities is to provide 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 Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company.

**Market risk**

[1] This entity is beneficially owned and controlled by Sayan Navaratnam, the Company's largest shareholder and former Chief Executive Officer.
[2] This entity is beneficially owned and controlled by Sayan Navaratnam, the Company's largest shareholder and former Chief Executive Officer.
[3] This entity is beneficially owned and controlled by Suman Pushparajah, the Company's Chief Executive Officer and a member of its Board of Directors.
[4] Mujir Muneeruddin, an officer and director of the Company, is the Chairman of Abrahams LLP. 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).
[5] This entity is beneficially owned and controlled by Mujir Muneeruddin, an officer and director of the Company.

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 risk comprises three types of risk: currency risk, interest rate risk and other price 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 December 31, 2021, the Company is primarily exposed to foreign exchange risk through its United States dollars denominated cash and cash equivalents, trade and other receivables, investment in preferred shares and the investment in Tally. 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 December 31, 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 $195,200 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 December 31, 2021, the Company is 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 December 31, 2021, the Company is not exposed to significant other price risk, except with regards to FVTPL investments.

**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 and trade and other receivables. 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. As payments from users are typically pre-authorized, the risk of credit loss is expected to be minimal. As at December 31, 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.

| As at December 31, 2021 | Carrying Amount | | Undiscounted Contractual Cash Flows | | |
|---|---|---|---|---|---|
| | | | < 1 year | 1 – 5 years | Total |
| Accounts payables and accrued liabilities | $ | 7,037,112 | $ 7,037,112 | $ - | $ 7,037,112 |
| Due to related | | 195,559 | 195,559 | - | 195,559 |
| Loans | | 98,591 | - | 160,000 | 160,000 |
| Lease liabilities | | 11,133,486 | 3,308,548 | 9,920,109 | 13,228,657 |
| | **$** | **18,464,748** | **$ 10,541,21** | **$ 10,080,109** | **$ 20,621,328** |
| **As at December 31, 2020** | | | | | |
| Accounts payables and accrued | $ | 3,597,078 | $ 3,597,078 | $ - | $ 3,597,078 |
| Due to related | | 334,028 | 334,028 | - | 334,028 |
| Loans | | 80,332 | - | 140,000 | 140,000 |
| Lease liabilities | | 8,278,958 | 1,671,759 | 8,853,047 | 10,524,806 |
| | **$** | **12,290,396** | **$ 5,602,865** | **$ 8,993,047** | **$ 14,595,912** |

**Capital management**

The Company manages its capital, which consists exclusively of equity, with the primary objective being safeguarding sufficient working capital to sustain operations. The Company may require additional funds in order to fulfill all of its future expenditure requirements or obligations, in which case the Company may raise additional funds either through the issuance of equity or by incurring debt to satisfy such requirements or obligations. There is no assurance that any additional funding required by the Company will be available to the Company on terms acceptable to the Company or at all.

There have been no changes in the Company's approach to capital management during the year ended December 31, 2021, nor have there been any changes made in the objectives, policies, or processes of the Company in respect of capital management during the year ended December 31, 2021. The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

The Company's primary objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern, so that it can provide adequate returns to its shareholders and benefits for other stakeholders;
- fund capital projects for facilitation of business expansion provided there is sufficient liquidly of capital to enable the internal financing; and
- maintain a capital base to maintain investor, creditor, and market confidence.

The Company considers the items included in the consolidated statements of changes in equity as capital. The Company manages its capital structure and makes adjustments thereto as is necessary from time to time in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new Shares from treasury. The Company is not subject to externally imposed capital requirements.

**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, as well as the Company's audited annual financial statements for the years ended December 2021 and 2020, 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.

The Company 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. The Company 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. 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. 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). 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, the Company'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 Rideshare, Foods, Health, Marketplace and Social.

*Drivers using Company apps are not employees*

Company is of the view that drivers using its apps on the Company's various platforms (collectively, the "**Company Apps**") are not employees based on the fact that such drivers are free to choose whether, when, and where to provide services on respective platforms, and not restricted from providing services on competitors' platforms. This is consistent with competitors' views that also classify rideshare licensed drivers as independent contractors rather than employees. This view may be challenged in legal or administrative proceedings. The Company is aware of the ongoing litigation against its competitors, and does not exclude the possibility that some or all jurisdictions in which Company operates or plans to expand into may rule that rideshare or food delivery drivers ought to be regarded as employees by the platforms they provide services with. The independent contractor status of drivers is currently being challenged in courts and by government agencies in various jurisdictions. Competitors of the Company are involved in legal proceedings globally, including putative class and collective class action lawsuits, demands for arbitration, charges and claims before administrative agencies, and investigations or audits by labor, social security, and tax authorities that claim that drivers should be treated as employees (or as workers or quasi-employees where those statuses exist), rather than as independent contractors. Such competitors may not be successful in defending the independent contractor status of drivers in some or all jurisdictions. Furthermore, the costs associated with defending, settling, or resolving pending and future lawsuits (including demands for arbitration) relating to the independent contractor status of drivers can be material. A determination in, or settlement of, any legal proceeding, whether the Company is party to such legal proceeding or not, that classifies a driver utilizing the Company App as an employee, may require the Company to revise its pricing methodologies to account for such a change to driver classification. Further, any such reclassification might require the Company to fundamentally change its business model, and consequently could have an adverse effect on its business, results of operations, financial position and cash flows.

*Classification of drivers*

Companies operating in the TaaS industry are often subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations and other legal and regulatory proceedings in multiple jurisdictions challenging the classification of drivers on their platforms and asserting that they are employees. The tests governing whether a driver is an employee vary by governing law and are typically highly fact sensitive and the laws and regulations that govern such are subject to changes and divergent interpretations by various authorities can create uncertainty and unpredictability for the Company. the Company is of the view that drivers on the Company's Apps are not employees, however this view may be challenged in legal or administrative proceedings. A final determination in, or settlement of, any legal proceeding, whether is party to such legal proceeding or not, that classifies a driver utilizing the Company App as an employee, could harm Facedrive's business, financial condition and results of operations.

*Subscription model for electric vehicles ("**EVs**")*

Our success with Steer will depend in large part on our ability to effectively develop our own sales channels and marketing strategies unique to EV subscription. As part of our sales and marketing efforts for subscription, we will need to educate customers as to savings of our EV subscription offering, and of EVs in general, that we believe they will benefit from during the life of the vehicle. If, in weighing these factors, consumers determine that there is not a compelling reason to switch from the traditional automotive purchasing or leasing models, or if customers for any reason determine that there is not a compelling business justification for a subscription of EVs, then our Steer subscription model may not develop as expected or may develop or expand more slowly than expected.

*Pricing*

Demand for the Company's offerings is highly sensitive to price. Many factors could significantly affect its pricing strategies. Certain competitors of the Company may offer lower-priced or a broader range of offerings. Similarly, certain competitors may use marketing strategies that enable them to attract or retain new drivers, riders, customers or restaurants at a lower cost than the Company. There can be no assurance that the Company will not be forced, through competition, regulation or otherwise, to reduce the price of its services, products or offerings, increase the incentives it pays to drivers and restaurants on its platforms or reduce the fees it charges drivers or restaurants on its platforms, or to increase its marketing and other expenses to attract and retain drivers, riders, customers and restaurants in response to competitive pressures. Furthermore, the Company's price sensitivity may vary by geographic location, and as it expands, the Company's pricing methodologies may not enable it to compete effectively in current or new locations. The Company may launch new pricing strategies and initiatives which may not ultimately be successful in attracting and retaining drivers, riders, customers and restaurants. The Company may launch certain changes to the rates and fee structure for drivers, riders, customers and restaurants on its platforms, which may not ultimately be successful in attracting and retaining drivers, riders, customers and restaurants. While the Company does and will attempt to set prices and pricing packages based on its prior operating experience, its assessments may not be accurate, or there may be errors in the technology used in its pricing whereas the Company could be underpricing or overpricing its offerings. In addition, if the offerings on the Company Apps change, then it may need to revise its pricing methodologies. Any such changes to the Company's pricing methodologies or its ability to efficiently price its offerings could adversely affect its business, financial condition and results of operations.

*User support*

The Company's success is dependent, in part, on the ease and reliability of its offerings, including the Company's ability to provide high-quality support. Users on the Company's platforms depend on its support organization to resolve any issues relating to its offerings, EV subscriptions, fare and restaurant charge disputes, lost and found policies, disruptive behavior policies and other incident resolution protocols and procedures. The Company's ability to provide effective and timely support is largely dependent on its ability to attract and retain service providers who are qualified to support users and sufficiently knowledgeable regarding its offerings. As the Company continues to grow its business and improve its offerings, it will face challenges related to providing quality support services at scale. Any failure to provide efficient user support, or a market perception that the Company does not maintain high-quality support, could adversely affect its reputation, brand, business, financial condition and results of operations.

*Fluctuations in operating results*

The Company's operating results have varied and will continue to vary significantly and are not necessarily an indication of future performance. These fluctuations may be a result of a variety of factors, some of which are beyond the Company's control such as the COVID-19 pandemic. Further, the Company experiences seasonal fluctuations in demand and supply which may be affected by extreme weather conditions, vacation season patterns, holidays and other factors. In addition to seasonality, the Company's operating results may fluctuate as a result of factors including its ability to attract and retain new platform users, increased competition in the markets in which it operates, the Company's ability to expand its operations in new and existing markets, its ability to maintain an adequate growth rate and effectively manage that growth, its ability to keep pace with technological changes in the industries in which it operates, changes in governmental or other regulations affecting its business, harm to its brand or reputation, and other risks. As such, the Company may not accurately forecast its operating results. The Company based its expense levels and investment plans on estimates and may not be able to adjust its spending quickly enough if its revenue is less than expected, resulting in losses that exceed its expectations. If the Company is unable to achieve sustained profits, its prospects would be adversely affected and investors may lose some or all of the value of their investment.

*Economic conditions*

The Company's performance is subject to economic conditions and their impact on levels of discretionary consumer spending. Some of the factors that have an impact on discretionary consumer spending include general economic conditions, unemployment, consumer debt, reductions in net worth, residential real estate and mortgage markets, taxation, energy prices, interest rates, consumer confidence, and other macroeconomic factors. Consumer preferences tend to shift to lower-cost alternatives during recessionary periods and other periods in which disposable income is adversely affected. In such circumstances, consumers may choose to forego the Company's offerings for lower-cost options including personal vehicles, the Company's competitors or public transportation alternatives, or may reduce total miles traveled as economic activity decreases. Such a shift in consumer behavior may reduce the Company's network liquidity and may harm its business, financial condition, and operating results. Alternatively, if economic conditions improve, it could lead to drivers obtaining additional or alternative opportunities for work, which could negatively impact the number of drivers and restaurants on the Company's Apps, and thereby reduce the Company's network liquidity.

*Reputation and brand*

Building a strong reputation and brand as a safe, reliable and affordable platforms and continuing to increase the strength of the network effects among drivers, riders, customers and restaurants on the Company's platforms is critical to its ability to attract and retain drivers, riders, customers and restaurants. The successful development of the Company's reputation, brand and network effects will depend on a number of factors, many of which are outside of the Company's control. Ridesharing companies in particular have been an object of criticism for a number of reasons, including being related to job loss, treating workers as independent contractors and not employees, benefits not being accrued equally, unsafe driving practices among drivers interacting with online applications during rides, user privacy and data breaches and safety concerns. Negative perception of the Company and the Company's Apps may harm its reputation, brand and networks effects.

If the Company does not successfully develop its brand, reputation and network effects and successfully differentiate its offerings from those of its competitors, the Company's business may not grow, it may not be able to compete effectively and could lose existing drivers, riders, customers or restaurants or fail to attract new drivers, riders, customers or restaurants, any of which could adversely affect the Company's business, financial condition and results of operations. In addition, changes the Company may make to enhance and improve its offerings and balance the needs and interests of the drivers, riders, customers and restaurants on its platforms may be viewed positively from one group's perspective (such as riders) but negatively from another's perspective (such as drivers), or may not be viewed positively by either drivers, riders, customers or restaurants. If the Company fails to balance these interests or make changes that are viewed negatively, it could adversely affect the Company's reputation, brand, business, financial condition and results of operations.

*Laws and regulations*

The Company is and will be subject to a wide variety of laws in the various jurisdictions which it currently operates and intends to operate in. Laws, regulations and standards governing issues such as worker classification, labor and employment, anti-discrimination, payments, gift cards, whistleblowing and worker confidentiality obligations, product liability, personal injury, text messaging, subscription services, intellectual property, consumer protection, taxation, privacy, data security, competition, unionizing and collective action, arbitration agreements and class action waiver provisions, terms of service, mobile application accessibility, money transmittal, non-emergency medical transportation and background checks are often complex and subject to varying interpretations, in many cases due to their lack of specificity. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies.

The Company's business model is rapidly evolving. Some laws and regulations have been adopted that apply to the Company's business in a manner that may limit relationships with users and customers or otherwise inhibit the growth of its customer base. New laws and regulations and changes to existing laws and regulations continue to be adopted, implemented and interpreted in response to the industries in which it operates, including related technologies. As the Company expands its business into new markets or introduces new offerings into existing markets, regulatory bodies or courts may claim that it or users or customers on its platforms are subject to additional requirements, or that the Company is prohibited from conducting its business in certain jurisdictions, or that users or customers are prohibited from using the Company's platforms, products or services, either generally or with respect to certain offerings.

Recent financial, political and other events may increase the level of regulatory scrutiny on technology companies in general and companies engaged in dealings with independent contractors. Regulatory bodies may enact new laws or promulgate new regulations that are adverse to the Company's business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to the Company's business. Such regulatory scrutiny or action may create different or conflicting obligations on the Company from one jurisdiction to another.

The industries in which the Company operates are rapidly evolving and increasingly regulated. For instance, rideshare companies have been subject to intense regulatory pressure from regulatory authorities across Canada and the United States, and a number of them have imposed limitations on or attempted to ban ridesharing. The application and interpretation of these and other rules could adversely affect the Company's competitive position and results of operations in respect of one or more of its products, services or offerings. Other jurisdictions in which the Company currently operates or may want to operate could follow suit. The Company could also face similar regulatory restrictions from foreign regulators as it expands operations internationally, particularly in areas where it faces competition from local incumbents. Adverse changes in laws or regulations at all levels of government or bans on or material limitations to the Company's products, services and offerings could adversely affect its business, financial condition and results of operations.

*Privacy laws*

The Company receives, transmits and stores a large volume of personally identifiable information and other data relating to customers, restaurants as well as other users on its platforms. Numerous laws and regulations address privacy, data protection and the collection, storing, sharing, use, disclosure and protection of certain types of data. These laws, rules and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement, and may be inconsistent from one jurisdiction to another. The effects of such legislation potentially are far-reaching, and may require the Company to modify its data processing practices and policies and incur substantial compliance-related costs and expenses. Other changes in laws or regulations relating to privacy, data protection and information security, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer or disclosure, could greatly increase the cost of providing the Company's offerings, require significant changes to the Company's operations or even prevent it from providing certain products, services or offerings in jurisdictions in which the Company currently operate and in which it may operate in the future.

Furthermore, as the Company continues to expand its customers, platforms, offerings and user base, it may become subject to additional privacy-related laws and regulations. Additionally, the Company has incurred, and may continue to incur, significant expenses in an effort to comply with privacy, data protection and information security standards and protocols imposed by law, regulation, industry standards or contractual obligations.

Despite the Company's efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that its practices, offerings or platforms could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. the Company's failure, or the failure by its third-party providers or partners, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection or information security, or any compromise of security that results in unauthorized access to, or use or release of personally identifiable information or other driver or rider data, or the perception that any of the foregoing types of failure or compromise has occurred, could damage the Company's reputation, discourage new and existing drivers and riders from using the Company Apps or result in fines or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect the Company's business, financial condition and results of operations.

*Fraud*

The Company may incur losses from various types of fraud, including use of stolen or fraudulent credit card data, claims of unauthorized payments by a rider or customer, attempted payments by riders or customers with insufficient funds and fraud committed by riders or restaurants in concert with drivers. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person's identity, account information or payment information and unauthorized acquisition or use of credit or debit card details, bank account information and mobile phone numbers and accounts. Under current credit card practices, the Company may be liable for rides and food delivery services facilitated on its platforms with fraudulent credit card data, even if the associated financial institution approved the credit card transaction. The Company's failure to adequately detect or prevent fraudulent transactions could harm its reputation or brand, result in litigation or regulatory action and lead to expenses that could adversely affect its business, financial condition and results of operations. If the Company is unable to adequately anticipate and address misuse either through increased controls, platform solutions or other means, its partner relationships, business, financial condition and results of operations could be adversely affected.

*Illegal, improper and inappropriate activity of users*

Illegal, improper or otherwise inappropriate activities by users, including the activities of individuals who may have previously engaged with, but are not then receiving or providing services offered through, the Company's Apps or individuals who are intentionally impersonating users of its Apps could adversely affect the Company's brand, business, financial condition and results of operations. These activities may include assault, theft, unauthorized use of credit and debit cards or bank accounts, sharing of rider, restaurant or other accounts and other misconduct. While the Company has implemented various measures intended to anticipate, identify and address the risk of these types of activities, these measures may not adequately address or prevent all illegal, improper or otherwise inappropriate activity by these parties from occurring in connection with the Company's offerings. Such conduct could expose the Company to liability or adversely affect its brand or reputation. At the same time, if the measures the Company has taken to guard against these illegal, improper or otherwise inappropriate activities, or if the Company is unable to implement and communicate measures fairly and transparently or is perceived to have failed to do so, the growth and retention of the number of drivers, riders, customers and restaurants on the Company's platforms and their utilization of the Company Apps could be negatively impacted. Furthermore, any negative publicity related to the foregoing, whether such incident occurred on the Company Apps or on a competitors' platforms, could adversely affect the Company's reputation and brand or public perception which could potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could harm the Company's business, financial condition and results of operations.

*Unexpected events*

A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood or significant power outage, could disrupt the Company's operations, mobile networks, the Internet or the operations of its third-party technology providers. In addition, any unforeseen public health crises, such as epidemics, political crises, such as terrorist attacks, war and other political instability, or other catastrophic events could adversely affect the Company's operations or the economy as a whole. The impact of any natural disaster, act of terrorism or other disruption to the Company or its third-party providers' abilities could result in decreased demand for the Company's offerings or a delay in the provision of its offerings, which could adversely affect the Company's business, financial condition and results of operations. Moreover, the aforementioned risks may increase if the Company expands to areas prone to natural disasters, significant political and economic instability or characterized by poorly developed infrastructure, which further complicates the task of accurately assessing these risks. All of the aforementioned risks may be further increased if the Company's disaster recovery plans prove to be inadequate. The Company's business and results of operations are also subject to global economic conditions, including any resulting effect on spending by the Company or its riders. If general economic conditions deteriorate in markets where the Company operates, discretionary spending may decline and demand for ridesharing may be reduced. An economic downturn resulting in a prolonged recessionary period may have a further adverse effect on the Company's revenue.

*Internet and mobile devices*

The Company's business depends on users' access to the Company Apps via a mobile device and the Internet. The Company may operate in jurisdictions that provide limited Internet connectivity, particularly as it expands internationally. Internet access and access to a mobile device are frequently provided by companies with significant market power that could take actions that degrade, disrupt or increase the cost of users' ability to access the Company Apps. In addition, the Internet infrastructure that the Company and users of its platforms rely on in any particular geographic area may be unable to support the demands placed upon it. Any such failure in Internet or mobile device accessibility, even for a short period of time, could adversely affect the Company's results of operations. Moreover, the Company is subject to a number of laws and regulations specifically governing the Internet and mobile devices that are constantly evolving. Existing and future laws and regulations, or changes thereto, may impede the growth and availability of the Internet and online offerings, require the Company to change its business practices or raise compliance costs or other costs of doing business. These laws and regulations, which continue to evolve, cover taxation, privacy and data protection, pricing, copyrights, distribution, mobile and other communications, advertising practices, consumer protections, the provision of online payment services, unencumbered Internet access to the Company's offerings and the characteristics and quality of online offerings, among other things. Any failure, or perceived failure, by the Company to comply with any of these laws or regulations could result in damage to its reputation and brand, a loss in business and proceedings or actions against the Company by governmental entities or others, which could adversely impact its results of operations.

*Mobile operating systems and application marketplaces*

The Company depends in part on mobile operating systems, such as Android and iOS, and their respective application marketplaces to make the Company Apps available to drivers, riders, customers and restaurants. Any changes in such systems and application marketplaces that degrade the functionality of the Company's apps or give preferential treatment to its competitors' apps could adversely affect the Company Apps's usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit the Company from making the Company Apps available to drivers, riders, customers and restaurants, make changes that degrade the functionality of the Company Apps, increase the cost of using the Company Apps, impose terms of use unsatisfactory to the Company or modify their search or ratings algorithms in ways that are detrimental to the Company, or if the Company's competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of the Company Apps, overall growth in the Company's driver, rider, customer and restaurant base could slow. The Company App has experienced fluctuations in number of downloads in the past, and it is anticipated that there is a possibility of similar fluctuations occurring in the future. Any of the foregoing risks could adversely affect the Company's business, financial condition and results of operations.

Additionally, the Company needs to ensure that the Company Apps are designed to work effectively with a range of mobile technologies, systems, networks and standards. The Company may not be successful in developing or maintaining relationships with key participants in the mobile industry that enhance drivers', riders', customers' and restaurants' experience. If users of the Company Apps encounter any difficulty accessing or using them on their mobile devices or if the Company is unable to adapt to changes in popular mobile operating systems, the Company's business, financial condition and results of operations could be adversely affected.

*Actual or perceived security or privacy breaches*

The Company's business, including some of its products such as the TraceSCAN device, involves the collection, storage, processing and transmission of its users' personal data and other sensitive data. An increasing number of organizations, including large online and off-line merchants and businesses, other large Internet companies, financial institutions and government institutions, have disclosed breaches of their information security systems and other information security incidents, some of which have involved sophisticated and highly targeted attacks. Because techniques used to obtain unauthorized access to or to sabotage information systems change frequently and may not be known until launched against the Company, the Company may be unable to anticipate or prevent these attacks. Unauthorized parties may in the future gain access, to the Company's systems, facilities or products through various means, including gaining unauthorized access into its systems, facilities or products or those of its service providers, partners or users on its platform, or attempting to fraudulently induce the Company's employees, service providers, partners, users or others into disclosing rider or customer names, passwords, payment card information, sensitive information or personal data. Such information may also be used to access the Company's information technology systems, or attempt to fraudulently induce the Company's employees, partners or others into manipulating payment information, resulting in the fraudulent transfer of funds to criminal actors. In addition, users on the Company Apps could have vulnerabilities on their own mobile devices that are entirely unrelated to the Company's systems and platform, but could mistakenly attribute their own vulnerabilities to the Company. Furthermore, breaches experienced by other companies may also be leveraged against the Company. Certain efforts may be state-sponsored or supported by other significant interests (including, among other things, major capital market participants) with substantial financial and technological resources, making them even more difficult to detect.

Although the Company has developed systems and processes that are designed to protect its users' data, prevent data loss and prevent other security breaches, these security measures cannot fully exclude the possibility of such breaches happening. The Company's information technology and infrastructure may be vulnerable to cyberattacks or security breaches, and third parties may be able to access the Company's users' personal information and limited payment card data that is accessible through those systems. Employee error, malfeasance or other errors in the storage, use or transmission of personal information could result in an actual or perceived privacy or security breach or other security incident of payment card data or other personal information.

Any actual or perceived breach of privacy or security could interrupt the Company's operations, result in the Company Apps being unavailable, result in loss or improper disclosure of data or personal information, result in fraudulent transfer of funds, harm the Company's reputation and brand, damage its relationships with third-party partners, result in significant legal, regulatory and financial exposure and lead to loss of driver, rider, customer or restaurant confidence in, or decreased use of the Company Apps, any of which could adversely affect its business, financial condition and results of operations. Furthermore, any cyberattacks or security and privacy breaches directed at the Company's competitors could reduce confidence in the industries or market segments in which the Company operates and, as a result, reduce confidence in the Company.

Additionally, defending against claims or litigation based on any security breach or incident, regardless of their merit, could be costly and divert management's attention. The Company cannot be certain that its insurance coverage will be adequate for data handling or data security liabilities actually incurred, that insurance will continue to be available to it on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or the occurrence of changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on the Company's reputation, brand, business, financial condition and results of operations.

*Undetected errors*

The Company Apps and products, including the TraceSCAN device, comprise of complex systems composed of many interoperating components and incorporate software that is highly complex. The Company's business is dependent upon its ability to prevent system interruption on its platforms and products.

The Company's software, including open-source software that is incorporated into its code, may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors in its software code may only be discovered after the code has been released. Bugs in the Company's software, third-party software including open-source software that is incorporated into the Company's code, misconfigurations of its systems, and unintended interactions between systems could result in the Company's failure to comply with certain provincial, federal, state, or foreign reporting obligations, or could cause downtime that would impact the availability of its service to platform users or the proper functionality of its products. Any errors, bugs, or vulnerabilities discovered in the Company's code or systems after release could result in an interruption in the availability of its platform or the proper functionality of its products, which could result in negative publicity and unfavorable media coverage, damage to the Company's reputation, loss of platform users, loss of revenue or liability for damages, regulatory inquiries, or other proceedings, any of which could adversely affect its business and financial results.

*Computer malware, viruses, spamming and phishing attacks*

The Company relies heavily on information technology systems across its operations. The Company's information technology systems, including mobile and online platforms and mobile payment systems, administrative functions such as human resources, payroll, accounting, and internal and external communications, and the information technology systems of the Company's third-party business partners and service providers contain proprietary or confidential information related to business and sensitive personal data, including personally identifiable information, entrusted to the Company by platform users, employees, and job candidates. Computer malware, viruses, spamming, and phishing attacks have become more prevalent in the Company's industry and may occur on its systems in the future. Various other factors may also cause system failures, including power outages, catastrophic events, inadequate or ineffective redundancy, issues with upgrading or creating new systems or platforms, flaws in third-party software or services, errors by its employees or third-party service providers, or breaches in the security of these systems or platforms. For example, third parties may attempt to fraudulently induce employees or platform users to disclose information to gain access to the Company's data or the data of platform users. If the Company's incident response, disaster recovery, and business continuity plans do not resolve these issues in an effective manner, they could result in adverse impacts to its business operations and its financial results. Although the Company has developed systems and processes that are designed to protect its data and that of platform users, and to prevent data loss, undesirable activities on its platform, and security breaches, the Company cannot provide assurance that such measures will provide absolute security. The Company's efforts on this front may be unsuccessful as a result of, for example, software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance; government surveillance; or other threats that evolve, and the Company may incur significant costs in protecting against or remediating cyber-attacks. Any actual or perceived failure to maintain the performance, reliability, security, and availability of its products, offerings, and technical infrastructure to the satisfaction of platform users and certain regulators would likely harm the Company's reputation and result in loss of revenue from the adverse impact to its reputation and brand, disruption to its business, and its decreased ability to attract and retain drivers, riders, customers and restaurants.

*Third-party payment processors*

The Company relies on third-party payment processors to process payments made by its customers and payments made on the Company Apps. If any of the Company's third-party payment processors terminates its relationship with the Company or refuses to renew its agreement with the Company on commercially reasonable terms, the Company would need to find an alternate payment processor, and may not be able to secure similar terms or replace such payment processor in an acceptable timeframe. Furthermore, the software and services provided by the Company's third-party payment processors may not meet its expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause the Company to lose its ability to accept online payments or other payment transactions or make timely payments to drivers on the Company Apps, any of which could make its platforms less convenient and attractive to users and adversely affect the Company's ability to attract and retain drivers, riders, customers and restaurants.

The Company accepts a significant amount of payments by credit card, which subjects the Company to certain regulations and to the risk of fraud. The Company may in the future offer new payment options to riders that may be subject to additional regulations and risks. The Company is also subject to a number of other laws and regulations relating to the payments it accepts from riders and other customers, including with respect to money laundering, money transfers, privacy and information security. If the Company fails to comply with applicable rules and regulations, it may be subject to civil or criminal penalties, fines or higher transaction fees and may lose its ability to accept online payments or other payment card transactions, which could make the Company's offerings less convenient and attractive to riders and other customers. If any of these events were to occur, the Company's business, financial condition and results of operations could be adversely affected.

The Company could be subject to laws, rules and regulations related to the provision of payments and financial services, and if the Company expands into new jurisdictions, the foreign regulations and regulators governing its business that it is subject to will expand as well. If the Company is found to be a money transmitter under any applicable regulation and it is not in compliance with such regulations, it may be subject to fines or other penalties in one or more jurisdictions levied by federal or state or local regulators, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, forfeiture of significant assets or other enforcement actions. The Company could also be required to make changes to its business practices or compliance programs as a result of regulatory scrutiny.

Additionally, the Company's payment processors require it to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit the Company from providing certain offerings to some users, be costly to implement or difficult to follow. Any of the foregoing risks could adversely affect the Company's business, financial condition and results of operations.

*Claims of infringement of proprietary technology or other intellectual property*

Companies in the Internet and technology industries are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. In addition, certain companies and rights holders seek to enforce and monetize patents or other intellectual property rights they own, have purchased or otherwise obtained. As the Company gains a public profile and the number of competitors in the Company's market increases, the possibility of intellectual property rights claims against the Company grows. From time to time third parties may assert claims of infringement of intellectual property rights against the Company. The Company's competitors and others may now and in the future have significantly larger and more mature patent portfolios. In addition, future litigation may involve patent holding companies or other adverse patent owners who have no relevant product or service revenue and against whom the Company's own intellectual property may therefore provide little or no deterrence or protection. Many potential litigants, including competitors and patent-holding companies, have the ability to dedicate substantial resources to assert their intellectual property rights. Any claim of infringement by a third party, even those without merit, could cause the Company to incur substantial costs defending against the claim, could distract the Company's management from its business and could require the Company to cease use of such intellectual property. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, the Company risks compromising its confidential information during this type of litigation. The Company may be required to pay substantial damages, royalties or other fees in connection with a claimant securing a judgment against it. The Company may be subject to an injunction or other restrictions that prevent it from using or distributing its intellectual property, or the Company may agree to a settlement that prevents it from distributing its offerings or a portion thereof, which could adversely affect its business, financial condition and results of operations.

With respect to any intellectual property rights claim, the Company may have to seek out a license to continue operations found to be in violation of such rights, which may not be available on favorable or commercially reasonable terms and may significantly increase its operating expenses. Some licenses may be non-exclusive, and therefore the Company competitors may have access to the same technology licensed to the Company. If a third party does not offer the Company a license to its intellectual property on reasonable terms, or at all, the Company may be required to develop alternative, non-infringing technology, which could require significant time (during which the Company would be unable to continue to offer its affected offerings), effort and expense and may ultimately not be successful. Any of these events could adversely affect the Company's business, financial condition and results of operations.

*Failure to protect or enforce intellectual property rights*

The Company's success is dependent in part upon protecting its intellectual property rights and technology (such as code, information, data, processes and other forms of information, knowhow and technology). The Company relies on a combination of contractual restrictions and industry standard practices to establish and protect its intellectual property. However, steps the Company may take to protect its intellectual property in the future may not be sufficient or effective. Even if the Company does detect violations, it may need to engage in litigation to enforce its rights. Any enforcement efforts which the Company undertakes, including litigation, could be time-consuming and expensive and could divert management attention. It may still be possible for competitors and other unauthorized third parties to use the Company information to create or enhance competing solutions and services, which could adversely affect the Company's position in its rapidly evolving and highly competitive industry. The Company enters into confidentiality agreements with its employees, consultants, third-party providers and strategic partners. However, these agreements do not prevent the Company's competitors from independently developing technologies that are substantially equivalent or superior to its offerings or eliciting information about the Company's developments and offerings directly from the Company's website or otherwise made public by the Company, with the goal of adopting or recreating similar developments and offerings. Additionally, remedies in the event of a breach by counterparties may not offer any adequate remedies to the Company.

The Company may be required to spend significant resources in order to monitor and protect its intellectual property rights, and some violations may be difficult or impossible to detect. Litigation to protect and enforce the Company's intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of its intellectual property. The Company's efforts to enforce its intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. The Company's inability to protect its proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of its management's attention and resources, could impair the functionality of its platform, delay introductions of enhancements to its platform, result in it substituting inferior or more costly technologies into its platforms or harm its reputation or brand. In addition, the Company may be required to license additional technology from third parties to develop and market new offerings or platform features, which may not be on commercially reasonable terms or at all and could adversely affect the Company's ability to compete.

*Safety incidents*

The Company is not able to control or predict the actions of drivers, riders, and third parties, either during their use of the Company Apps or otherwise, and the Company may be unable to protect or provide a safe environment for drivers and riders as a result of certain actions by drivers, riders and third parties. Such actions may result in injuries, property damage, or loss of life for drivers, riders and third parties, or business interruption, brand and reputational damage, or significant liabilities for the Company. Although the Company does administer certain qualification processes for users of the Company Apps, including vehicle safety inspection, driver background checks and driving record checks administered through third-party service providers as well as driver training upon onboarding the platform, these qualification processes and background checks may not expose all potentially relevant information and are limited in certain jurisdictions according to national and local laws, and the Company's third-party service providers may fail to conduct such background checks adequately or disclose information that could be relevant to a determination of eligibility. In addition, the Company does not independently test drivers' driving skills or the condition of vehicles intended for use on the Company platform. If drivers, or individuals impersonating drivers, engage in criminal activity, misconduct, or inappropriate conduct or use the Company's platforms as a conduit for criminal activity, consumers may not consider the Company's products and offerings safe, and the Company may receive negative press coverage as a result of its business relationship with such driver, which would adversely impact its brand, reputation, and business. There have been numerous incidents and allegations worldwide of individuals on other TaaS platforms impersonating drivers and sexually assaulting, abusing, and kidnapping consumers, or otherwise engaging in criminal activity. Furthermore, if consumers engage in criminal activity or misconduct while using the Company Apps, drivers may be unwilling to continue using the platform. If other criminal, inappropriate, or other negative incidents occur due to the conduct of platform users or third parties, the Company's ability to attract platform users may be harmed, and its business and financial results could be adversely affected.

Public reporting or disclosure of reported safety information, including information about safety incidents reportedly occurring on or related to the Company Apps, whether generated by it or third parties such as media or regulators, may adversely impact the Company's business and financial results. Furthermore, the Company may be subject to claims of significant liability based on traffic accidents, deaths, injuries, or other incidents that are caused by drivers, consumers, or third parties while using its platform, or even when drivers, consumers, or third parties are not actively using its platform. On a smaller scale, the Company may face litigation related to claims by drivers for the actions of consumers or third parties. The Company's auto liability and general liability insurance policies may not cover all potential claims to which it is exposed, and may not be adequate to indemnify the Company for all liability. These incidents may subject the Company to liability and negative publicity, which would increase the Company's operating costs and adversely affect its business, operating results, and future prospects. Even if these claims do not result in liability, the Company will incur significant costs in investigating and defending against them. As the Company expands its products and offerings, this insurance risk will grow.

*Drivers' licensing requirements*

Many drivers currently are not required to obtain a commercial taxi or livery license in their respective jurisdictions. Local regulations requiring the licensing of the Company or drivers may adversely affect the Company's ability to scale its business and operations. In addition, it is possible that various jurisdictions could impose caps on the number of licensed drivers or vehicles with whom the Company may partner or impose limitations on the maximum number of hours a driver may work. If the Company or drivers become subject to such caps, limitations, or licensing requirements, its business and growth prospects would be adversely impacted.

*Insurance coverage*

The Company uses a combination of third-party insurance and self-insurance mechanisms. As both the ridesharing and tech-based delivery industry expands, insurance companies are becoming more mature in their offerings for operators. In many cases, depending on which geographical market is targeted, several insurance providers must be used. Insurance related to the Comoany's ridesharing and food delivery services and offerings may include third-party automobile, automobile comprehensive and collision, physical damage, and uninsured and underinsured motorist coverage. The Company relies on a limited number of insurance providers, particularly internationally, and should such providers discontinue or increase the cost of coverage, the Company cannot guarantee that it would be able to secure replacement coverage on reasonable terms or at all. In addition to insurance related to its products, the Company maintains other automobile insurance coverage for owned vehicles and employee activity, as well as insurance coverage for non-automotive corporate risks including general liability, workers' compensation, property, cyber liability, and director and officers' liability. The Company requires drivers to maintain personal insurance for vehicles used on the Company's platform. If the Company's insurance carriers change the terms of its policies in a manner not favorable to the Company or drivers, its insurance costs could increase. Furthermore, if the insurance coverage the Company maintains is not adequate to cover losses that occur, it could be liable for significant additional costs.

The Company may be subject to claims of significant liability based on traffic accidents, injuries, or other incidents that are claimed to have been caused by drivers who use our Steer EV subscription services, the Company Apps, even when those drivers are not actively using the Company Apps or when an individual impersonates a driver. As the Company expands to include more offerings on its platform, its insurance needs will likely extend to those additional offerings. As a result, its automobile liability and general liability insurance policies may not cover all potential claims related to traffic accidents, injuries, or other incidents that are claimed to have been caused by drivers who use the Company Apps, and may not be adequate to indemnify the Company for all liability that it could face. Even if these claims do not result in liability, the Company could incur significant costs investigating and defending against them. If the Company is subject to claims of liability relating to the acts of drivers or others using its platform, it may be subject to negative publicity and incur additional expenses, which could harm its business, financial condition, and operating results.

In addition, the Company is subject to local laws, rules, regulations and contractual obligations relating to insurance coverage which could result in proceedings or actions against the Company by governmental entities or others. Legislation has been proposed in jurisdictions that seeks to codify or change insurance requirements with respect to ridesharing and other the Company services. Any failure, or perceived failure, by the Company to comply with local laws, rules, and regulations or contractual obligations relating to insurance coverage could result in proceedings or actions against the Company by governmental entities or others. These lawsuits, proceedings, or actions may subject the Company to significant penalties and negative publicity, require it to increase its insurance coverage, require it to amend its insurance policy disclosure, increase its costs, and disrupt its business.

*Changes in accounting principles*

The accounting for the Company's business is complicated, particularly in the area of revenue recognition, and is subject to change based on the development of its business model, interpretations of relevant accounting principles, evolution of industry regulations in the various municipalities the Company operations in or plans to expand into, and changes in agency policies, rules, regulations, and interpretations, of accounting regulations. Changes to the Company's business model and accounting methods could result in changes to its financial statements, including changes in revenue and expenses in any period, or in certain categories of revenue and expenses moving to different periods, may result in materially different financial results, and may require that the Company change how it processes, analyzes, and reports financial information and its financial reporting controls.

*Public company requirements*

As a public company, the Company is required to comply with applicable securities rules and regulations. Complying with these rules and regulations has increased our legal and financial compliance costs, making some activities more difficult, time-consuming, and costly, and increases demands on our systems and resources. Applicable securities laws require, among other things, that we file annual, quarterly, and other filings and reports with respect to our business and operating results.

By disclosing information filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If those claims are successful, our business could be seriously harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management's resources and seriously harm our business.

As a public company, the Company may be subject to shareholder activism, which can lead to additional substantial costs, distract management and impact the manner in which the Company operates its business in ways it cannot currently anticipate. Many members of the Company's management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. The Company's management team may not successfully or efficiently manage the requirements of being a public company that is subject to significant regulatory oversight and reporting obligations under securities laws and the continuous scrutiny of securities analysts and investors. These obligations and constituents require significant attention from the Company's senior management and could divert their attention away from the day-to-day management of the Company's business, which could adversely affect its business, financial condition and results of operations.

*Dividends*

The Company currently intends to retain any future earnings to finance the operation and expansion of its business, and does not expect to declare or pay any cash dividends in the foreseeable future. As a result, investors may only receive a return on their investment if the market price of the Company's Shares increases.

*Securities or Industry Analysts*

The trading market for the Company's Shares may be influenced in part by the research and reports that securities or industry analysts may publish about the Company, its business, its market, or its competitors. If one or more of the analysts initiate research coverage with an unfavorable rating or downgrade of the Company's Shares, provide more favorable recommendations about its competitors, or publish inaccurate or unfavorable research about its business, the Company's Share price may decline. If any analyst who may cover the Company were to cease coverage of it or fail to regularly publish reports on it, it could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of the Company's Shares to decline.

*Volatility of Facedrive Shares*

The market price of Facedrive Shares may fluctuate or decline significantly in response to numerous factors, many of which are beyond its control. In addition, price and volume fluctuations in the stock markets have affected and continue to affect many technology companies' stock prices. Often, their stock prices have fluctuated in ways unrelated or disproportionate to the companies' operating performance. This can include periods of pricing and/or valuation in the secondary-market that may not be strongly supported by the fundamentals of the underlying business. When secondary-market trading prices are too optimistic, this can impair a business's ability to complete certain prospective share-based acquisition projects because the counterparty is not confident in a meritorious valuation regarding the consideration being offered. This can stifle potential growth by acquisition or cause demands for overpayment. Similarly, the ability to attract, retain and incentivize key executives is affected when remuneration tools such as stock options become less effective when the value of the underlying securities experience significant valuation fluctuations that may not be strongly correlated with the fundamentals of the underlying business. In addition, companies that have experienced significant price volatility in their securities have become the subject of securities class action litigation following periods of market volatility to the downside. If the Company were to become involved in securities litigation, it could subject it to substantial costs, divert resources and the attention of management from its business, and seriously harm its business. In addition, the occurrence of any of the factors listed above, among others, may cause its Share price to decline significantly, and there can be no assurance that its Share price would recover.

*Sales by existing shareholders*

A significant number of Shares held by directors and officers of the Company, as well as third parties, are currently subject to contractual lock-up. Sales, directly or indirectly, of a substantial number of Shares, or the public perception that these sales might occur, could depress the market price of the Shares and could also impair the Company's ability to raise capital through the sale of additional equity securities. The Company may additionally issue Shares in connection with a financing, acquisition, investments, equity compensation awards or otherwise. This and any other such issuance, including the issuance of additional Shares upon exercise or settlement of equity compensation awards, could result in substantial dilution to existing holders of Shares and cause the trading price of Shares to decline.

*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 and Q3 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** 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). On November 29, 2021, 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. Concurrent with filing of this Restated MD&A, the Company also restated its Q3 2021 Financial Statements (which, in addition to this MD&A are, the "**Refilings**") to reflect offsetting certain amounts against its revenue throughout 2021, resulting in downwards adjustments for the Company's sales and marketing expenses, but no changes to the Company's balance sheets, reported net earnings or losses. The Refilings are not a result of, and did not result in, any changes to the Company's business, operations or capital. For more information, see the Company's press releases dated November 29, 2021, February 10, 2022 and February 28, 2022. The applicable 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).

**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 4 of the Company's audited consolidated financial statements for the year ended December 31, 2021.

**CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies that have been initially adopted or will be adopted subsequent to the most recently completed period are discussed in Notes 5 of the Company's audited consolidated financial statements for the year ended December 31, 2021.

The Company has enhanced the disclosure of the descriptions on reclassification 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.

**SUBSEQUENT EVENTS**

**Tally Update**

On April 22, 2022, the Company entered into an amended agreement with Tally whereby it would be able to retain 1,935,618 shares of Tally's Series Seed Preferred Stock, which have a deemed original issue price of $0.6875, as well as warrants to purchase 250,000 common shares of Tally at $0.01 per share. For more information see "*Investment in Tally Technology Group Inc.*"

**Name Change to STEER**

On April 20, 2022, the Company announced its plans for a corporate name change to "STEER Technologies Inc."

including a restyling of most offerings to “STEER”, a brand that the Company acquired from a wholly-owned subsidiary of Exelon Corporation in September of 2020. The rebranding will include a stylized “E” (from the word “STEER”) as the Company’s logo, emphasizing the Company’s ESG (Environmental, Social and Governance) DNA and values. The Company feels the new name and logo better encapsulate the entirety of its value proposition as an integrated ESG technology platform offering on-demand and subscription-based mobility services aimed at bringing people together, through conscientious commerce, and moving the world forward.

**Private Placements**

*Second Private Placement*

On April 8, 2022, the Company completed a second Private Placement of 29,661,016 units on a non-brokered basis at a subscription price of $0.59 per unit, for aggregate gross proceeds to the Company of $17.5 million. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional share at a price of $0.73 each for a period of 36 months from the date of issuance, subject to customary adjustment provisions. Subscribers included Sayan Navaratnam, thereby making this transaction a “Related Party Transaction” within the meaning intended by MI 61-101 (for more information, please review our Material Change Report of April 18, 2022). No new insiders or control persons were created in connection with the closing of the Private Placement. The Company intends to use the net proceeds from the issuance of the aforementioned units for general business development activities and general working capital purposes.

*Initial Private Placement*

On March 1, 2022, the Company completed the Private Placement of 7,343,750 units on a non-brokered basis at a subscription price of $0.64 per unit, for aggregate gross proceeds to the Company of $4,700,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional share at a price of $0.80 each for a period of 36 months from the date of issuance, subject to customary adjustment provisions. All subscriptions came from directors of the Company and is, therefore, a “Related Party Transaction” within the meaning intended by MI 61-101 (for more information, please review our Material Change Report of March 3, 2022). No additional insiders or related parties of the Company participated in the Private Placement and no new insiders or control persons were created in connection with the closing of the Private Placement. The Company intends to use the net proceeds from the issuance of the Units for general business development activities and general working capital purposes.

**Ontario Together Fund**

On February 11, 2021, the Company entered into agreement (“**OTF Agreement**”) with respect to a grant of up to $2,500,000 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 with the remaining $1,000,000 (“**Remaining Tranche**”) being subject to the Company taking delivery of 160,000 units and an audit of the costs incurred by July 5, 2021 ("**Project Completion Date**”). The Company has completed the required audit and has submitted its final request, in accordance with the OTF Agreement, for funding of the Remaining Tranche. Due to universal chipset shortages and other international supply chain issues impacting the global economy, the Company’s supplier was delayed in delivering the hardware to the Company for approximately 46,000 out of the 160,000 TraceSCAN units by the Project Completion Date. As a result, the Company ended up taking delivery of the Remaining Units in tranches over the next few months, culminating in final receipt in November 2021. Given that some of the units were received after the Project Completion Date, the Company has been, since late Q1 2022, in active discussions with the government to settle on a final amount of the Remaining Tranche that it can receive. Otherwise, the Company feels it is in material compliance with all other aspects of the OTF Agreement.

**Corrective Disclosure**

In December of 2021, the Company retained an independent national accounting firm to advise on an internal review of Foods’ 2021 sales and marketing expenses with a view to bringing the Company further in line with evolving industry application of accounting standards and practices. This internal review was concurrent with an ongoing Continuous Disclosure Review involving staff of the Corporate Finance Branch of the Ontario Securities Commission ("**OSC**"). Among other things, the Company's review focused on whether periodic promotions to customers already on its platform – a common practice in the industry – could be treated as an expense or whether, alternatively, they should be recorded as an offset against revenue. The review found that, while some existing reporting standards used by the Company's peers remain less than clear (particularly as some new-age Fintech industries wrestle with IFRS-15), it was most appropriate for the Company to deduct the Offset Amount (defined below) against both revenues and expenses throughout 2021 and progress the Company's accounting processes, controls and data systems with these practices going forward, which it has done. The review also concluded that no similar action was required for any prior reporting period, when the Company's Foods platform remained in nascent stages of its growth. The review came on the heels of large well-known industry incumbents also reviewing and revising their revenue recognition policies within the last year, reflecting an industry-wide movement towards clarifying and refining how conventional accounting and IFRS-15 standards apply to modern gig-economy based technology platforms, particularly in the delivery and logistics space.

As a result, the Company filed amended and restated Q3 2021 Financial Statements and MD&A (the "**Refilings**"). In summary as to the Refilings, the Company offset the following amounts against its revenue throughout 2021: $771,882 in Q1 2021, resulting in revised downwards adjustments for the Company's sales and marketing expenses and its revenue such that total net revenues for the quarter was $2,772,834; $1,005,977 in Q2 2021, resulting in revised downwards adjustments for the Company's sales and marketing expenses and its revenue such that total net revenues for the quarter was $4,521,548; and $559,211 in Q3 2021, resulting in revised downwards adjustments for the Company's sales and marketing expenses and its revenue such that total net revenues for the quarter was $7,811,810. The cumulative result of these revisions is that an aggregate of $2,337,070 has been netted off of revenue ("**Offset Amount**") for the first 3 quarters of 2021 and the Company's reported expenses have also been reduced by the exact same amount. Accordingly, the Company's reclassification of certain sales and marketing expenses in 2021 did not result in any changes to its balance sheets, reported net earnings or losses, and the reclassification was not a result of, and did not result in, any changes to its business, operations or capital.

For more information, see the Company's press release and amended and refiled financial statements of February 28, 2022, which are available on SEDAR (www.sedar.com) and also through the OSC's Refilings and Errors List webpage (www.osc.ca/en/industry/refilings-and-errors-list).

**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".